

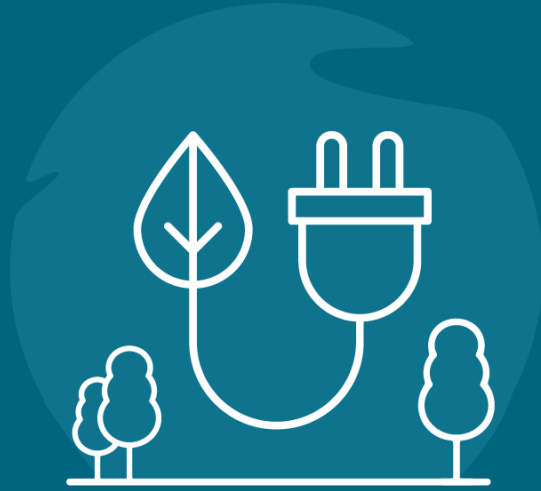
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- ★ 2020 POWER MIX
 - ★ OPT-OUT FEE WAIVER
 - ★ NET ENERGY METERING ENROLLMENT

December 10, 2019

Staff Presenting:

Zach Struyk, Deputy Director of Account Management and Marketing

Lori Mitchell, Director



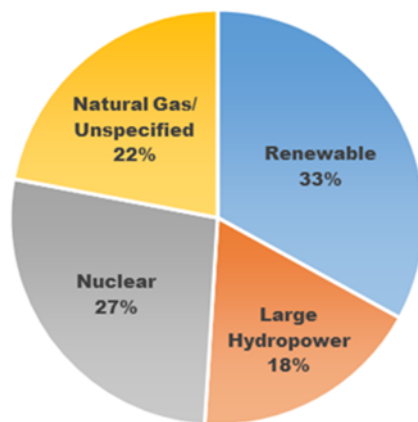
SJCE'S 2020 POWER MIX

SJCE'S GREENSOURCE POWER MIX

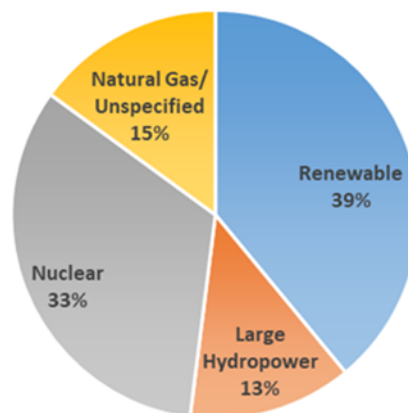


- SJCE's 2019 GreenSource offers 12% more renewable and 2% more total carbon-free compared with PG&E (2017).
- In 2018, PG&E is expected to increase renewable content to 39% (from 33%) and carbon-free to 85% (from 78%).

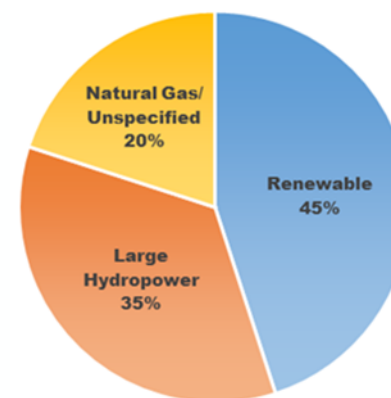
Recommendation: To maintain “cheaper and cleaner” base product offering, establish a power mix of at least 86% carbon-free energy with at least 45% renewable energy for SJCE's GreenSource beginning January 1, 2020. Additional cost \$1.6M, avoids 25,000 tons of CO₂ emissions.



PG&E 2017









PG&E 2018 estimate



SJCE 2019

POWER MIX OF BAY AREA CCA'S

CCA	Carbon Free	Renewable
	80%	45%
	100%	54%
	100%	30%
	100%	43%
 Bright Choice	85%	38%
	74%	61%

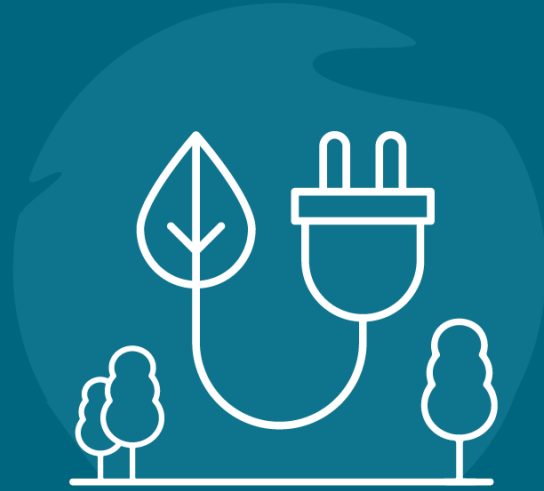


WAIVER OF OPT OUT FEES

SJCE OPT-OUT FEE

- Like all other CCA's, SJCE enrolls customers on an “opt-out” basis; customers must affirmatively make a decision to decline or unenroll in SJCE service.
- SJCE's current policy states customers who opt-out later than 180 days after service commences will be charged \$5 per residential meter and \$25 per non-residential meter.
 - Opt-out fees are intended to reduce administrative “churn” of customers opting in and out of service.
- Staff believes the opt-out fees are an irritant to customers and reduce the likelihood of them returning to SJCE service after the one-year moratorium.

Recommendation: Waive opt-out fees of San José Clean Energy Service for all customers



NET ENERGY METERING ENROLLMENT

NET ENERGY METERING

- Net Energy Metering is an electric utility program that addresses compensation for energy exported to the grid by customer-sited generation resources, most commonly rooftop solar.
- When customer-sited generators produce more energy than they need to consume at any given moment, the electricity will flow back onto the grid.
 - Customers receive a “credit” for exported power.
 - Credits can be applied to offset charges for future energy consumption.



Energy you
PRODUCE



Energy you
CONSUME



**NET
ENERGY**

SJCE'S NET ENERGY METERING PROGRAM

Billing

- Annual “true-up” billing system; identical to that offered through PG&E.
 - Credits are “trued-up” annually; NEM credits and generation charges are netted out.
 - Customers receive a monthly NEM statement displaying YTD generation credits/ charges.
 - Customers that export more electricity than they consume over the course of a year will receive compensation for the net surplus generation.
 - SJCE offers a 25% premium on PG&E’s Net Surplus Compensation (NSC) rate.
 - Set annually based on average of PG&E’s monthly NSC rates for the previous calendar year.

Enrollment

- SJCE will enroll NEM residential and small commercial customers in quarterly phases throughout April 2020- January 2021.
 - First enrollment in April 2020. Customer enrollment phase based upon current PG&E true-up date.
 - Aligning SJCE enrollment date and PG&E true-up date minimizes customer confusion and the potential loss of credits.



ENERGY STATEMENT

www.pge.com/MyEnergy

Statement Date: 10/21/2019

Due Date: 11/12/2019

Summary of Your NEM Year-to-Date (YTD) Charges

Rate Schedule: EVA Residential Whole House Service Electric Vehicles

Summary of NEM Charges

Bill Period End Date	Net Peak Usage (kWh)	Net Part Peak Usage (kWh)	Net Off Peak Usage (kWh)	Net Usage (kWh)	Estimated NEM Charges Before Taxes	Estimated Taxes	Estimated Total NEM Charges
04/15/2019	-65	-36	312	211	\$12.49	\$0.78	\$13.27
05/14/2019	-258	-127	558	172	-25.14	-1.22	-26.36
06/13/2019	-203	-114	332	15	-30.47	-1.60	-32.07
07/15/2019	-333	-128	159	-302	-81.99	-4.54	-86.53
08/14/2019	-242	-104	523	177	-22.60	-1.08	-23.68
09/15/2019	-158	-38	867	671	41.99	2.68	44.67
10/14/2019	-117	-50	454	287	9.47	0.71	10.18
TOTAL	-1376	-597	3205	1231	-\$96.25	-\$4.27	-\$100.52

Differences in net usage may occur due to rounding

Electric Charges

Bill Period End Date	Minimum Delivery Charges
04/15/2019	\$7.23
05/14/2019	9.53
06/13/2019	9.86
07/15/2019	10.52
08/14/2019	9.86
09/15/2019	10.51
10/14/2019	9.53
TOTAL	\$67.04

Explanation of Calculations

Your Year-to-Date (YTD) Total NEM Charges represent the balance of your net usage since the start of your True-Up period. Charges and credits are calculated each month but are not billed until the end of the True-Up period. The State Mandated Non-Bypassable Charges are based on usage (kWh) and are relevant to determine your True-Up amount. Your NEM electric usage charges and credits will be reset to zero at True-Up.

2 The Minimum Delivery Charge is billed monthly and credited at True-Up if the total NEM Charges Before Taxes or total State Mandated Non-Bypassable Charges are greater than your cumulative Minimum Delivery Charges. Refer to Detail of NEM Charges page for details about the State Mandated Non-Bypassable Charges.

This is your YTD balance. Your total NEM balance will be reconciled on your True-Up statement (03/2020).

Total NEM Charges Before Taxes	-\$96.25
Total State Mandated Non-Bypassable Charges	96.11
Total Power Charge Indifference Adjustment	35.01
Total Electric Minimum Delivery Charges	-67.04
YTD Estimated NEM Charges At True-Up	\$64.08

Example bill of PG&E NEM charges shown for illustrative purposes

- 1 Estimated monthly and cumulative annual NEM charges are shown
- 2 There is a minimum monthly delivery charge – this is the only required monthly electricity payment for NEM customers.
- 3 Estimated annual NEM charges at true-up shown on every bill

COST SUMMARY/ IMPLICATIONS

Estimated cost for purchasing exported power from net generating customers:

	Residential	Commercial	Total
Net generating customers to be enrolled	4,477	58	4,535
Net annual exported energy (kWh)	6,025,531	54,0674	6,566,205
NSC rate (\$/kWh)	0.04404	0.04404	-
Estimated Cost*	\$265,349	\$23,811	\$289,160

*Illustrative based on PG&E's March 2019 NSC rate.

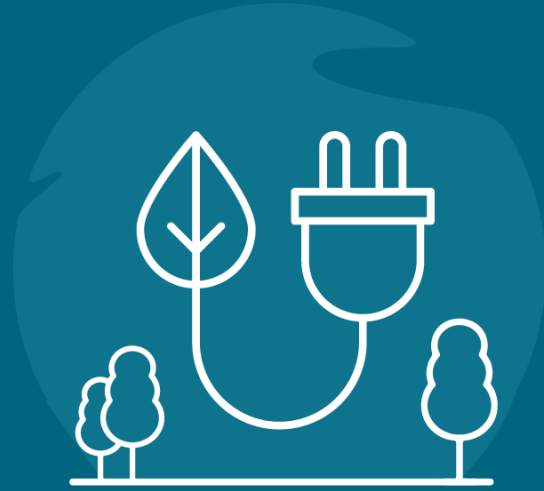
Estimated Financial impact of NEM enrollment:

	Residential	Commercial	Total
NEM Customers to be enrolled	21,530	474	22,004
Annual Net Load (kWh)	59,222,665	40,104,837	99,327,502
Annual Revenues	\$5,248,905	\$5,454,930	\$10,703,835
Estimated Annual Net Revenues	\$1,116,347	\$2,656,415	\$3,772,762

QUESTIONS?

- SJCE staff
 - Lori Mitchell, Director
 - Zach Struyk, Deputy Director of Account Management and Marketing
- Recommendation to approve:
 - Establishing a power mix of at least 86% carbon-free energy with at least 45% renewable energy for SJCE's GreenSource beginning January 1, 2020.
 - Waiving opt-out fees of SJCE Service for all customers
 - Approving enrolling residential and small commercial NEM customers in four quarterly batches beginning in April 2020 and finishing in January 2021.





ADDITIONAL SLIDES (POTENTIAL)

COMMISSION RECOMMENDATION

- During the November 12, 2019 meeting, the Clean Energy Community Advisory Commission (“CECAC”) recommended SJCE to proceed with the GreenSource 2020 power mix of 45% renewable and 86% carbon-free.
- The CECAC continued to urge staff to increase the renewable and carbon-free content of the power mix.

ALTERNATIVES

Alternative 1: Maintain same power content as 2019 (45% renewable, 35% hydropower; 80% carbon-free)

Pros: Reduce 2020 energy procurement costs by approximately \$1.6 million.

Cons: Risk losing customers and revenues by offering a product with higher carbon content than PG&E. Results in additional 25,145 tons of CO₂ emissions for 2020.

*Staff believes that the incremental energy procurement costs are outweighed by the expected benefits of maintaining high customer participation in SJCE and reducing CO₂ emissions.

Alternative 2: Make GreenSource 100% carbon free (45% renewable, 55% hydropower; 100% carbon-free)

Pros: Reduce 2020 CO₂ production from SJCE service by 58,670 tons.

Cons: Increases energy procurement costs by approximately \$3.7 million. Dependent upon availability of hydropower resources.

*Staff believes it would be prudent to defer the move to 100% carbon-free as SJCE continues to build its operating reserves. Staff will continue to evaluate and plan for moving GreenSource to 100% carbon-free in the near future.