

Critical Facilities Roundtable

Silicon Valley Power: Santa Clara's Hometown Advantage

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SVP: Santa Clara's Hometown Advantage

High value for customers

- Reliability
- Service
- Price
- Local Accountability



Local Accountability

- Policy and rate setting
- Financing
- Budgeting
- Approving capital projects
- Resource planning
- Environmental Stewardship

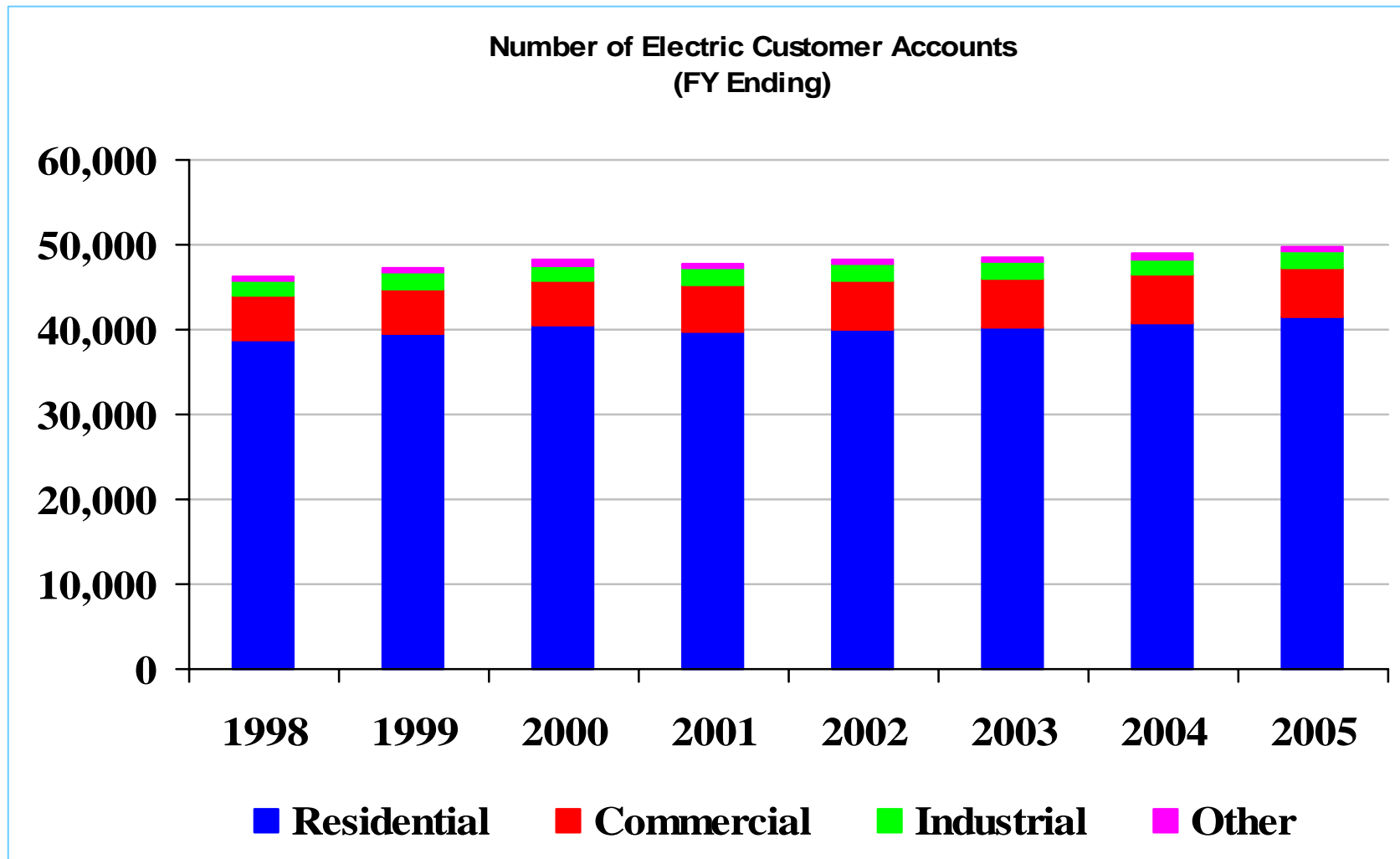


Silicon Valley Power

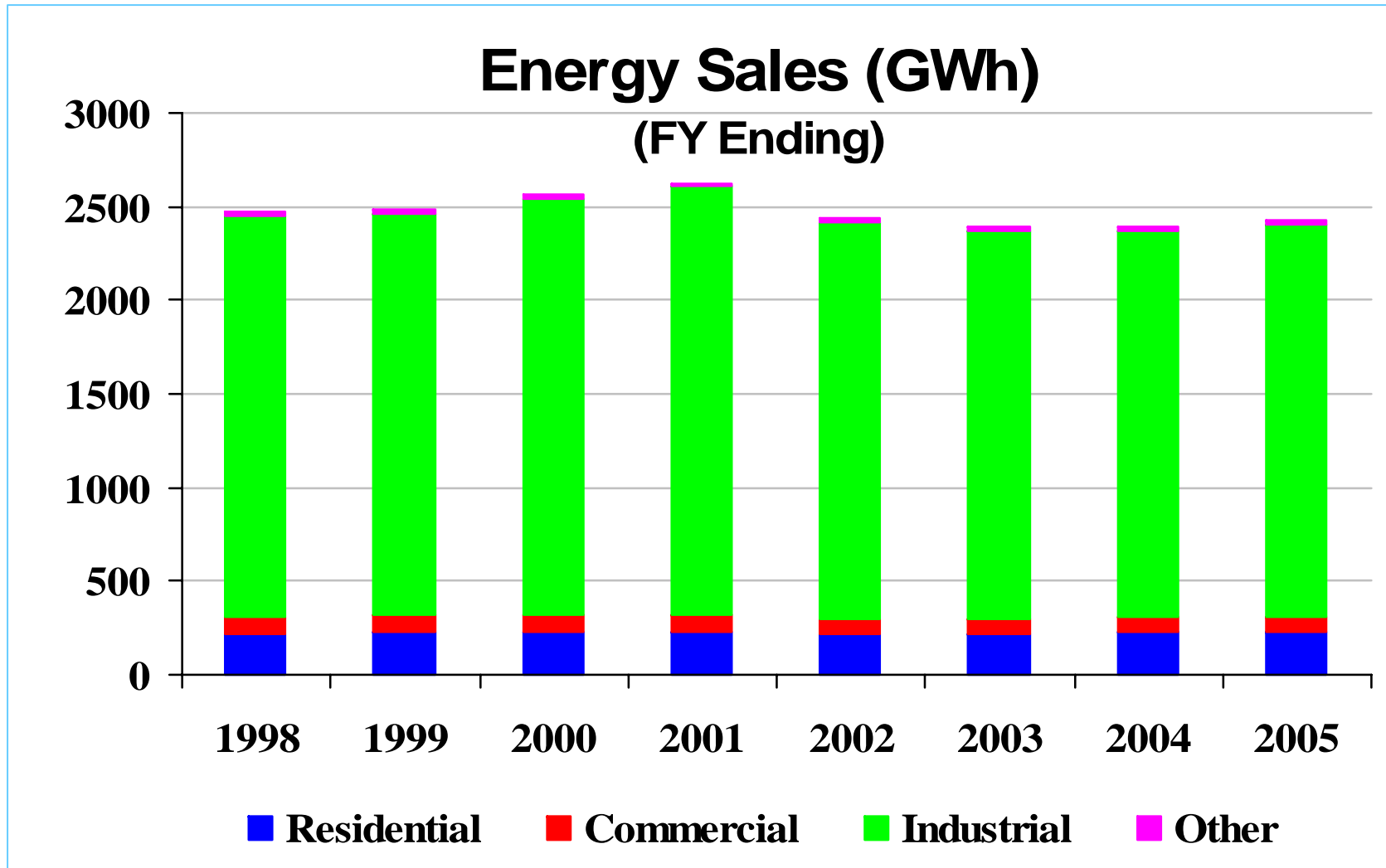
- The city's load is 450 MWs
- Approximately 1% of California's total load
 - 3rd largest municipal in California
 - 6th largest electric utility in the state
 - 22nd largest municipal nationwide
- 1/7th the population of San Francisco
- But 2/3rds of San Francisco's electric load



City's Customer Base



Electric Customer Base



Reliability by Design

- Conservative Design Standards
 - Looped sub-transmission to substations
 - Switch to restore distribution feeders
 - Load feeders to 50% of capacity
- Top maintenance practices
 - Annual maintenance plan
 - Circuit cleansing
 - Infra red and visual inspections

