

San José Clean Energy

Risk Management Policy & Phase II & III Launch Date

**May 1, 2018
Item 7.1**

RM Policy Goals

- Serve customer needs subject to Council approved risk tolerance limits
- Provide as much energy supply cost certainty as possible while maintaining a least-cost supply portfolio
- Meet all of the portfolio objectives such as renewable energy content and greenhouse gas-free supplies

Risk Oversight Committee (ROC)

- Under the Policy the City Manager will establish the ROC which is responsible for monitoring and controlling risks
- The ROC has 7 voting members:
 - City Manager
 - Director of Community Energy
 - Director of Finance
 - City's Risk Manager
 - City Manager's Office Budget Director
 - Community Energy Department's Deputy Director of Power Resources
 - Community Energy Department's Division Manager for Administration and Finance.

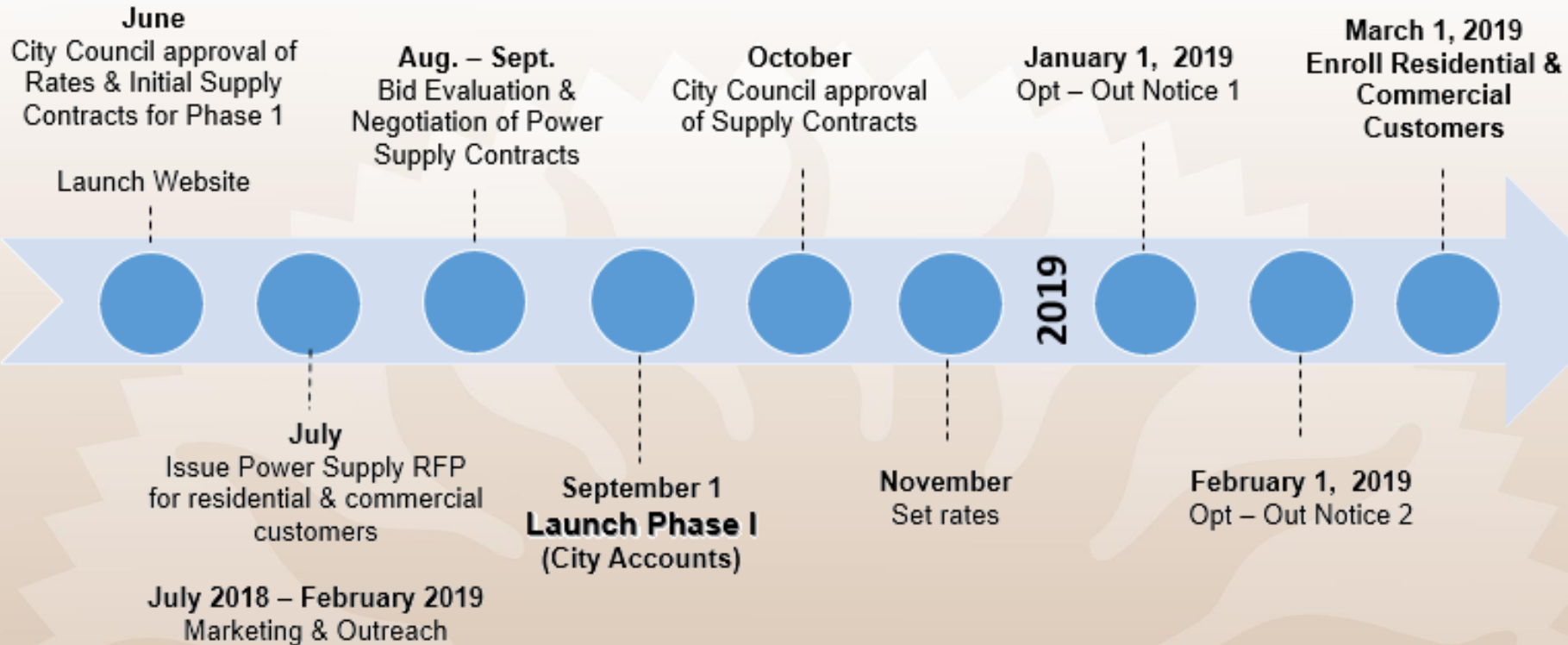
Requirements

- Policy complies with all regulatory requirements
- Staff working on procurement can not work on establishing credit limits and verifying transactions
- Policy requires council approval of all contracts over \$1M and 6 months
- A Financial Analyst has been added to Finance in FY2018-19 Proposed Budget to provide credit and compliance review of counter parties, primarily power providers

Phase II & III Launch Date

- Approve March 1, 2019 as the launch date for Phase II (Residential) & Phase III (Commercial) customers
- Allows enough time to be operationally ready
- Avoids some confusion related to higher winter energy bills
- Allows SJCE to almost meet the original schedule to be fully operational

Timeline



Questions