



Community Advisory Committee Meeting

Davis Senior Center – December 5, 2017

Item 5 – Work Plan

<p>November 27, 2017</p>	<p>Advisory Committee</p>	<ul style="list-style-type: none"> • Power Mix Targets • Reserve Policy • Wholesale Energy Risk and Trading Policies • VCEA Staffing Plan 	<ul style="list-style-type: none"> • Review, refer to sub-group • Review, refer to sub-group • Review, refer to sub-group • Review
<p>December 4, 2017</p>	<p>Advisory Committee</p>	<ul style="list-style-type: none"> • Power Mix Targets • Reserve Policy • <u>Target Rates for FY 2018-2019</u> • Energy Trading/Risk Management Policies • <u>Organization Chart</u> • <u>VCEA Leg/Reg Policy</u> 	<ul style="list-style-type: none"> • Recommend* • Recommend* • Recommend • Recommend* • Recommend • Recommend*
<p>December 14, 2017</p>	<p>Board</p>	<ul style="list-style-type: none"> • <u>Task Order 4</u> • Discuss Power Mix • Financials/Adopt Reserve Policy • Target Rates for FY 2018-2019 • Energy Trading and Risk Mgmt Policies 	<ul style="list-style-type: none"> • Approve • Review • Review/Approve • Approve • Approve • Review



Item 5 – Work Plan (cont.)

January 1, 2018	SMUD	<ul style="list-style-type: none"> • Begin power procurements 	
January 8, 2018	Advisory Committee	<ul style="list-style-type: none"> • <u>Presentation from Defenders of Wildlife (tentative)</u> • <u>Customer and Data Policies</u> • <u>Power Procurement Delegation</u> • <u>NEM Policy (Tentative)</u> 	<ul style="list-style-type: none"> • Informational • Review • Review • Review
January 11, 2018	Board	<ul style="list-style-type: none"> • <u>Customer and Data Policies</u> • <u>Power Procurement Delegation</u> • <u>NEM Policy (Tentative)</u> 	<ul style="list-style-type: none"> • Review/Approve • Approve • Review
January 29, 2018	Advisory Committee	<ul style="list-style-type: none"> • <u>Review Enterprise Risk Policy</u> 	<ul style="list-style-type: none"> • Recommend
February 8, 2018	Board	<ul style="list-style-type: none"> • <u>Review Enterprise Risk Policy</u> 	<ul style="list-style-type: none"> • Review
February 26, 2018	Advisory Committee	<ul style="list-style-type: none"> • <u>Enterprise Risk Policy</u> • <u>Final Rate Discount</u> • <u>Final Power Mix</u> • <u>Power/Operational Budget</u> 	<ul style="list-style-type: none"> • Recommend • Recommend • Recommend • Recommend
March 8, 2018	Board	<ul style="list-style-type: none"> • <u>Enterprise Risk Policy</u> • <u>Final Rate Discount</u> • <u>Final Power Mix</u> • <u>Power/Operational Budget</u> 	<ul style="list-style-type: none"> • Approve • Review • Review • Approve



Item 6 – Power Mix Targets & Rates

Power Mix Targets - Draft Recommendation

- Power Mix Target for 2018 that has a total 75% clean energy supply, comprised of the following components:
 - 35% Renewable Energy component, which includes the minimum required Renewable Portfolio Standard component of 29%, plus an additional discretionary renewable component of 6%.
 - Renewable energy sourced 75% from PCC 1 resources and 25% from PCC 2 resources. In the event that renewable procurement cost are greater than currently estimated, PCC 2 resources could be used for up to 100% of the discretionary renewable component (6%).
 - Product Content Category 3 RECs only used in small quantities to make up for any shortfalls in renewable energy deliveries in any year, to insure that VCEA meets its Power Mix Target.
 - A non-renewable clean energy component of 40%.

Item 6 – Power Mix Targets & Rates (cont.)

Rate - Draft Recommendation

- Target a 1% rate discount, net of PCIA and Franchise Fees.

Item 7 – Reserve Policy

Reserve Policy - Draft Recommendation

The VCEA Board recognizes the importance of developing reserves to:

- Ensure financial stability
- Ensure access to credit at competitive rates
- Ensure rate stability
- Set aside monies for local programs

To achieve these objectives, VCEA targets an operating reserve account minimum balance of 30 days operating expenses, with a goal of building to a reserve of 90 days operating expenses.

Additionally, VCEA will set aside a reserve fund for local programs, equal to 1% of net income.

VCEA will initially build a reserve fund of 30 days operating expenses. Once this is funded, VCEA will begin paying off debt and building cash reserves to meet a 90-day operating reserve level.

Rates, Power Portfolio Resource mix, and Operating Budget will be adjusted as needed to meet VCEA's target reserves schedule.



