

SJCE SERVICE AND RATE CHANGES

May 11, 2021

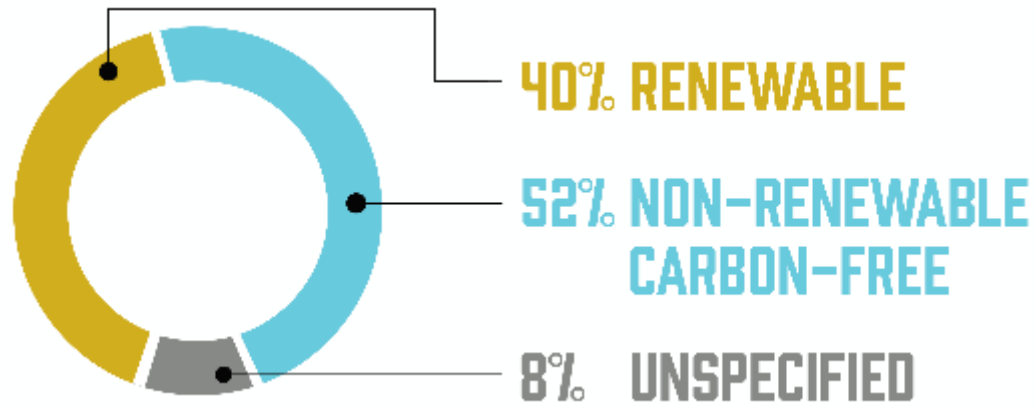
Lori Mitchell, Director

Zach Struyk, Assistant Director

CURRENT 2021 POWER MIX AND RATES

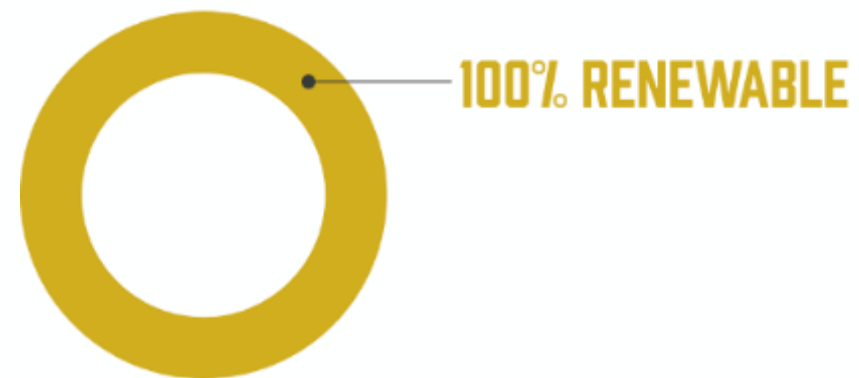
GreenSource

- Default
 - 40% renewable; 0.25% discount relative to PG&E



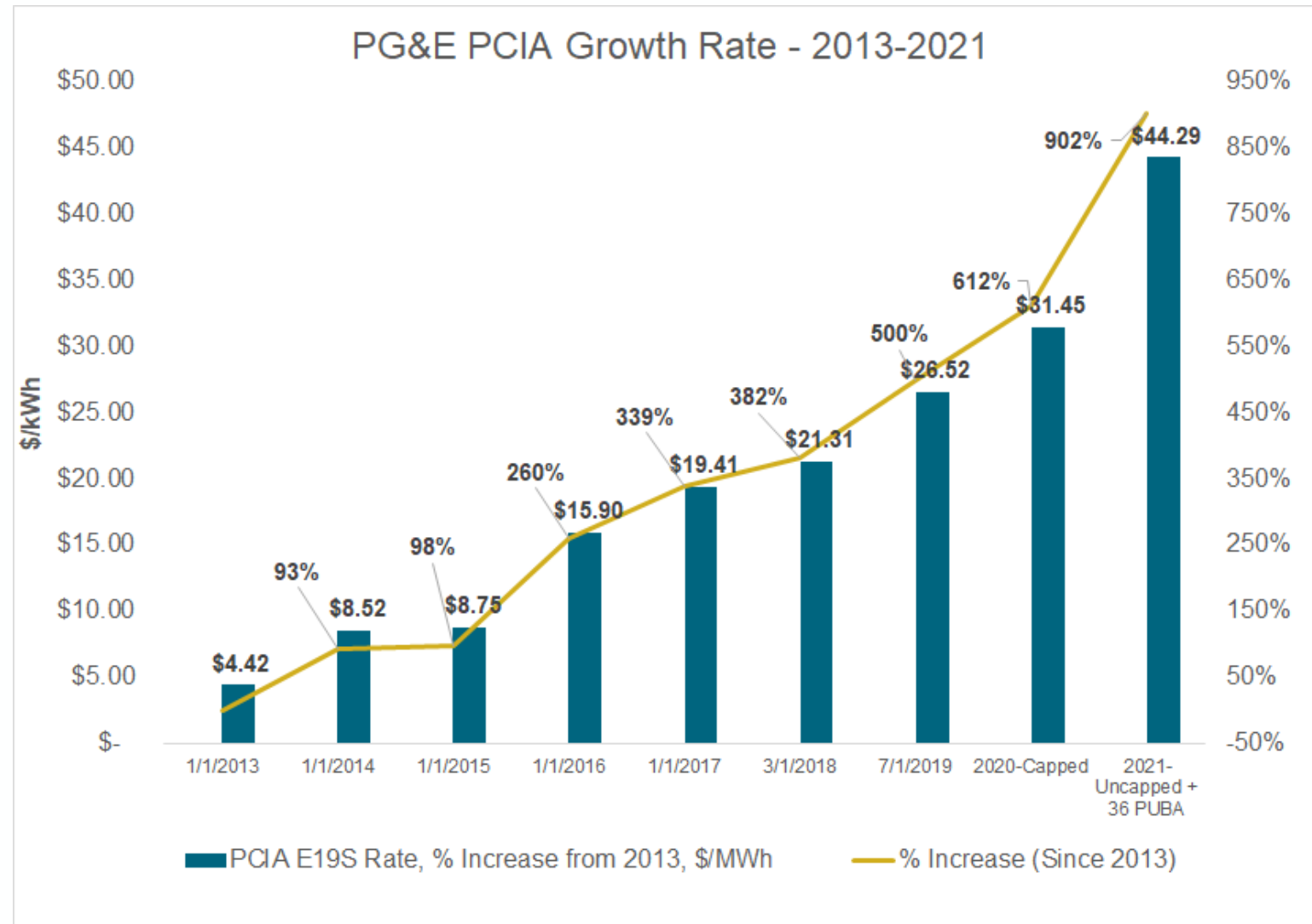
TotalGreen

- Upgrade
 - Priced at \$0.005-\$0.01/kilowatt-hour premium

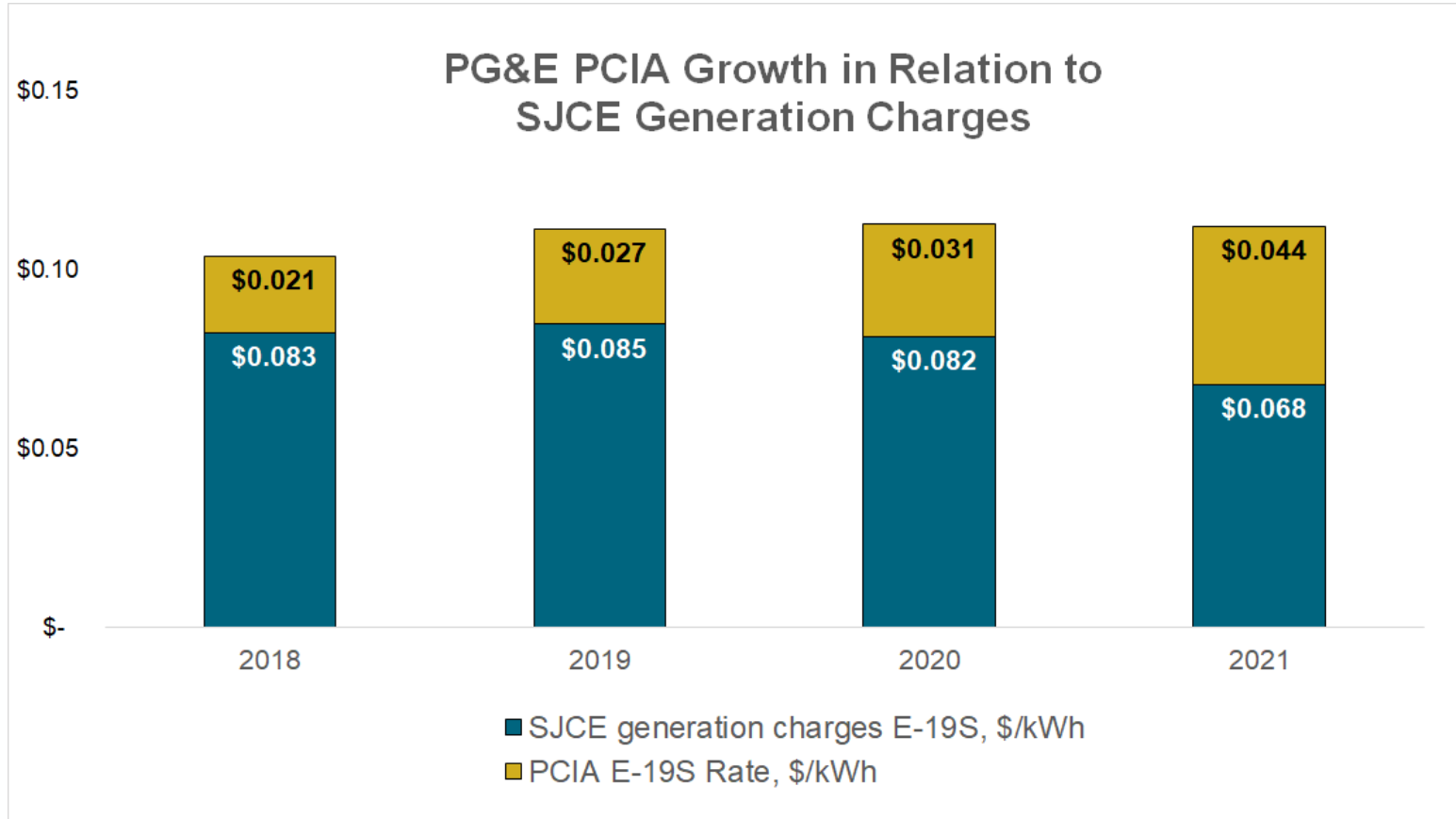


PG&E'S PCIA INCREASED 900% FROM 2013-2021

- All electric consumers pay the PCIA to cover PG&E's above-market energy costs from its power plants and legacy contracts
- Calculation is overseen by California Public Utilities Commission
 - 2018 decision changed what PG&E resource expenditures could be included in PCIA fee, resulting in huge growth



PCIA HAS REDUCED SJCE REVENUE



- SJCE factors in PCIA when setting rates
- As PCIA has grown, SJCE rates have decreased
- SJCE GreenSource rates are ~30% lower than PG&E rates

PCIA ADVOCACY

- SJCE along with CalCCA and other CCAs are advocating for a more open and fair process
- Support Senate Bill 612: Fair Access to Legacy Resources
 - Includes 2 coauthors that represent San Jose
 - Goal: balance customer costs with benefits received and reduce IOU above-market costs to lower charges for all ratepayers
- Corporate customer outreach and coalition building

WHY CHANGE SERVICE NOW?

