Meeting of the Board of Directors of the Valley Clean Energy Alliance (VCEA)
March 22, 2018
5:30 PM

Woodland City Council Chambers, 300 1st Street, Woodland 95695

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 Mitch Sears, VCEA Interim General Manager, at least 2 working days before the meeting at (530) 757-5610 or msears@cityofdavis.org.

If you have anything that you wish to be distributed to the Board 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.

Board Members:
Angel Barajas (City of Woodland), Duane Chamberlain (Yolo County), Robb Davis (City of Davis),
Lucas Frerichs (Chair/City of Davis), Don Saylor (Yolo County), Tom Stallard (Vice Chair/City of Woodland)

5:30 PM CALL TO ORDER

1. Welcome and Roll Call

2. Approval of Agenda

3. Public Comment

This item is reserved for persons wishing to address the Board 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 Board are customarily limited to two minutes per speaker, but an extension can be provided at the discretion of the Chair.

CONSENT AGENDA

4. Approval of Minutes from February 8, 2018 Board Meeting

5. Regulatory and Legislative Update

6. Correct Typographical Error on Delegations for 2018 and 2019 Power Procurement

7. Authorization to Contract for and Retain Regulatory and Legal Services

8. Long Range Calendar

REGULAR AGENDA

9. Action. Recommendation to the Board on Adoption of an Enterprise Risk Management Policy for VCE.

10. Action. Recommendation to the Board on adoption of the VCE UltraGreen Policy/Rate for the 100% Renewable Energy Customer Option.

11. Action. Recommendations to the Board on Program Launch related Energy Rates, Power Mix, and Budgets.

   A. Adoption of the Final Customer Rate Discount and Rate Table.
   B. Adoption of the Final Power Mix to be Offered to Customers.
   C. Adoption of the Power Procurement and Operational Budgets.

12. Integrated Resource Plan – Introduction and Schedule (Informational)

13. Community Advisory Committee Report (Informational)

14. General Manager's Report (Informational)

15. Board Member and Staff Announcements

Action items and reports from members of the Board, including announcements, AB1234 reporting of meetings attended by Board Members at VCEA expense, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Board or the public.

16. Adjournment (Approximately 7:30pm)

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. Until VCEA has offices, the Board has designated the Department of Community Development and Sustainability at the City of Davis located at 23 Russell Blvd, Davis, CA for the purpose of making those public records available for inspection. The documents are also available on the Valley Clean Energy website located at: http://valleycleanenergy.com/meetings/

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 4

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Interim General Manager, VCEA

SUBJECT: Approval of Minutes from February 8, 2018 Board Meeting

DATE: March 228, 2018

RECOMMENDATION
Receive, review and approve the attached draft minutes from February 8, 2018 Board Meeting

MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS
February 8, 2018

The Board of Directors of the Valley Clean Energy Alliance met in regular session beginning at 5:30 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, CA 95616.

Board Members Present:	Angel Barajas (arrived at 5:48), Duane Chamberlain (departed at 6:15pm), Robb Davis, Lucas Frerichs, Don Saylor, Tom Stallard (departed at 6:35pm)
Board Members Absent:	Skip Davies (Alternate)

Approval of Agenda

T. Stallard moved, seconded by D. Saylor to approve the agenda. Motion passed by the following vote:

AYES: Chamberlain, Davis, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Barajas,

Public Comment

Jason Taormino, West Davis Active Adult Community.

- Is proposing a development of an Active Adult Community on a 75-acre parcel northwest corner of Davis. As a Davis resident sells a home and moves into the WDAAC, the developers will provide a rebate of $8,500 to retrofit homes that they are leaving to be more energy efficient. He is open to offering the rebate to all Yolo County residents.

Approval of Consent Agenda

Approval of

- Resolution Delegation Authority for Certain Regulatory and Legislative Matters
- Resolution adopting a Regulatory and Legislative Review and Action Policy
- Approval of Organization Audit Schedule
- Long Range Calendar

R. Davis moved, seconded by D. Saylor to approve the consent agenda. Motion passed by the following vote:

AYES: Chamberlain, Davis, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Barajas

Approval of:

- Minutes from January 18, 2018 Meeting.
  Eric May notes that on page 5, the accurate number of businesses that have solar will be included in the final minutes.

AYES: Davis, Frerichs, Saylor, Stallard
NOES: None
ABSTAIN: Chamberlain
ABSENT: Barajas

Commuication Plan Update and Review of Customer Notification Materials	Rochelle, Director of Communications, Circlepoint Manny Sanchez, Project Manager, Circlepoint Communications Plan Update Progress thus far includes the creation the product names and branding, launch of valleycleanenergy.org website, a photoshoot, launch of social media, and creation collateral materials (posters, fliers, t-shirts, tote-bags, stickers, tattoos)

Working with SMUD partners, Circlepoint has:

- Developed Interated Voice Recording Script
- Developed Call Center Script
- Coordinating mailing for notices
- Developing integration for web forms:
    - Opt in/out
    - Opt up/down

Community Presentations have taken place at:

- Woodland Chamber of Commerce
- Davis Chamber of Commerce
- Woodland Kiwanis
- Davis Kiwanis
- El Macero CSA
- North Davis Meadows CSA
- Woodland Downtown Collaboration
- Capay Valley Citizens Advisory committee

Upcoming Activities include:

Materials:

- customer guides for businesses and ag accounts
- event collateral
- customer notifications
- animated video

Presentations:

- continue presentations to local jurisdictions and community groups

Media Buy:

- digital (Facebook, Google Adwords, Spanish-language sites)
- outdoor (Yolobus, Davis Community Transit)
- print/online (Sac News & Review, Sacramento Bee, Davis Vanguard, Davis Enterprise, The News Ledger, Daily Democrat)
- Woodland and Davis Chamber of Commerce memberships
- Sponsorship of Yolo County Fair and Farm Bureau

Timeline:

- social media ads to launch in mid-March
- full add campaign to launch early April

Board questions and staff responses are summarized below:

- D. Saylor has contact information for an individual and an entitiy who would be willing to be involved in the Sacramento News & Review article. He will pass along to Mitch and Emily.

- D. Saylor made a presentation on VCEA to the Yolo Realtors.

Review of Customer Notification Materials

Board questions and staff responses are summarized below:

1. Is the Spanish language letter and the English language letter the same?
   Yes.
2. Will the Spanish and English go together?
   Yes.
3. Can we fill the blank portions on the back of the letter?
   Yes, perhaps using the logos of the three communities.
4. Can we consider including LightGreen and Ultra Green on the front of both letters?
   Yes.
5. It feels important to mention the specific composition of PG&E's current mix in contrast to VCEA's LightGreen energy mix.
   The challenges is that the composition of PG&E's mix may change over time, and we don't want to be inaccurate.

Introduction of Draft Enterprise Risk Policy

Toni Hoang, SMUD

This item is an overview of Enterprise Risk Management (ERM), which will be brought back at the March meeting for approval.

ERM is a strategic approach to risk management that supports the achievement of organizational objectives through the management of integrated impacts of risks as an interrelated risk portfolio.

The purpose of the Enterprise Risk Management (ERM) is to:

- Provide VCE Board with transparency and insight into risks that could impact the ability to execute VCE's mission
- Build credibility and sustain confidence in VCE's governance by stakeholders
- Enhance the understanding of significant risks
- Implement a well-defined risk management process
- Develop the capacity for continuous monitoring and periodic reporting of risks

Board questions and staff responses are summarized below:

1. Will YCPARMIA be a part of our Enterpirse Risk Management policy?

If you would like to build your ERM to include certain insurance risk management, staff can follow up with YCPARMIA. The overall policy is a way to assess risk ad is brader than avoiding legal issues. For example, market fluctuation or loss of staff are not things we can insure against, but we can be proactive to mitigate the impacts of these risks

.

2. In government, we don't usually talk about reputational, organizational or business risk. These are discussed more heavily in the non-profit and business world. I've never been involved in this type of effort in a government. It would be helpful to see other models. Can we look at SMUD or other models?

Yes.

3. Whis is the EROC?

The Enterprise Risk Oversite Committee (EROC) is the same group that is responsible for power purchasing. It is comprised of: Executive Officer, Director of Power Services & Programs, Wholesale Energy Provider Representative, Chief Legal Officer, Director of Finance & Operations.

4. Can you give me an example of how to assess reputational risk and strategic risk?

VCEA will have a rubric that will allow us to have a levelized platform to assess risk.

Public Comment
None

The CAC will be reviewing and vetting the ERM, and it will return for board consideration at the March board meeting.

Introduction of Ultra Green Policy-100% Renewable Customer Option

Michael Champ, SMUD
This item was previously presented to the CAC for their initial feedback, following this meeting, this item will return to the CAC for additional work, and then return to the board at their March meeting.

UltraGreen is a voluntary renewable program, allowing customers to purchase their power from 100% renewable sources for a price premium. RECs are procured for 100% of opt-in customer load, and retired on behalf of the customer.

The purpose of tonight's discussion is to gather initial board input on defining the UltraGreen program.

Policy issues include:

Price Structure
- Flat monthly fee, or volumetric
- Ease of understanding vs. cross-subsidization

Price
- \$0.015/kWh is a cap before losing customers to PG&E
- \$0.010/kWh is seen as competitive

Green-E Certification
- Global clean energy certification organization. Requires generation and record-keeping to be certified. Seen as best practice.Additional administrative expense of approximately \$15,000/year.

Combination with NEM

- Flat rates would likely be more expensive on a per kWh basis for low-load NEM customers
- Per kWh charge may be on the total delivered to a NEM customer, or on the net usage.

Board questions and staff responses are summarized below:

1. How do these things get priced? There are costs to the RECs. How do we assure that customers in this product are not being subsidized, or subsidizing other customers?

After the fact, we can look at the REC cost and the income generated and use that to guide future pricing.

2. Is the customer aware of the power sources?

Yes, included on the power supply postcard that is sent out every July.

3. Did you say that the cost of Green-E certification is $15,000 year?

Yes.

4. For UltraGreen, what is the proposed components of PCC catagories?

The UltraGreen mix is proposed to be comprised of 52% PCC1 and 48% PCC2.

5. For Option 3, VCEA would be using this program to drive the development of the fund. Would we market that to the customers?

Yes, it would be marketed to customers. It could be messaged in a variety of different ways. It is important to note that Option 1 or Option 2 do not result in local products.

6. It seaems that our customer participation in a local renewable program might be very different than customer participation is 100% renewable program. This is an important policy decision that we will need to make.

Public Comment
None

Staff will take this item to the CAC for additional work, and then return to the board at their March meeting.

Approve Resolution Adopting Net Energy Metering (NEM) Policy

Eric May, Yolo County, Interim General Counsel for VCEA

VCEA Board members D. Chamberlain, T. Stallard, and D. Saylor all own solar installations and may have potential financial conflicts of interest on this item. However, at this juncture, both D. Chamberlain and T. Stallard have departed from the meeting. If D. Saylor were to recuse himself out of an abundance of caution, the meeting would lose a quorum and there would be no representation from Yolo County. Because of this situation, there is an exception to the conflict of interest rules, and FPCC guidelines do allow D. Saylor to participate in the discussion and vote on this item, even if there were an actual conflict.

Staff Recommendation

1) Adopt NEM Administrative Policy Decisions, and Policy Option 4

- Initial enrollment of NEM customers on a monthly basis, based on PG&E true-up date
- Annual true-up for all NEM customers held annually in April
- Cash-out only for customers with more than $100 in credits who opt-in. Other customers will have credit balance roll over to the next billing cycle.
- Credit customer monthly for excess generation at retail plus $0.005/kWh, without additional compensation for participation in renewable programs
- Settle annually at the wholesale value of net surplus generation plus a $0.005/kWh adder.

2) Coordinate with CirclePoint and local solar community on communication of NEM policy

The considerations in developing the NEM Policy are:

- Not harming existing NEM customers
- Providing continued incentive for rooftop solar
- Ensuring customer understanding of program
- Managing impact to agency budget and overall power portfolio
- Alignment with other NEM programs

Staff discussed three alternative NEM policies with the Community Advisory Committee (CAC):

1. Match PG&E policy, but compensate net surplus generation at a wholesale energy rate plus a $0.005/kWh adder
2. Compensate excess generation in any given month at the retail rate plus $0.01. Settle annually at the accumulated retail credits, up to a maximum of $2,500. Past this amount, pay at the wholesale energy rate plus a $0.005 adder.
3. Compensate excess generation in any given month at the retail rate plus $0.01. Settle annually at the accumulated retail credits.

Through the conversation on the options, the CAC found that Options 2 and 3 spent large amounts annually on customers who have already installed solar, and would prove relatively difficult to change if VCEA wanted to alter incentives in the future.

The CAC asked staff to develop a recommendation that:

- Communicates VCEA’s commitment to and support of NEM
- Reserves the bulk of the budget for incentives that can be targeted to new NEM customers instead of existing NEM customers
- Increases the ability to shift incentives as policy needs change. This could include, for example, shifting focus from solar to batteries or demand response.

In response, staff has developed the following two additional options for Board consideration:

4. Compensate monthly at retail plus a $0.005/kWh adder. Settle net surplus

generation at wholesale energy rate plus a $0.005/kWh adder. Use additional funding for targeted solar incentives.

5. Compensate monthly at retail plus a $0.01/kWh adder. Settle net surplus generation at wholesale energy rate plus a $0.01/kWh adder. Use additional funding for targeted solar incentives.

