



**Valley Clean Energy Alliance (VCEA)
Community Advisory Committee (CAC) Meeting
Thursday, February 28, 2019 at 5:30 p.m.
Davis Senior Center, 646 A Street, Davis, CA 95616**

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Alisa Lembke, VCEA Board Clerk/Administrative Analyst, at least two (2) working days before the meeting at (530) 446-2754 or Alisa.Lembke@valleycleanenergy.org.

If you have anything that you wish to be distributed to the Committee and included in the official record, please hand it to a member of VCEA staff who will distribute the information to the Board members and other staff.

Committee Members: Gerry Braun (Chair), Christine Shewmaker (Vice-Chair), Marsha Baird (Secretary), Mark Aulman, Yvonne Hunter, Lorenzo Kristov, David Springer, and Christine Casey

5:30 PM CALL TO ORDER

- 1. Welcome, Roll Call**
- 2. Approval of Agenda**
- 3. Public Comment** - This item is reserved for persons wishing to address the Advisory Committee on any VCEA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to two minutes per speaker, but an extension can be provided at the discretion of the Chair.
- 4. Brief VCEA Staff and Advisory Task Group Reports** - Representatives of VCEA staff and active Task Groups will provide updates on on-going staff and task group work. Task Group recommendations requiring Committee attention require a regular agenda item. Summaries of written reports received by the Committee in advance of the meeting will receive a time allocation of up to ten minutes. Otherwise, the time allocation will be five minutes, including questions and answers. The Committee may decide to allocate additional time at the end of the regular agenda.

CONSENT AGENDA

- 5. Approval of draft January 24, 2019 Committee Meeting Minutes**
- 6. Receive Customer Enrollment Update as of February 21, 2019**
- 7. Request to CAC to make recommendation to Board to approve updated Valley Clean Energy Strategic Marketing & Communications Plan**



REGULAR AGENDA

8. **Solar Home and Business Enrollment /100% Renewable Rate Option Review (Information) (30 minutes)**
9. **Videoconference call with Susan Bierzychudek of Green Ideals (Information: introduction to CAC members, components of updated Outreach Plan and future projects/campaigns) (15 minutes)**
10. **Consideration of preliminary draft Staff Recommendation for Rate Structure / Possible Dividend Program for 2020 Fiscal Year End (Information/Progress Report) (30 minutes)**
11. **2019 Community Advisory Committee Task Groups (Action) (20 minutes)**
 - A. **Introduce 2019 Task Group Chairs and receive/approve proposed Task Group charges for:**
 1. **Outreach**
 2. **Legislative / Regulatory**
 3. **Rates and Services**
 - B. **Receive staff preferences regarding interactions with other CCA advisory groups**
12. **Receive and Amend 2019 CAC Long Range Calendar (Action) (15 minutes)**
13. **Advisory Committee Member and Staff Announcements: Action items and reports from members of the Advisory Committee, including announcements, future agenda items, and reports on meetings and information which would be of interest to the Committee or the public.**

The next Community Advisory Committee meeting has been scheduled for Thursday, March 28, 2019 at 5:30 p.m. at the City of Woodland Council Chambers, 300 1st Street, Woodland, CA 95695.

The next Valley Clean Energy Alliance *Board* meeting is scheduled for Thursday, March 14, 2019, at 5:30 p.m. at the City of Woodland Council Chambers, 300 1st Street, Woodland, CA 95695.

14. **Adjournment (Approximately 7:30 p.m.):** Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. VCEA public records are available for inspection by contacting Board Clerk Alisa Lembke at (530) 446-2750 or Alisa.Lembke@ValleyCleanEnergy.org. Agendas and Board meeting materials can be inspected at VCEA's offices located at 604 2nd Street, Davis, California 95616; those interested in inspecting these materials are asked to call (530) 446-2750 to make arrangements. Documents are also available on the Valley Clean Energy website located at: www.valleycleanenergy.org/meetings.

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report - Item 5

TO: VCEA Community Advisory Committee
FROM: Alisa Lembke, Board Clerk/Administrative Analyst
SUBJECT: CAC Draft January 24, 2019 Meeting Minutes
DATE: February 28, 2019

Recommendation

Receive, review and approve the attached draft January 24, 2019 CAC meeting Minutes.



MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE MEETING
Thursday, January 24, 2019

Chairperson Gerry Braun opened the Community Advisory Committee of the Valley Clean Energy Alliance in regular session beginning at 5:32 p.m. at the City of Woodland Council Chambers, 300 1st Street, 2nd Floor, Woodland, California.

Welcome and Roll Call

Committee Members Present: Gerry Braun (Chair), Christine Shewmaker (Vice-Chair), Marsha Baird (Secretary), Yvonne Hunter, Lorenzo Kristov, Mark Aulman, Christine Casey, David Springer (arrived at 5:58 p.m.)

Committee Members Absent:

**Introduction /
Review of Meeting
Protocol /
Approval of
Agenda**

Chairperson Braun introduced the newest member, Christine Casey, representing the City of Woodland. Ms. Casey gave a brief background of her service.

Chairperson Braun reviewed meeting protocol.

Mr. Aulman made a motion to approve the January 24, 2019 Community Advisory Committee Agenda, seconded by Ms. Shewmaker. Motion passed unanimously with David Springer absent.

Public Comment

Chairperson Braun opened up the meeting for public comment. Yvonne Hunter representing Cool Davis announced that in conjunction with the City of Davis, a Home Heating and Cooling Workshop is scheduled for this Sunday, January 27th from 1 p.m. to 4 p.m. at the Davis Senior Center. Ms. Hunter provided invitations to all who were present. No other comments were made by the public at this time. Chairperson Braun closed the public comment period.

**VCEA Staff and
Advisory Task
Group Reports**

Legislative / Regulatory Task Group: Ms. Hunter provided an update to those present that the Task Group met in December 2018 with Interim General Manager Mitch Sears to review processes and protocols; had a general discussion on what the Task Group can do to assist VCE Staff; and, what the role of the Task Group is moving forward. Also, at last night's Board meeting a contract with a lobbying firm to represent VCE was approved. Ms. Hunter informed those present that the Task Group will be looking at how they can assist VCE and the new lobbying firm Mr. Sears informed those present that Pacific Policy Group (PPG) has been retained to provide lobbying services for VCE. In addition, CalCCA has hired two (2) new employees to focus on regulatory and legislative issues for CCAs and assisting CalCCA with the PG&E bankruptcy.

Customer Outreach and Marketing Task Group: Mr. Aulman provided a brief review of how the Task Group will assist Staff moving forward.



Mr. Sears gave a brief background of the two (2) new CalCCA Directors, Sean MacNeil and Nick Pappas, both who have ties to Yolo County. Genevieve Shiroma has been appointed to the CPUC by Governor Newsom. Ms. Shiroma served on the SMUD Board and has a good history within public utilities. There has been much talk about development in the central valley including creation of Community Choice Aggregates. The City of Fresno invited Mr. Sears to attend their Council meeting on February 14th, but he will not be attending. Lastly, Mr. Sears informed those present that, if he did not know already, PG&E is going to file bankruptcy.

**Consent Agenda –
Approval of
December 3, 2018
Committee
Meeting Minutes**

Ms. Hunter made a motion to approve the December 3, 2018 meeting minutes, seconded by Ms. Baird. Motion passed unanimously with David Springer absent.

**Receive Customer
Enrollment
Update**

Ms. Hunter made a motion to receive the Customer Enrollment Update as of January 14, 2019, seconded by Ms. Baird. Motion passed unanimously with David Springer absent. Chairperson Braun asked that the NEM Customers be added to the Customer Enrollment Update.

**Informational
Presentation:
Carl Linvill
(Regulatory
Assistant Project)**

Mr. Kristov informed those present that Carl Linvill will arrive around 6:15 p.m. Chairperson Braun made a motion to swap Item 7 with Item 9 – Dividend Rebate Structure, seconded by Ms. Baird. Motion carried unanimously with David Springer absent. Chairperson Braun then moved onto the Dividend Rebate Structure discussion.

**Informational:
Preliminary
discussion and
timeline of
studying annual
dividend rebate
structure (“New
Rate Structure /
Rebate Program”)
for 2020 Fiscal
Year End**

Mr. Sears reviewed this item with the CAC Members. Staff are asking that the CAC form a Task Group to collaborate with staff to develop a new rate structure and rebate program for Fiscal Year 2019/2020. Ms. Hunter suggested that VCE use the word “dividend” rather than “rebate” as most people think of PG&E “rebates” when they hear the word and they are two different things. This will be clearer for the VCE customers. Mr. Springer made the point that the rates are based off of power procurement costs. Per Mr. Sears, Monterey Bay has had a rate structure dividend from their beginning which is about a year.

David Springer arrived at 5:58 p.m.

Chairperson Braun commented that there is a connection between this item and the NEM customer, cost and rate setting issues, and suggested that these issues are taken sequentially. Ms. Baird suggested that a NEM Task Group follow the same timeline as the Dividend Task Group. Mr. Kristov commented that focus should be on how to divide revenue into four (4) buckets. Mr. Sears agreed that they are inter-related and the Members concerns. He encourages the task group to focus on the core question regarding the dividend and the NEM question can be folded in. Chairperson Braun asked if forming two Task Groups (Dividend Program and NEM) is in line with the Board’s direction. Mr. Sears does not know at this time because he has not asked the



question. The formation of a Task Group will be addressed later in the Agenda in Item 10: Development of a Work Plan.

**Administration:
Setting of 2019
Meeting Dates**

Chairperson Braun introduced this item. Ms. Shewmaker made a motion for the Community Advisory Committee to meet on the 4th Thursday of each month starting at 5:30 p.m., seconded by Ms. Hunter. Motion carries with one opposition from Chairperson Braun.

**Informational
Presentation:
Carl Linvill
(Regulatory
Assistant Project)**

Mr. Carl Linvill introduced himself and gave a brief background on himself. He invited Valley Clean Energy to have a table and participate in the Saturday, March 16, 2019 Davis Interfaith Climate Conference at the Methodist Church on Anderson from 1 p.m. to 4 p.m. Mr. Sears informed those present that Staff are scheduled to participate in this event.

Mr. Linvill also offered up his assistance to Valley Clean Energy through the Regulatory Assistant Project (RAP). RAP is a part of the technical assistance team of Solar Foundation which have assisted the City of Davis in receiving the California Energy Commission (CEC) designation of being a solar certified city. RAP can assist in a variety of projects, such as Net Energy Metering, electric and solar initiatives. Mr. Sears would like to meet with Mr. Linvill and VCE Staff Jim Parks to discuss VCE projects then will bring those projects back to the CAC for review and discussion.

**Development of
Community
Advisory
Committee Work
Plan 2019**

Chairperson Braun introduced this item.

- A. Review and provide status of Board and Community Advisory Committee 2019 Long Range Calendar Agenda Items: There were several items suggested to be added to the calendar, such as review of the Procurement Guide, Integrated Resource Plan, Net Energy Metering discussion, and local procurement priorities from the planning perspective.
- B. Review scope of services and projects of customer outreach and marketing services contractor Green Ideals; receive Outreach Task Group update; and identify projects that the Community Advisory Committee can assist with: Mr. Sears also suggested that the CAC start to look at the long-term strategic plan concentrating on certain objectives that they would like to achieve, such as a something similar to the Silicon Valley Decarbonization Roadmap. This ties into the Cities and County Climate Action Plans outlining goals, objectives and actions to be taken. Also, he suggested looking at the work that East Bay Community Energy did on their local development business plan highlighting local resources and how to deploy energy programs and resources. The CAC asking resource questions and vetting those out would be helpful to VCE staff and the Board. Chairperson Braun suggested that this be addressed by the CAC rather than a Task Group.



Mr. Kristov suggested that possibly there should be a Task Group to look at specific information, such as the work plan, Decarbonization Roadmap, then bring back to the CAC.

- C. Review CalCCA 2019 legislative and regulatory priorities: Mr. Sears informed those present that given the pending PG&E bankruptcy, CalCCA is looking to protect CCAs by bringing on a bill to the legislature that addresses RPS contracts, regulatory priorities, and OII (order instituting investigation of PG&E prior to the bankruptcy).
- D. Review and provide status of priority items highlighted in the Community Advisory Committee Updated Charge: Ms. Shewmaker would like to concentrate on (6) and (7) listed in the 2nd year report, not what is listed in the Charge. Ms. Hunter informed those present that she had a conversation with VCE Staff Gary Lawson regarding opting up and the cost of “marketing” this. She informed those present that VCE Staff Jim Parks has a marketing budget that could include an “opt-up” campaign. Mr. Aulman commented that prep time needs to be given to Green Ideals before implementing this campaign.
- E. Receive and discuss CAC member recommendations of what projects are to be focused on by the CAC during the first and second half of calendar year 2019: NEM, Dividends, IRP, and Opt-up campaign during the first half and during the second half, local resource development.
- F. Discuss CAC coordination with staff and 2019 CAC priority topics: Mr. Sears informed those present that he had nothing to add to this section as the priority have already been addressed.
- G. Discuss possible next steps toward interactions with other CCA advisory groups: Ms. Shewmaker prepared an informational document of all Community Advisory Committees. A copy is provided in the handouts. She has updated the document with live website links and will provide that to the Board Clerk for distribution to the CAC members. Ms. Hunter suggested that possibly at the next CalCCA annual meeting that the CACs meet and have their own break out session or possibly a webinar could be set up. Ms. Shewmaker suggested picking two or three CACs to ask if they are interested in meeting and sharing ideas, such as Silicon Valley and East Bay. It was agreed that Ms. Shewmaker is to head up reaching out to the other CCAs. Ms. Sears suggests that he make the invitation at an upcoming CalCCA meeting. Ms. Shewmaker commented that other CAC’s have their own page on the CCA’s website with meeting links. Ms. Hunter reminded those present that the VCE website will be updated soon and the Outreach Task Group is working with VCE Staff and Green Ideals to update it.



H. Review, discuss, and modify as needed CAC task group structure; consider creation of new task group(s); and, provide projects to each task group:

Chairperson Braun introduced this item. The following task groups and participants were designated:

1. Outreach Task Group: Mark Aulman, Yvonne Hunter, Marsha Baird, and Chris Casey
2. Legislative / Regulatory Task Group: Yvonne Hunter and Lorenzo Kristov
3. Rate Related Topics – exact name of Task Group is unknown. Task Group is to look at NEM, Opt Up and Dividend: Christine Shewmaker, Gerry Braun, Marsha Baird, and David Springer

Ms. Hunter made a motion to form three (3) Task Groups for 2019 with the members listed above; a Chairperson for each is to be determined; and, that each task group meet and come back at the February 28th meeting with tasks/scope of the task groups, Mr. Springer seconded. Motion passed unanimously.

A fourth task group to address long range, decarbonization, etc., as mentioned above in “B”, is to be considered and possibly formed at a later CAC meeting.

**Advisory
Committee
Member and Staff
Announcements**

Ms. Shewmaker informed those present that on February 6th from 10 a.m. - 4 p.m. the Sacramento Valley Regional Climate Symposium is being held, it is free, and it will cover the climate assessment of the Sacramento Valley. Ms. Shewmaker will provide the information to the Board Clerk for distribution to the Members.

Next Meeting

The next meeting is scheduled for Thursday, February 28, 2019 at 5:30 p.m. in Davis, location to be determined.

Adjournment

Meeting was adjourned at 8:10 p.m.

Alisa Lembke
Board Clerk/Administrative Analyst

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

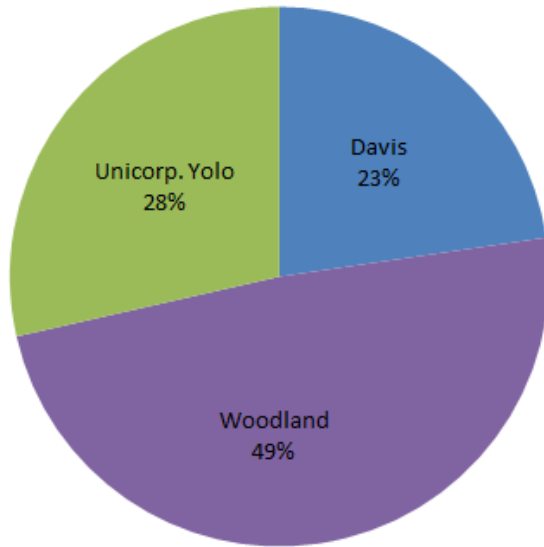
TO: VCEA Community Advisory Committee
FROM: Mitch Sears, Interim General Manager, VCEA
SUBJECT: Customer Enrollment Update (Information)
DATE: February 28, 2019

RECOMMENDATION

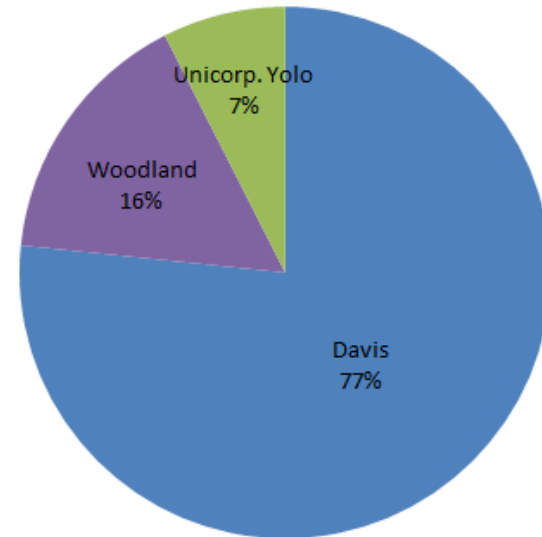
Receive and review the attached Customer Enrollment update as of February 21, 2019.

