

October 13, 2020

NOTICE OF SAN JOSÉ CLEAN ENERGY PROPOSED RATE INCREASE PURSUANT TO SAN JOSE MUNICIPAL CODE, SECTION 26.40.020

Dear San José Clean Energy customer,

You are receiving this notice of a proposed rate increase pursuant to section 26.40.020 of the City of San José's Municipal Code. According to our records, you are currently enrolled as a customer of San José Clean Energy (SJCE) at the time of printing. If you opted out of SJCE service, please disregard this notice.

SJCE is your local electricity generation provider, operated by the City of San José and governed by the City Council. SJCE sources electricity for you from clean resources like solar and wind, while Pacific Gas and Electric Company (PG&E) continues to deliver the electricity to you over its poles and wires and bill you.

Proposed Changes to SJCE GreenSource Rates

Since February 2019, generation rates for SJCE's default GreenSource service have been 1% lower than PG&E rates, inclusive of PG&E Power Charge Indifference Adjustment and Franchise Fee Surcharge (PG&E fees), for all customers.

At a public hearing on November 17, 2020, the City Council will consider whether to change the SJCE GreenSource discount to PG&E rates, currently set at 1% below PG&E rates, inclusive of PG&E fees. SJCE staff will recommend that City Council authorizes SJCE to set rates within a range of 1% below to equal to the applicable PG&E rates. **SJCE customers will not pay higher rates than the applicable PG&E rates, inclusive of PG&E fees.**

If City Council approves the SJCE staff recommendation, the first rate change would take effect on or about January 1, 2021, in conjunction with the annual adjustment to PG&E's Power Charge Indifference Adjustment (PCIA) fee. SJCE may adopt subsequent rate changes at future dates, provided that SJCE rates will not exceed the applicable PG&E rates, inclusive of PG&E fees.

What is the Impact of the Proposed Change to SJCE GreenSource Rate?

The City of San José recognizes that these are unprecedented and difficult times. SJCE is proposing to adjust its rate discount to help alleviate a forecasted significant increase in PG&E's PCIA fee for 2021.

The table below shows the average residential bill under the two ends of the proposed range of rate discounts: (1) parity with PG&E rates, and (2) 1% below PG&E rates. Any future rate increase would be comprised within the two ends of this range.

	SJCE GreenSource 40% renewable		PG&E 29% renewable
	0% discount (parity)	maintain 1% discount	
Electric Generation	\$35.33	\$34.83	\$49.71
PG&E Added Fees	\$14.38	\$14.38	\$0
PG&E Electric Delivery	\$64.03	\$64.03	\$64.03
Average Total Cost	\$113.74	\$113.24	\$113.74

*Based on a typical residential usage of 423 kWh under the E-1 rate schedule at current PG&E rates, and SJCE current rates under proposed range of rate discounts.

How to Stay Informed

If you would like to watch and participate in the City Council meeting considering the proposed rate increase, please visit: www.sanjoseca.gov/news-stories/watch-a-meeting.

For more rate information, please visit www.SanJoseCleanEnergy.org/residential-rates or pge.com/cca. For help understanding your bill, please visit www.SanJoseCleanEnergy.org/understanding-your-bill or call 833-432-2454.

Requesting this Notice in Other Formats

In accordance with the Americans with Disabilities Act, this letter can be made available upon request in alternative formats such as braille, large print, audiotape, or computer disk. Requests can be made by calling (408) 535-3500 (voice) or (800) 735-2929 (California Relay System).

Thank you for being an SJCE customer.