Table 1 – Customer Financial Benefit of Various NEM Options

	Total Gain		Options				
	From	To	1	2	3	4	5
# Impacted Customers	$ 1,000	and up	10	133	161	11	17
	$ 500	$ 1,000	4	237	226	6	18
	$ 100	$ 500	39	1,065	1,048	49	86
	$ -	$ 100	764	3,879	3,879	4,216	4,161
	No impact	$ -	4,539	42	42	1,074	1,074
Average Impact	$ 1,000	and up	$ 2,709	$ 1,938	$ 9,915	$ 2,599	$ 3,789
	$ 500	$ 1,000	$ 584	$ 669	$ 668	$ 604	$ 808
	$ 100	$ 500	$ 270	$ 277	$ 275	$ 246	$ 192
	$ -	$ 100	$ 9	$ 30	$ 30	$ 12	$ 23
	No impact	$ -	4,539	42	42	1,074	1,074
		Total Cost	**$ 50,000**	**$ 830,000**	**$ 2,150,000**	**$ 100,000**	**$ 190,000**

CAC Overview

Lorenzo Kristov, CAC Committee Member
The key issue that the committee turned on was that rate structures are challenging to adjust, and they are not easily adaptable tools to use to incentivize customer behavior. The committee's desire is to create a rate that ensures that NEM customers are slightly better off, but not necessarily hugely better off, then their current PG&E experience. The funds that are saved will allow VCEA the flexability to offer rebates to incentivize new solar installations or battery storage in the future. The solar landscape is evolving and in order to achieve VCEA's long-term goals, it will be to VCEA's benefit to use funds to create flexible targetted incentives. A member from the solar installation business attend our meeting, which was very helpful.

Gerry Braun, CAC Committee Chair
PGE values net generation at 3-4 centers/kwh. The other CCA's value the net clean generation very differently than PGE at 8-9 cents/ kwh. Offer the question – choosing either adopt close to PGE valuation or valuation of other CCAs, consider the implications of that choice.

Board questions and staff responses are summarized below:

1. The advisory process is giving us good information and new ways of thinking about this issue.
2. It is important that VCEA distinguish itself from PG&E. If we continue to have lower targets for differential, we may reach a place where folks will not be inclined to engage with VCEA as customers.
3. I would like to ask about the incentives that Lorenzo mentioned. Do the customers have an incentive to add and increase their solar? Where do the the incentive additional fund comes from?

Staff initially allocated $1,000,000 to incentivize NEM customers. By backing off on the assumption regarding NEM rates, funds would become available to create rebate incentives. Rebates are more flexible than rates. This allows for flexability to rebate incentives could be roof-top, or battery systems rather than putting budgeted funds into systems that already exist.

4. It is possible for VCEA to distinguish ourselves from PG&E using targeted incentivizes rather than NEM rates. Customers would have the opportunity have an opportunity to help other people who haven't been able to pariticipate. Voluntary give-back, most people will consider that strongly. Lot of people want to have incentives

5. Will this NEM rate be reviewd and re-set yearly?

The board can re-examine the rate structure. However, once this rate is set, customers are making multi-decade-long investments in solar systems based on that rate, so it is not advisable.

Public Comment
None

R. Davis moved, seconded by D. Saylor to approve Option 5. Motion passed by the following vote:

AYES: Barajas, Davis, Frerichs, Saylor
NOES: None
ABSENT: Chamberlain, Stallard

Community Advisory Committee Report

Gerry Braun, Chair of the CAC
The CAC meet on January 29, 2018. Key highlights of the meeting were:

1) Siting of new renewable projects – Energy Task Group
   - Task group meet with Defenders of Wildlife – Kate Kelly
   - Importance of forward planning in evaluating impact
2) Net Energy Metering Policy Options
   - Recommended Modified Option One 5-1
3) Enterprise Risk Management informational
4) Ultra Green – informational presentation. Discussions around rates, flat vs per kWH, renewable categories

Next meeting's agenda will be very full and include making recommendations on Enterprise Risk Policy, Ultra Green Policy, Final Rate Discount, Final Power Mix, Power/Operational Budget.

Regulatory and Legislative Update

Shawn Marshall, LEAN Energy
Key Regulatory Proceedings:

- The 2/2/2018 version of Resolution E-4907 was adopted unanimously by the CPUC. This does not impact VCEA as it stands, but it will impact future expansions. Anything after March 1, can not be launched till January 2020. There will be a resource adequacy proceeding on ?? DATE. WE are exploring a conditional

- Joint Utilities Petition to Modify CCA Code of Conduct – This is a moajor shot across the bow for CCAs. Comments due March 1. Might impact VCEA expansion.
- PCIA
- Integrated Resource Planning – August 1st filing deadline. In subsequent even years, IRP will be due on May 1.

Legislation:

- CalCCA is not planning to sponsor legislation at this time
- Watching SB 100 – There may be ammendments to this bill that are damaging to CCA's

Board Questions

1. If VCEA were to expand during the current calendar year, would we be subject to this?

Yes, if a jurisdiction does not adopt an ordinance by March 1, it will be pushed out to January 2020.

Public Comment
None

General Manager's Report	Mitch Sears, Interim General Manager • Staffing recruitment is underway and going well • The energy procurement process is moving forward • CalCCA Board continues to discuss the importance of increasing local elected officials engagement to be more effective in engaging with the CPUC. • Mitch Sears and Don Saylor recently attended the River City Bank 2018 Business Outlook event. VCEA was featured, and the bank's president expressed great suppor for CCAs.
Board Member and Staff Announcements	The March VCEA meeting has been moved to 5:30pm, Thursday, March 22 at the Woodland Community Chambers, 300 1st Street, Woodland. The presentations and discussions in public meetings are going to generate questions from customers that we should be capturing in a systematic way.

Meeting was adjourned at 7:30pm.

Emily Henderson
Administrative Assistant

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager
Shawn Marshall, LEAN Energy US

Subject: Regulatory & Legislative Update

Date: March 22, 2018

RECOMMENDATION: Receive regulatory and legislative report.

BACKGROUND & DISCUSSION:
Participation in CCA regulatory and legislative affairs is a critical aspect of VCEA's long-term planning, operations, and risk management strategy that will grow in importance as VCEA draws closer to program launch. At present, LEAN Energy is providing regulatory monitoring and reporting on key regulatory issues affecting emergent CCAs. Cal-CCA, a statewide trade association of which VCEA is now a full member, participates in regulatory proceedings and also provides coordinated legislative support in Sacramento. VCEA will also soon retain regulatory legal counsel to support its regulatory compliance and advocacy efforts.

Regulatory Report
Attached please find LEAN's most recent regulatory report (dated March 15, 2018) which provides a summary overview and several links to supporting documents regarding key regulatory issues currently before the CPUC.

On February 8, the Commission approved **Final Resolution E-4907**. The Resolution requires that CCAs meet the same forecasting and contracting process for resource adequacy (RA) as all other load serving entities (LSEs) prior to serving new customers, something which operating CCAs have all done. Energy Division claims the resolution serves two major purposes: 1) to ensure that CCA programs are incorporated into the annual RA process when they launch or expand (to help avoid cost shifting) and 2) to satisfy an outstanding order in D.05-12-041 which required a process on how to submit implementation plans for CCAs to obtain registration for RA. The Final Resolution grandfathers all CCA programs that submitted implementation plans prior to December 8, 2017 which includes VCEA, but future rulemakings on this topic could impact the timing of future expansion plans.

CCA responses to the joint utilities **Petition for Modification of the CCA Code of Conduct** were filed on March 1 and the utilities provided comments on March 12. The petition seeks to lift current limitations on utility 'lobbying' against CCA programs, which is broadly defined as communicating with public officials or the public for the purpose of convincing a government agency not to participate in or to withdraw from a CCA program. The Joint Utilities claim that the current restriction is inhibiting their ability to provide timely and effective information to local governments on CCA formation decisions. CCAs counter that the code of conduct was included SB 790 for lawful and good reason and that utilities have this ability if they choose to form an independent marketing division funded by shareholders (not ratepayers).

Legislative Report

Staff will forward Cal-CCA 2018 legislative priorities when they are received. The Community Advisory Committee Reg/Leg Task Group is in the process of assessing recently introduced and/or amended legislation including AB 813 that proposes to regionalize management of the western electricity grid. CalCCA is also tracking this and other CCA related Bills and will provide recommendations to its members which will be assessed utilizing the Board policy adopted at its February meeting to determine the level of involvement VCE will take in regulatory and legislative matters.

Attachments:

LEAN Energy US March 2018 Regulatory Report

To: LEAN Energy Clients:
East Bay Community Energy
Monterey Bay Community Power
Valley Clean Energy Alliance

From: Shawn Marshall, Executive Director, LEAN Energy US

Date: March 15, 2018

Subject: Regulatory Update #20, February 2018/March 2018

Each month, LEAN focuses on regulatory activities likely to have broad impact on the Community Choice Aggregation (CCA) community and emergent CCA programs. This memo provides an update on key developments at the California Public Utilities Commission (CPUC) and California Energy Commission (CEC) in the past month.[1]

CCA-SPECIFIC ACTIVITY

Final Resolution E-4907

On December 8, the CPUC issued Draft Resolution E-4907, (DR) proposing a registration and implementation plan process for CCA programs, including requirements on Resource Adequacy (RA) forecasting. The DR would have, in effect, delayed until 2020 the launch of any CCA program that had not submitted an Implementation Plan as of December 8. In response to submitted comments, revisions were made to offer flexibility for CCA programs that wish to serve load in 2019, but had not submitted an Implementation Plan as of December 8, 2017.

Recent Activity:

On February 8, the Commission approved Final Resolution E-4907. The Energy Division gave a presentation at the Commission Voting Meeting to explain the purpose, requirements and revisions to Resolution E-4907. In sum, the Resolution requires that all CCA programs meet the same forecasting and contracting process for RA as all other Load Serving Entities (LSEs) prior to serving new customers. Energy Division claims the Resolution serves two major purposes: (1) to ensure that CCA programs are incorporated into the annual RA process when they launch or expand (to help avoid cost-shifting); and (2) to satisfy an outstanding order in D. 05-12-041, which required a process on how to submit implementation plans for CCAs and obtain registration for RA. Energy Division states publication of this process will provide needed clarity to prospective communities about how to submit Implementation Plans and obtain registration.

The Final Resolution grandfathers all CCA programs that submitted implementation plans prior to December 8, 2017. Additionally, the Resolution also includes the Energy Division's plan to process CCA implementation plans submitted by

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[1] This monthly memo is designed to provide LEAN's clients with a current snapshot of key regulatory activities related to CCA in order to help them make informed decisions about whether and how to engage in regulatory processes during their program formation and early operations. This monthly report is not a comprehensive inventory of regulatory and statutory requirements impacting operational CCAs. Regulatory and statutory compliance requires a more comprehensive inventory than the subset of activities described herein, and must be tailored to the specific circumstances of each CCA program.

March 1, 2018, within 45 days (which is half the statutory mandate of 90 days.) For CCAs that weren't grandfathered under either of these options, and want to serve load in 2019, there is a waiver process with two options:

1. The CCA can negotiate with the investor-owned utility (IOU) to buy RA needed to serve their load.
2. If the CCA is not able to buy the RA from the IOU, the CCA can submit a letter to the CPUC, and the RA will be assigned at a CPUC determined price.

Petition for Modification of the CCA Code of Conduct

On January 30, 2018, the Joint Utilities filed a Petition for Modification of CPUC Decision 12-12-036, which adopted the CCA Code of Conduct as required by Senate Bill (SB) 790 (2011). The Joint Utilities request that the CCA Code of Conduct be modified to eliminate the current limitation imposed on utilities to refrain from "lobbying" against CCA programs, which is broadly defined as communicating with public officials or the public for the purpose of convincing a government agency not to participate in or to withdraw from a CCA program. The Joint Utilities claim that the current restriction is inhibiting their ability to provide timely and effective information to local governments on CCA formation decisions. Responses to the Petition for Modification were filed on March 1. (See CalCCA Response, WRCOG-LACCE-DCE Response, Other Responses.) Joint Utilities will file a reply to responses on March 12.

CPUC REGULATORY CASE DEVELOPMENTS

Power Charge Indifference Adjustment (PCIA) Rulemaking Proceeding

To Do: LEAN is monitoring developments in the PCIA Rulemaking Proceeding.

Background:

As previously reported, the topics for consideration in the PCIA rulemaking include:

- Improving the transparency of the existing PCIA process;
- Revising the current PCIA methodology to increase stability and certainty;
- Reviewing specific issues related to inputs and calculations for the current PCIA methodology;
- Considering alternatives to the PCIA;
- Senate Bill (SB) 350 considerations on the treatment of bundled retail customers and departing load customers;
- Status of PCIA exemptions for California Alternate Rate for Energy (CARE) and Medical Baseline (MB) customers.

On September 25, a Scoping Memo established two Tracks of the PCIA Rulemaking proceeding. Track 1 is addressing exemptions from the PCIA for customers participating in the CARE and MB programs (PCIA Exemption). As previously reported, a tentative settlement has been reached with PG&E on phase out of the exemption, while SCE is moving forward to briefing as noted below. Track 2 is considering alternatives to the current PCIA methodology, with initial emphasis placed on how to get proper access to PCIA data through a protective order. On January 16-17, PCIA Workshop 2 took place. (See Agenda, Presentations, and Video.) On January 31, parties filed a Joint Status Update regarding the need for evidentiary hearings, testimony outline, and data matrix.

Recent Activity:

- February 7: Motion of Joint Parties requesting an extension of procedural schedule (See: Joint IOUs Protest).
    - March 2: Amended Scoping Memo issued, setting revised procedural schedule for Track 2:
        - April 2: Opening testimony due.
        - April 23: Concurrent rebuttal testimony served.

        - May 7-11: Evidentiary Hearings.
        - June 1: Concurrent Opening Briefs/ Request for Final Oral Argument Filed and Served.
        - June 15: Concurrent Reply Briefs.
        - Late July 2018: Proposed Decision mailed for comment.
- Februrary 20: Opening Briefs on SCE Track 1 Issues (See: SCE, CCEA, CforAT, ORA, LACCE/DCE/WRCOG).
    - PG&E expects to file its Track 1 settlement during week of March 5.

