



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

SUBJECT: SEE BELOW

DATE: March 18, 2019

Approved

Date

03/18/2019

SUBJECT: TITLE 26 AMENDMENT – SAN JOSE CLEAN ENERGY

RECOMMENDATION

Amend Municipal Code Section 26.40.020 subsection E to read as follows:

- E. Subsections B and D of this Section shall not apply to a rate increase or decrease if all of the following conditions are met:
1. As required under Subsection 26.40.010, the rate was equal to or below similar PG&E rates when it was established and will continue to be equal to or below similar PG&E rates after the rate increase or decrease;
 2. The rate increase or decrease follows a rate increase or decrease by PG&E;
 3. The rate increase or decrease is consistent with City Council resolutions establishing rates; and
 4. The rate increase inclusive of the Power Charge Indifference Adjustment (PCIA) is not more than five percent.

DISCUSSION

We appreciate the recommendation of staff to amend the noticing requirements dictated in the municipal code as it relates to rate increases for San José Clean Energy that remain below PG&E rates. The reasons are sound: reducing operating costs, reducing waste, and improving agility – given the reality that PG&E may modify its rates several times in a given year. Nonetheless, as we launch San José Clean Energy to one million residents and businesses, it is critical to remain transparent, and provide notice, even in instances where we are below PG&E when the rate increase is material. To that end, I am recommending we amend the recommendation as outlined above.