SJCE Background

- CCE approved at May 16 Council Meeting
- Targeted Launch: April 2018

![Phase 1 to Launch Diagram]

Phase 1:
- Fall/Winter 2016: Pre-Planning and Due Diligence
  - Community outreach
  - Council study session
  - Business Plan

Phase 2:
- Spring/Summer 2017: Formation and Development
  - Customer outreach
  - Contracting
  - Regulatory submittals

Phase 3:
- Fall/Winter 2017: Preparation for Launch
  - Contracting
  - Customer notifications & outreach

Launch:
- DECISION: Early 2017
  - Whether to establish
  - Operational model
- DECISION: Spring-Summer 2017
  - Budget/Financing
  - Regulatory submittals
- DECISION: Fall-Winter 2017
  - Contract awards
  - Rate-setting
Staff Recommendations

- Approve Ordinance to Create the Department
- Review Implementation Plan (Draft)
- Review Staffing Plan (Draft)
- Review Funding Strategy (Draft)
- Review Community Advisory Committee Framework (Draft)
Establishing Ordinance

• Ordinance establishes SJCE and sets up new Community Energy Department.

• Amends Title 2 of the San José Municipal Code to add the Community Energy Department.
Implementation Plan

- Requirement of the California Public Utilities Commission (CPUC)
- Template document addressing organizational structure, rate-setting, the rights of program participants, and more.
- Incorporates best knowledge to date; amendment option as needed
- Must be **adopted** by Council before certification by CPUC.
- Must be sent to CPUC by **mid-September** to meet April 2018 start (up to 90 day review period)
Anticipated Staffing

• New Classification: Director, Community Energy U (3460) [Item 2.8 on Council Agenda]

• Consistent with business plan with addition of legal and administrative staff to assist with start up

• Now targeting 7 positions for start-up

• Targeting an increase to 19 positions in 2018-2019

<table>
<thead>
<tr>
<th>2017-2018 Positions</th>
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<tbody>
<tr>
<td>Director, Community Energy</td>
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<tr>
<td>Director of Marketing and Public Affairs (Public Information Manager)</td>
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<tr>
<td>Director of Governmental Affairs/Legal Counsel (Senior Deputy City Attorney III)</td>
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<tr>
<td>Senior Analyst</td>
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<tr>
<td>Executive Assistant (Staff Technician)</td>
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<tr>
<td>Account Representative (Senior Office Specialist)</td>
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<tr>
<td>Communication Specialist (Public Information Representative)</td>
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Start-Up Costs Financing Plan

- Approximately $5-6 million in start-up costs
- Recommend use of City’s General Fund Lease Revenue Commercial Paper Program to finance initial start-up costs
- Engage services of municipal advisor to assist City in development of working capital financing plan to support phased-in implementation
- Estimated $50 million in working capital financing in FY 2017-18 and FY 2018-19
Community Advisory Committee

- 9 members that should reflect the diversity of San José and advise the City Manager, Mayor and Council.

- 6 will be experts in policy advocacy, clean energy, and community engagement with representation from industry, labor, education, not-for-profits, environmental associations, etc. selected through the Council Appointment Advisory Commission (CAAC).

- 3 at-large appointments by the Mayor
Follow Up and Next Steps
Late August/Early September

Approval of:

• Additional ordinances
  • Amend Title 4 to establish the San José Clean Energy Operating Fund
  • Add Title 26 to establish procedures and grant authority for various operational processes.

• Implementation Plan

• Staffing Plan

• Approval of use of Commercial Paper for Start-Up Costs Financing

• CAC Framework
Staff Recommendations

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Questions?