Next Steps:

- [Track 1] March 13: Reply Briefs on Track 1 issues for SCE (as revised by ALJ Ruling).
- [Track 2] April 2: Opening Testimony

Integrated Resource Planning (IRP)

To Do: LEAN is monitoring this proceeding and considering forming a working group to address CCA IRP issues.

Background:

This rulemaking proceeding addressed the new IRP requirements associated with SB 350, as well as long-term procurement planning (LTPP) policies. On May 16, the Energy Division issued their proposal on the IRP planning process. As previously reported, the Energy Division proposed a prescriptive approach, with significant requirements on Community Choice Aggregators serving 700 GWh or more per year in electric load; Community Choice Aggregators serving less than 700 GWh per year will be subjected to fewer requirements.

On September 19, a Ruling was issued distributing a proposed Reference System Plan (RSP) (See Summary of Ruling). On September 25-26, a workshop took place providing preliminary feedback on the Proposed RSP of the IRP process (See Agenda/Presentation, and Summary.) On October 26, Opening Comments were filed on the the Proposed RSP (CalCCA comments, General Summary and Question Summary). On November 2, there was an all-Party meeting on the proposed IRP process and RSP (See Presentation and Summary). On November 9, parties filed Reply comments on the Proposed RSP (CalCCA Reply Comments and Summary of all Reply Comments).

On December 28, Assigned Commissioner (Randolph) issued a Proposed Decision (PD) setting requirements for CCA programs and other LSEs' IRPs and adopting a two-year planning cycle for the CPUC to consider IRP filings. (See Initial Summary and Recommendation.) As written, the PD minimized the role of local CCA governing boards in approving IRPs, and elevated the CPUC's role over such IRPs. On January 17, Parties filed Opening Comments on the PD (CalCCA, SCE and Folder of all Opening Comments.) On January 22, Parties filed Reply Comments on the PD (CalCCA comments).

Recent Activity:

On February 8, the CPUC approved D.18-02-018 *(see* Redline PD). Of note, the decision moves the first IRP submittal date from June 1 to August 1, 2018. The decision also acknowledges a certain degree of distinction and separation between the CPUC and local governing boards, but does not go as far as CalCCA had requested. The decision also clarified that any CCA that has an approved implementation plan as of the scheduled IRP filing date should be required to file an IRP, even if it is not yet serving load. The decision maintained the "Alternative" Plan approach for CCAS serving less than 700 GWh per year in load, but added a number of additional requirements for these IRP submittals (see D.18-02-018 at 135).

On February 28, several parties (including PG&E and Natural Resources Defense Council) jointly filed a Petition for Modification seeking to modify D.18-02-018 to authorize greenhouse gas-free procurement to replace Diablo Canyon.

Next Steps:

- March 15: Date for filing applications for rehearing.
- March 30: Responses to Joint Parties Petition for Modification.
- August 1: IRP filings by individual CCAs.

CCA Bond Requirements

To Do: No change since last month. LEAN will continue to monitor this proceeding.

Background:

This rulemaking proceeding was originally opened in 2003 to implement the CCA enabling statute (Assembly Bill (AB) 117). However, this rulemaking proceeding is now simply focused on the methodology for setting the CCA Bond, which is intended to cover the costs of involuntary re-entry fees of CCA customers to bundled IOU service. Opening testimony was submitted on July 28. (See CalCCA Testimony and CalCCA Appendices to Testimony; Marin Clean Energy (MCE) Opening Testimony and MCE Appendices; Joint Utilities Testimony). The Joint Utilities served rebuttal testimony on August 25. CalCCA also served rebuttal testimony on August 25. On September 18, CalCCA and Joint Utilities provided comments noting that evidentiary hearings are necessary.

Recent Activity:

- November 6: Opening Briefs (Joint IOUs and CalCCA).
- November 20: Reply Briefs (Joint IOUs and CalCCA).

Next Steps:

- Issuance of a Proposed Decision is expected in first quarter 2018.

Resource Adequacy (RA) Rulemaking

To Do: LEAN will monitor developments in this RA Rulemaking Proceeding.

Background:

The CPUC regularly considers RA-related matters in a rulemaking proceeding. This proceeding was instituted in September 2017, and on January 18, 2018, a Scoping Memo was issued. Among other things, RA-related issues associated with CCA load migration will be addressed in a decision by June 1, 2018. On January 30, parties filed comments on the Scoping Memo (see comments of CCA Parties, PG&E, LACCE/DCE/WROCOG, and CAISO).

Recent Activity:

- February 16: RA proposals of Energy Division, CCA Parties, SCE, and PG&E. (See Folder of all Proposals.)
- February 22-23: Workshop to Discuss RA Proposals (See Email Notice and Agenda.)

Next Steps:

- March 7: Comments filed on the workshop and on all proposals.
- March 16: Reply Comments filed on the workshop and on all proposals.
- May 2018: Proposed Decision.

- June 2018: Final Decision.

Residential Rates, Default Time of Use (TOU), and Marketing Education and Outreach (ME&O)

To Do: LEAN will monitor developments in the Residential Rate Rulemaking and Rate Design Window Applications.

Residential Rate TOU-Pilots

On June 28, a Draft Resolution was issued on PG&E's *Pilot* Residential Rate TOU program. MCE and SCP are the only CCAs participating in PG&E's Pilot TOU program; all other CCAs are excluded from participation. On July 31, MCE and SCP submitted comments on the Draft Resolution, expressing concern about PG&E's lack of progress in providing a comparable bill-comparison tool for CCA customers. On August 10, a Final Resolution approved PG&E's Residential Rate TOU Pilot program. The resolution clarified that PG&E may recover costs necessary to provide CCA customers with rate comparisons for the default pilot entirely through distribution rates. However, the resolution declined to provide any direction regarding the appropriate method or cost recovery for creating a long term rate comparison tool solution for CCA customers. This issue is expected to be addressed in the consolidated Rate Design Window proceeding (addressed below).

Residential Default TOU-ME&O

On September 26, the CPUC submitted Draft Resolution E-4882 addressing PG&E's ME&O on Residential *Default* TOU Rates. On October 30, CCA parties (MCE, SCP and SVCE) submitted a response to the Draft Resolution, arguing that CCA representatives should be involved in the development of marketing material. On December 14, the Commission approved PG&E's ME&O plan with Final Resolution E-4882, which now recognizes the need for coordination with CCAs in ME&O efforts.

On December 14, a final decision (D.17-12-023) was issued in the residential rate rulemaking on statewide ME&O. This decision expands the existing Energy Upgrade California campaign and permits IOUs to switch customers to TOU rates in waves. (See Redlined Version.)

On January 5, the Commission issued Draft Resolution 4895, approving SCE's ME&O Plan for Residential *Default* TOU Rates; CCEA submitted Comments on the DR. On February 8, the Commission approved Final Resolution E-4895. The resolution requires SCE to file a Tier 2 advice letter to provide a proposal describing how it intends to engage with CCAs in its service territory regarding the development of default TOU ME&O materials.

Default TOU- IOU Applications

On December 20, PG&E filed its Rate Design Window (Default TOU) Application (PG&E Application and Testimony). On December 21, SCE filed its Rate Design Window (Default TOU) Application (SCE Application and Testimony). On January 22, parties filed Protests/Responses to the applications. (See CCA Parties' Protest to PG&E and East Bay Community Energy Response to PG&E; see CCEA Protest to SCE). On January 25, ALJ Tsen issued a Ruling consolidating the three IOU Rate Design Window applications (PG&E - A.17-12-011, SCE - A.17-12-012, SDG&E - A.17-12-013).

Recent Activity:

- On February 14, a joint Prehearing Conference Statement was filed, and a Prehearing Conference was held on February 21.
- On February 23, the CCA Parties' and CCEA filed a Supplemental Prehearing Conference Statement, further arguing that the issue of cost allocation is within the scope of this proceeding.

- On March 1, a Scoping Memo was issued for Phase 1 (which will address SCE's and PG&E's requests to delay roll-out until late-2020).

Next Steps:

- March 12: Opening Comments on Phase 1 questions regarding timing for roll-out; March 19 (Reply Comments).
- April 20: Expected issuance of Phase 1 Proposed Decision (on timing issues).
- April/May: Issuance of subsequent scoping memo on other (non-timing) issues.

Renewables Portfolio Standard (RPS)-Procurement Plans

To Do: A final decision was adopted in this proceeding. LEAN will continue to monitor any developments.

Background:

This rulemaking proceeding addresses ongoing oversight of the RPS program, including review of procurement plans and reporting on RPS progress. The following CCA-related RPS Procurement Plans were submitted July 21:

- Apple Valley Choice Energy
- Lancaster Choice Energy (LCE)
- Silicon Valley Clean Energy (SVCE)
- MCE
- Peninsula Clean Energy (PCE)
- Pico Rivera Innovative Municipal Energy (PRIME)
- Redwood Coast Energy Authority (RCEA)
- SCP

On September 22, Apple Valley Choice Energy, PRIME, SVCE and LCE submitted Updated 2017 RPS Procurements Plans. On November 1, several CCAs submitted supplemental compliance documents. On November 14, a Proposed Decision was issued, approving all of the submitted CCA RPS procurement plans. On December 4, comments were filed on the PD by PG&E, SCE, and CCA Parties (LCE, MCE, RCEA, SVCE, SCP). On December 11, Reply Comments were filed. (See PG&E and Summary of Reply Comments.) On December 12, the Agenda Redline Decision accepted CCA Parties' request on the submission date for new CCAs. On December 14, the CPUC adopted the Final Decision (D.17-12-007).

Recent Activity:

- January 11: PG&E, Monterey Bay Community Power Authority and San Jacinto Power filed 2017 RPS Procurement Plans, followed on January 31 by Rancho Mirage.
- March 2: Valley Clean Energy Alliance filed its 2017 RPS Procurement Plan.

Green Tariff Shared Renewables (Green Tariff or GTSR)

To Do: LEAN will monitor developments.

Background:

The Green Tariff program was authorized in SB 43 (2013). The program allows the utilities an opportunity to offer optional Green Tariff rates for customers electing to receive a higher level of renewable energy. The CPUC approved the programs in D.15-01-051. In that decision, the CPUC set a termination date of January 1, 2019 and required the utilities to file advice letters to extend the programs. On December 22, PG&E filed AL 5206-E proposing modifications to its Green Tariff program, and SCE filed AL 3722-E, proposing to terminate its Green Tariff program due to low subscription rates. (See PG&E's 2016 Annual GTSR Report and SCE's Annual GTSR Progress Report.)

Recent Activity:

- February 2: Protests filed on IOU advice letters:
  - SCE AL 3722-E: Joint Parties, the Joint Solar Interests, Clean Coalition, and ORA.
  - PG&E AL 5206-E: CCA Parties, CCSF, ORA, SEIA and CCSA.
- February 9: IOUs filed replies to protests: SCE and PG&E.
- February 21: Annual Green Tariff program forum (See Agenda and Presentation.)

Next Steps:

- Disposition letter or draft resolution in response to PG&E and SCE advice letters.

SDG&E's Request to Establish a Marketing Affiliate (Advice Letter 2822-E) (CCA Code of Conduct)

To Do: No change since last month. LEAN will continue to monitor activity related to this matter.

Background:

On January 27, 2017 SDG&E filed a revised compliance plan, Advice Letter 3035, for its Independent Marketing Division (IMD). On February 16, 2017 LEAN joined with other parties in protesting this latest advice letter. On April 6, 2017 the Energy Division issued a Disposition Letter approving AL 3035. On April 17, 2017 the CalCCA sent a letter to the CPUC requesting full Commission review of the Disposition Letter, and reiterating an earlier request for an Order to Show Cause regarding lobbying activity that SDG&E/Sempra conducted before the Advice Letter was approved. CalCCA's request, however, does not suspend the effectiveness of the Energy Division's approval. CPUC staff indicated in a teleconference on July 24, 2017 that no formal action will be taken on the Order to Show Cause.

On a matter related to the CCA Code of Conduct, Cal Choice submitted a Letter to assigned Commissioners on September 25, 2017. The letter expressed concern for SCE's conduct in forming a coalition related to the PCIA. On September 28, SCE submitted a Response.

Next Steps:

- The CPUC's Energy Division will prepare a draft resolution addressing CalCCA's request for full Commission review of the disposition letter. This request is long overdue.
- Separately, the CPUC's Legal Division is preparing a decision responding to SDG&E's application for rehearing of Resolution E-4874, which determined that SDG&E's IMD is also subject to the CPUC's affiliate transaction rules.

Tree Mortality Nonbypassable Charge (NBC)

To Do: No change since last month. LEAN will continue monitoring this proceeding.

Background:

On November 14, 2016, the Joint Utilities filed their proposal to establish a Tree Mortality NBC (Testimony.) CalCCA filed a Protest. On July 14, 2017 CalCCA filed a motion arguing that parties should be allowed to argue for different cost recovery treatment for costs that have been statutorily authorized, on the one hand, versus costs that have simply been authorized by the CPUC. On December 12, there was an Informal Workshop on BioRAM NBC Mechanism IOU/CCA proposals. (See Agenda, CalCCA and IOUs Presentations.)

Recent Activity:

- January 5: Initial settlement teleconference.

Next Steps:

- TBD: Expected ruling requesting submission of workshop presentations and comments on presentations.
- TBD: A Scoping Memo will be issued defining the scope of issues and procedural schedule.

CEC REGULATORY CASE DEVELOPMENTS

Implementation of AB 1110 – Power Source Disclosure

To Do: LEAN is monitoring developments in this CEC Proceeding. (See OIR.)

