

Title 26 Revisions – Noticing Requirements

Item 7.1

City Council – March 19, 2019



SUMMARY

- City Council approved setting SJCE's rates at 1% lower than PG&E's on Nov 6, 2018.
- PG&E is expected to adjust rates in April or May of 2019 and again in the Fall of 2019 and at other times during the year.
- Currently Title 26 requires SJCE to send written notice to customers 30-45 days before Council considers a rate change (both an increase or decrease).
- PG&E does not provide rate change notifications 30-45 days in advance.

SUGGESTED CHANGES TO TITLE 26

SJCE recommends modifying Title 26 to waive notification requirements if SJCE's updated rates are:

- Equal to or below similar PG&E rates
- The rate change follows a rate change by PG&E
- SJCE's rates are consistent with existing City Council resolutions (currently to 1% below PG&E)

ANALYSIS

- **Reduces operating costs:** SJCE does not send bills to customers directly (PG&E bills on behalf of SJCE). Costs approximately \$90,000- \$150,000 per mailing.
- **Reduces waste:** printing and mailing over 300,000 paper notices creates greenhouse gas emissions and utilizes trees and water associated with paper production.
- **Improves competitiveness:** PG&E may modify its rates several times in any given year. SJCE must follow quickly to provide rates that are 1% lower than PG&E rates.

Recommendation would only impact situations in which SJCE decreases rates or the rate is pegged to PG&E rates, as approved by City Council.

Power Supply Procurement for 2020, 2021, and 2022

Item 7.2

City Council – March 19, 2019



SUMMARY

- Procure power supplies for 2020, 2021, and 2022 to reduce exposure to short-term volatility, lower costs, and provide cost certainty
 - 90% of the needs for 2020
 - 50% of the needs for 2021
 - 12.5% of the needs for 2022

(Renewable and Resource Adequacy supplies)
- Recommendation is consistent with the Risk Management Policy & new CPUC regulations

PROJECTED POWER SUPPLY COSTS

	2020	2021	2022
Projected Revenues	\$302,000,000	\$307,000,000	\$311,000,000
Projected Power Supply Costs	\$245,000,000	\$255,000,000	240,000,000
Recommended Authorization	\$222,000,000	\$128,000,000	\$30,000,000
Percent Recommended of Total Power Supply Costs	90%	50%	12.5%

- Payments associated with these contracts will be made 30-60 days after the energy is delivered.



QUESTIONS?