Enrollment Update

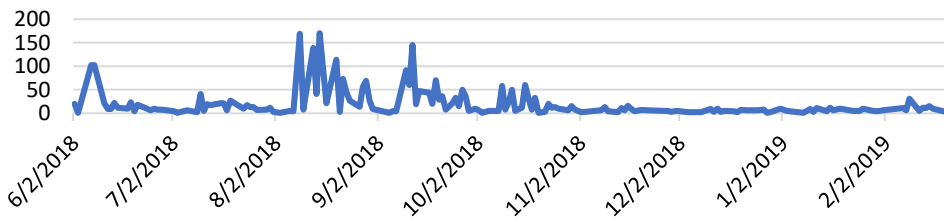
4,618 Opt Outs
7.1% of customers



107 Opt Ups



Daily Opt Outs



	Eligible	Opt-Out	% Opt Out
Residential	56,500	3,908	6.9%
Non-Residential	8,500	710	8.4%
Total	65,000	4,618	7.1%



Status Date: 2/21/19

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

TO: VCE Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Jim Parks, Director of Customer Care and Marketing

SUBJECT: Request for CAC to make Recommendation to VCE Board to Approve the Updated Strategic Marketing & Communications Plan

DATE: February 28, 2019

RECOMMENDATION

CAC provide a recommendation to the VCE Board of Directors to approve the updated *Valley Clean Energy Strategic Marketing & Communications Plan*

BACKGROUND

As Valley Clean Energy was preparing to serve the residents of Yolo, Woodland and Davis, staff from VCE's marketing/outreach contractor, Circlepoint, developed a marketing and outreach plan focused on start-up activities. This Plan guided the outreach efforts at that time—advertising on buses, notifications to customers, facilitating presentations in the community, development of start-up collateral and other outreach initiatives.

With VCE moving to operational mode, and with the hiring of Green Ideals, our new outreach/marketing contractor, it was time to update the marketing plan to focus on normal operations and ongoing activities.

UPDATE

The Valley Clean Energy Strategic Marketing & Communications Plan was updated through the following process:

- VCE staff updated the existing Plan and forwarded it to Green Ideals for input.
- Green Ideals staff (Susan) significantly edited the Plan and returned it to VCE for review.
- VCE staff reviewed the Plan, made edits and forwarded the Plan to the Outreach Task Group (OTG) of the CAC.
- The OTG provided comments and these comments were discussed and incorporated into the Plan.
- The OTG agreed that the Plan should be brought to the full CAC, and the CAC should forward a recommendation to the VCE Board of Directors to approve the Plan.

The attached updated Strategic Marketing & Communications Plan will serve as a foundational roadmap for the implementation of a marketing program that provides participating residents, businesses, key stakeholders, elected officials, and the general public with information about the operations and services provided by VCE. The Plan defines objectives, goals, issues and challenges, target audiences, messaging, priorities, communications channels, and measurements of success.

The Plan is intended to be a living document that will be assessed and refined as needed. It will evolve with the VCE brand to fit the evolving needs of the brand and its constituents.

The primary goals of the Plan are:

- to educate and inform the general public in Davis, Woodland and Yolo County about VCE, and about how electricity and the grid work—so they can better understand the program (and not mistake VCE for a solar company);
- to establish recognition and trustworthiness of VCE among households and businesses;
- to promote positive expectations for the VCE brand within VCE’s member agencies and beyond; and,
- to illuminate the true cost of energy for people and the planet.

Achieving these goals will contribute to general understanding of the program, its values, and its importance in people’s lives—and thus to the growth of a successful program with minimal opt-outs. Our aim is not just to be recognized, but also to be so well thought of and trusted that VCE is given the benefit of the doubt throughout its first years, when initial growing pains and actions by PG&E and the CPUC have created a challenge to seamless operations.

The core objectives of this Plan focus on building brand awareness and a deeper understanding of the critical benefits of Community Choice programs in general, and of VCE in particular: local control, effortless tools for the reduction of greenhouse gases, and reinvestment of revenues in participating communities. The Plan also aims to promote and publicize the eventual development of additional programs or sub-products that further these goals, as VCE matures.

Attachment:

Updated Valley Clean Energy Strategic Marketing & Communications Plan



VALLEY CLEAN ENERGY

Strategic Marketing & Communications Plan

February 2019

Table of Contents

1. <i>Introduction</i>	1
2. <i>Goals and Objectives</i>	2
3. <i>Key Issues and Challenges</i>	3
4. <i>Brand Creation</i>	4
5. <i>Target Audiences</i>	5
6. <i>Messaging & Tone</i>	6
7. <i>Communication Channels</i>	11
8. <i>Timing / Priorities</i>	14
9. <i>Success Measurements</i>	15

1. Introduction

Valley Clean Energy Alliance (VCE) is Yolo County’s Community Choice Energy (CCE) program that serves as the default electricity service provider to all participating residents, businesses, and agricultural customers in the cities of Davis, Woodland, and unincorporated Yolo County.

As a community-governed, not-for-profit electricity supplier, VCE offers residents and businesses local control of their electricity program, with tools to affordably address climate change that require little or no effort. Customers now have a choice in who sources their electricity, and in the percentage of power that comes from clean sources. Governance of the program is by designated representatives from the Woodland and Davis city councils and the Yolo County

board of supervisors who comprise the VCE Board of Directors. Monthly public meetings are held which the public can attend, and where they can be heard. VCE also has a professional staff, including contract staff from SMUD (the Sacramento Municipal Utility District).

VCE has hired Green Ideals, in collaboration with Media Solutions and Digital Marketing Labs, to develop and manage customer outreach and a marketing, advertising, and communications campaign that will continue to educate, inform, raise awareness and develop loyalty for the VCE brand and its services. In so doing, the program's growing positive reputation may result in an eventual request from nearby communities to participate, helping the program to grow and thrive, and offering economies of scale in both power costs and environmental benefits.

This Strategic Marketing and Communications Plan will serve as a foundational roadmap for the implementation of a marketing program that provides participating residents, businesses, key stakeholders, elected officials, and the general public with information about the operations and services provided by VCE. The plan defines objectives, goals, issues and challenges, target audiences, messaging, priorities, communications channels, and measurements of success.

This Plan is intended to be a living document that will be assessed and refined as needed. It will evolve with the VCE brand to fit the evolving needs of the brand and its constituents.

2. Goals and Objectives

The primary goals of the plan are:

- to educate and inform the general public in Davis, Woodland and Yolo County about VCE, and about how electricity and the grid work—so they can better understand the program (and not mistake VCE for a solar company)
- to establish recognition and trustworthiness of VCE among households and businesses
- to promote positive expectations for the VCE brand within VCE's member agencies and beyond
- to illuminate the true cost of energy for people and the planet

Achieving these goals will contribute to general understanding of the program, its values, and its importance in people's lives—and thus to the growth of a successful program with minimal opt-outs. Our aim is not just to be recognized, but also to be so well thought of and trusted that VCE is given the benefit of the doubt throughout its first years, when initial growing pains and actions by PG&E and the CPUC have created a challenge to seamless operations.

The core objectives of this Plan focus on building brand awareness and a deeper understanding of the critical benefits of Community Choice programs in general, and of VCE in particular: local control, effortless tools for the reduction of greenhouse gases, and reinvestment of revenues in participating communities. The Plan also aims to promote and publicize the eventual development of additional programs or sub-products that further these goals, as VCE matures.