- Ensure financial stability
- SJCE customers will pay an extra \$51 million in PCIA fees to PG&E compared to 2020, for a total of **\$176 million in 2021**. SJCE not able to absorb the PCIA cost increase.
- COVID impacts
- Opportunity to reaccelerate greenhouse gas reductions

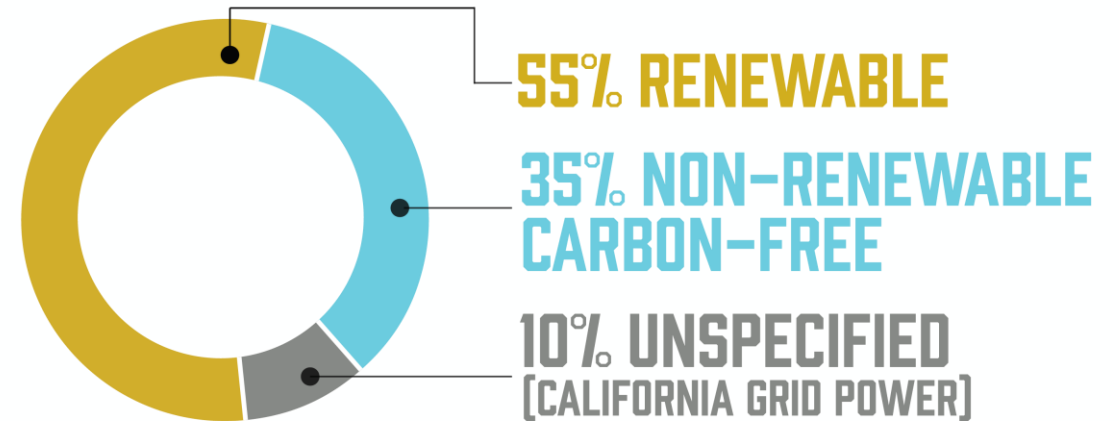




RECOMMENDED RATE AND SERVICE CHANGES

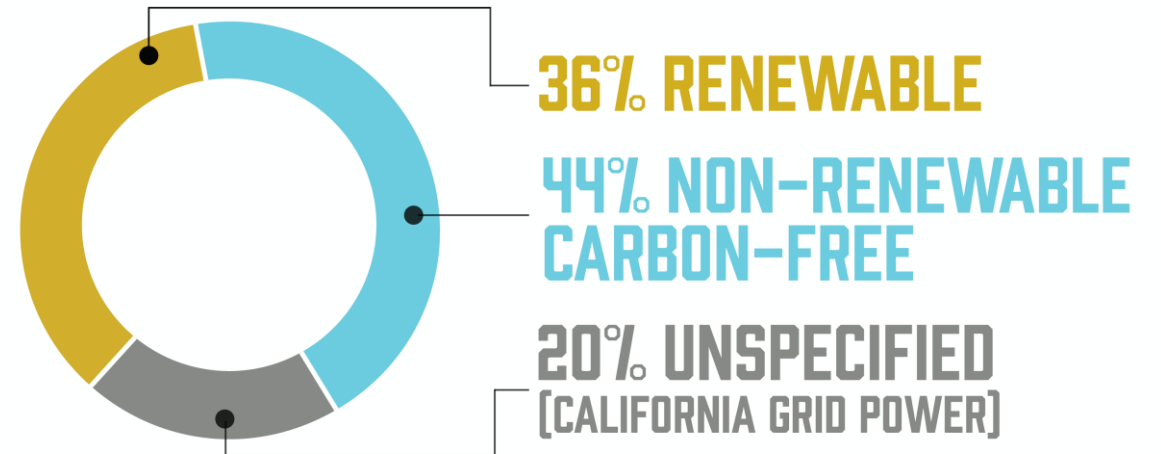
GREENSOURCE PROPOSED CHANGES

- Charges 8% higher than PG&E
 - Total electricity bill: 3% higher
 - 8.25% overall increase, or ~\$3-4 more for average home
- 55% renewable
 - 15% more than current GreenSource product
 - 23% more than CA average and 26% more than PG&E (2019)
- Remain default product



NEW PRODUCT: GREENVALUE

- Cheapest product
 - Same price as PG&E (0.25% increase)
- 36% renewable
- Anyone can enroll in this product at any time



