

Community Energy Department

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San José Clean Energy's Credit Facility with Barclays Bank Increases to \$80 Million

*Agreement is one of many recent events demonstrating the
financial industry's confidence in Community Choice Energy*

San José, CA (May 20, 2019) – San José City Council agreed on April 30 to expand [San José Clean Energy \(SJCE\)](#)'s revolving credit agreement with Barclays Bank PLC from \$50 million to \$80 million. The increased credit facility will allow SJCE to make additional purchases of clean power into future years, thereby further hedging future electricity costs and maximizing customer savings.

Operated by the Community Energy Department, SJCE is the City's Community Choice Aggregator (CCA). Through Community Choice, local governments like the City of San José buy electricity from cleaner sources, while the investor-owned utility (PG&E, for San José) continues to distribute the electricity, maintain the powerlines, respond to power outages, and provide billing.

"Our credit facility is another Community Choice financial milestone demonstrating the financial stability of CCAs," said Lori Mitchell, Community Energy Department Director.

Last week, SJCE's neighboring agency Peninsula Clean Energy received an [investment grade credit rating](#) from Moody's Investors Service, following Marin Clean Energy. Their Baa2 ratings indicate a stable outlook and are higher than PG&E's B2 rating.

"Financial institutions are recognizing the strength of the California Community Choice model. The 19 agencies have achieved strong finances, high community participation, and success in procuring cost-competitive renewable resources, all while advancing California's climate goals and benefitting our local communities," added Lori Mitchell.

The agreement with Barclays highlights the fiscal strength and security of the Community Energy Department, a department of the City of San José. While SJCE is part of a large city, this credit facility was achieved due to confidence in SJCE's financial position.

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“Barclays is pleased to support San José Clean Energy’s procurement of renewable energy. Our loan is an indication of our confidence in the financial position of San José Clean Energy and the California Community Choice model – its large customer base and support from local and state elected officials are markers of success,” said John McCray-Goldsmith, who leads the public sector climate change infrastructure finance practice for the western U.S. at Barclays.

CCAs have stable customer bases, and across the board CCAs have high participation rates. Over 98.7% of San José residents and businesses remain SJCE customers, including over 850 customers who have upgraded to TotalGreen service to receive 100% renewable energy.

To meet San José customers’ increased demand for renewable energy, totaling 2,000 GWh annually by 2022, SJCE currently buys power from existing power plants. SJCE is currently negotiating its first long-term power purchasing agreement (PPA) to build new renewable energy resources dedicated for SJCE customers and will issue a Request for Proposals for additional opportunities.

Many CCAs, including those without credit ratings, have successfully secured long-term PPAs with renewable energy developers at competitive rates. In 2018, Silicon Valley Clean Energy and Monterey Bay Community Power signed agreements with vendors to build a total of 328 MW of new solar and wind resources coupled with 40 MW of battery storage.

CCAs are driving California’s renewable energy future. In total, CCAs will build over 10,000 MW of new renewable resources by 2030, compared to 1,000 MW pledged by investor-owned utilities.

About the City of San José

With more than one million residents, San José is one of the most diverse large cities in the United States and is Northern California’s largest city and the 10th largest city in the nation. San José’s transformation into a global innovation center has resulted in one of the largest concentrations of technology companies and expertise in the world. In 2011, the City adopted Envision San José 2040, a long-term growth plan that sets forth a vision and a comprehensive road map to guide the City’s anticipated growth through the year 2040.

About the Community Energy Department

San José Clean Energy is the new electricity generation service provider for residents and businesses in the City of San José, operated by the City’s Community Energy Department. Governed by the City Council, it provides over 300,000 residential and commercial electricity customers with cleaner, lower carbon power options at competitive prices, from sources like solar, wind and hydropower. San José Clean Energy is governed by the City Council and operated by the City of San José. For more information, please visit www.SanJoseCleanEnergy.org.

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