Specific objectives of this Plan include:

1. The provision of clear, accurate, and easily accessible program information to its customers—via website, social media, earned media, collateral and paid advertising

2. Establishment of the brand as a local and trusted source with recognition by residential, commercial and agricultural customers in Yolo County and VCE's member cities
3. Delivery of clear and transparent messaging regarding:
 - a. overarching program benefits
 - b. electricity rates
 - c. legislative and regulatory policies
 - d. specific program offerings
 - e. effects of PG&E and state government policies and decisions
4. Maintaining an opt-out rate below 8% for the standard/default energy product
5. Maximizing the number of opt-ups
6. Strengthening brand awareness of the program and sub-products
7. Promotion of customers' feeling of investment in and ownership of the program, for the benefit of all

3. Key Issues and Challenges

CCE programs create customer choice where none existed before. As such, there are inherent challenges with promoting the VCE program simply due to lack of familiarity with the Community Choice program concept, and sometimes due to more serious concerns and fears. Some of those key barriers to program participation might include:

1. **Lack of Brand Recognition:** VCE is a fairly new program with relatively low brand recognition within the area it serves. The idea of competition for PG&E, which has monopolized the energy market for more than a century, seems unfathomable to some. Establishing the VCE brand, and casting it in a positive light with many local benefits, will continue to be a key challenge.
2. **Lack of Awareness of Program Benefits other than Cost:** Communication efforts should lead with program benefits and why they are of importance—now and for future generations—rather than simply focusing on rates. Selling a concept on price is not a reliable way to develop customer loyalty. Rather, customers must be made aware of the reasons this program is important in their lives.

Recent CPUC rulings (such as increasing PCIA fees) have required the program to eliminate its original rate discount; VCE rates are currently at parity with PG&E. Marketing and outreach should lead with the benefits provided by VCE other than cost reduction—including local control, transparency, choice, sustainability, greater rate consistency, and investment in the community. Customers must be encouraged to embrace the positive effects their participation will have, both locally and on a higher level, and on the fact that VCE offers an effortless way to make a difference on climate. Focus should also be placed on programs that VCE may be able to develop in the near term, such as EV infrastructure development, energy efficiency programs, and the like.

3. **Regulatory Uncertainty:** The uncertainty created by PG&E's bankruptcy filing and CPUC's recent PCIA rulings can leave customers wary about the possibility of future rate increases that are outside VCE's control. VCE must exude consistency and honesty in

the face of uncertainty, so that customers are able to assume that VCE “has their backs.”

Additional concerns for some electricity customers include:

- **Trust**—“*What’s a government agency doing in the electricity business?*”
Outreach efforts must focus on helping constituents understand that Community Choice programs are helping customers take control of a clean energy future—and it’s already happening all over the state and nation. Archaic monopolies such as PG&E have recently proven that it’s time for a change; taking charge of electricity programs at a local level allows communities to decide for themselves how to manage their power. Focusing on the aspects of *not-for-profit* and *community control* have proven to be key to developing trust and surmounting initial suspicion in other California CCE programs. VCE’s participation in local school programs, farmers’ markets, community events, fairs, sporting events and other public activities will help it be seen as a trusted local friend. Tabling and presenting at such events will offer an opportunity for one-on-one conversations that are warm and human.
- **Cost**—“*How much more will it cost me to buy greener electricity?*”
Presenting benefits that focus on cost will de-value other brand benefits. Because future cost savings can never be guaranteed, outreach should always lead with the many other program benefits which *can* be guaranteed, while looking issues of cost directly in the eye—even when it’s not necessarily to the program’s advantage. Honesty will earn trust in the brand.
- **Value**—“*I know that renewable electricity is better than fossil-fuel-based electricity, but if it costs more I’m not sure it’s worth it to me.*”
Helping customers realize that VCE is an effortless and valuable tool everyone can use to take action against climate change is key. Our outreach must help customers realize they can be part of something bigger than themselves, igniting a level of social consciousness that makes sense for the participating communities. Addressing bigger-picture issues of the *true cost* of fossil fuels, while retaining relevance to the everyday concerns of people, requires a balanced, strategic approach to communication. VCE’s opt-up program can also attract customers for whom installing solar PV is not cost effective, but who still wish to “go green.”

This Plan addresses these key issues by establishing an overall outreach strategy implemented through specific messaging and actions.

4. Brand Creation

Creating a Brand Story Customers Care About

Green Ideals will promote the VCE brand by creating and telling the VCE brand story, including its emotional nuances, which help the customer understand that the program’s values mirror their

own. Messaging will educate and inspire, to convey benefits and create a brand experience that builds trust and shows why the program is important in the lives of its customers—and those of their children. Branding efforts will ensure that the look and feel of all VCE messaging and collateral remain consistent throughout the program’s multiple communication channels, building recognition. As the brand grows and evolves, branding evolutions will always protect the visual brand equities.

Naming Future Products and Programs (sub-branding)

The creation of sub-brands will differentiate products and programs that may eventually be available through VCE, distinguishing each product as a unique entity within the overarching VCE brand family. An upgraded electricity product name was established prior to launch, with the default product referred to simply as the standard (or default) level, and the upgraded 100% renewable product taking a superlative: UltraGreen. These names offer shorthand identifiers for marketing communication.

UltraGreen, VCE’s 100% renewable and 100% carbon-free option, is currently the only sub-branded product in VCE’s portfolio. As the program evolves, we expect the need to create logical, easily remembered sub-brands for products and programs that might include Net Energy Metering, Electric Vehicle charging, and more.

5. Target Audiences

The cities of Davis and Woodland, and unincorporated Yolo County contain a diverse population with a variety of cultural backgrounds, ages, education, income levels and social consciousness levels, as well as different residential, commercial, agricultural and industrial sector mixes. In order to establish communication styles and channels which are truly effective, it is essential to define target audiences to help inform key messaging which, while consistent for the brand on an overarching level, must be customized for each segment of that audience. The diverse population creates a variety of motivations for potential VCE customers, ranging from environmental sustainability to economic impact. In many cases, different groups share basic concerns, but each may have its own specific priorities. This Plan maps out the diversity of target audiences as follows:

1. General Residential Customers/PG&E customers: urban, suburban and rural
2. Commercial/industrial/business
3. Agricultural audiences
4. Multicultural audiences (specifically Spanish speakers)
5. Advocates, champions, and early adopters
6. Seniors
7. Solar customers
8. Low income residents
9. City and County Chambers of Commerce
10. Unincorporated areas and neighborhood groups
11. Elected officials and municipal governments
12. Schools
13. Neighboring towns, cities and communities (as prospects for program expansion)

Special Considerations: Multicultural Communications and Outreach

VCE has committed to providing support and resources to customers for whom English might be a second language. In Yolo County, approximately 35% of people speak another language at home; 60% of those people speak Spanish in the VCE service territory. Therefore, all early messaging, notices, advertising, and marketing, whether print or digital, have been bi-lingual—in both English and Spanish. Green Ideals will continue to create bi-lingual communications as necessary, though translations will be more than merely word-for-word translations. We will seek to capture the idiom and nuance of the intended messages, earning trust while aiding in customer education.

In addition, Green Ideals will always include English when creating collateral materials for Spanish speakers, giving Limited English Proficient (LEP) and bi-lingual customers the ability to cross-reference information in two languages. This approach is especially valuable to bi-lingual persons for two reasons:

1. Bilingual persons born in the U.S. who use their first language primarily at home are often accustomed to using English outside of the home.
2. Many non-English speakers do not trust the quality of translated text and feel reassured when they cross-reference information with written English text that they may understand nearly or just as well.

In addition to Spanish-language communication strategies, Green Ideals may also, when needed, employ grassroots engagement tactics to reach the Spanish speaking population in Yolo County. This may involve working with religious and social service institutions to reach these audiences through trusted channels, or engaging the various ethnic chambers of commerce to frame participation in VCE (or upgrading to UltraGreen) as the new status quo for sustainable businesses. This will provide an opportunity to request that businesses promote the program on their websites, social channels, and other communications platforms.

6. Messaging & Tone

The key to success for this brand is in its messaging.

Many products and services sell themselves successfully, at least at first, on the lowest common denominator—lower cost. That only works until a lower-cost competing option appears in the market. Loyalty based solely on price erodes the brand's value and profits.

Our brand will only succeed when its audience realizes that the brand's values mirror their own. They must be urged to think about electricity service, perhaps for the first time ever. And they must be encouraged to realize that there are many unrealized layers of cost associated with fossil fuel-based electricity service, with long-term effects on societies and health. All of this must be conveyed gently and without judgment, as we offer our customers effortless tools to improve their lives and ours.

Our brand must strive to convey:

- Hope – It's not too late to do something important about the long-term health of our families and our environment.
- Easy Action – Here are some effortless tools that allow me to do something that can

really make a difference.

- Moral High Ground – This is the right thing to do for our children and their children.
- Community – Our positive response to this program will support the communities in which we live and work.
- Local Control – This is a program governed right here in Yolo County, and not in a board room and state agency far away.

Foundational messaging for the brand should strive for optimism, social responsibility, local participation and control, community support, family values and future-mindedness. It should focus on people taking charge of their clean energy future, but avoid partisan politics. While indicating that VCE is a forward-thinking program that offers multiple benefits to the community and the atmosphere, messaging should never intentionally diminish PG&E, which is both a competitor and partner-provider that supplies a critical service to the program.