Background:

This proceeding considers modifications to the Power Source Disclosure Program. Retail sellers, which includes CCAs, will be required to disclose both GHG emissions intensity of their respective electricity portfolios offered to customers and the CEC's calculation of GHG emissions intensity associated with all statewide sales. Retail sellers will also annually report other information to verify procurement claims and environmental claims made for the previous year. The CEC is required to adopt program guidelines by January 1, 2018. On June 27, CEC staff issued the AB 1110 Implementation Proposal. Numerous parties have submitted comments on the proposal. On September 18, PCE submitted a fairly detailed set of Comments. On January 17, the CEC released the Revised AB 1110 Implementation Proposal for Power Source Disclosure.

Recent Activity:

- February 1: Staff Workshop on Updates to Power Source Disclosure (see Notice, Slides, and Transcript).
- February 23: Parties filed comments on Revised Proposal (See CalCCA Comments and Joint Utility comments).

Next Steps:

- CEC staff continues to work on the AB 1110 Implementation Proposal. AB 1110 set a January 1, 2018 CEC adoption timeframe, with reporting of GHG intensity occurring after December 31, 2018, though this adoption timeframe may be extended.

CPUC/CEC – JOINT ACTIVITY

Environmental Justice (EJ) and Disadvantaged Communities (DAC) Issues

To Do: LEAN will monitor any developments related to the new DAC Advisory Group.

Background:

SB 350 requires that the CPUC and the CEC create a DAC Advisory Group (DACAG), which will assist the two Commissions in understanding how energy programs impact these communities. On July 31, the CPUC and the CEC provided notice of their proposal to establish the DACAG. (See summary.) MCE filed comments on this proposal, arguing that CCAs and their representatives are uniquely positioned to communicate with and represent the DACs they serve, and therefore, that the DACAG should have at least one CCA community representative. On November 1, the CPUC released a Draft Resolution and a Solicitation Letter proposing to establish a charter for the DACAG. On December 13/14, the CEC/CPUC approved the DACAG charter (see CPUC Resolution).

Recent Activity:

- The CEC approved 10 members of the DACAG.
- March 2: CCEA submitted a Proposal to provide CCA support services in the San Joaquin Valley.

VALLEY CLEAN ENERGY ALLIANCE

Consent Agenda – Item 6

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Interim General Manager
Gary Lawson, Sacramento Municipal Utility District (SMUD)

SUBJECT: Correct Typographical Error on Delegations for 2018 and 2019 Power Procurement

DATE: March 22, 2018

RECOMMENDATION

Staff recommends the Board adopt a resolution that approves the corrected delegation to SMUD for procuring VCEA's power portfolio for 2018 and 2019.

BACKGROUND

On January 18, 2018 the Board adopted a resolution that approved a specific delegation to SMUD for power procurements for 2018 and 2019. Subsequent to that approval, staff noticed a typographical error in the power budget amount for 2018. The expected power budget shown on the delegation was $28.45 million. The actual expected power budget for that delegation is $26.45 million, and the delegation should reflect this. Correcting the budget amount means the authorized procurement cost (budget plus the 5% margin) was also incorrect, and should be $27.77 million.

There was no consequential impact, in that SMUD managed power procurements to stay within the correct amounts. Attachment A shows edits to the 2018-2019 power procurement delegation, and Attachment B show the corrected procurement delegation.

REQUESTED ACTION

Adopt a resolution that approves corrected 2018- 2019 procurement delegation shown in Attachment B.

ATTACHMENT A

Edits to the 2018-2019 Power Procurement Delegation

SMUD is authorized to procure all forward products needed for VCEA's 2018 power portfolio, and to begin procurement of the forward products for VCEA's 2019 power portfolio. Forward products specifically include, renewable power, non-RPS clean power, resource adequacy, and fixed price market power. Procurements will be conducted in accordance with the guidelines in the Procurement Guide and within the following parameters:

Power Budget Element	**Parameter**
Total net power budget, Calendar Year (CY) 2018	Delegation to procure all forward products for 2018, such that the costs of the forward purchases don't cause the total expected CY 2018 power costs to exceed ~~$29.87~~$27.77 million (~~$28.45~~$26.45 million expected power budget, plus 5%).
Total net power budget, CY 2019	Delegation to begin procurement of forward products for 2019, such that the costs of the forward purchases don't cause the total expected CY 2019 power costs to exceed $43.93 ($41.84 million expected power budget plus 5%).

In the event that power portfolio purchases are coming in above budget, and it appears that the total net power budget may exceed the specified amounts, VCEA staff will need to come back to the Board for additional authority to proceed.

Attachment B

Corrected Procurement Delegation

SMUD is authorized to procure all forward products needed for VCEA's 2018 power portfolio, and to begin procurement of the forward products for VCEA's 2019 power portfolio. Forward products specifically include, renewable power, non-RPS clean power, resource adequacy, and fixed price market power. Procurements will be conducted in accordance with the guidelines in the Procurement Guide and within the following parameters:

Power Budget Element	**Parameter**
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Total net power budget, CY 2019	Delegation to begin procurement of forward products for 2019, such that the costs of the forward purchases don't cause the total expected CY 2019 power costs to exceed $43.93 ($41.84 million expected power budget plus 5%).

In the event that power portfolio purchases are coming in above budget, and it appears that the total net power budget may exceed the specified amounts, VCEA staff will need to come back to the Board for additional authority to proceed.

ATTACHMENT A

Edits to the 2018-2019 Power Procurement Delegation

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In the event that power portfolio purchases are coming in above budget, and it appears that the total net power budget may exceed the specified amounts, VCEA staff will need to come back to the Board for additional authority to proceed.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Approval to Retain Keyes & Fox LLP for Regulatory and Legal Services

Date: March 22, 2018

Recommendation

Authorize VCEA's Interim General Manager to complete final negotiations and execute a contract with Keyes & Fox LLP for legal services related to regulatory compliance and regulatory advocacy before various California energy bodies including the California Public Utilities Commission and California Energy Commission. Contract value shall not exceed $108,000 for the remainder of 2018 which is within operational budgeted amounts, assuming an April 1st start date.

Background

In mid-February, VCEA staff sought proposals from four California law firms with established expertise in energy, regulatory, utility and CCA matters. Proposals were received from the following firms:

1. Best Best & Krieger
2. Braun, Blaising, Smith & Wynne
3. Davis Wright Tremaine
4. Keyes & Fox LLP

Analysis & Discussion

Proposals from each law firm were reviewed with the following evaluative criteria in mind:

1) Ability to best represent VCEA's interests and perform the scope of services including VCEA regulatory compliance and reporting, regulatory monitoring, and engagement before various state regulatory bodies including the CPUC, CEC and CAISO.

2) Proposed legal team and their previous/current utility and CCA experience (especially in PG&E service territory)

3) Price competitiveness

4) Ability to work in partnership and without conflict with VCEA and its service vendor, Sacramento Municipal Utility District.

Based on the criteria above, Braun, Blaising Smith and Wynne and Keyes & Fox LLP were selected for in-person interviews which occurred during the week of March 11th. Both firms performed well during the interview, have relevant CCA client experience, and are qualified to handle VCEA's scope of work.

However, staff feels that Keyes & Fox LLP would provide the best overall fit for VCEA given their range of energy transaction and regulatory experience, competitive pricing, and organizational capacity which includes access to regulatory/research staff at their partner company, EQ Research. For these reasons, staff is recommending that VCEA move ahead with Keyes & Fox LLP to finalize the scope of services and execute a contract for regulatory and legal support.

<u>Attachment:</u>
Company Profile: Keyes & Fox LLP

Keyes & Fox LLP and EQ Research, LLC

KEYES&FOX LLP

Co-founded by a UC Davis graduate, Kevin Fox, Keyes & Fox LLP provides clients with the expertise and services they need to navigate a complex and rapidly evolving energy sector. Keyes & Fox has extensive experience with all aspects of clean energy regulation and policy development and a highly successful track record of engagement. Collectively, our attorneys have appeared before over 40 state public utility commissions in the United States, making us some of the foremost experts in state energy regulation in the nation. Keyes & Fox team members have worked on behalf of a range of interests, including community choice aggregators ("CCAs"), distributed energy resource providers, government agencies, renewable energy developers, non-profit organizations, environmental organizations, demand response providers, combined heat and power producers, and a publicly-owned utility. We are proficient at analyzing regulatory and legislative programs, policies and compliance requirements, counseling clients on the advantages and disadvantages of those policies, and advising clients on the best path forward to achieve their legal, policy and technical goals.

EQ Research

The founding partners of Keyes & Fox LLP established EQ Research in 2014 by acquiring the team of analysts that managed and operated the nationally recognized Database of State Incentives for Renewables & Efficiency (*i.e.*, DSIRE) project for the U.S. Department of Energy from 2007 to 2013. The EQ Research team has since expanded to include experts in rate design, regulatory advocacy, and public power issues, including the formation of new load-serving entities. EQ provides policy research, analysis and data services to businesses active in renewables, energy efficiency, energy storage and electric vehicles. EQ's areas of expertise include state regulatory policy and utility proposals, state legislation, financial incentives, local government policy, renewable portfolio standard and renewable energy certificate issues, net metering, rate design, and general rate cases. EQ's experts have testified on behalf of its clients in several states on solar programs, energy efficiency programs, rate design, power purchase agreements, and other clean energy policies.

Combining the Potency of Keyes & Fox and EQ Research for VCEA

Keyes & Fox and EQ Research regularly collaborate to provide clients with customized, comprehensive legal, research, consulting and advocacy services in an integrated, cost-effective fashion. Utilizing the staff at EQ Research to complete much of the groundwork for the monitoring and compliance work CCAs require is one of Keyes & Fox's strongest competitive advantages, ensuring quality work by professional energy industry analysts at non-attorney rates. Moreover, the approach allows for economies of scale, creating the potential for substantial savings for CCA clients.

VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE

Staff Report Item – 8

TO: VCEA Board

FROM: Mitch Sears, Interim General Manager

SUBJECT: Long Range Calendar

DATE: March 12, 2018

Recommendation

Review and approve long range calendar.

VALLEY CLEAN ENERGY ALLIANCE

2018 Advisory Committee and Board Meeting Dates and Topics

MEETING DATE		TOPICS	ACTION
February 8, 2018	**Board** DAVIS	• NEM Policy	• Approve
March 12, 2018	**Advisory Committee** WOODLAND	• Enterprise Risk Policy • Ultra Green Policy • Final Rate Discount • Final Power Mix • Power/Operational Budget • Integrated Resource Plan	• Recommend • Recommend • Recommend • Recommend • Recommend • Informational
March 22, 2018	**Board** WOODLAND	• Enterprise Risk Policy • Ultra Green Policy • Final Rate Discount • Final Power Mix • Power/Operational Budget • Integrated Resource Plan	• Approve • Approve • Approve • Approve • Approve • Informational
April 2, 2018	**Advisory Committee** DAVIS	• Integrated Resource Plan • Recontracting	• Informational • Approve
April 12, 2018	**Board** DAVIS	•	•
April DATE TBD	**IRP Working Session**	• Integrated Resource Plan	• Working session
April 30, 2018	**Advisory Committee** WOODLAND	•	•
May 10, 2018	**Board** WOODLAND	•	•

June 4, 2018	**Advisory Committee** DAVIS	• Integrated Resource Plan	• Informational
June 1, 2018 -- LAUNCH			
June 14, 2018	**Board** DAVIS	• Integrated Resource Plan	• Discussion
July 2, 2018	**Advisory Committee** WOODLAND	• Integrated Resource Plan	• Recommend •
July 12, 2018	**Board** WOODLAND	• Integrated Resource Plan	• Approve
July 30, 2018	**Advisory Committee** DAVIS	•	•
August 9, 2018	**Board** DAVIS	•	•
September 3, 2018	**Advisory Committee** WOODLAND	•	•
Sept 13, 2018	**Board** WOODLAND	•	•
October 1, 2018	**Advisory Committee** DAVIS	•	•
October 11, 2018	**Board** DAVIS	•	•
October 29, 2018	**Advisory Committee** WOODLAND	•	•
November 8, 2018	**Board** WOODLAND	•	•

December 3, 2018	**Advisory Committee** DAVIS	•	•
December 13, 2018	Board DAVIS	•	•

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Agenda Item 9

TO:	Valley Clean Energy Alliance Board of Directors
FROM:	Mitch Sears, Interim General Manager Toni Hoang, Sacramento Municipal Utility District (SMUD)
SUBJECT:	Enterprise Risk Management Policy
DATE:	March 22, 2018

RECOMMENDATION

Staff recommends the Board adopt a resolution approving the attached Enterprise Risk Management Policy.

BACKGROUND AND ANALYSIS

The Enterprise Risk Management Policy was revised for clarity following the CAC and Board review in February. The updated version, included in Attachment 1, contains two new sections: Business Practices and Management Reporting and Metrics.

- Introduction: This section introduces the value of ERM as a structured approach to managing risk and uncertainty. It lays out the objectives of VCEA's ERM function, providing the framework for evaluating and managing risk in the organization's decision-making process.
- ERM Roles and Responsibilities: The ERM roles are consistent with the Board-approved Wholesale Power Procurement & Risk Management Policy. The Enterprise Risk Oversight Committee (EROC) has primary responsibility for the implementation of ERM. The policy lays out the scope of the EROC's risk management authority.
- Business Practices: This section identifies the steps of risk management and the basic process associated with each step. The intent is to provide a high-level framework. Specific tools and techniques for implementing enterprise risk management will be recommended by the portfolio manager following approval of the policy.
- Management Reporting and Metrics: The policy defines two enterprise risk reports that will be provided on a regular basis: a semi-annual report to the EROC and annual report to the Board.

On March 12, the CAC provided feedback on the policy document. Recommended changes have been incorporated into the attached version. The CAC has recommended Board adoption of the Enterprise Risk Management policy.