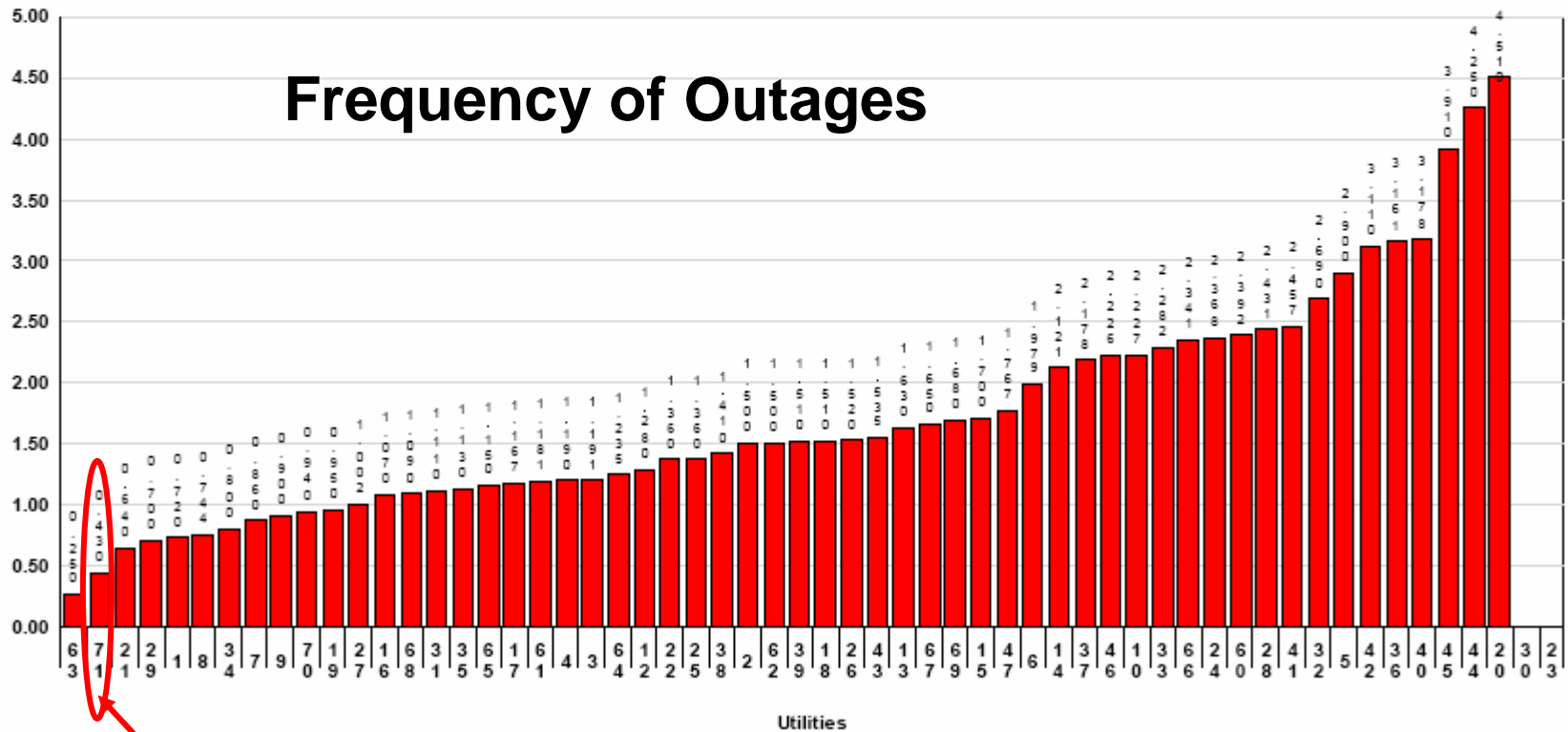
System Average Interruption Frequency Index — SAIFI

Including Major Events & Planned Interruptions

Mean	Quartile 1	Quartile 2	Quartile 3	Quartile 4
1.72	0.25 <= 1.11	1.11 <= 1.51	1.51 <= 2.24	2.24 <= 4.51



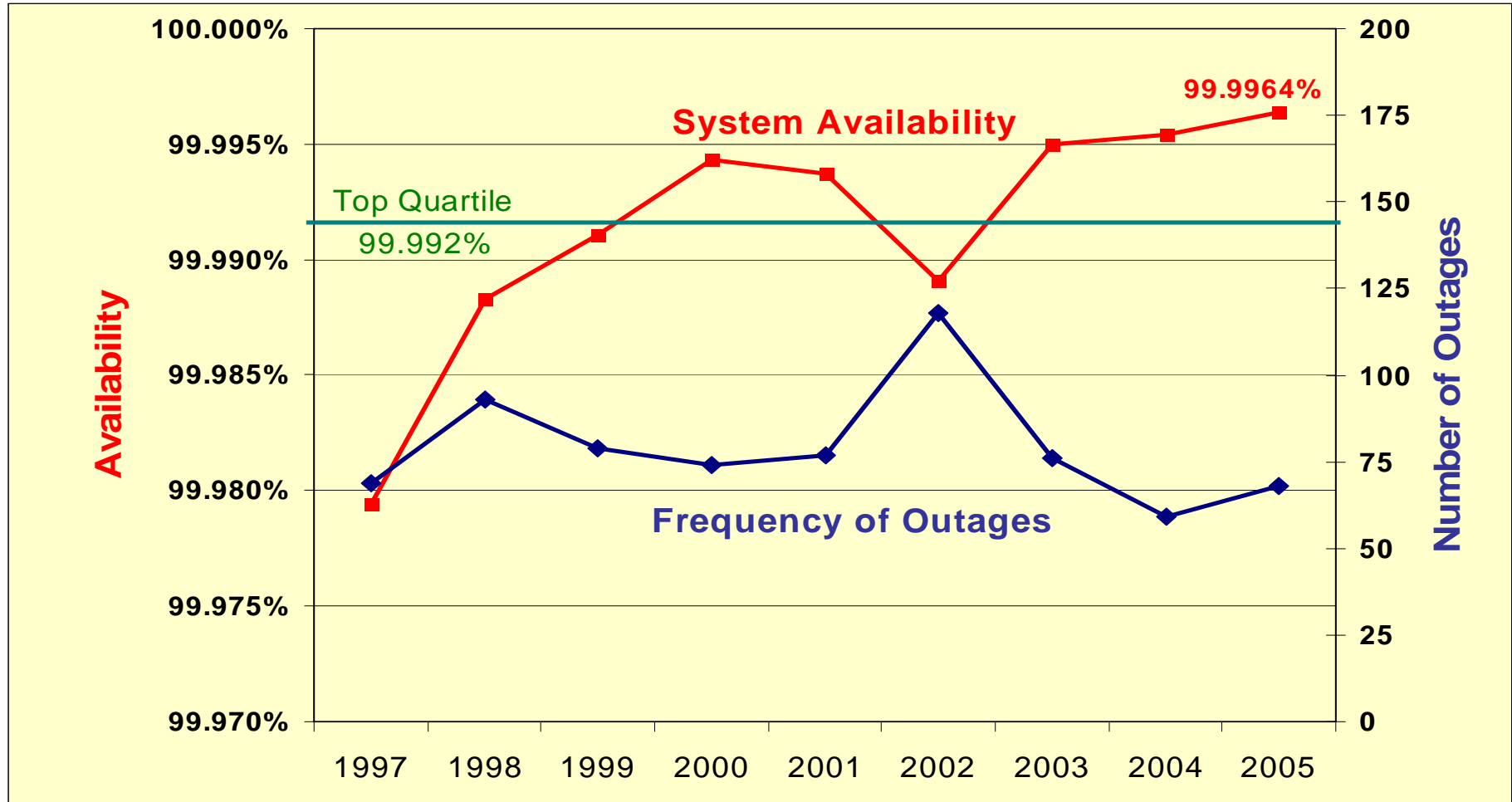
Interruptions



SVP



SVP System Reliability Trends



Customer Focus

- Key Customer Representatives
 - 24/7 Communications
 - Single point of contact
 - Development and Operation
 - Billing questions
- For more information:
 - Call (408) 615-5651

Customer Focus

- Quarterly customer meetings
- Newsletters
- SVP Alert pages and emails
- Public Benefit Programs

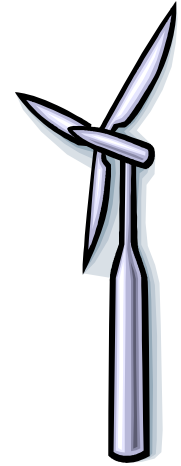


Public Benefit Programs

- Energy Audits
- Rebates
 - Including Customer Directed Rebate
- Contact Key Customer Representative
or
 - Call (408) 615-5651



