

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE ENERGY DEPARTMENT TO ISSUE BILL CREDITS TO SAN JOSE CLEAN ENERGY CUSTOMERS IN AN AMOUNT NOT TO EXCEED \$25 MILLION

WHEREAS, in 2025, energy market prices were lower than forecasted due in part to a mild summer, resulting in San José Clean Energy (SJCE) accumulating substantial operating reserves; and

WHEREAS, at the same time, the Power Charge Indifference Adjustment (PCIA) — a state-mandated fee collected by Pacific Gas & Electric Company (PG&E) that impacts customer bills — is expected to increase significantly beginning January 1, 2026; and

WHEREAS, to ease the transition for customers and return excess reserves in a timely and equitable manner, staff recommends issuing bill credits totaling approximately \$25 million and

WHEREAS, under the proposal, all SJCE customers—excluding net energy metering customers who are net energy generators over the course of 12 months—would receive a bill credit; and

WHEREAS, residential customers will receive a flat credit of \$40 each, totaling approximately \$12.5 million; and

WHEREAS, non-residential customers will receive credits distributed proportionally based on usage, segmented across three customer classes (small, medium, and large commercial), totaling approximately \$12.5 million; and

WHEREAS, the \$40 credit represents approximately 70% of an average residential customer's current monthly SJCE generation charges; and

WHEREAS, credits will be automatically applied to January 2026 bills, and SJCE's Rate Stabilization Reserve will be used to fund the credits;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The Energy Department is authorized to issue bill credits to San José Clean Energy customers in an amount not to exceed \$25 million.

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ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk