





City Council

**Item #6: Silicon Valley Power
Quarterly Strategic Plan
Update**


RTC #19-072

July 9, 2019

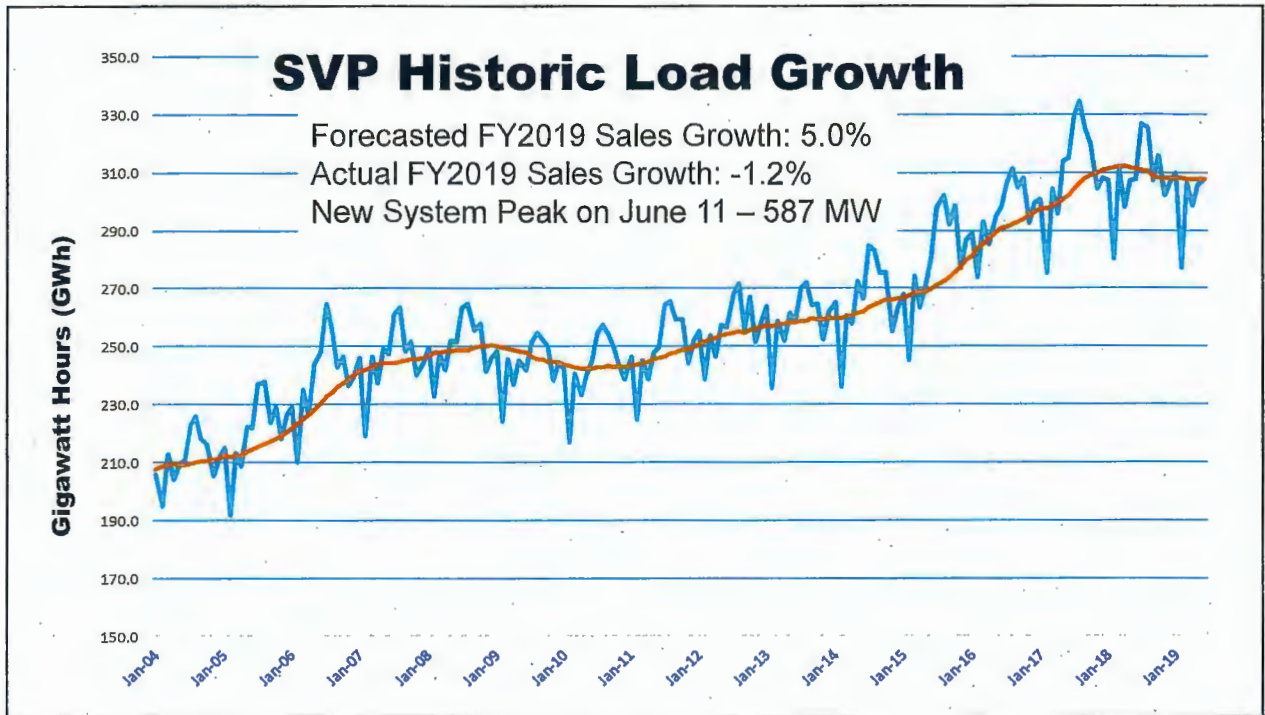




Agenda

- Utility Growth and Revenues
- Wildfire and PG&E Update
- Quarterly Strategic Plan Update
 - Background Summary
 - Highlighted Initiatives
 - Use of Restricted Funds




The diagram illustrates the 'SVP Change Drivers' at the center, surrounded by five interconnected components: Climate Action Policies (top), Legislative & Regulatory Changes (right), Impact of Emerging Technologies (bottom right), Distributed Energy Resources (bottom left), and Renewable Energy & Energy Efficiency Goals (left).



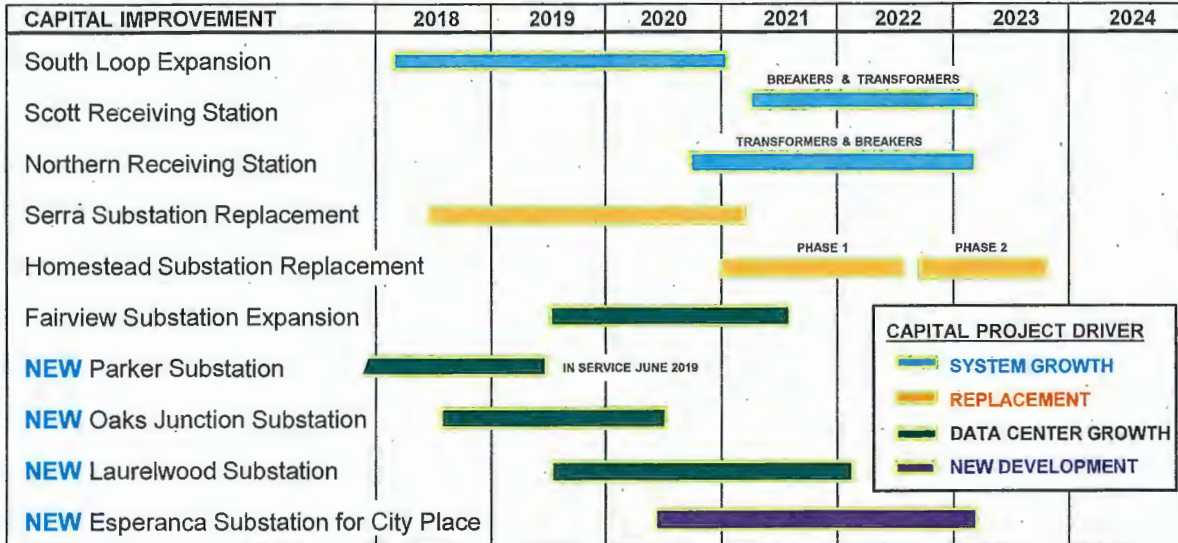



Customer Load Growth

- FY2020 Forecast
 - Recently placed Parker Substation in operation
 - Serves new data center which currently starting up
 - Council recently approved Fairview substation expansion
 - New data center developers continue to come forward
 - Two substation agreements for Council approval in August



SVP Capital Projects



Revenue/Expense

- As of May 31:
 - Operating revenues are about 4.5% below budget
 - Due to the lower than forecast load
 - Operating expenses are about 7.5% below budget
 - Lower than expected load
 - Good water year increasing hydroelectric generation
 - Expect funds for transfer to various reserves





Wildfire Planning

- Council adopted Wildfire Mitigation Plan
 - Plan is currently being implemented
 - 3rd Party review per state law as regulations for the review are developed
- PG&E is retiring Caribou-Palermo Transmission Line
 - Identified as the cause of the Camp Fire
 - Grizzly Powerhouse was connected to the line
 - Grizzly may not be available until end of 2020
 - Cost of new interconnection – TBD



Wildfire Planning

- Public Safety Power Shutoffs (PSPS)
 - SVP will not implement PSPS in its service territory
 - No significant wildfire risk in Santa Clara
 - PG&E transmission line PSPS
 - Could limit availability of power to Bay Area
 - California Independent System Operator could require load reductions
- Customers should always be prepared for an extended loss of power in an emergency such as an earthquake





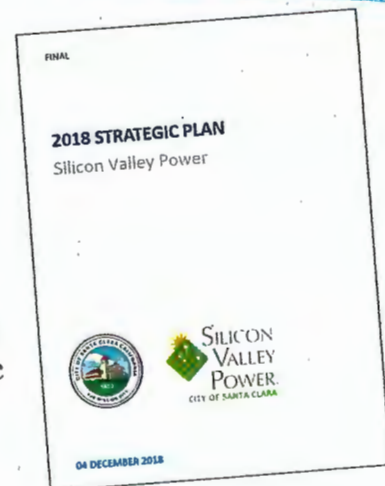
Wildfire Planning

- SVP continues to participate/monitor:
 - Multiple state agency and legislative activity
 - Working w/NCPA, CMUA, TANC
 - Protect the City's interests
- PG&E Bankruptcy
 - Direct contractual impacts
 - Grizzly loss of production and new interconnection
 - Working closely with NCPA, and other agencies
 - Bankruptcy counsel

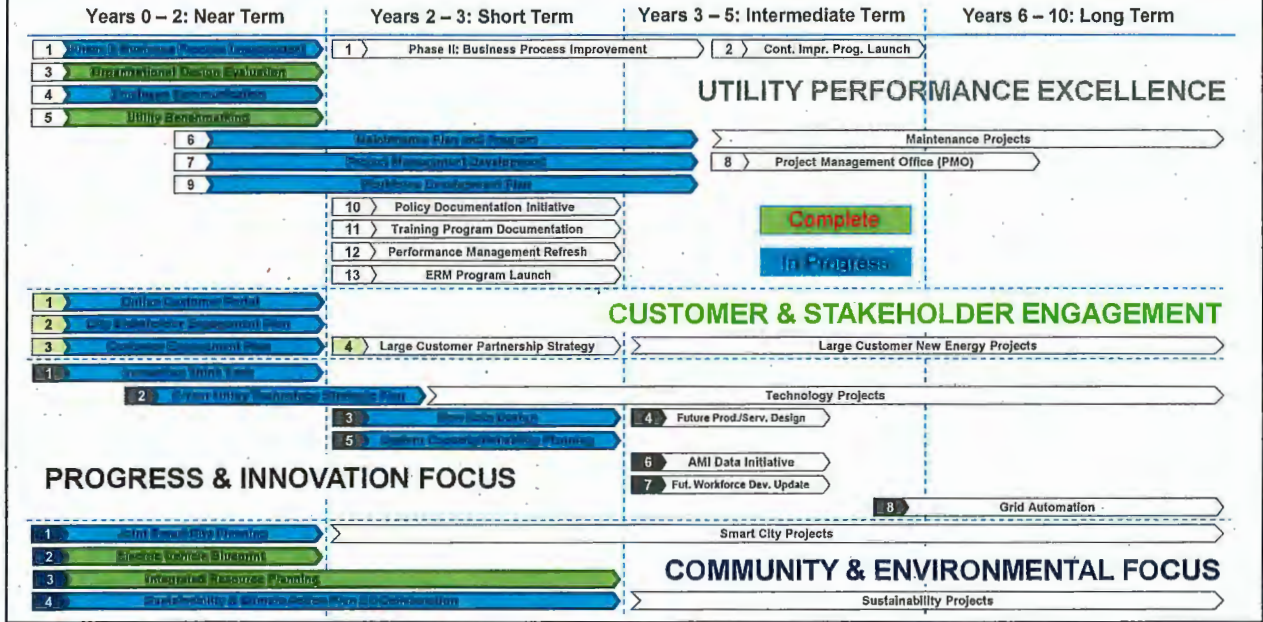


2018 Silicon Valley Power Strategic Plan

- ✓ Adopted by City Council December 4, 2018
- ✓ Sets forth our Mission, Vision and Values
- ✓ Guides and measures our outcomes and successes
- ✓ Helps us to be agile, transparent and accountable as we change to prepare for the future (10 year strategic initiatives)
- ✓ Tracks and communicates our performance



Implementation Roadmap



Context

- Significant level of work to deliver on Strategic Plan
- Strategic Plan is requiring funding and staffing strategy
- Staffing and funding needs will affect other City Departments not just SVP
 - Climate Action Plan, Smart City, project management, customer service, green fleet, new utility building, etc.
- TBD future actions and/or projects will come from the Strategic Plan Initiatives
 - Think tank, business process improvements, electric vehicle blue print, etc.
- SVP assigns a lead staff member to each Initiative
 - Develop schedules, action items, tracking, and success measures





Community & Environmental Stewardship

Integrated Resource Plan (IRP)

- Adopted by Council in substantial form Nov. 27, 2018
- Updated with 2018 data
- Exceeded California Goals
- Submitted to California Energy Commission April 30, 2019

Council Actions Implementing:

- Altamont Pass Wind Project
- Olcese Hydroelectric Power Purchase Agreement



Electric Vehicle (EV) Blueprint

- Council Approved EV Blueprint submitted to California Energy Commission and SVP to apply for Phase II grants
- Number of Charger Connections (non-residential ports) required to be **EV Ready** in 2030 range from low of 500 to high of 1800 public ports.
 - Currently > 600 non-residential EV charging ports in the City
 - Locations not well distributed
 - Some not functional





Electric Vehicle (EV) Blueprint

- EV Blueprint showed the City could have the most impact on EV adoption (and GHG reductions) by increasing charger availability
 - Multifamily Dwelling Unit Charging Availability
 - Disadvantaged Community Charging Availability
- SVP's unusually high load factor means no significant electric load or financial impact from EV Charging
- Immediate Action Items
 - Regional partnership for charger implementation
 - City Fleet Electrification Policy Complete
 - Identified new City charger locations



Innovative Smart City and Sustainability Partnerships with other City Departments

Legally Restricted Funds (SVP has funds in FY19/20 that are legally restricted on use):

- GHG Cap and Trade Allowances
 - Purchase new renewable energy and storage
 - Electrification and de-carbonization of transportation
 - City climate action plan support
 - City's green building codes
- Low Carbon Fuel Credits
 - Provide rebates for electric vehicles (EVs) and chargers
 - City green fleet support
 - Regional collaboration on de-carbonizing mobility
 - Next phases of the EV Blueprint
- Public Benefit Charge
 - Four allowed areas for use:
 - Energy efficiency
 - Renewable energy/storing renewable energy;
 - Low-income focused programs;
 - Related innovative R&D



Recommendation

Title: Silicon Valley Power Quarterly Strategic Plan Update

Staff Recommendation:

- Note and File Quarterly Strategic Plan Update