It's important that VCE employ language in outreach materials that is somewhat warmer and more human than might be expected from an ordinary utility company. This brand must be seen both as detail-oriented/technically adept and simultaneously friendly. VCE is a company created by the community for the good of the community, so retention of a voice that feels realistic and understanding will help to develop comfort and earn trust. A light-hearted or clever tone can build a great deal more good will—while being more memorable—than one that's dour or stern.

Upon launch in June 2018, VCE offered cost savings for its standard product, which contained a moderately higher amount of renewable energy than PG&E's standard product. Therefore, cost savings was emphasized in all initial messaging—more to some customer groups than others. The CPUC's October 2018 ruling that increased PCIA fees has necessitated the elimination of that cost benefit as of January 2019. We're now re-prioritizing key messaging to lead with the important benefits of the program that do not involve rate savings. The opportunity at present is to emphasize multiple social, community and climate benefits at *no additional cost* to the customer.

Messaging will always be:

- Inclusive: we—not you
- Optimistic: building a bright future
- Realistic: offering easily accessible tools to make a difference
- Honest: never side-stepping the challenging issues

Foundational Messaging Options:

1. Taking charge of our clean energy future
2. We're powered by people
3. A brighter energy future is in our own hands
4. Communities working together for positive change
5. Effortless tools to address climate change
6. Clean. Green. Affordable.
7. Local benefits at no added cost
8. Personal choice—for the first time ever—in electricity providers

The draft messages listed here touch on the topics that the specific audiences care about. These messages speak to their presumed motivations and what is most likely to resonate. The messaging framework below will help to inform specific messaging,

future collateral development, advertising, and other outreach materials.

Messaging Framework		
Audience	Key Motivations	Preliminary Sub-messages
General Audience/Residential Customers	<ul style="list-style-type: none"> • Environmental health • Reliability • Cost • Local control • Not-for-Profit • Choice • Rate stability • Action tools 	<ul style="list-style-type: none"> • Effortless tools to address climate change. • VCE offers clean, affordable energy you can count on. • Let's take charge of our clean energy future. • Clean energy at competitive rates provided by a local not-for-profit, committed to returning value to our communities • The choices we make now impact future generations. Choose clean, renewable energy for a healthier Yolo County.
Agricultural and rural customers/ Unincorporated areas and neighborhood groups	<ul style="list-style-type: none"> • Cost • Reliability • Rate stability • Environmental health • Choice • Local control • Better partner 	<ul style="list-style-type: none"> • VCE offers clean, affordable energy you can count on. • VCE is good for our communities and the local economy. • VCE is a better partner for local agriculture—we're your neighbors. • Community energy means cost competitive rates and local control.
Champions and early adopters	<ul style="list-style-type: none"> • Leading by example • Environmental health • Local control • Energy efficiency • Moving the state and nation forward on clean energy initiatives 	<ul style="list-style-type: none"> • California is leading the way in GHG reduction with CCE programs—now including VCE. • Together we're taking charge of our clean energy future. • Cleaner energy without paying more is just the beginning; VCE will develop additional tools such as energy efficiency programs and EV infrastructure. • Your support will help create local, renewable jobs. • Our community can exceed our statewide clean energy goals or meet them ahead of schedule.
Seniors	<ul style="list-style-type: none"> • Cost • Impact on future generations • Leading by example 	<ul style="list-style-type: none"> • VCE offers clean, affordable local energy you can count on. • Choice in electricity is good for our economy—It's time we ended energy monopoly and had a choice.

	<ul style="list-style-type: none"> • Trust • Rate stability 	<ul style="list-style-type: none"> • Make a difference for future generations. Choose local sustainable energy. • Local control means that our familiar local leaders have our best interests at heart. • We're reinvesting in local communities while paying competitive rates and keeping revenues at home.
New Solar NEM customers (those who installed solar panels after June 2018)	<ul style="list-style-type: none"> • Cost • Choice • Environmental health • Trust 	<ul style="list-style-type: none"> • 100% renewable energy available when I need to buy more than I generate. • Harness your solar power for additional savings. • You care about the environment—so does VCE. • Not everyone can have solar panels. VCE provides clean energy and an opportunity for 100% renewables even to those who can't have them.
Low income residents	<ul style="list-style-type: none"> • Cost • Retention of CARE/FERA programs • Rate stability • Health / clean air 	<ul style="list-style-type: none"> • VCE's clean energy gives back to our communities, and it's competitively priced. • Make the local choice for clean energy at no extra cost. • VCE will invest in green energy infrastructure, to create local jobs. • Clean energy managed locally means healthier air and communities.
Commercial/industrial/business /chambers of commerce	<ul style="list-style-type: none"> • Cost • Local control • Local jobs / economic re-investment • Reducing pollution • Reputation among socially conscious customer groups 	<ul style="list-style-type: none"> • VCE offers a local choice for cost-competitive clean energy your business can rely on. • Show your customers and constituents you care about their health and economic vitality. • Take charge of our future—power your business with clean energy from VCE. • Providing many local benefits, VCE powers Yolo County, Davis and Woodland businesses with rates that are competitive. • When you support clean, local energy, you support economic growth in Yolo County, Davis and Woodland.

<p>Elected officials</p>	<ul style="list-style-type: none"> • Serving constituents' needs/desires • Local focus • Impact on future generations • Building local clean energy infrastructure • Meeting climate goals set by CA • Transparent, open and community engagement 	<ul style="list-style-type: none"> • Community Choice is one of the most efficient routes to reduced GHGs and meeting our communities' climate action goals. • When you support clean, local energy, you support economic growth in Yolo County. • VCE offers easy, competitively priced tools for residents to work towards a clean, sustainable lifestyle. • The choices we make now impact future generations. Choose clean energy for a healthier Yolo County. • VCE is Yolo County's first and most effective tool in the fight for a cleaner climate and a bright economic future. • Our communities will step into a fossil-free future with the help of VCE. • If residents have questions or concerns, VCE is here to answer them.
<p>Educators/Students</p>	<ul style="list-style-type: none"> • Environmental health • Tools for action • Local control • Not-for-Profit • Improving the world for future generations 	<ul style="list-style-type: none"> • The choices we make now impact future generations. Choose clean energy for a healthier Yolo County. • VCE is Yolo County's first and most effective tool in the fight for a cleaner climate and a bright economic future. • Our communities will step into a fossil-free future with the help of VCE. • We can all be a part of something larger than ourselves when we join in our local effort to control our clean energy future. • VCE will teach us about energy efficiency and help us develop a local clean energy infrastructure. • We can take action today for cleaner air tomorrow.
<p>PG&E "Legacy" Solar/NEM Customers (not able to enroll at this time)</p>	<ul style="list-style-type: none"> • Cost • Choice • Environmental health • Trust 	<ul style="list-style-type: none"> • Unforeseen program expenses have delayed our ability to enroll customers who were in PG&E's NEM program prior to VCE's launch.

7. Communication Channels

Messaging and public outreach are only effective when the target audiences receive messages to which they can specifically relate. Market segmentation allows us to address a diverse audience with messages from a variety of media through a range of channels. Green Ideals will maximize reach by employing a wide variety of communications channels to raise awareness and enhance brand recognition for VCE.

Green Ideals was brought on board near the end of 2018, just as the CPUC was ruling to increase PCIA, and just prior to PG&E’s bankruptcy filing. The former prompted decisions by the VCE Board of Directors to adjust electricity rates and postpone the NEM program for a year or more; the latter contributed to an atmosphere of general unrest regarding future electricity services. Thus, our attentions between November and mid-February have been focused as much on damage control as on strategic planning and outreach. As we move past these events and the tactical moves they required, our focus will shift to positive reputation building and education, as indicated below.

Circlepoint created many initial outreach pieces for program launch. Some of those require updates in message and tone; other new outreach pieces are recommended as the brand moves forward as shown here:

Media	Materials	Implementation
Program Collateral	<ul style="list-style-type: none"> ● Business toolkit ● Agricultural toolkit ● Animated video ● Factsheets ● Brochures ● Opt up booklets ● Poster ● Flyers ● Banner ● Static-cling Window stickers ● FAQs ● Yard signs ● SWAG 	<ul style="list-style-type: none"> ● Distribute collateral, brochures, stickers, and yard signs at tabling during community events and through community organizations. ● Print collateral will be created in a bi-lingual format. ● Distribute/post flyers and postcards in public locations, such as libraries, City/County facilities, senior centers, veteran centers, schools. ● Send static cling window stickers to those who opt up as a thank-you.
Website	<ul style="list-style-type: none"> ● Redesign for optimism and energy, and for easier navigation ● Add features and news ● Rates sheets for each customer class ● Blog page ● Dedicated pages for residential, commercial, agricultural, and special 	<ul style="list-style-type: none"> ● Create bi-lingual website content (English and Spanish). ● Implement site enhancements including social media integration and a blog. ● Add program information that leads with program benefits other than cost. ● Redesign original website to include additional features and news with frequent updates, giving viewers a reason to return.