CONCLUSION

Staff recommends Board approval of the attached Enterprise Risk Management Policy.

ATTACHMENT 1

Enterprise Risk Management Policy

DRAFT

Valley Clean Energy Alliance

Enterprise Risk Management Policy

Adopted: ______

Table of Contents

1 Introduction

1.1 Background and Purpose

Valley Clean Energy Alliance (VCEA) is implementing an Enterprise Risk Management (ERM) program to provide a structured, disciplined, and consistent approach to risk management that facilitates risk-informed decision making throughout the organization. ERM supports VCEA in aligning strategy, processes, people, and technology for the purpose of evaluating and managing uncertainties in executing its mission. By strategically managing risk, VCEA can proactively reduce the chance of loss, identify and take advantage of opportunities, create greater financial stability, and protect its resources to support its mission and create value for its members.

This policy has been established to ensure appropriate identification and evaluation of risks associated with all VCEA activities, and to ensure that these risks are managed to an acceptable level.

1.2 Enterprise Risk Management Objective

This ERM Policy (Policy) establishes VCEA's ERM Program (Program) and ensures that risk management assessments and decisions are based on a consistent approach and a common language.

The objective of the Policy is to provide a framework for identifying, assessing, responding to, managing, and communicating risks and opportunities to help VCEA achieve its objectives. The framework provides the means to embed risk management as a core competency in VCEA operations, enabling it to apply consistent risk management practices at both the enterprise-wide level and within each program in a way that facilitates risk-informed decision making at all levels.

The ERM objectives are to:

- Provide the VCEA Board with transparency and insight into risks that could impact the ability to execute VCEA's mission.
- Implement well-defined risk management process, tools and techniques.
- Identify current and emerging risks, and prioritize and develop response plans when necessary.
- Increase the likelihood of success in achieving the VCEA's objectives.
- Build credibility and sustain confidence in VCEA's governance by all stakeholders including private, federal, state, and local partners.
- Improve the understanding of interactions and relationships between risks.
- Establish clear accountability and ownership of risk.
- Develop the capacity for continuous monitoring and periodic reporting of risks.

1.3 Statement of Risk Policy and Risk Appetite

VCEA's approach is to conservatively manage its exposure to financial, legal, compliance and regulatory, operational, strategic, and reputational impacts while accepting and balancing risk taking in pursuit of its mission and objectives. It recognizes that its appetite for risk varies according to the activity undertaken, that acceptance of risk is subject to ensuring that potential benefits and risks are fully understood before taking action, and that sensible measures to mitigate risk are established.

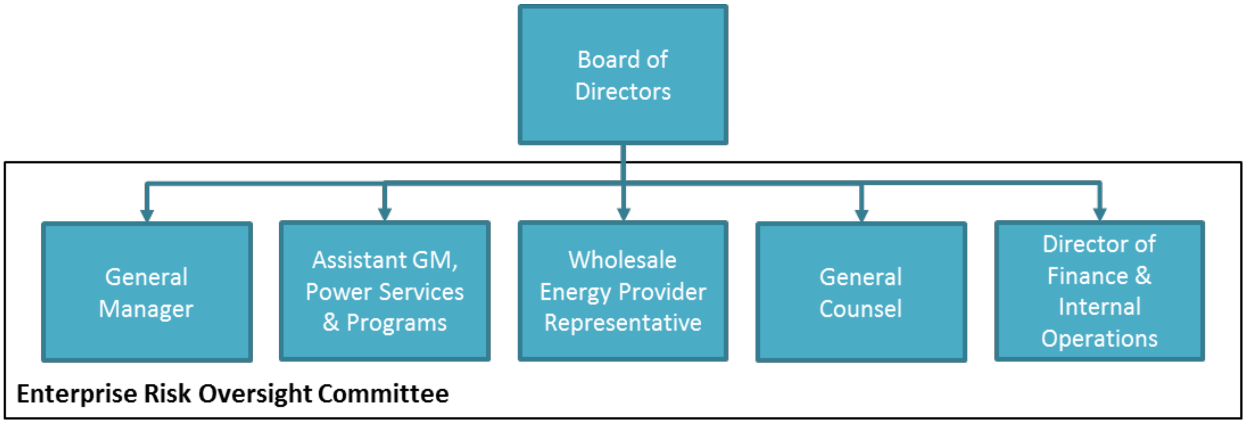
1.4 Policy Administration

The Board must approve amendments to this Policy.

2 ERM Roles and Responsibilities

2.1 Enterprise Risk Management Organizational Structure

Please refer to the Wholesale Power Procurement & Risk Management Policy, Section 3 for the ERM Risk Management Structure.



2.2 Enterprise Risk Oversight Committee (EROC)

In addition to the EROC roles as outlined in Section 3 of the Wholesale Power Procurement & Risk Management Policy, the EROC is also responsible for overseeing the development and implementation of processes used to analyze, prioritize, and address risks across VCEA. The EROC is responsible for establishing risk appetite and risk tolerance levels to ensure that risks are managed to create value for VCEA members in a manner which is consistent with this policy.

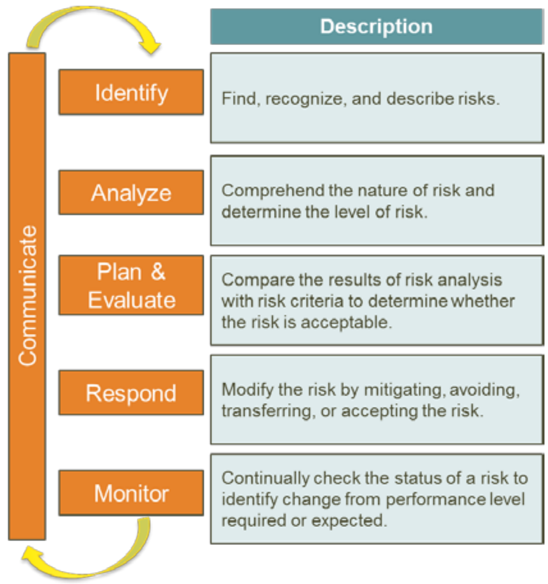
In addition to the authorities outlined in Section 3 of the Wholesale Power Procurement & Risk Management Policy, the EROC maintains the additional authority and responsibility to:

- Work with the Board to develop and establish a list of high priority enterprise risks that will be monitored on an ongoing basis;
- Approve ERM processes and risk appetite and risk tolerance guidelines;
- Receive and review ERM reports as described in this Policy;
- Conduct and coordinate any actions identified as risk mitigation for the management of specific enterprise risks;
- Maintain this Policy; and
- Perform any other activities consistent with this policy and governing laws that VCEA's Board determines are necessary or appropriate.

The Director of Finance & Internal Operations is the staff person that will own the ERM process.

3 Business Practices

To develop a better understand of risks, a formal risk management process will be used (see diagram below).



At each stage of the risk management process, tools and/or techniques appropriate to VCEA's objectives, resources and capabilities shall be used. The Portfolio Manager shall recommend appropriate tools for proper risk identification, assessment and management.

3.1 Identify

The process begins with the identification of risks to the enterprise. Initially a set of risks will be identified through the use of surveys and staff brainstorming sessions. In the course of normal business operations, internal and external risks that could impact VCEA's achievement of set objectives are identified at various points in the business cycle. During strategic/business planning, the Portfolio Manager will help facilitate risk based conversations to help identify risks to the organization's objectives. Throughout the year, risk assessments, scans and/or surveys are performed where appropriate. VCEA risk management staff review the output from internal monitoring and assurance activities to identify gaps and emerging risk areas.

3.2 Analyze

After potential risks have been identified, risks are analyzed, considering likelihood, velocity (timeframe over which a risk could materialize) and impact to VCEA of a given outcome. While much of the risk assessment and analysis may be subjective, where appropriate, tolerance levels are adopted to serve as a guide for managing risks.

3.3 Plan & Evaluate

Based on the outcomes of the Analyze phase, this phase is intended to assist in making decisions about which risks need to be further mitigated and to set the priority for the implementation. During this phase, the results of the risk assessments are compared with the agreed upon risk tolerance levels to determine whether the current level of exposure is acceptable. In addition to consideration of the risk analysis, Staff will consider strategic options that balance the cost of risk mitigation strategy implementation against the benefits to be derived.

3.4 Respond

Risk response is the process of implementing the mitigation identified in the Plan & Evaluate phase. From the strategies laid out during the Plan & Evaluate phase, actions that can be taken to either get ahead of events in order to avoid exposure to the risk, or to respond to events in order to mitigate the impact of such risk are identified. The process ensures that each risk requiring a response has an owner monitoring the response. When considering the response methodology, it is important to recognize the impacts of the decision as well as the capabilities of the organization to implement and maintain the response. Where appropriate, metrics will be established and/or adopted to help serve as early warning signals.

3.5 Monitor

Staff will be responsible for monitoring and measuring risk mitigation recommendations, risk trends and metrics to ensure the cost-effectiveness of the controls and introduce improvements when appropriate. Staff is responsible for reporting to the EROC and to the Board on the status of high priority enterprise risks.

4 Management Reporting and Metrics

The Portfolio Manager will assist the Director of Finance & Internal Operations in working with the EROC to establish an appropriate reporting format and metrics for VCEA staff to use in reporting enterprise risks to the EROC and the Board. The reports will show metrics, status and additional mitigations where appropriate. Emerging risk evaluation and discussion will be integrated into the reporting and monitoring process. In addition to risk-specific reporting, consolidated summary reporting on the status of all high priority enterprise risks will be reported out as follows:

- **Quaterly Report to EROC**

Staff will report quarterly to the EROC on the status of enterprise risks.

- **Semi-Annual Report to Board**

Staff will report semi-annually to the Board on the status of enterprise risks.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2018- _______

A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE ADOPTING THE ENTERPISE RISK MANAGEMENT POLICY

WHEREAS, the Valley Clean Energy Alliance ("VCEA") is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act"), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo ("County"), the City of Davis ("Davis"), and the City of Woodland ("City") (the "JPA Agreement"), to collectively study, promote, develop, conduct, operate, and manage energy programs; and

WHEREAS, the ERM policy provides a framework for evaluating and managing risk in the organization's decision-making process, and

WHEREAS, the ERM policy will allow VCEA to identify risks, mitigate impacts and ensure smooth, ongoing operations and service to customers; and

WHEREAS, the Enterprise Risk Oversight Committee ("EROC") has primary responsibility for the implementation of the policy; and

WHEREAS, the Enterprise Risk Management Policy was introduced to the CAC on January 29, 2018, reviewed by the Board on February 8, 2018 and further clarified and unanimously approved by the CAC on March 12, 2018.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby adopts the Enterprise Risk Management Policy (Attachment A).

ADOPTED, this ____________ day of ______________, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
VCEA Board Chair

____
VCEA Board Secretary

Approved as to form:

____

Interim VCEA Counsel

ATTACHMENT 1

Enterprise Risk Management Policy

DRAFT

Valley Clean Energy Alliance

Enterprise Risk Management Policy

Adopted: _______

Table of Contents

1 Introduction

1.1 Background and Purpose

Valley Clean Energy Alliance (VCEA) is implementing an Enterprise Risk Management (ERM) program to provide a structured, disciplined, and consistent approach to risk management that facilitates risk-informed decision making throughout the organization. ERM supports VCEA in aligning strategy, processes, people, and technology for the purpose of evaluating and managing uncertainties in executing its mission. By strategically managing risk, VCEA can proactively reduce the chance of loss, identify and take advantage of opportunities, create greater financial stability, and protect its resources to support its mission and create value for its members.

This policy has been established to ensure appropriate identification and evaluation of risks associated with all VCEA activities, and to ensure that these risks are managed to an acceptable level.

1.2 Enterprise Risk Management Objective

This ERM Policy (Policy) establishes VCEA's ERM Program (Program) and ensures that risk management assessments and decisions are based on a consistent approach and a common language.

The objective of the Policy is to provide a framework for identifying, assessing, responding to, managing, and communicating risks and opportunities to help VCEA achieve its objectives. The framework provides the means to embed risk management as a core competency in VCEA operations, enabling it to apply consistent risk management practices at both the enterprise-wide level and within each program in a way that facilitates risk-informed decision making at all levels.

The ERM objectives are to:

- Provide the VCEA Board with transparency and insight into risks that could impact the ability to execute VCEA's mission.
- Implement well-defined risk management process, tools and techniques.
- Identify current and emerging risks, and prioritize and develop response plans when necessary.
- Increase the likelihood of success in achieving the VCEA's objectives.
- Build credibility and sustain confidence in VCEA's governance by all stakeholders including private, federal, state, and local partners.
- Improve the understanding of interactions and relationships between risks.
- Establish clear accountability and ownership of risk.
- Develop the capacity for continuous monitoring and periodic reporting of risks.

1.3 Statement of Risk Policy and Risk Appetite

VCEA's approach is to conservatively manage its exposure to financial, legal, compliance and regulatory, operational, strategic, and reputational impacts while accepting and balancing risk taking in pursuit of its mission and objectives. It recognizes that its appetite for risk varies according to the activity undertaken, that acceptance of risk is subject to ensuring that potential benefits and risks are fully understood before taking action, and that sensible measures to mitigate risk are established.

1.4 Policy Administration

The Board must approve amendments to this Policy.