Diverse and Reliable Supply



- Multiple sources of supply
 - City owned projects
 - Joint Powers Agency
 - Transmission access to NW and SW
 - Long Term contracts
- Diverse fuel sources
- Trading operation

POWER CONTENT LABEL

ENERGY RESOURCES	2005 SVP ACTUAL POWER MIX*	2005 SVP PROJECTED POWER MIX*	2004 CA POWER MIX** (for comparison)
Eligible Renewable	22%	20%	4%
-- Biomass & waste	0%	0%	0%
-- Geothermal	16.6%	17.5%	3.0%
-- Small hydroelectric	5.7%	2.5%	1.0%
-- Solar	0%	0%	0%
-- Wind	<1%	<1%	<1%
Coal	23%	18%	29%
Large Hydroelectric	24%	20%	20%
Natural Gas	30%	41%	45%
Nuclear	1%	0%	2%
Other	0%	0%	0%
TOTAL	100%	100%	100%

* 74% was Energy specifically purchased from individual Suppliers.

** Percentages are estimated annually by the California Energy Commission based on electricity sold to California consumers during the previous year.

- SVP's 2005 power mix consisted of 22% eligible renewable resources, compared to 4% statewide.
- When Large Hydroelectric resources are included, SVP's power mix consisted of 46% renewable and large hydro, as compared to 24% for the statewide mix.



Donald Von Raesfeld Power Plant

- 147 MW peak /122 MW base load
- Natural gas combined-cycle facility
- Constructed in 19 months
- Local reliability and voltage support
- Control over resources
- Reduces California ISO charges
- Can provide 1/3 of city's needs
- Best Available Control Technology



230kV Transmission Project

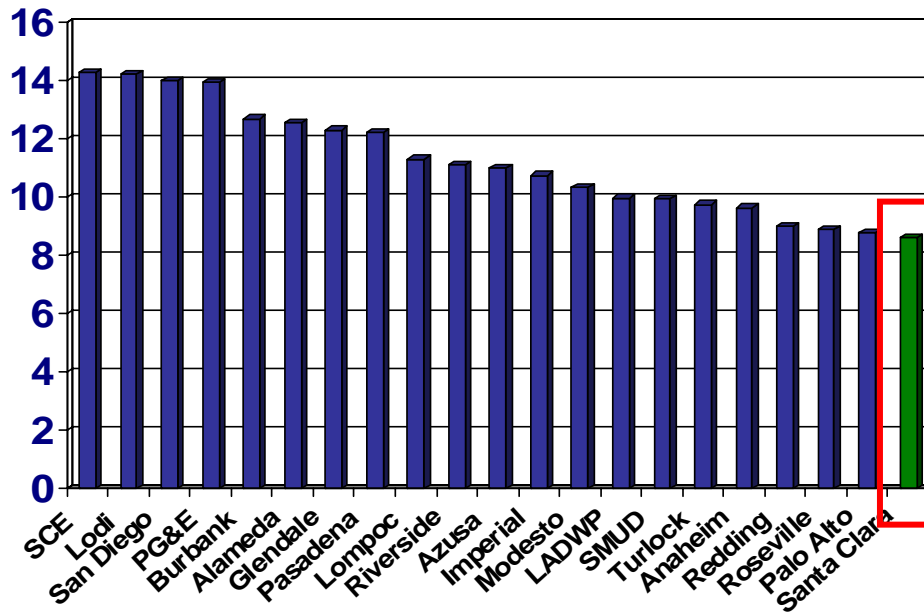
- Four miles of high voltage transmission connecting SVP to PG&E
- Completed in 19 months
- Increases transmission interconnection capacity by 40%
 - Improves reliability
 - Serves load growth
 - Reduces transmission access charges



