

San José Clean Energy

PHASE I RATES AND ENERGY SUPPLY CONTRACTS

**June 12, 2018
Item 7.1**

Energy Supply Contracts

- Launch Phase 1 with:
 - 40% renewable and 100% carbon-free.
 - PG&E is 33% renewable and almost 70% carbon-free.
- Contract value: not exceed \$3.0 Million dollars in aggregate.
- Term: September 2018 – January 2019.

WSPP Agreement

- Western Systems Power Pool (“WSPP”) form Agreement.
 - approved by the Federal Energy Regulatory Commission (“FERC”) and used by hundreds of market participants.
 - Requesting the authority to:
 - negotiate and execute the agreements;
 - modify the agreements in consultation with the City Attorney whenever the parties deem it beneficial for the City.

Expected Total Contract Cost

SJCE Power Supply Mix - 100% Carbon Free, 40% Renewable			
Year	Month	Power Supply Cost	Costs per MWh
2018	September	\$ 425,945	\$ 75.87
2018	October	\$ 736,190	\$ 61.04
2018	November	\$ 644,581	\$ 60.04
2018	December	\$ 717,818	\$ 64.61
Total 2018		\$ 2,524,534	\$ 63.88

Estimate includes: energy, renewable and carbon-free content, and resource adequacy

Rates and Financial Projections

Recommend setting rates 1% lower than PG&E's current generation rates.

	FY 18-19	FY 19-20
Electric Sales Revenues, net	\$97,477,123	\$332,961,985
Cost of energy	\$70,361,174	\$277,878,124
Operating expenses	\$14,740,196	\$16,024,336
Debt Service	\$797,584	\$559,025
Reserves contribution	\$11,578,169	\$38,500,500
Outstanding debt	\$30,905,440	\$30,905,440
Cumulative reserves	\$11,578,169	\$50,078,669

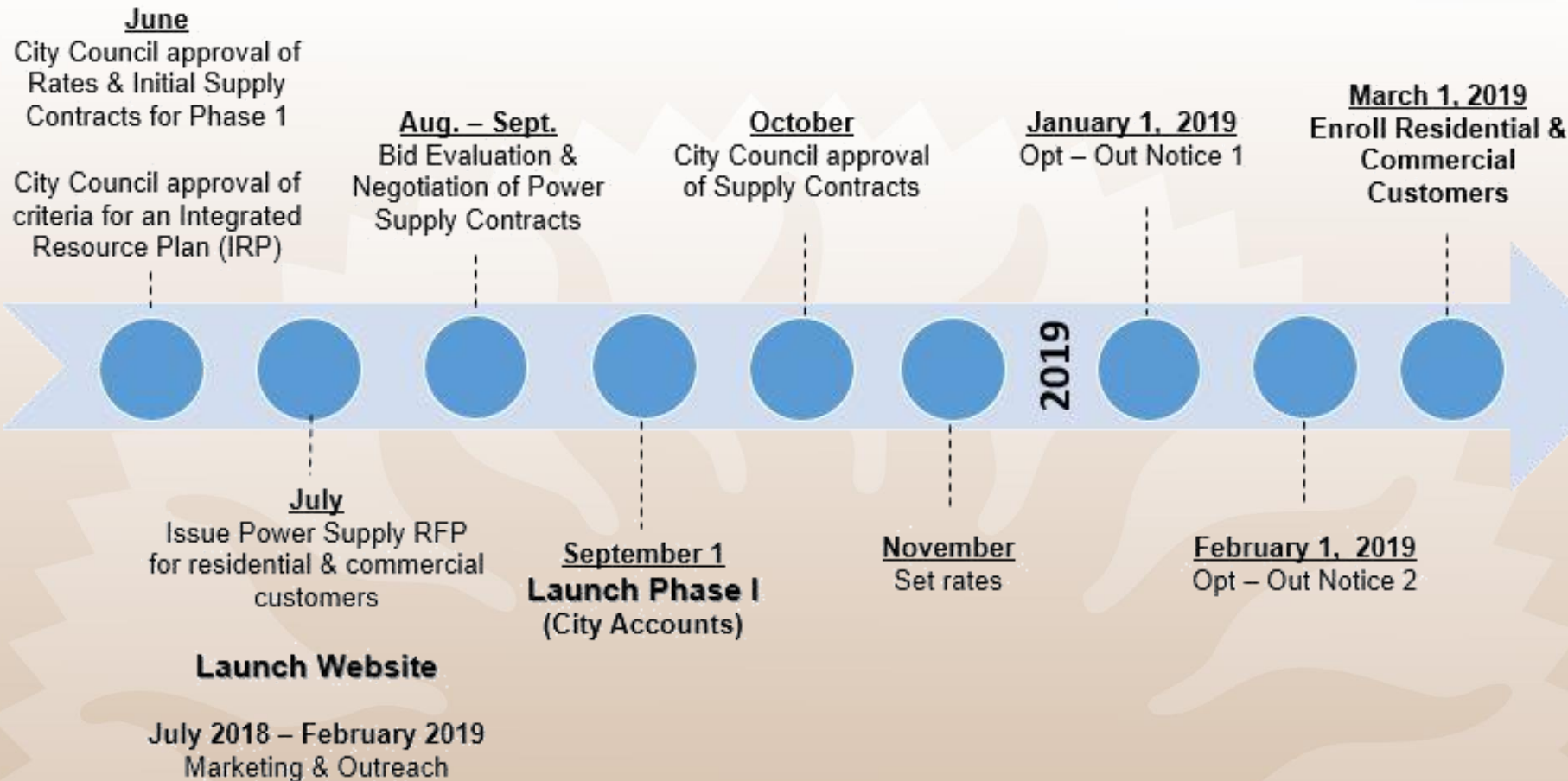
- Allows SJCE to remain competitive, begin to pay down debt, and build an operating reserve by FY 19-20.

Phase 1 Rates: City Accounts

Rate	Rate Class	Billing Determinant Name	SJCE Generation rate	System Fees (est)	Total Rate SJCE + System Fees	PG&E 2018 Rate	Unit
A1	Small Commercial	Summer kWh	0.09916	0.02528	0.12444	0.1257	kWh
A1	Small Commercial	Winter kWh	0.06034	0.02528	0.08562	0.08648	kWh
A1	Small Commercial TOU	Off-Peak Summer kWh	0.06267	0.02528	0.08795	0.08884	kWh
A1	Small Commercial TOU	Off-Peak Winter kWh	0.06885	0.02528	0.09413	0.09508	kWh
A1	Small Commercial TOU	Part-Peak Summer kWh	0.08975	0.02528	0.11503	0.11619	kWh
A1	Small Commercial TOU	Part-Peak Winter kWh	0.08956	0.02528	0.11484	0.1160	kWh
A1	Small Commercial TOU	Peak Summer kWh	0.11316	0.02528	0.13844	0.13984	kWh

- Total rate includes exit fees and is 1% lower than current PG&E rates

Timeline



New Logo



Website launch in July 2018

Questions