	<ul style="list-style-type: none"> programs Meeting schedules, agenda, videos Customer stories (when available) 	<ul style="list-style-type: none"> Build out original site for dedicated customer types: residential, commercial, and agricultural.
Email Marketing	<ul style="list-style-type: none"> Email templates Content and graphics Newsletter 	<ul style="list-style-type: none"> Distribute informational content through VCE's existing listserv email database. Add new email addresses through social media campaigns, a sign-up option on the VCE website and at tabling events. Develop regularly scheduled email blasts, including Board meeting announcements and key decisions. Publish program achievements and customer or staff profiles in quarterly newsletter.
Advertising (bi-lingual)	<ul style="list-style-type: none"> Print Radio Transit Digital Outdoor Social media 	<ul style="list-style-type: none"> Explore digital media push to build awareness, followers and opt-ups. Participate in relatively low-cost print opportunities to promote VCE, such as the Capay Valley Almond Festival special section and the appropriate festivals that may be planned through the Spring. Explore cost-effective paid advertising plans to build awareness of the brand and its programs, as budgets allow. Plan photo shoot of VCE Champions, who can serve as spokespersons for the brand and its importance in their lives/our lives—both on the website and in print advertising.
Social Media	<ul style="list-style-type: none"> Social media graphics Editorial content 	<ul style="list-style-type: none"> Maintain robust schedule of social media posts, including Facebook and twitter, to broadcast news of the program and about electricity and relevant environment issues. Create social media editorial calendar one month in advance for client review (both text and image). Boost specific posts in order to build a friendly following. Engage via NextDoor.
Events and personal Outreach	<ul style="list-style-type: none"> Develop list of events, neighborhood, and stakeholder meetings Attend or sponsor existing community events, such as 	<ul style="list-style-type: none"> Attend relevant community and stakeholder meetings and events, leading where feasible with Board or CAC reps with ties to the meetings and events.

	<p>farmers' markets, sporting events, agricultural events, etc.</p> <ul style="list-style-type: none"> • Create program Collateral that highlights accomplishments and reasons VCE is important in the lives of Yolo County ratepayers. 	<ul style="list-style-type: none"> • Use events as an opportunity to distribute informational material, collect input, gather email addresses and have one-on-one conversations with the public. • Capitalize on the skillsets, experience, talent and dedication of the Board and CAC members to support personal outreach. • Engage community organizations to support personal outreach.
Earned media	<ul style="list-style-type: none"> • Press releases • Op-eds and news articles • Ongoing media outreach • Speakers Bureau with Board Members • PSAs 	<ul style="list-style-type: none"> • Generate opportunities for public service announcements and radio interviews at no cost. • Engage local media, specialized media and community bloggers for earned placement. • Develop news alerts and press releases for key milestones, human-interest stories and other unique and interesting aspects of VCE. • Celebrate successes. • Look challenges in the eye. • Conduct outreach to ethnic media.
Call Center Scripting and Office Voicemail Message	<ul style="list-style-type: none"> • Update call center script as needed with program information • Revise office voicemail message to offer human contact first, rather than last 	<ul style="list-style-type: none"> • Update script for call center agents as needed. • Ensure that people who call feel respected, instead of getting the telephone run-around.
On-call tasks	<ul style="list-style-type: none"> • VCE board presentations • Planning calls • Reporting 	<ul style="list-style-type: none"> • Provide VCE board with marketing and outreach updates • Compile regular progress, tracking, and reports of marketing and media work

Ongoing Stakeholder Outreach

Outreach to local neighborhood and community groups, business groups, and elected officials is essential to identify and engage program champions and seed natural dissemination of program awareness in communities served by VCE. This is a valuable opportunity for VCE Board Members to get involved and help empower those champions.

As budget allows, we plan to develop focused initiatives on specific customer segments, including periodic surveys and studies of key stakeholder groups such as agriculture and business leaders. In the interim, appearances at regularly scheduled meetings (such as the Yolo Farm Bureau or the Davis/Woodland Downtown Business Association Meetings) can offer an opportunity to learn about attitudes towards the VCE program, awareness of its benefits, and to adjust outreach efforts based on these.

Personal Meetings or Phone Calls/Material Distribution

Although initial stakeholder outreach was undoubtedly conducted in pre-launch stages, ongoing contact with these groups will ensure a better understanding of the program and its specific benefits to each group. In-person meetings and conversations will always help to build goodwill, and to develop loyalty. Special care should be taken to address people living outside of urban areas, where initial advertising efforts may have been less robust.

Green Ideals will work with VCE to create a list of community based organizations, agencies and business organizations to target for more personalized outreach.

Media Plan

Communication priorities must be set according to reach and effectiveness, since budget is limited. Therefore, as Green Ideals becomes more familiar with areas of greatest concern—including management of PG&E bankruptcy and CPUC rulings that affect the program—we will develop a detailed and affordable media plan to maximize available resources.

In the interim, our focus will be on the least expensive, most effective options: creation of a more robust and feature-rich website, frequent social media postings, earned media opportunities in print, TV and radio, and sponsorship opportunities in the public eye.

8. Timing / Priorities

Immediate Needs

Green ideals began working with Valley Clean Energy in December 2018, when the visual brand was already well developed. Established messaging led in most cases with rate discounts compared to PG&E, with other important benefits in secondary or tertiary positions. Our first task has been to re-prioritize messaging, putting more substantial program benefits in primary positions. Our planned priorities for marketing outreach and design are:

1. Website revision and expansion (adding visual optimism, useful features, breaking news, and dedicated pages for user groups, programs, etc.)
2. Earned media opportunities, such as OpEds from Board representatives, reminding readers about VCE and the values they share with the brand
3. Build social media following – with interesting news and information about the program and clean energy more generally
4. Organize digital media campaign for UltraGreen awareness/opt up in Spring/early Summer months
5. Create collateral and SWAG for Spring event appearances: static cling window stickers, yard signs, etc.
6. Design UltraGreen (3 Good Reasons) booklet, Fingertip Facts, quarterly newsletter
7. Research best opportunities for Earth Day support/sponsorships
8. Determine schedule for pertinent Spring/Early Summer events that can be sponsored by VCE, and whether materials are needed

As Time & Budgets Permit

With immediate needs met and/or planned for, we can turn our efforts to less time-sensitive outreach materials, including:

1. Planned photography of UltraGreen champions for use in digital and/or print ad campaign, and on website and newsletters
2. Collection of testimonials (some of which correspond to photography above) to publish on website, social media and quarterly newsletter
3. Research local sporting events, festivals, farm days, business fairs at which to table and promote the brand
4. Revisit key stakeholder groups to reacquaint them with the program benefits and attributes
5. Conduct market segmentation studies to assess awareness of program benefits
6. Update targeted collateral for agriculture, business, seniors
7. Design additional collateral pieces to promote products, programs, etc.
8. Negotiate PSA announcements, radio interviews, press interviews with Board members and senior staff to promote the brand and deepen understanding of program benefits
9. Design “at-a-glance” collateral that simply and clearly explains the values and accomplishments of the program to date
10. Research GHG savings realized in Marin when municipalities all opted up, as incentives to present within Yolo County towards a similar end
11. Create additional banners and display pieces to promote UltraGreen and brand benefits
12. Continue to build out and update website pages, focusing on customer stories, EV infrastructure, program expansion and accomplishments, etc.
13. Design paid advertising campaign that features brand champions talking about why they love the program
14. Create a campaign specifically targeted to recapture those who have opted out, simply because they didn’t understand the benefits of the program.
15. Prepare benefits and accomplishments info sheet on a running basis, to help neighboring communities realize why they might want to join VCE

9. Success Measurements

Program effectiveness is measured in a number of ways. Tracking opt-outs and opt-ups is one way. Noting the tone of customer communication, both in writing and at Board Meetings, is another. Engaging people at events to gauge their level of understanding and appreciation for the program is another.

Here are some measurements that will serve as a barometer for the effectiveness of the outreach campaign, while measuring customer acceptance of the program. Some of these are quantitative; others are more qualitative, offering a look at general perceptions.