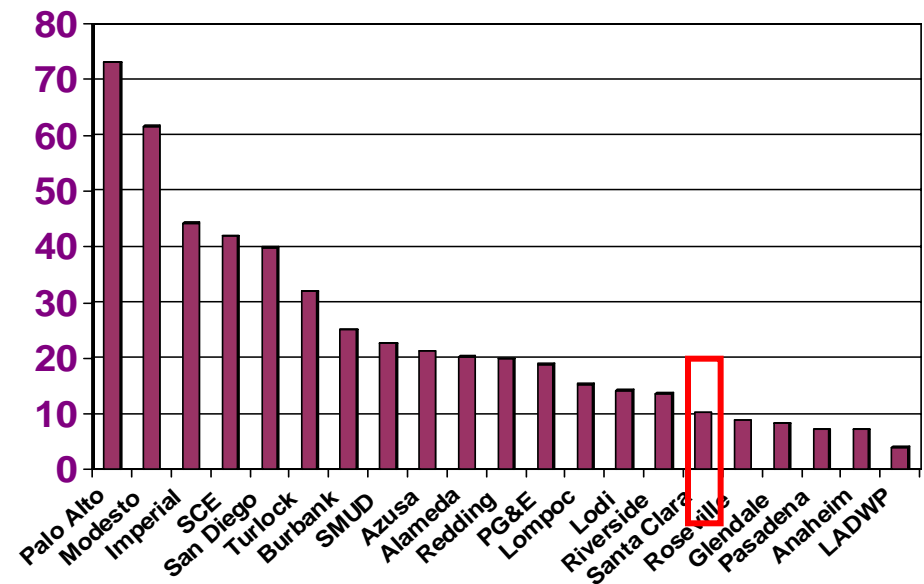
Connecting to sub at Los Esteros

California Rate Comparisons

Cents
per
kilowatt-hour



% Increase



Source: Calif. Municipal Rates Group Survey, May 9, 2006.

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SVP vs PG&E Average Rates

Class of Service	SVP Rates w/ Proposed 10.25% (2006) Incr. (\$/kWh)	PG&E Rates 1-1-06 (\$/kWh)	SVP Lower (\$/kWh)	SVP Lower (%)
Residential (SVP D-1 vs PG&E E-1)	\$0.085	\$0.153	\$0.068	45%
Small Commercial (SVP C-1 vs PG&E A-1)	\$0.123	\$0.157	\$0.034	22%
Large Commercial (SVP CB-1 vs PG&E A-10S)	\$0.094	\$0.141	\$0.048	34%
Small Industrial (SVP CB-1 vs PG&E E-19S)	\$0.094	\$0.130	\$0.037	28%
Large Industrial (SVP CB-3 vs PG&E E-20P)	\$0.083	\$0.108	\$0.026	24%

Average rates based on estimated forecasts, including surcharges - although additional rate increase announcements have been noted. Individual customer average rates will vary depending on applicable kW and kWh usage.

**Excludes “utility users tax” (typically 5%) in many cities served
by PG&E**



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Silicon Valley Power Saves Customer's Money*

Office Space

Save up to 10¢/sf



R&D Space

Save up to 20¢/sf



Manufacturing Space

Save up to 50¢/sf



Data Centers

Save as much as \$1.00/sf



Savings per Square Foot per Month

***Savings based on typical electricity usage profiles of these occupancy types benchmarked against PG&E rates.**



Silicon Valley Power Fiber Optic Network



- In 2000, SVP completed construction of a fiber optic infra-structure to provide:
 - Necessary communication for electric utility substations
 - Enhanced reliability of energy services
 - Added capacity for City to lease dark fiber to other communication networks

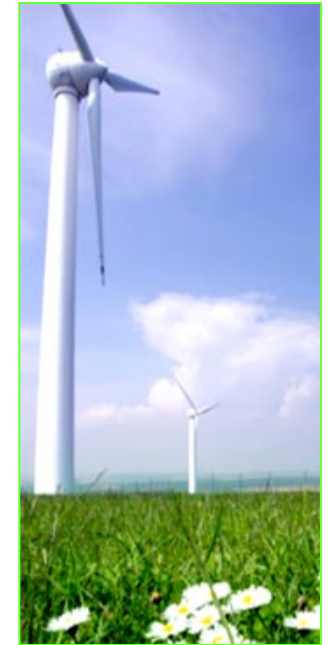
details at www.svpfiber.com



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SANTA CLARA greenpower



First Year offering of 100% **Green Power**

- Renewable Energy Credits (REC's)
 - Wind and solar energy resources in California
- 5% of customers enrolled to-date (~2400)
- 8th in the Nation for Customer Participation
 - » **Green Power** large customer members include Agilent Technologies, Applied Materials, Cisco Systems, Santa Clara University, and Yahoo!



SVP Advantage

- **Local control & accountability**
 - City Council is our PUC and Board of Directors
 - Meetings every other Tuesday night
- **Investment in Renewable Energy since 1980s = stable rates**
- **Active management of the “business” before, during and after the energy crisis**
- **Close and collaborative customer relationships**
- **We tailor SVP to what the customers need**



Thank you



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