YOUR LOCAL PROVIDER OF CLEANER, AFFORDABLE ELECTRICITY SINCE FEBRUARY 2019
HOW COMMUNITY CHOICE WORKS

SOURCE
SJCE
Sourcing and building cleaner energy

GRID
CALIFORNIA
Flowing clean energy into our state’s power supply

DELIVERY
PG&E
Delivering energy, maintaining lines, serving customers

CUSTOMER
YOU
Using cleaner energy, preserving the environment

SAN JOSE
CLEAN ENERGY
WHY IS THIS IMPORTANT?

• Climate change
• We’re already feeling impacts
  • Extreme weather events
  • Heat waves
  • Drought
  • Wildfires
  • Rising sea levels
BENEFITS

• Cleaner electricity
  • Better for our health
  • Fights climate change

• Affordable rates
  • $3M+/year savings community-wide since 2019

• Local control
  • Governed by the City Council
  • Open & transparent
  • Revenue stays in San José

• Future programs
Since 2019, SJCE has contracted for nearly 500 MW of new renewable energy and 10 MW of battery storage.

- 100 MW solar + battery storage in Fresno County
- 162 MW solar + battery storage in Kern County
- 225 MW wind in New Mexico

Several projects will come online by end of this year.
YOUR ENERGY CHOICES
**SJCE SERVICE OPTIONS**

**GreenSource**
- Default
- More renewable energy & competitive with PG&E rates
- Renewable sources:
  - Solar
  - Wind

**TotalGreen**
- Upgrade
- Expand clean energy generation and fight climate change
- ~$5 more per month ($0.01/kWh more)
- Enroll: [SanJoseCleanEnergy.org/totalgreen](http://SanJoseCleanEnergy.org/totalgreen) or (833) 432-2454
OPT OUT → PG&E

• Less renewable and higher rates
• You can go back to PG&E at any time

…and you can also return to SJCE: SanJoseCleanEnergy.org/return

From PG&E’s 2019 Joint Rate Comparison (unaudited)
YOUR ELECTRICITY BILL
YOUR BILL

• Continue to receive one bill, sent by PG&E
• Delivery & generation were bundled together before – now they are separated
• No duplicate charges
 **SJCE SERVICE IS CHEAPER THAN PG&E**

- GreenSource rates are much lower than PG&E – **about 30%**!
- PG&E fees are included to stay competitive
- Our lower rates have added up to over **$3M in savings** each year across our community
- If your bill seems higher, look at your energy usage
SPECIAL RATES & PG&E PROGRAMS

• Discount Programs
  • California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA) & Medical Baseline Allowance
    • You continue to receive your discount
    • Apply & re-enroll through PG&E: pge.com/care

• Electric Vehicles (EVs)
  • Our EV rate plan mirrors PG&E’s

• Still eligible for PG&E rebates & programs
  • E.g., $800 EV rebate
COMMUNITY PROGRAMS
PROGRAM GUIDING PRINCIPLES

1. Reduce greenhouse gas emissions
   • 63% from transportation
   • 31% from buildings (natural gas)
2. Align with Climate Smart San José
3. Promote equity, increase affordability, and support disadvantaged communities
4. Benefit customers and community
5. Maintain or improve the financial stability of SJCE
DOUBLING EV CHARGING STATIONS IN SJ

• $14M for charging stations:
  • Public places
  • Apartments/Condos
  • Workplaces

• At least 25% in disadvantaged & low-income communities

• "CALeVIP" partnership with California Energy Commission

SanJoseCleanEnergy.org/ev
QUESTIONS?

Thank you for your time!
Community Energy Department

SanJoseCleanEnergy.org
info@sanjosecleanenergy.org
(833) 432-2454

@SJCleanEnergy
Be Cautious & Report Suspicious Activity

- SJCE will **not** go door to door
- Be cautious of people coming to your home pretending to represent SJCE, PG&E or other gas/electric companies
- Do not pay your bill over the phone if someone calls you falsely representing PG&E, even if they threaten to turn off your power
- Do not provide personal information
  - Social Security Number
  - PG&E Account Number
  - Bank Account
  - Credit Card
- Call **911** if you feel you are in danger
- Call **311** to report suspicious people/activity
PG&E POWER SHUTOFFS

• All SJCE customers are PG&E customers for electric delivery

• It is important for everyone to prepare for outages lasting 7 days with an emergency kit & plan
  - PG&E’s April 2019 Wildfire Mitigation Plan calls out the risk of cascading blackouts affecting SJ or SF

• Tips & FAQs
  - pge.com/pspss
  - SanJoseCleanEnergy.org/pspss
PROGRAM IDEAS
PROMOTING ELECTRIC VEHICLES

• Discount to buy/lease an electric vehicle
• Voucher to school districts for electric school buses
• Fall 2020: $14M for charging stations
  • Public places
  • Apartments/condos
  • Workplaces
ELECTRIFYING BUILDINGS AND HOMES

• Incentive to heat your water with a Heat Pump
• Incentive to upgrade your electrical panel
ENERGY SOURCES AT YOUR HOME

• Incentives for residential energy storage
• Bill credits for shifting energy usage to specific times of day
FUTURE ENROLLMENTS

- Residents with rooftop solar - Net Energy Metering (NEM)
  - Enrollment in 4 phases in 2020-2021 based on true-up date

<table>
<thead>
<tr>
<th>Enrollment month</th>
<th>True-up months</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>March, April, May</td>
</tr>
<tr>
<td>July</td>
<td>June, July, August</td>
</tr>
<tr>
<td>October</td>
<td>September, October, November</td>
</tr>
<tr>
<td>January</td>
<td>December, January, February</td>
</tr>
</tbody>
</table>

- You’ll receive 4 enrollment postcards in the mail
- We’ll hold informational meetings
REINVESTING IN OUR COMMUNITY

• As a government agency, SJCE reinvests operational surpluses back into the community through lower rates and community programs

• First programs rolled out between 2020 and 2023
CITY RESPONSE TO PG&E POWER SHUTOFFS

• Backup power at critical city facilities
• Large microgrids at new developments
• Group buy program for Solar + Storage
• Support low- and moderate-income residents to purchase solar + storage
## CUSTOMER OWNED UTILITY OVERVIEW

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Investor-owned model (currently PG&amp;E)</th>
<th>Customer-owned model (proposed; would cover whole territory, electric and gas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Shareholders or investors</td>
<td>Ratepayers</td>
</tr>
<tr>
<td>Structure</td>
<td>Private, for-profit</td>
<td>Private, non-profit, mutual benefit corporation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not a government agency nor attached to a particular public agency</td>
</tr>
<tr>
<td>Governing</td>
<td>Mostly hedge fund managers and venture capitalists</td>
<td>Accountable to ratepayers</td>
</tr>
<tr>
<td>board</td>
<td></td>
<td>Public sector and utility expert focus</td>
</tr>
<tr>
<td>Mission</td>
<td>Optimize return on investment for shareholders</td>
<td>Optimize benefits for ratepayers</td>
</tr>
<tr>
<td>Financing</td>
<td>Stockholders/investors</td>
<td>Access to lower-cost non-profit financing</td>
</tr>
<tr>
<td></td>
<td>Sale of bonds and bank borrowing</td>
<td>Sale of bonds and bank borrowing</td>
</tr>
<tr>
<td></td>
<td>(conventional/junk debt)</td>
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</tr>
</tbody>
</table>
CUSTOMER OWNED UTILITY BENEFITS

• Save ratepayers billions over the next decades
  • PG&E projects it will need to spend $28B on system hardening and infrastructure upgrades in the next 4 years
  • Cost of raising capital can be as much as 40% lower
  • More investment at lower impact to rates

• Timing – achieved through bankruptcy process
  • Current Chapter 11 proposals focus on repayment of creditors but not reorganization and a viable path forward for PG&E to invest in infrastructure
  • Lead advocacy for a new approach for approval at the CPUC and in the bankruptcy court

• Culture & customer confidence
  • Align financial interest with public interest
  • Remove profit as priority organizational focus
  • Change management and board culture, but keep highly trained, skilled, motivated workforce
  • Should increase transparency similar to a public agency: Public Records Act, Brown Act, no political contributions, etc.

Photo: Michael Short, San Francisco Chronicle
PUBLICLY-OWNED UTILITIES

CCEs

- CCE provides electric generation
  - CCE operated by local government
- Investor-owned utility (PG&E for San Jose) provides electric delivery

Publicly-owned utilities

- City provides electric generation and delivery
- Requires large capital expenditure for distribution infrastructure
- Example: City of Santa Clara
  - Acquired poles & wires 100+ years ago
  - Rates 30-50% below PG&E
SJCE’S COMMENTS ON PG&E BANKRUPTCY

SJCE is open to all restructuring options that meet these goals:

- Increase clean energy options
- Expand local benefits
- Improve energy affordability
- Improve safety
- Improve transparency
- Improve reliability
HOW WE GOT HERE

• Timeline
  • 2002: State law allowing CCEs passed
  • 2010: First CCE (MCE) forms
  • 2010: Residents asked City for a CCE
  • 2016: After years of study, City discusses forming a CCE with the community
  • May 2017: Established by City Council
  • September 2018: Service launched to city accounts
  • February 2019: Service launched to most residents and businesses
COMMUNITY CHOICE IS EVERYWHERE

- 23 Community Choice Energy (CCE) programs statewide
- 8 in the Bay Area
- More are launching or expanding

*Not all towns/cities within a county are served by the local Community Choice Energy agency. Please visit individual agency websites for more detailed service area information.
CLEAN ENERGY IS A SOLUTION

• Burning fossil fuels drives climate change and pollutes our air – renewable & carbon-free energy sources don’t!

Fossil fuels
Coal, oil, natural gas

Carbon-free energy
Large hydroelectric, nuclear

Renewable energy (also carbon-free)
Solar, wind, geothermal
PG&E ELECTRIC DELIVERY CHARGES

• Same rate for all customers:

<table>
<thead>
<tr>
<th>Tiered Rate Plan E-1*</th>
<th>PG&amp;E</th>
<th>PGE Solar Choice (100% Renewable)</th>
<th>GreenSource (100% Carbon-free)</th>
<th>TotalGreen (100% Carbon-free)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential: E-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Rate ($/kWh)</td>
<td>$0.10780</td>
<td>$0.09436</td>
<td>$0.07271</td>
<td>$0.08271</td>
</tr>
<tr>
<td>PG&amp;E Delivery Rate ($/kWh)</td>
<td>$0.13572</td>
<td>$0.13572</td>
<td>$0.13572</td>
<td>$0.13572</td>
</tr>
<tr>
<td>PG&amp;E PCIA/FF ($/kWh)</td>
<td>N/A</td>
<td>$0.03346</td>
<td>$0.03401</td>
<td>$0.03401</td>
</tr>
<tr>
<td>Total Electricity Cost ($/kWh)</td>
<td>$0.24352</td>
<td>$0.26354</td>
<td>$0.24244</td>
<td>$0.25244</td>
</tr>
<tr>
<td>Average Monthly Bill ($)</td>
<td>$108.39</td>
<td>$117.30</td>
<td>$107.91</td>
<td>$112.36</td>
</tr>
</tbody>
</table>

Monthly usage: 445 kWh
SAN JOSE CLIMATE EMISSIONS SOURCES

San Jose 2017 Emissions Profile

- Homes and Building Energy Consumption (Electricity + Natural Gas): 31.4%
- Transportation (Cars and Trucks): 62.8%
- Landfill Waste: 4.8%
- Other: 1.0%

Consumo de energía por Hogares y edificios (electricidad + gas natural)
Transportacion (vehículos y camiones)
Residuos de vertedero
Otro
WHAT YOU CAN DO TO HELP MAKE SJCE A SUCCESS

• Consider signing up for TotalGreen and encourage family, friends, neighbors, etc. to do the same
• Check out our list of events and encourage neighbors to attend
• Beware of misinformation on Nextdoor