1. Residential and business opt-out rates (by community and segment, if possible)
2. Residential and business opt-up rates (by community and segment, if possible)
3. Social media followers
4. Social media conversations, engagement, and viral spread
5. Website traffic, usage, and patterns
6. Email sign-ups and engagement
7. Attendance at meetings and events
8. Advertising reach, impressions, and effectiveness

9. Media coverage and interviews
10. Neighboring community requests to join

Throughout the life of the campaign, Green Ideals will engage in ongoing tracking and evaluation, and will create reports with both detailed and summary information. Tracking and reporting these indicators on a monthly basis will inform the Board of Directors, CAC and/or OTG, and will enable the team to make adjustments to strategies, tactics, and messages during the outreach campaign.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 10

TO: VCE Community Advisory Committee

FROM: Lisa Limcaco, Director of Finance & Internal Operations
Mitch Sears, Interim General Manager

SUBJECT: Draft approach to VCE’s new Rate Structure / Dividend Program.

DATE: February 28, 2019

BACKGROUND

At the November 15, 2018 board meeting, staff recommended a package of policy modifications that work together to address PCIA volatility and resulting budget shortfalls anticipated for 2019 and 2020. One of the policy modifications approved by the Board in November was to study adoption of a new rate structure starting in July 2019 (VCE’s 2020 Fiscal Year).

In January 2019, staff recommended that the Community Advisory Committee (CAC) create a task group to collaborate with staff to develop a new rate structure and dividend program for VCE’s 2020 fiscal year. The CAC created a Rates and Services Task Group that would review rate, service and program projects that includes collaboration with staff in developing this draft Dividend program.

Initially VCE’s rate structure provided customers with a pre-determined, up front rate discount relative to PG&E service. An alternative would be to set identical rates to that of PG&E and move from a monthly fixed rate discount structure to a yearly “dividend” rate structure where bill credits are awarded annually if VCE meets certain financial thresholds. This is a similar rate structure currently employed by Monterey Bay Community Power (MBCP).

The purpose of this report is to introduce the draft Dividend program and receive feedback from CAC.

ANALYSIS & DISCUSSION

Key considerations identified by staff in analyzing a move to a dividend rate structure include:

- Rate design impacts on customer opt-outs
- Trigger for payment of customer dividend – minimum net margin
- Impact on financial stability of VCE
- Allocation of revenue to reserves, dividends, and local program development/implementation
 - Short-term consideration of NEM Enrollment

Rate Design

During MBCP's analysis, the direct correlation between rate structure (i.e. "dividend") and opt-out rates were uncertain. MBCP concluded that rate structure factors were not the major driver of customer opt-outs based on feedback from customers who chose to opt out of the CCA. A super majority of CCA customers who opted out cited dissatisfaction with being automatically switched from PG&E without their consent and that neither the lower price nor sourcing of cleaner energy seemed to affect that decision. Similarly, a majority of VCE customers that chose to opt out cited dislike of being automatically enrolled into VCE as the reason for their decision.

By setting identical rates to that of PG&E, VCE can shift the focus from rate comparisons and rate design to the goals that define the reasons VCE was established in the first place. Namely, cleaner resources, local control, custom tailored programs responsive to community needs, and improving the local economy by investing in clean power resources and returning some of the annual savings back to the customers.

Financial Stability

Minimum Net Margin

Net margins vary greatly across different industries and sectors. For example, average net margins in the retail clothing industry run lower than the average net margins in the telecommunications sector. Large, national-chain retailers can function with lower margins due to the massive volume of their sales. Conversely, small, independent businesses need higher margins to cover costs and still make a profit. Based on Staff research, the Electric Utility industry average net margin for 2017 ranged from 8%-10%. Similarly, VCE is one of the smaller CCAs with a smaller customer base than other CCAs. Thus, VCE will require higher margins to cover its costs and still build reserves to offer local programs and customer incentives. Therefore, staff believes that VCE should maintain a minimum net margin (after any bank debt principal payment) of 5% before any dividends are paid to our customers.

Cash Reserves

VCE needs sufficient funds to provide for operating capital reserves, rate stabilization, and sufficient credit to support long-term investments in renewable resources. It is prudent business practice to build up reserves that target a level of 90 days cash. In November 2018, the Board approved a reserve policy to build toward a 90-day cash level reserve within the next 4 years.

The speed at which reserves are accumulated is very important. The Board has provided direction in the reserve policy that VCE should dedicate the majority of operating surplus in the early years to reserves. Under the current draft Dividend program, gradually, the portion of the surplus dedicated to reserves should be reduced until the target reserve is met; then, the allocation of the surplus would be dedicated to custom local programs and customer dividends.

The portion of the surplus dedicated to cash reserves would be determined annually by the Board of Directors.

Local Programs

Staff believes that VCE should establish its own portfolio of programs that will be designed specifically for local customers to help further reduce GHGs associated with transportation and other sectors of the local economy. VCE currently allocates 1% of net margin to a local programs reserve. Under the draft dividend program, In lieu of this allocation, any surplus above the 5% minimum net margin will be allocated between the local programs reserve and customer dividends at a percentage determined annually by the Board of Directors.

Customer Dividends (Bill Credits)

CCA programs are community owned, managed and directed by a local Board representing its customers. It is therefore reasonable to provide a return/dividend to VCE customers at the end of each fiscal year as a bill credit. As proposed in the draft dividend program, any surplus above the 5% minimum net margin would be allocated between the local programs reserve and customer dividends at a percentage determined annually by the Board of Directors.

As the VCE fiscal year is July to June, the dividends would be calculated based on the audited financial statements and would be announced in September and credited annually in October. By allocating the dividend or credit annually, VCE would be able to pay out on a “performance basis,” and build customer satisfaction and loyalty as well.

CONCLUSION

Staff believes that a well-designed dividend rate structure can help VCE improve financial stability while building customer trust and loyalty. Staff will take feedback from the CAC and make a preliminary report to the VCE Board at their March 14th meeting. Based on Board direction, staff will return with a final recommended rate structure for consideration in April.

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 11

TO: VCE Community Advisory Committee
FROM: Alisa Lembke, Board Clerk/Administrative Analyst
SUBJECT: 2019 Community Advisory Committee Task Groups
DATE: February 28, 2019

Recommendation:

Review, discuss and approve proposed projects as outlined in each task group “charge”.

Background:

At the January 24, 2019 CAC meeting, the Members discussed the development of a work plan for 2019. Priorities were discussed and items/projects were added to the 2019 Long Range Calendar.

In addition, Members reviewed the CAC task group structure; considered the creation of new task group(s); and, provided ideas of projects for each task group to address. As a result, the following task groups were formed:

1. Outreach
2. Legislative/Regulatory
3. Rates and Services

Each task group was asked to identify a Chairperson and provide a “charge” outlining the proposed projects to be addressed in 2019. Attached are the following charges:

1. Outreach
2. Legislative/Regulatory
3. Rates and Services

Attachments:

1. Outreach Task Group Charge
2. Legislative/Regulatory Task Group Charge
3. Rates and Services Task Group Charge

CAC Outreach Task Group

Mark Aulman – Chair

Marsha Baird

Chris Casey

Yvonne Hunter

Charge

Collaborate with VCEA staff and consultants on community outreach to, and liaison with, member communities.

Assist in the development of public information strategies, planning, and materials related to VCEA policies and programs.

Specific Tasks

1. Consult with staff and Green Ideals on short-term and long-term outreach strategies
2. Help define audience segments within VCE's service area and consult on appropriate messages and communications approaches
3. Provide a sounding board to assist in message development and copy testing
4. Solicit input from individual Community Advisory Committee members on audience segments, messages, and other issues relating to public information and outreach that may impact VCE
5. Review development procedures for marketing communications and public relations projects
6. Conduct review of marketing materials at the draft (pre-release) stage
7. Prepare concise monthly summaries for the CAC on marketing materials currently in the development pipeline

COMMUNITY ADVISORY COMMITTEE 2019 LEG/REG TASK GROUP CHARGE

Members: Yvonne Hunter (chair); Lorenzo Kristov

Background

The charge to the VCEA Community Advisory Committee (CAC) from the VCEA Board is that the CAC should, among other things, “Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.” At a high level, the charge to the CAC Leg/Reg Task Group is to support this element of the CAC’s responsibilities. To this end, the January 2018 “Role of Chair and Committee Operational Guidelines CAC Leg/Reg Task Group” stated that the task group “will review and analyze legislation and proposed regulations that are followed by CalCCA.”

With the recent addition of a contract lobbying firm to represent VCE in the Legislature, and the staff additions at CalCCA enabling them to enhance their presence in regulatory matters before the California Public Utilities Commission and the California Energy Commission, as well as at the Legislature, the ability of the Task Group to receive timely information from CalCCA about priority legislative and regulatory issues should improve. Thus, while the role of the Task Group stated above will generally remain the same, the procedures used by the Task Group in 2019 should be updated. (It should be noted that the PG&E bankruptcy filing will likely dominate both the legislative and regulatory environment related to community choice aggregation.)