2 ERM Roles and Responsibilities

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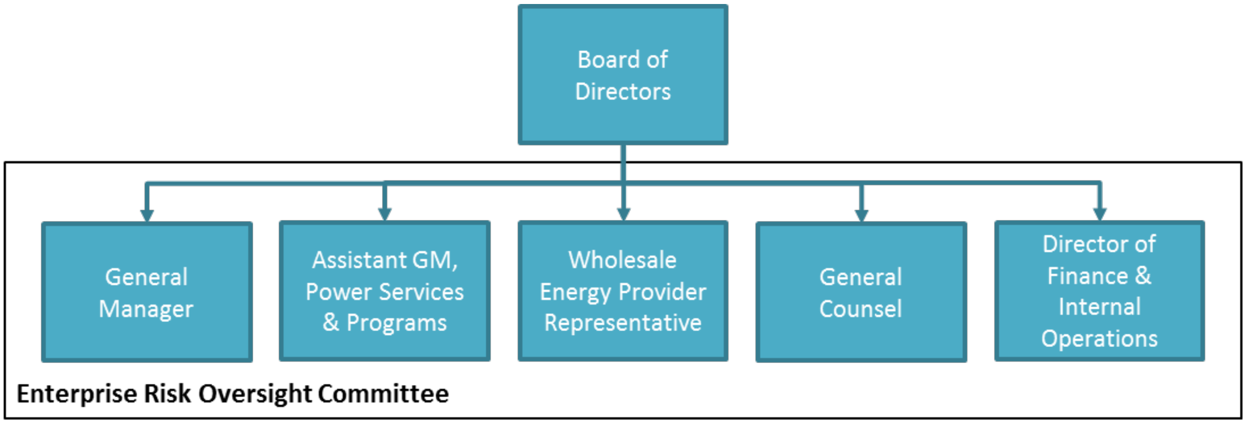
Please refer to the Wholesale Power Procurement & Risk Management Policy, Section 3 for the ERM Risk Management Structure.



2.2 Enterprise Risk Oversight Committee (EROC)

In addition to the EROC roles as outlined in Section 3 of the Wholesale Power Procurement & Risk Management Policy, the EROC is also responsible for overseeing the development and implementation of processes used to analyze, prioritize, and address risks across VCEA. The EROC is responsible for establishing risk appetite and risk tolerance levels to ensure that risks are managed to create value for VCEA members in a manner which is consistent with this policy.

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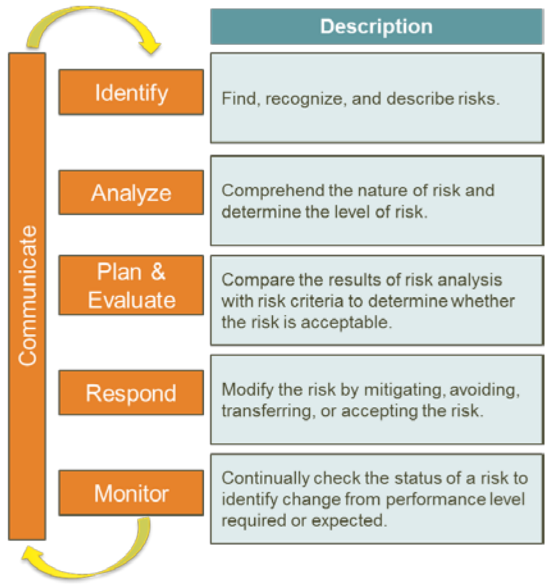
The Director of Finance & Internal Operations is the staff person that will own the ERM process.

3 Business Practices

To develop a better understand of risks, a formal risk management process will be used (see diagram below).



At each stage of the risk management process, tools and/or techniques appropriate to VCEA's objectives, resources and capabilities shall be used. The Portfolio Manager shall recommend appropriate tools for proper risk identification, assessment and management.

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The process begins with the identification of risks to the enterprise. Initially a set of risks will be identified through the use of surveys and staff brainstorming sessions. In the course of normal business operations, internal and external risks that could impact VCEA's achievement of set objectives are identified at various points in the business cycle. During strategic/business planning, the Portfolio Manager will help facilitate risk based conversations to help identify risks to the organization's objectives. Throughout the year, risk assessments, scans and/or surveys are performed where appropriate. VCEA risk management staff review the output from internal monitoring and assurance activities to identify gaps and emerging risk areas.

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3.3 Plan & Evaluate

Based on the outcomes of the Analyze phase, this phase is intended to assist in making decisions about which risks need to be further mitigated and to set the priority for the implementation. During this phase, the results of the risk assessments are compared with the agreed upon risk tolerance levels to determine whether the current level of exposure is acceptable. In addition to consideration of the risk analysis, Staff will consider strategic options that balance the cost of risk mitigation strategy implementation against the benefits to be derived.

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Staff will report semi-annually to the Board on the status of enterprise risks.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Agenda Item 9

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Interim General Manager
Gary Lawson, Sacramento Municipal Utility District (SMUD)

SUBJECT: UltraGreen Rate

DATE: March 22, 2018

RECOMMENDATION

Staff is recommending the Board adopt a resolution establishing a voluntary 100% renewable program that:

- Charges an additional $0.015/kWh for both residential and commercial customers
- Is sourced with a mix of PCC-1 and PCC-2 resources equivalent to VCEA's overall renewable portfolio
- Uses any excess net revenue to fund local renewable projects
- Is Green-e certified

BACKGROUND AND ANALYSIS

UltraGreen is a voluntary program that will allow customers to purchase their power from 100% renewable sources for a price premium. Renewable Energy Certificates (RECs) are procured for 100% of opt-in customer load and retired on behalf of the customer.

The program design recommended balances three goals:

- Offering 100% renewable power at a competitive, affordable price
- Purchasing RECs that have the greatest environmental impact
- Building reserves to quickly move beyond RECs to funding new local renewable projects.

Specific recommendations are as follows:

1. Price structure – volumetric (price per kWh)

   Although a flat monthly fee can be easier for customers to understand, it is not necessarily equitable, as lower usage customers will pay more than their share of the renewable costs, and higher usage customers will pay less. VCEA seeks to set prices that are reflective of the underlying costs, and to minimize cost shifting between customer classes. Designing marketing materials to highlight what a customer would pay on average each month can achieve some of the benefits of a flat rate program, without the associated cost shifts.

2. Price – $0.015/kWh

   At this price, VCEA will be competitive with other CCAs, and will ensure the total bill is lower for nearly all customers relative to the PG&E Solar Choice option. Due to fluctuations in PCIA and the PG&E Solar Choice rates across different customer classes, it is impossible to guarantee the rate will be better for all customers. However, $0.015/kWh represents a price on par with the lowest Solar Choice rates, and VCEA customers will combine this price with the 2% discount on the base power purchase. Reducing the price is possible, but would limit VCEA to purchasing renewable energy from existing plants, rather than investing in new local renewable resources, which tend to be more expensive than non-local projects.

3. Renewable Mix – Match VCEA base product renewable mix

   Staff recommends the program meet REC needs by incrementally increasing the overall procurement of renewables needed for VCEA load. For 2018, this will include 52% PCC-1 and 48% PCC-2 resources. This ensures a balance of PCC-1 and PCC-2 resources while minimizing complexity in the procurement process.

4. Green-e Certification

   Staff recommends obtaining Green-e certification. While this will represent a cost of approximately $17,000/year, it will provide customers with assurance that the renewable content in the program meets the highest standards. This will aid in marketing the program and establishing VCEA's reputation for quality. In addition, participation in Green-e will provide VCEA with access to resources outlining best practices in green energy marketing. Additional information can be found at www.green-e.org.

CONCLUSION

Staff recommends the Board adopt the Ultra Green rate and terms proposed.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2018- _______

A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE ADOPTING THE ULTRAGREEN POLICY/RATES FOR THE 100% RENEWABLE ENERY CUSTOMER OPTION

WHEREAS, the Valley Clean Energy Alliance ("VCEA") is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act"), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo ("County"), the City of Davis ("Davis"), and the City of Woodland ("City") (the "JPA Agreement"), to collectively study, promote, develop, conduct, operate, and manage energy programs; and

WHEREAS, UltraGreen is a voluntary program that will allow customers to purchase their power from 100% renewable sources for a price premium; and

WHEREAS, the UltraGreen program balances three goals of offering 100% renewable power at a competitive, affordable price, purchasing RECs that have beneficial environmental impact, and building reserves to quickly move beyond RECs to funding new local renewable projects; and

WHEREAS, the UltraGreen program shall obtain Green-e certification to provide customers with assurance that the renewable content in the program meets the highest standards.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby adopts the UltraGreen Policy/Rates (Exhibit A).

ADOPTED, this ____________ day of ______________, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
VCEA Board Chair

____
VCEA Board Secretary

Approved as to form:

____
Interim VCEA Counsel

Exhibit A

DRAFT

Valley Clean Energy Alliance

UltraGreen Policy/Rate

3/22/2018

UltraGreen is a voluntary program that will allow customers to purchase their power from 100% renewable sources for a price premium. Renewable Energy Certificates (RECs) will be procured for 100% of opt-in customer load and retired on behalf of the customer.

The program is intended to balance three goals:

- Offering 100% renewable power at a competitive, affordable price
- Purchasing RECs that have the greatest environmental impact
- Building reserves to quickly move beyond RECs to funding new local renewable projects.

The Valley Clean Energy's UltraGreen Policy/Rate is composed of the following four elements:

1. Price structure – Volumetric (price per kWh)

   VCEA seeks to set fair prices that are reflective of the underlying costs, and to minimize cost shifting between customer classes. This structure will also encourage energy concervation.

2. Price – $0.015/kWh

   At this price, VCEA is competitive with other CCAs, and will ensure the total bill is lower for nearly all customers relative to the PG&E Solar Choice option. Due to fluctuations in PCIA and the PG&E Solar Choice rates across different customer classes, it is impossible to guarantee the rate will be better for all customers. However, $0.015/kWh represents a price on par with the lowest Solar Choice rates, and VCEA customers will combine this price with the 2% discount on the base power purchase.

3. Renewable Mix – Match VCEA base product renewable mix

   The program will meet REC needs by incrementally increasing the overall procurement of renewables needed for VCEA load. For 2018, this will include 52% PCC-1 and 48% PCC-2 resources. This will ensure a balance of PCC-1 and PCC-2 resources while minimizing complexity in the procurement process.

4. Green-e Certification

   Valley Clean Energy will invest in obtaining Green-e certification. This annual cost of approximately $17,000/year, will provide customers with assurance that the renewable content in the program meets the highest standards.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Agenda Item 11

TO:	Valley Clean Energy Alliance Board of Directors
FROM:	Mitch Sears, Interim General Manager Gary Lawson, Sacramento Municipal Utility District (SMUD)
SUBJECT:	Program Launch Energy Rates, Power Mix, and Budgets
DATE:	March 22, 2018

RECOMMENDATION

Staff is recommending that the Board adopt a resolution establishing the following:

- VCEA rates, included as Attachment 1, which are set at a 2% discount from PG&E's generation rates placed into effect March 1, 2018, net of PCIA and Franchise Fees.
- A Power Mix of 42% renewable, 75% clean for the default product.
- An Operating Budget of $1.62M for March-June 2018.
- Administrative authority for VCEA staff to consolidate the Operating budget and the Implementation budget and direction to return to the Board for approval of a consolidated 2017-18 budget.
- A Delegation of Authority to the Interim General Manager to put in place new comparable rates schedules for any new rate schedules that PG&E may put in place at a level of 2% below PG&E's generation rate for such new tariff, net of PCIA and Franchise Fees.

BACKGROUND AND ANALYSIS

In December, the Board reviewed pro forma financials and set targets for the mix of renewable and clean power, as well as for rates relative to PG&E. The pro forma financials were based on expected power prices, load forecast, and operating budget. Over the past months, staff has procured power, hedged power prices for the expected load volumes, refined the operating budget, and updated revenue forecasts based on phase-in schedule, NEM policy, and newly released PG&E generation rates. These changes have been factored into a revised set of pro forma financials that are provided in Attachment 2. These pro forma financials show that continuing with existing policy decisions will achieve desired outcomes while ensuring financial stability.

Rates – The current pro forma financials continue to model VCEA rates at a 2% rate discount from PG&E's generation rates net of PCIA and Franchise Fees. They also model additional revenue from the Board approved NEM policy, which has been forecast to be put into the local renewable development fund. Since the December Board meeting, PG&E has announced 2018 rate increases larger than forecasted. This increase in rates is currently modeled as providing faster repayment of startup capital and higher cash balances. VCEA rates, once established, will be in effect until they are changed by a subsequent Board action. The VCEA rates, set at a 2% discount from the recently confirmed 2018 PG&E rates, are provided in Attachment 1. Staff recommends that the Board delegate authority to the Interim General Manager to approve any new rates that appear midyear at an amount 2% below PG&E's generation rate for that new tariff, net of PCIA and Franchise Fees.

Power Mix – The power mix remains unchanged from previous Board conversations with 42% renewable and 75% clean content. Procurements are in place for the bulk of expected load. The expected power budget for 2018 was $26.45M, and actual forward power purchases came very close to this expected cost, putting the current power budget forecast for 2018 at $26.53M. Later in the year, after launch, a more accurate load forecast will be built with actual load data, opt-out rates, and opt-up rates. This updated load forecast will be used to guide a true-up procurement to ensure renewable and carbon-free content goals are met for 2018.

Operating Budget – Staff has updated the operating budget based on an updated view of committed and expected costs. Several services are already under contract, and others are currently in the process of being procured. There is considerable uncertainty around unknown expenses in the initial year of operations, as there is no operating history to ensure all items are accounted for. Therefore, staff recommends a 10% contingency be built into the operating budget until VCEA gains more operating experience, and recommends Board adoption of an updated budget for the balance of the current fiscal year, March through June of the 2017-2018 fiscal year. This operating budget will replace the previously approved launch budget for the remaining fiscal year. However, the operating budget will need to be consolidated with the implementation budget for purposes of financial reporting and budget compliance. VCEA staff are requesting administrative authority to perform the consolidation of the implementation budget with the operating budget with a plan to return to the Board with a consolidated 2017-18 budget. Any additional information obtained in the last months of FY 2017-18 will be used to inform an updated 2018-19 operating budget. The proposed Operating Budget for the balance of the current fiscal year along with a draft operating budget for 2018-2019 are included in Attachment 3. Staff will bring back the 2018-19 budget to the Board for approval prior the beginning of the new fiscal year.

COMMUNITY ADVISORY COMMITTEE REVIEW

Staff reviewed the recommendation with the Community Advisory Committee on March 12, 2018, which voted on and unanimously approved supporting staff's recommendation.

CONCLUSION

Staff recommends Board adoption of the aforementioned resolution.

Attachment 1 – VCEA Rate Sheets

VCEA LightGreen Residential Rates
(effective 6/1/2018)

E1, EM, ES, ESR, ET, Basic Residential

All Electric Usage	$	0.07163	/kWh

E-TOU-A, Residential Time-of-Use

Summer			
Peak	$	0.15268	/kWh
Off-Peak	$	0.07862	/kWh
Winter			
Peak	$	0.06709	/kWh
Off-Peak	$	0.05308	/kWh

E-TOU-B, Residential Time-of-Use

Summer			
Peak	$	0.17412	/kWh
Off-Peak	$	0.07312	/kWh
Winter			
Peak	$	0.06942	/kWh
Off-Peak	$	0.05100	/kWh

E-TOU-C3, Residential Time-of-Use

Summer			
Peak	$	0.12911	/kWh
Off-Peak	$	0.06694	/kWh
Winter			
Peak	$	0.07378	/kWh
Off-Peak	$	0.05680	/kWh

E-TOUPP, Rate 1, Residential Time-of-Use Pilot Project

Summer			
Peak	$	0.16229	/kWh
Off-Peak	$	0.06130	/kWh
Winter			
Peak	$	0.05760	/kWh
Off-Peak	$	0.03918	/kWh

E-TOUPP, Rate 2, Residential Time-of-Use Pilot Project

Summer			
Peak	$	0.17856	/kWh
Part-Peak	$	0.11889	/kWh
Off-Peak	$	0.04791	/kWh
Winter			
Peak	$	0.05670	/kWh
Off-Peak	$	0.03707	/kWh

E-TOUPP, Rate 3, Residential Time-of-Use Pilot Project

Summer			
Peak	$	0.16258	/kWh
Off-Peak	$	0.06158	/kWh
Winter			
Peak	$	0.06204	/kWh
Off-Peak	$	0.04347	/kWh
Spring			
Peak	$	0.04981	/kWh
Off-Peak	$	0.03773	/kWh
Super-Off-Peak	$	0.01181	/kWh

E-6, EM-TOU, Residential Time-of-Use

Summer			
Peak	$	0.19898	/kWh
Part-Peak	$	0.08838	/kWh
Off-Peak	$	0.04324	/kWh
Winter			
Part-Peak	$	0.06830	/kWh
Off-Peak	$	0.05589	/kWh

EV, Residential Rates for Electric Vehicle Owners

Summer			
Peak	$	0.20780	/kWh
Part-Peak	$	0.08252	/kWh
Off-Peak	$	0.02455	/kWh
Winter			
Peak	$	0.05635	/kWh
Part-Peak	$	0.02245	/kWh
Off-Peak	$	0.02673	/kWh

VCEA LightGreen Commercial Rates
(effective 6/1/2018)

A1, Small General Services			
Summer	$	0.09791	/kWh
Winter	$	0.05947	/kWh
A1X, Small General Services with Time-of-Use			
Summer			
Peak	$	0.11176	/kWh
Part-Peak	$	0.08859	/kWh
Off-Peak	$	0.06178	/kWh
Winter			
Part-Peak	$	0.08840	/kWh
Off-Peak	$	0.06790	/kWh
A-6, Small General Services with Time-of-Use			
Summer			
Peak	$	0.34461	/kWh
Part-Peak	$	0.10982	/kWh
Off-Peak	$	0.05270	/kWh
Winter			
Part-Peak	$	0.07765	/kWh
Off-Peak	$	0.06051	/kWh
A-10-P, Medium General Services			
Summer	$	0.07840	/kWh
Winter	$	0.05548	/kWh
Demand Charges			
Summer Max Demand	$	4.61	/kW
A-10-S, Medium General Services			
Summer	$	0.08814	/kWh
Winter	$	0.06170	/kWh
Demand Charges			
Summer Max Demand	$	5.30	/kW
A-10-T, Medium General Services			
Summer	$	0.06877	/kWh
Winter	$	0.04888	/kWh
Demand Charges			
Summer Max Demand	$	3.62	/kW

A-10-X-P, Medium General Services with Time-of-Use

Summer			
Peak	$	0.12929	/kWh
Part-Peak	$	0.07974	/kWh
Off-Peak	$	0.05364	/kWh
Winter			
Part-Peak	$	0.06631	/kWh
Off-Peak	$	0.05075	/kWh
Demand Charges			
Summer Max Demand	$	4.61	/kW

A-10-X-S, Medium General Services with Time-of-Use

Summer			
Peak	$	0.14094	/kWh
Part-Peak	$	0.08691	/kWh
Off-Peak	$	0.05940	/kWh
Winter			
Part-Peak	$	0.07129	/kWh
Off-Peak	$	0.05456	/kWh
Demand Charges			
Summer Max Demand	$	5.30	/kW

A-10-X-T, Medium General Services with Time-of-Use

Summer			
Peak	$	0.11534	/kWh
Part-Peak	$	0.06941	/kWh
Off-Peak	$	0.04461	/kWh
Winter			
Part-Peak	$	0.05786	/kWh
Off-Peak	$	0.04357	/kWh
Demand Charges			
Summer Max Demand	$	3.62	/kW

E-19-P, Medium General Services with Time-of-Use

Summer			
Peak	$	0.10331	/kWh
Part-Peak	$	0.06210	/kWh
Off-Peak	$	0.03561	/kWh
Winter			
Part-Peak	$	0.05653	/kWh
Off-Peak	$	0.04216	/kWh
Demand Charges			
Summer Max Peak Demand	$	12.12	/kW
Summer Max Part-Peak Demand	$	2.95	/kW

<u>E-19-S, Medium General Services with Time-of-Use</u>

Summer			
Peak	$	0.11326	/kWh
Part-Peak	$	0.06973	/kWh
Off-Peak	$	0.04089	/kWh
Winter			
Part-Peak	$	0.06376	/kWh
Off-Peak	$	0.04805	/kWh

<u>Demand Charges</u>

Summer Max Peak Demand	$	13.58	/kW
Summer Max Part-Peak Demand	$	3.35	/kW

<u>E-19-T, Medium General Services with Time-of-Use</u>

Summer			
Peak	$	0.06749	/kWh
Part-Peak	$	0.05351	/kWh
Off-Peak	$	0.03499	/kWh
Winter			
Part-Peak	$	0.05570	/kWh
Off-Peak	$	0.04148	/kWh

<u>Demand Charges</u>

Summer Max Peak Demand	$	13.78	/kW
Summer Max Part-Peak Demand	$	3.46	/kW

<u>E-19-P (Option R), Medium General Services with Time-of-Use</u>

Summer			
Peak	$	0.25075	/kWh
Part-Peak	$	0.09588	/kWh
Off-Peak	$	0.03561	/kWh
Winter			
Part-Peak	$	0.05653	/kWh
Off-Peak	$	0.04216	/kWh

<u>E-19-S (Option R), Medium General Services with Time-of-Use</u>

Summer			
Peak	$	0.26351	/kWh
Part-Peak	$	0.10468	/kWh
Off-Peak	$	0.04089	/kWh
Winter			
Part-Peak	$	0.06376	/kWh
Off-Peak	$	0.04805	/kWh

<u>E-19-T (Option R), Medium General Services with Time-of-Use</u>

Summer			
Peak	$	0.24967	/kWh
Part-Peak	$	0.09648	/kWh
Off-Peak	$	0.03499	/kWh
Winter			
Part-Peak	$	0.05570	/kWh
Off-Peak	$	0.04148	/kWh

<u>E-20-P, Large General Services with Time-of-Use</u>

Summer			
Peak	$	0.10868	/kWh
Part-Peak	$	0.06507	/kWh
Off-Peak	$	0.03824	/kWh
Winter			
Part-Peak	$	0.05932	/kWh
Off-Peak	$	0.04483	/kWh
<u>Demand Charges</u>			
Summer Max Peak Demand	$	14.43	/kW
Summer Max Part-Peak Demand	$	3.41	/kW

<u>E-20-S, Large General Services with Time-of-Use</u>

Summer			
Peak	$	0.10445	/kWh
Part-Peak	$	0.06489	/kWh
Off-Peak	$	0.03773	/kWh
Winter			
Part-Peak	$	0.05915	/kWh
Off-Peak	$	0.04443	/kWh
<u>Demand Charges</u>			
Summer Max Peak Demand	$	13.14	/kW
Summer Max Part-Peak Demand	$	3.24	/kW

<u>E-20-T, Large General Services with Time-of-Use</u>

Summer			
Peak	$	0.06593	/kWh
Part-Peak	$	0.05279	/kWh
Off-Peak	$	0.03539	/kWh
Winter			
Part-Peak	$	0.05486	/kWh
Off-Peak	$	0.04149	/kWh
<u>Demand Charges</u>			
Summer Max Peak Demand	$	17.07	/kW
Summer Max Part-Peak Demand	$	4.07	/kW

E-20-P (Option R), Large General Services with Time-of-Use

Summer			
Peak	$	0.25720	/kWh
Part-Peak	$	0.09773	/kWh
Off-Peak	$	0.03824	/kWh
Winter			
Part-Peak	$	0.05932	/kWh
Off-Peak	$	0.04483	/kWh

E-20-S (Option R), Large General Services with Time-of-Use

Summer			
Peak	$	0.23901	/kWh
Part-Peak	$	0.09743	/kWh
Off-Peak	$	0.03773	/kWh
Winter			
Part-Peak	$	0.05915	/kWh
Off-Peak	$	0.04443	/kWh

E-20-T (Option R), Large General Services with Time-of-Use

Summer			
Peak	$	0.25029	/kWh
Part-Peak	$	0.09183	/kWh
Off-Peak	$	0.03539	/kWh
Winter			
Part-Peak	$	0.05486	/kWh
Off-Peak	$	0.04149	/kWh

E-37, Oil & Gas

Summer			
Peak	$	0.13070	/kWh
Off-Peak	$	0.02724	/kWh
Winter			
Part-Peak	$	0.04880	/kWh
Off-Peak	$	0.01832	/kWh

Demand Charges

Summer Max Demand	$	4.77	/kW
Summer Max Peak Demand	$	5.98	/kW

Voltage Discounts

Primary Voltage Discount Summer Max Demand	$	1.53	/kW
Transmission Voltage Discount Summer Max Demand	$	2.66	/kW

LS-1, LS-2, LS-3, OL-1, Street & Hwy. Lighting

All Electric Usage	$	0.07928	/kWh

TC-1, Traffic Control Service

All Electric Usage	$	0.08664	/kWh

S-TOU-P, Standby Service

Summer			
Peak	$	0.09482	/kWh
Part-Peak	$	0.07780	/kWh
Off-Peak	$	0.05552	/kWh
Winter			
Part-Peak	$	0.08051	/kWh
Off-Peak	$	0.06325	/kWh
Reservation Charges			
Reservation Charge	$	0.41	/kW

S-TOU-S, Standby Service

Summer			
Peak	$	0.09482	/kWh
Part-Peak	$	0.07780	/kWh
Off-Peak	$	0.05552	/kWh
Winter			
Part-Peak	$	0.08051	/kWh
Off-Peak	$	0.06325	/kWh
Reservation Charges			
Reservation Charge	$	0.41	/kW

S-TOU-T, Standby Service

Summer			
Peak	$	0.07762	/kWh
Part-Peak	$	0.06348	/kWh
Off-Peak	$	0.04478	/kWh
Winter			
Part-Peak	$	0.06570	/kWh
Off-Peak	$	0.05135	/kWh
Reservation Charges			
Reservation Charge	$	0.34	/kW

VCEA LightGreen Agricultural Rates
(effective 6/1/2018)

AG1-A, Agriculture			
Summer	$	0.08141	/kWh
Winter	$	0.06031	/kWh
Demand & Connected Load Charges			
Summer Connected Load	$	1.46	/kW
AG1-B, Agriculture			
Summer	$	0.08458	/kWh
Winter	$	0.06038	/kWh
Demand & Connected Load Charges			
Summer Max Demand	$	2.20	/kW
Voltage Discounts			
Primary Voltage Discount Summer Max Demand	$	0.83	/kW
AG4-A, Time-of-Use Agriculture			
Summer			
Peak	$	0.14535	/kWh
Off-Peak	$	0.04845	/kWh
Winter			
Part-Peak	$	0.05285	/kWh
Off-Peak	$	0.04130	/kWh
Demand & Connected Load Charges			
Summer Connected Load	$	1.45	/kW
AG4-B, Time-of-Use Agriculture			
Summer			
Peak	$	0.10543	/kWh
Off-Peak	$	0.05063	/kWh
Winter			
Part-Peak	$	0.04875	/kWh
Off-Peak	$	0.03773	/kWh
Demand & Connected Load Charges			
Summer Max Demand	$	2.57	/kW
Summer Max Peak Demand	$	2.72	/kW
Voltage Discounts			
Primary Voltage Discount Summer Max Demand	$	0.65	/kW

AG4-C, Time-of-Use Agriculture

Summer			
Peak	$	0.12553	/kWh
Part-Peak	$	0.06015	/kWh
Off-Peak	$	0.03639	/kWh
Winter			
Part-Peak	$	0.04314	/kWh
Off-Peak	$	0.03293	/kWh