Item 8 – Wholesale Power Procurement & Risk Management Policy

Wholesale Power Procurement & Risk Management Policy - Draft Recommendation

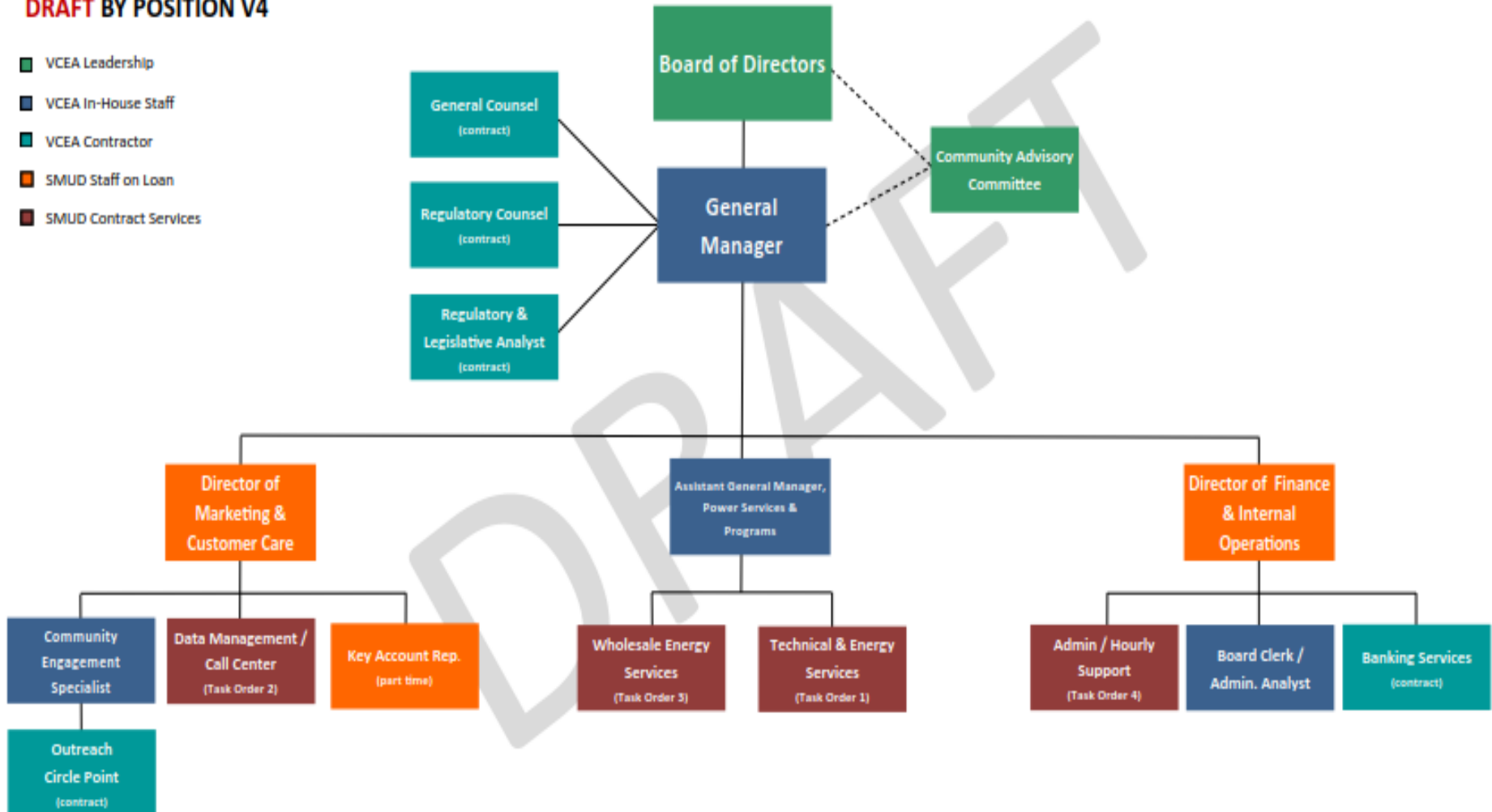
The Wholesale Energy Risk Management Policy will provide the primary guidance for managing the energy commodity risks faced by VCEA, and establishes criteria for how VCEA's Wholesale Energy Services Provider will conduct the procurement and settlement activities to insure proper separation of those functions.

Item 9 – Draft Staffing Plan

VCEA ORGANIZATION CHART

DRAFT BY POSITION V4

- VCEA Leadership
- VCEA In-House Staff
- VCEA Contractor
- SMUD Staff on Loan
- SMUD Contract Services



Item 11 – VCEA Leg/Reg Draft Policy

Legislation/Regulatory Policy - Draft Recommendation

- Board of Directors ID procedure for taking positions on the key proposed legislation and regulatory issues.
- The CAC Legislative Subcommittee monitor proposed regulatory and legislative actions to identify those on which a VCEA position is needed by reviewing the proposed legislation and regulations followed by CalCCA. Allow flexibility for VCEA to deviate from CalCCA positions/priorities.
- Review policy to determine effectiveness.
- Establish a Board Leg/Reg subcommittee and authorize subcommittee and GM to take action on time sensitive Leg/Reg matters.
- CAC Leg/Reg subcommittee will ID VCEA priorities that may require independent action by VCEA.