Proposed 2019 Charge

1. Work with staff (and VCE’s lobbyists as needed) to develop an effective process to identify bills and regulations that VCE should follow, especially those that help or hurt the ability of VCE to function effectively. This will emphasize, but not be limited to, issues being followed by CalCCA.
2. Work with VCE staff and VCE’s lobbyist to provide feedback and strategic advice to VCE staff, lobbyists and CalCCA on key legislative issues followed by CalCCA (or that CalCCA is sponsoring) that have the potential to significantly impact VCE’s ability to function effectively.
3. Where feasible, engage in CalCCA’s regulatory work where the Leg/Reg Task Group and/or the CAC can contribute and be effective.
4. Regularly brief and seek the input of the CAC on legislative and regulatory issues that CalCCA and VCE are following as the issues evolve. Recommend to CAC positions on legislation and regulations that VCE should take. (The CAC-adopted recommendation would be forwarded to the VCE board.)

5. Contribute, as requested, to VCE's engagement with legislators and other stakeholders.
6. Work with the CAC Outreach Task Group and VCE staff on providing a framework for legislative and regulatory updates on the new VCE website, if feasible.

***VCE Community Advisory Committee
Rates and Services Task Group***

Task Group Members: Marsha Baird (chair), Gerry Braun, Christine Shewmaker, David Springer

CAC Charge: The charge to the VCEA Community Advisory Committee (CAC) from the VCEA Board states as one of its duties that the CAC should “Advise the VCEA Board of Directors on VCEA’s general policy and operational objectives, including portfolio mix and objectives, technical, market, program and policy areas, strategic objectives and strategies to reduce carbon emissions, accelerate development of local resources and promote energy resilience.”

Tasks/Scope of work for the Rates and Services Task Group for 2019:

- Review costs, benefits and rate options for enrolling solar customers.
- Review reserve policies and targets with Staff. Review resource adequacy experience and discuss future expected resource adequacy costs with Staff.
- Review and recommend rate setting principles consistent with VCE vision statement.
- Collaborate with Staff and SMUD consultants on dividend program option. Provide recommendation to CAC and Board.
- Collaborate with Staff and SMUD consultants on plans for NEM customer enrollment. Provide recommendation to CAC and Board.
- Review additional rate, service and program projects that arise and collaborate with Staff. Provide recommendations to the CAC and Board.
- Review services and programs offered by other CCAs and by PG&E. Make any relevant recommendations of options for VCE to Staff, CAC and Board.
- Prepare concise monthly summaries and updates for the CAC on issues being reviewed by the task group.

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 12

TO: VCE Community Advisory Committee
FROM: Alisa Lembke, Board Clerk/Administrative Analyst
SUBJECT: Board and CAC 2019 Long Range Calendar
DATE: February 28, 2019

Attached for your review is the 2019 Board and Community Advisory Committee (CAC) 2019 Long Range Calendar. Please advise if it needs to be amended.

Attachment:

1. 2019 Board and CAC Long Range Calendar

VALLEY CLEAN ENERGY
2019 Meeting Dates and Topics – Board and Community Advisory Committee

MEETING DATE		TOPICS	ACTION
January 10, 2019 January 23, 2019	Board WOODLAND	Special Meeting scheduled for Wednesday, January 23rd , at 5:30 p.m. at Yolo County Board of Supervisors Chambers , Woodland <ul style="list-style-type: none"> • Procurement Authority / Procure Energy for 2020 • Schedule of New Rate Structure / Rebate Program 	<ul style="list-style-type: none"> • Action • Informational
January 24, 2019	Advisory Committee WOODLAND	Thursday, January 24 th at City of Woodland Council Chambers, Woodland <ul style="list-style-type: none"> • Preliminary Discussion on New Rate Structure / Rebate Program (Dividend) 	<ul style="list-style-type: none"> • Discussion / Formation of Task Group / timeline
February 14, 2019	Board DAVIS	<ul style="list-style-type: none"> • ERRA/PCIA/PG&E 	<ul style="list-style-type: none"> • Discussion
February 28, 2019	Advisory Committee DAVIS	<ul style="list-style-type: none"> • New Rate Structure / Dividend Program – Draft Recommendation • Net Energy Metering (NEM) Enrollment – Reassessment • Updated Outreach Plan / Videoconference with Green Ideals (marketing and outreach) • Task Groups – Present Tasks/Projects • Update on Regulatory Assistance Project 	<ul style="list-style-type: none"> • Action: Draft Recommendation • Informational • Action: Approve plan / Introduction to Green Ideals • Informational • Informational
March 14, 2019	Board WOODLAND	<ul style="list-style-type: none"> • Preliminary FY19/20 Operating Budget (Regular) • New Rate Structure / Dividend Program – Review Preliminary Recommendation and Staff Report 	<ul style="list-style-type: none"> • Review • Review and provide feedback
March 28, 2019	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • New Rate Structure / Dividend Program – Finalize Recommendation • Net Energy Metering (NEM) Enrollment – Reassessment • Time of Use Rate Classes 	<ul style="list-style-type: none"> • Action: Finalize Recommendation to Board • Discussion • Discussion
April 11, 2019	Board DAVIS	<ul style="list-style-type: none"> • New Rate Structure / Dividend Program 	<ul style="list-style-type: none"> • Approve

April 25, 2019	Advisory Committee DAVIS	<ul style="list-style-type: none"> • Net Energy Metering (NEM) Enrollment – Reassessment – Draft Report • Time of Use Rate Classes 	<ul style="list-style-type: none"> • Action: Finalize • Discussion
May 9, 2019	Board WOODLAND	<ul style="list-style-type: none"> • Final Approval of FY19/20 Operating Budget (Consent) 	<ul style="list-style-type: none"> • Approve
May 23, 2019	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Net Energy Metering (NEM) Enrollment – Reassessment Finalize Report to Board • Time of Use Rate Classes 	<ul style="list-style-type: none"> • Action: Recommendation to Board
June 13, 2019	Board DAVIS	<ul style="list-style-type: none"> • Net Energy Metering (NEM) Enrollment Reassessment Report 	<ul style="list-style-type: none"> • Action
June 27, 2019	Advisory Committee DAVIS	<ul style="list-style-type: none"> • Time of Use Rate Classes • Local Resource Development 	<ul style="list-style-type: none"> • Discussion • Discussion
July 11, 2019	Board WOODLAND	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
July 25, 2019	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Time of Use for Residential Customers (Draft Report) • Local Resource Development 	<ul style="list-style-type: none"> • Discussion • Discussion
August 8, 2019	Board DAVIS	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
August 22, 2019	Advisory Committee DAVIS	<ul style="list-style-type: none"> • Time of Use Rate Classes – Finalization • Local Resource Development • Revised Procurement Guide – Review 	<ul style="list-style-type: none"> • Action: Recommendation to Board • Discussion • Discussion
September 12, 2019	Board WOODLAND	<ul style="list-style-type: none"> • Time of Use Rate Classes Report 	<ul style="list-style-type: none"> • Action
September 26, 2019	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Committee Evaluation of Calendar Year End (Draft Report) • Revised Procurement Guide – Review Draft Recommendation 	<ul style="list-style-type: none"> • Discussion • Discussion
October 10, 2019	Board DAVIS	<ul style="list-style-type: none"> • Approval of FY18/19 Audited Financial Statements (James Marta & Co.) • Update on Integrated Resource Plan 	<ul style="list-style-type: none"> • Action • Information

October 24, 2019	Advisory Committee DAVIS	<ul style="list-style-type: none"> • Committee Evaluation of Calendar Year End (Draft Report) • Revised Procurement Guide- Review Draft Recommendation • Update on Integrated Resource Plan 	<ul style="list-style-type: none"> • Discussion • Discussion • Information
November 14, 2019	Board WOODLAND	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
November 28, 2019 Thanksgiving Holiday – need to reschedule	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Committee Evaluation of Calendar Year End (Draft Report) • Revised Procurement Guide – Finalize Recommendation to Board 	<ul style="list-style-type: none"> • Discussion • Action: Recommendation to Board
December 12, 2019	Board DAVIS	<ul style="list-style-type: none"> • Election of Officers for 2020 	<ul style="list-style-type: none"> • Nominations
December 26, 2019 Need to reschedule	Advisory Committee DAVIS	<ul style="list-style-type: none"> • Election of Officers for 2020 • Finalization of Committee Calendar Year End Report 	<ul style="list-style-type: none"> • Nominations • Approve Report
January 9, 2020	Board WOODLAND	<ul style="list-style-type: none"> • Receive CAC Calendar Year End Report • Approve Revised Procurement Guide 	<ul style="list-style-type: none"> • Receive Report • Action
January 23, 2020	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •