Date: August 8, 2017  
To: Honorable City of San José Mayor and Councilmembers  
From: San José Community Energy and the Center for Climate Protection  
Subject: Support San José Clean Energy – August 8, 2017 City Council Meeting Item 7.2  
Support Resolution in Support of Paris Agreement on Climate Change Item 3.11

Honorable Mayor Sam Liccardo and City Councilmembers:

We appreciate the dedicated work from staff over the past three months since the City Council unanimously voted to launch the largest single-city Community Choice Energy program. The next steps are very important to ensure the formation of a strong and effective program, and we at San Jose Community Energy, a community group and the Center for Climate Protection have been following the progress and continue to offer support. Furthermore, we strongly support Mayor Sam Liccardo’s Resolution in Support of Paris Agreement on Climate Change on which the Council will also vote today to adopt. We are very pleased to see the formation of San Jose Clean Energy listed first in the important actions already taken by San Jose to reduce greenhouse gas emissions.

We have reviewed the memorandum, and draft versions of the Ordinance and Implementation Plan for the San Jose Clean Energy program in the Community Energy Department. We’re very supportive of the direction of these documents, but based on best practices and experiences of other CCEs we want to offer a few points for your consideration on the guiding framework outlined in the memorandum. We don’t suggest any changes to the Ordinance or the Implementation Plan.

1. To clarify the intent for the future Executive Director of Community Energy Department and other stakeholders, we suggest that the guiding framework in the memorandum be revised to clarify the Power Mix statements. Based on how these are currently written, it appears that the rates and power mix statements could be mutually exclusive. Different variations of these statements are made in the Implementation Plan, further prompting this request for clarity. In our opinion, the wording that staff originally used in the memorandum for the March 1, 2016 City Council meeting was clearer, “Increase the renewable energy in power mix to exceed the baseline power mix offered by PG&E by a minimum of 10 percent”. Given that the” baseline power mix” is usually referred to as the “default power mix”, we suggest modifying the guiding framework statement in accordance with the May 2017 City Council direction in a manner similar to the following suggestion:

   **Power Mixes**
   - Specify the renewable energy in the default power mix to exceed the default power mix offered by PG&E by a minimum of 10 percent
   - Offer at least one power mix option offering that is 100 percent GHG-free energy
2. We are confident that the Community Advisory Committee (CAC) can be a very effective addition in San Jose, and suggest these refinements to the proposed framework: 1) allow for more frequent CAC meetings than quarterly, especially during the first year in the start-up phase of the program, 2) set the staggered terms at 2 or 3 years, which is a more customary commitment to ask of expert CCE advisory committee members, and 3) start the outreach and application process now - for the CAC to add strong value, they should be meeting early in start-up when many strategies are being formed.

3. We are concerned about the timeline forecast for starting new programs. We compared Table 9 Summary of CCA Start-Up and Phase-In (2018-2027) on page 30 in the Implementation Plan to a similar table for Peninsula Clean Energy. San Jose’s Plan shows zero spent annually on new programs, whereas PCE shows about $1.1 million spent annually on energy programs. Given there is a surplus projected, should we assume that the table will be updated in future financial forecasts to show that San Jose plans to forecast spending a portion of the expected surpluses on new programs prior to 2027?

We’re also pleased to see the Implementation Plan state that a key focus of the Community Energy Department will be the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs (DER) and other energy programs responsive to community interests. Given that clean distributed energy resources can be an important success factor currently for CCEs, we strongly encourage a more specific commitment to DER at program inception. The City has shown an intended commitment to DER by including DER in the background of the ideal candidate in the Executive Director position description. To continue with the DER commitment, we recommend that at least one of the two Power Resource Planning & Program Analyst employees the Executive Director will hire in next fiscal year will have experience with local energy procurement and DER. An article explaining the benefits of DER can be found here: http://cleanpowerexchange.org/cac-ccas-rise-to-president-pickers-challenge/

Thank you for your continued support of community choice energy and for considering our input into the Community Energy Department implementation process. We appreciate staff’s work to advance the San Jose Clean Energy program per the planned schedule.

Ruth Merino, Chair     Julie Allingham, Vice Chair     Ann Hancock, Executive Director
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Thank you, Mayor Liccardo, Councilmembers and staff,

As you know, my name is Linda Hutchins-Knowles. I'm a resident of San Jose's District 9, mother of two, small business owner, and co-founder of South Bay Mothers Out Front.

I want to reiterate what my colleague Martina just said and thank you—not only on behalf of our team of moms and kids—but also on behalf of all of the residents of San Jose—particularly the 300+ citizens who signed postcards to you in support of Community Choice Energy. By establishing San Jose Clean Energy, you have taken a big step toward mitigating climate change, just as you're taking action today to protect us from emergencies. Climate destabilization is itself an emergency, and our city has already felt its devastating effects in the form of floods, drought, and wildfires. So the formation of San Jose Clean Energy is more important than ever.

I want to compliment each of you not only for voting for Community Choice Energy, but also for the WAY you conducted the process. Throughout the many (countless?! :) City Council meetings on the topic, you were cordial to one another and provided many opportunities for public input. You are setting a wonderful example not only of bold climate leadership but also of effective bipartisan and civic collaboration so needed in our country today.

Likewise, Mayor Liccardo, you've shown outstanding leadership by joining other mayors around the country in affirming on June 1st that you still support the landmark Paris Climate Accord. I hope that all of you Councilmembers will join the Mayor in affirming that San Jose is still IN the Paris Accord. This is a very important act of leadership, for which we moms & kids express our deepest gratitude.

Today I'd like to encourage you to extend your leadership by supporting a vital initiative at the state level: Senate Bill 100, the California Clean Energy Act. I know you don't often get involved at the state level, but this bill is in complete alignment with our city's emission reduction goals and needs your support. Authored by Senate Pro Tem Kevin de León, SB 100 will get California to 100% clean energy by 2045 and to 50% renewable energy by 2026, supporting city's goal of achieving 100% renewable energy within the decade.

I therefore urge you to pass a resolution at the next City Council meeting in support of SB 100, showing that the Capitol of Silicon Valley supports this bold initiative. San Jose now leads the nation with the country's largest CCE program; please help our state continue to lead the country with the most ambitious climate targets in the world.

Our children, and their children, are counting on you to protect their future. Thank you.