

**PENINSULA CLEAN ENERGY**  
**5-Year Projections**

6/28/2018

FY 2018-2019 Budget & Projections	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
	Proposed Budget	Projection	Projection	Projection	Projection

**OPERATING REVENUES**

Electricity Sales	\$ 254,916,736	\$ 257,602,223	\$ 260,322,438	\$ 263,077,877	\$ 265,869,040
ECO100 Premium	1,627,364	1,806,500	2,005,403	2,226,261	2,471,501
<b>Total Operating Revenues</b>	<b>256,544,100</b>	<b>259,408,723</b>	<b>262,327,841</b>	<b>265,304,137</b>	<b>268,340,541</b>

**OPERATING EXPENSES**

Cost of energy	176,147,894	176,898,984	169,786,727	173,799,409	181,015,339
Data Manager	3,758,400	3,871,152	3,987,287	4,106,905	4,230,112
Service Fees - PG&E	1,260,000	1,297,800	1,336,734	1,376,836	1,418,141
Bad Debt expense	897,904	907,931	918,147	928,564	939,192
Communications and Outreach	1,010,600	1,040,918	1,072,146	1,104,310	1,137,439
General and Administrative	1,227,200	1,262,330	1,341,184	1,404,701	1,467,437
Professional Services	1,432,511	1,863,554	2,296,287	2,758,913	3,201,756
Energy Programs	3,200,000	4,800,000	6,400,000	8,000,000	9,600,000
Legal	1,146,600	1,197,864	1,251,449	1,307,460	1,366,010
Personnel	4,492,745	4,879,674	5,316,865	5,796,690	6,323,194
<b>Total Operating Expenses</b>	<b>194,573,855</b>	<b>198,020,207</b>	<b>193,706,824</b>	<b>200,583,788</b>	<b>210,698,621</b>

<b>Operating Income (Loss)</b>	<b>61,970,246</b>	<b>61,388,516</b>	<b>68,621,017</b>	<b>64,720,349</b>	<b>57,641,920</b>
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**NON-OPERATING REVENUES (EXP.)**

Interest Income	440,000	880,000	1,320,000	1,760,000	2,200,000
Interest and related expense	(168,000)	-	-	-	-
<b>Total Nonoperating Revenues (Exp.)</b>	<b>272,000</b>	<b>880,000</b>	<b>1,320,000</b>	<b>1,760,000</b>	<b>2,200,000</b>

**OTHER USES**

Capital Outlay	42,000	46,200	50,820	55,902	61,492
Debt Service Principal	-	-	-	-	-
<b>Total Other Uses</b>	<b>42,000</b>	<b>46,200</b>	<b>50,820</b>	<b>55,902</b>	<b>61,492</b>

**CHANGE IN NET POSITION**

Net Position at the beginning of period	78,197,442	140,397,688	202,620,003	272,510,200	338,934,647
Increase in Net Position	62,200,246	62,222,316	69,890,197	66,424,447	59,780,428
Net Position at the end of period	140,397,688	202,620,003	272,510,200	338,934,647	398,715,075

Approx. Cash & Cash Equivalents	\$ 130,397,688	\$ 192,620,003	\$ 262,510,200	\$ 328,934,647	\$ 388,715,075
Approx. Other Assets	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Target Operating Reserves (Days cash on hand)	120	\$ 150	180	180	180
Days Cash on Hand (before LC)	245	355	495	599	673
Target Operating Reserves	\$ 63,969,486	\$ 81,378,167	\$ 95,526,653	\$ 98,918,033	\$ 103,906,169
Line of Credit	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
Cash, Cash Equivalents & LC	\$ 142,397,688	\$ 204,620,003	\$ 274,510,200	\$ 340,934,647	\$ 400,715,075
Days Cash on Hand (after LC)	267	377	517	620	694

**Assumptions/Notes**

- Revenue: Assumes 5% discount for ECOplus compared to PG&E and no further rate changes for all future years.
- ECO100 Premium: Assumes 10% annual growth.
- Cost of Energy: Assumes 1% annual account growth for E19 and RES customers, and 0.50% consumption growth driven by increased use of EVs.
- Bad Debt: Based on 0.35% of annual sales.
- General and Admin: Includes bank fees, building maintenance, professional development, industry memberships, rent, and office supplies.
- Professional Fees: Includes fees for the annual audit, and consulting fees for accounting, IT, power resources, energy programs, and HR.
- Energy Programs: Reflects the launch of PCE's energy programs including the EV incentive program, the pilot local programs, and other future programs.
- Personnel: Captures salaries and wages, insurance, retirement contributions, and other benefits adjusted for inflation and additional staffing.
- Interest Income: Assumes incremental annual investment of cash reserves (\$40MM) in T-bills with an expected return of 1.1%.