NEW DISCOUNT PROGRAM – SJ CARES

Receive GreenSource energy at GreenValue price (parity with PG&E)

- There will be text about the program at the bottom of the SJCE page of the bill

CARE and FERA customers would be automatically be enrolled upon program launch May 15

- There are ~80,000 CARE/FERA customers

PRODUCT COMPARISON

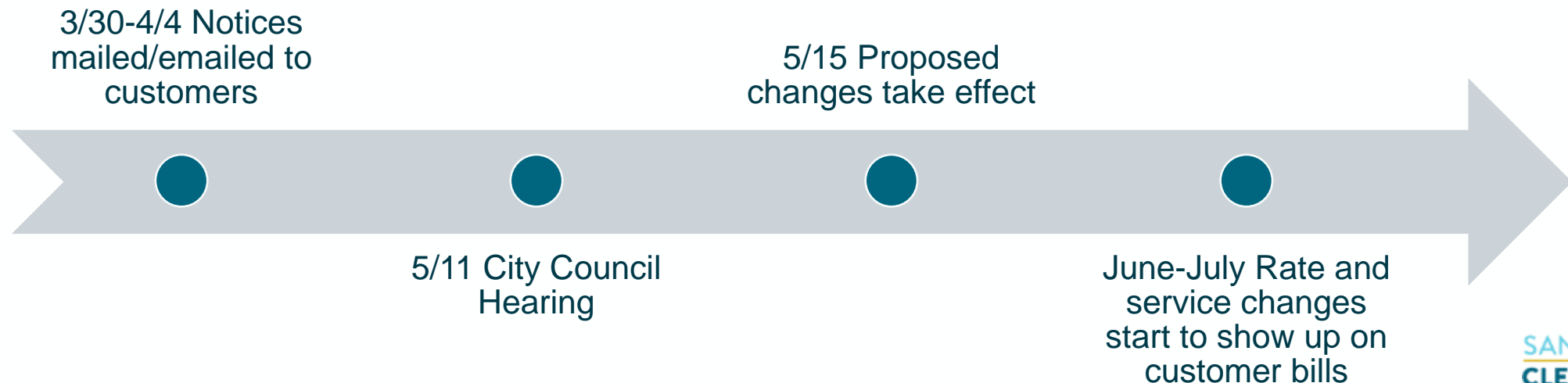
	GreenValue ↔	GreenSource ↔	TotalGreen
Renewable content	36%	55%	100%
Service Option	Opt down	Default	Upgrade
Price Relative to PG&E	Same	8% higher	\$0.005-\$0.01/kWh premium over GreenSource
Average Residential Customer Impact (482 kWh/month)	\$0.12 more per month than current GreenSource	\$3-4 more per month than current GreenSource	\$4 more per month than GreenSource (no change)

All products are open to all customers.

Staff recommendation will reduce CO2 emissions by 140,000 MT in 2021.

NOTICING AND TIMELINE

- Rate notices for each customer group in English, Spanish and Vietnamese
 - Residential
 - Low-income (CARE/ FERA)
 - Commercial



IMPACT OF RATE NOTICES

- 3 enrollment methods (trilingual):
phone, online, or email
- Slight uptick in opt outs
- Large uptick in TotalGreen enrollment
- GreenValue pre-enrollment
 - Business Process Automation team set up trilingual online form
 - ~800 customers



EQUITY AND OUTREACH

- Will continue to perform targeted outreach in English, Spanish, and Vietnamese to inform customers of service and rate changes
 - CARE/FERA customers
 - Low to moderate income customers
 - Small businesses
 - Leverage non-profit relationships



QUESTIONS?

- Staff recommendation:
 - Increase GreenSource generation charges to 8% above PG&E and renewable content to 55%
 - Establish GreenValue product with 36% renewable energy and set rates at parity with PG&E standard rates
 - Establish SJ Cares discount program for CARE and FERA customers

- SJCE staff: Lori Mitchell
Zach Struyk