Demand & Connected Load Charges

Summer Max Peak Demand	$	6.32	/kW
Summer Max Part-Peak Demand	$	1.08	/kW

Voltage Discounts

Primary Voltage Discount Summer Max Peak Demand	$	1.12	/kW
Transmission Voltage Discount Summer Max Peak Demand	$	2.06	/kW

AG5-A,D, Time-of-Use Large Agriculture

Summer			
Peak	$	0.13441	/kWh
Off-Peak	$	0.05374	/kWh
Winter			
Part-Peak	$	0.05747	/kWh
Off-Peak	$	0.04531	/kWh

Demand & Connected Load Charges

Summer Connected Load	$	3.97	/kW

AG5-B, E, Time-of-Use Large Agriculture

Summer			
Peak	$	0.13070	/kWh
Off-Peak	$	0.02724	/kWh
Winter			
Part-Peak	$	0.04880	/kWh
Off-Peak	$	0.01832	/kWh

Demand & Connected Load Charges

Summer Max Demand	$	4.77	/kW
Summer Max Peak Demand	$	5.98	/kW

Voltage Discounts

Primary Voltage Discount Summer Max Demand	$	1.53	/kW
Transmission Voltage Discount Summer Max Demand	$	2.66	/kW

AG5-C, F, Time-of-Use Large Agriculture

Summer			
Peak	$	0.10403	/kWh
Part-Peak	$	0.04944	/kWh
Off-Peak	$	0.02911	/kWh
Winter			
Part-Peak	$	0.03520	/kWh
Off-Peak	$	0.02597	/kWh
Demand & Connected Load Charges			
Summer Max Peak Demand	$	11.08	/kW
Summer Max Part-Peak Demand	$	2.09	/kW
Voltage Discounts			
Primary Voltage Discount Summer Max Peak Demand	$	2.33	/kW
Transmission Voltage Discount Summer Max Peak Demand	$	4.36	/kW

AG-ICE, Agricultural Internal Combustion Engine Conversion Incentive

Summer			
Peak	$	0.11556	/kWh
Part-Peak	$	0.07586	/kWh
Off-Peak	$	0.00728	/kWh
Winter			
Part-Peak	$	0.07946	/kWh
Off-Peak	$	0.00728	/kWh
Demand & Connected Load Charges			
Summer Max Demand	$	3.32	/kW
Summer Max Peak Demand	$	3.55	/kW
Voltage Discounts			
Primary Voltage Discount Summer Max Demand	$	0.79	/kW
Transmission Voltage Discount Summer Max Demand	$	1.44	/kW

AG-R-A, D, Split-Week Time-of-Use Agricultural Power

Summer			
Peak	$	0.26168	/kWh
Off-Peak	$	0.04709	/kWh
Winter			
Part-Peak	$	0.05473	/kWh
Off-Peak	$	0.04284	/kWh
Demand & Connected Load Charges			
Summer Connected Load	$	1.41	/kW

AG-R-B, E, Split-Week Time-of-Use Agricultural Power

Summer			
Peak	$	0.23387	/kWh
Off-Peak	$	0.04655	/kWh
Winter			
Part-Peak	$	0.04063	/kWh
Off-Peak	$	0.03087	/kWh
Demand & Connected Load Charges			
Summer Max Demand	$	2.09	/kW
Summer Max Peak Demand	$	2.34	/kW
Voltage Discounts			
Primary Voltage Discount Summer Max Demand	$	0.54	/kW

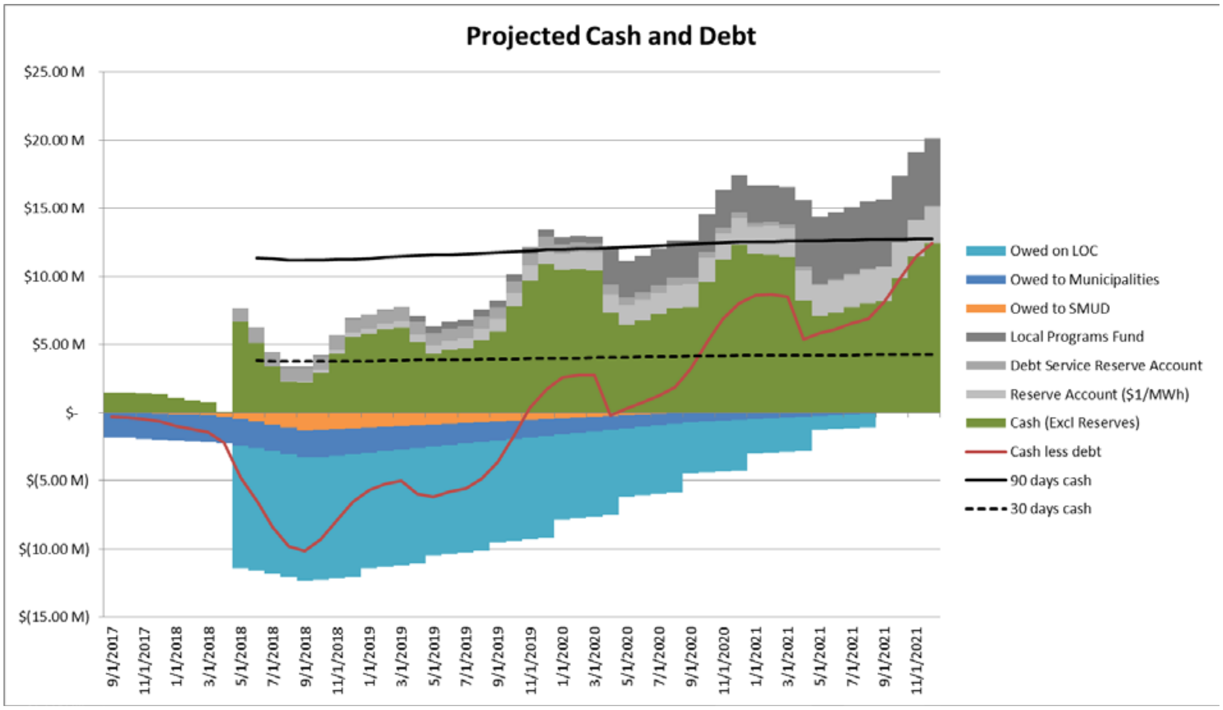
AG-V-A, D, Short-Peak Time-of-Use Agricultural Power

Summer			
Peak	$	0.22582	/kWh
Off-Peak	$	0.04417	/kWh
Winter			
Part-Peak	$	0.05309	/kWh
Off-Peak	$	0.04145	/kWh
Demand & Connected Load Charges			
Summer Connected Load	$	1.47	/kW

AG-V-B, E, Short-Peak Time-of-Use Agricultural Power

Summer			
Peak	$	0.20660	/kWh
Off-Peak	$	0.04460	/kWh
Winter			
Part-Peak	$	0.04087	/kWh
Off-Peak	$	0.03106	/kWh
Demand & Connected Load Charges			
Summer Max Demand	$	1.91	/kW
Summer Max Peak Demand	$	2.46	/kW
Voltage Discounts			
Primary Voltage Discount Summer Max Demand	$	0.57	/kW

Attachment 2 – Pro Forma Financials



		2018		2019		2020		2021
Accounts		64,521		65,239		65,966		66,702
Retail Load (MWh)		439,008		757,840		760,165		762,817
(Thousands of Dollars)								
Revenue (net uncollectible)	$	33,758	$	54,667	$	56,585	$	56,866
Power Costs	$	26,135	$	39,882	$	42,672	$	44,861
Gross Margin	**$**	**7,622**	**$**	**14,784**	**$**	**13,913**	**$**	**12,004**
Operating Costs	$	4,796	$	5,038	$	5,066	$	5,162
Operating Income	**$**	**2,826**	**$**	**9,746**	**$**	**8,848**	**$**	**6,842**
Interest Income [Expense]	$	[336]	$	[456]	$	[228]	$	27
Net Income	**$**	**2,490**	**$**	**9,290**	**$**	**8,619**	**$**	**6,869**

Attachment 3 – Operating Budget
Remainder of FY 2017-18

	3/31/2018	4/30/2018	5/31/2018	6/30/2018
Operating Expenses	$ 338,353	$ 476,844	$ 366,844	$ 436,523
Labor	$ 61,157	$ 61,157	$ 61,157	$ 61,157
Contract Labor	$ 58,333	$ 58,333	$ 58,333	$ 58,333
Non-Labor	$ 188,103	$ 314,004	$ 214,004	$ 277,349
PG&E Data Fees	$ -	$ -	$ -	$ 32,261
Office Space	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Technology	$ 6,000	$ 1,000	$ 1,000	$ 1,000
Contracts	$ 78,825	$ 143,726	$ 143,726	$ 174,310
Launch Support	$ 94,678	$ 159,678	$ 59,678	$ 59,678
Supplies	$ 100	$ 100	$ 100	$ 100
Marketing Collateral	$ -	$ -	$ -	$ -
Community Engagement Activities & Sponsorships	$ -	$ 1,000	$ 1,000	$ 1,000
Customer Credits and Adjustments	$ -	$ -	$ -	$ 500
Travel (Excl Key Account)	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Travel (Key Account 50mi/day)	$ 500	$ 500	$ 500	$ 500
CalCCA Dues	$ -	$ -	$ -	$ -
Memberships	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Contingency	$ 30,759	$ 43,349	$ 33,349	$ 39,684

FY 2018-19 Forecast Operating Budget

	7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019
Operating Expenses	$ 533,857	$ 463,154	$ 415,549	$ 406,452	$ 401,865	$ 404,363	$ 519,823	$ 400,749	$ 405,573	$ 401,410	$ 412,718	$ 428,383
Labor	$ 61,157	$ 61,157	$ 61,157	$ 61,157	$ 61,157	$ 61,157	$ 62,380	$ 62,380	$ 62,380	$ 62,380	$ 62,380	$ 62,380
Contract Labor	$ 58,333	$ 58,333	$ 49,167	$ 49,167	$ 49,167	$ 49,167	$ 49,167	$ 49,167	$ 45,383	$ 45,383	$ 45,383	$ 45,383
Non-Labor	$ 365,834	$ 301,559	$ 267,448	$ 259,179	$ 255,008	$ 257,279	$ 361,020	$ 252,770	$ 260,939	$ 257,155	$ 267,435	$ 281,676
PG&E Data Fees	$ 32,261	$ 32,261	$ 32,261	$ 32,261	$ 32,261	$ 32,261	$ 32,906	$ 32,906	$ 32,906	$ 32,906	$ 32,906	$ 33,272
Office Space	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,100	$ 5,100	$ 5,100	$ 5,100	$ 5,100	$ 5,100
Technology	$ 1,000	$ 1,000	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,520	$ 1,520	$ 6,620	$ 1,520	$ 1,520	$ 1,520
Contracts	$ 278,573	$ 214,248	$ 202,031	$ 193,761	$ 189,590	$ 191,861	$ 192,385	$ 186,135	$ 189,204	$ 190,500	$ 200,780	$ 214,401
Launch Support	$ 43,901	$ 43,901	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 102	$ 102	$ 102	$ 102	$ 102	$ 102
Marketing Collateral	$ -	$ -	$ 21,507	$ 21,507	$ 21,507	$ 21,507	$ 21,937	$ 21,937	$ 21,937	$ 21,937	$ 21,937	$ 22,181
Community Engagement Activities & Sponsorships	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,020	$ 1,020	$ 1,020
Customer Credits and Adjustments	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 510
Travel (Excl Key Account)	$ 2,000	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040
Travel (Key Account 50mi/day)	$ 500	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510
CalCCA Dues	$ -	$ -	$ -	$ -	$ -	$ -	$ 102,000	$ -	$ -	$ -	$ -	$ -
Memberships	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,020	$ 1,020	$ 1,020	$ 1,020	$ 1,020	$ 1,020
Contingency	$ 48,532	$ 42,105	$ 37,777	$ 36,950	$ 36,533	$ 36,760	$ 47,257	$ 36,432	$ 36,870	$ 36,492	$ 37,520	$ 38,944

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2018- _______

A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE ADOPTINGTHE FINAL CUSTOMER RATE DISCOUNT AND RATE TABLE

WHEREAS, the Valley Clean Energy Alliance ("VCEA") is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act"), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo ("County"), the City of Davis ("Davis"), and the City of Woodland ("City") (the "JPA Agreement"), to collectively study, promote, develop, conduct, operate, and manage energy programs; and

WHEREAS, VCEA rates will be set at a 2% discount from the 2018 generation PG&E rates; and

WHEREAS, in the event PG&E's generation rates change mid-year, the Interim General Manager will have the authority to approve any new rates at an amount 2% below PG&E's generation rate for that new tariff, net of PCIA and Franchise Fees.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby adopts the Final Customer Rate Discount and Rate Table (Exhibit A).

ADOPTED, this ____________ day of ______________, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
VCEA Board Chair

____
VCEA Board Secretary

Approved as to form:

____
Interim VCEA Counsel

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2018- _______

A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE ADOPTING THE FINAL POWER MIX TO BE OFFERED TO CUSTOMERS

WHEREAS, the Valley Clean Energy Alliance (“VCEA”) is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo (“County”), the City of Davis (“Davis”), and the City of Woodland (“City”) (the “JPA Agreement”), to collectively study, promote, develop, conduct, operate, and manage energy programs; and

WHEREAS, the power mix shall be comprise of 42% renewable and 75% clean content; and

WHEREAS, procurements are in place for the bulk of expected load; and

WHEREAS, following launch a more accurate load forecast will be built with actual load data, opt-out rates, and opt-up rates; and

WHEREAS, this updated load forecast will be used to guide a true-up procurement to ensure renewable and carbon-free content goals are met for 2018.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby adopts the Final Power Mix to Be Offered to Customers.

ADOPTED, this ____________ day of ______________, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
VCEA Board Chair

____
VCEA Board Secretary

Approved as to form:

____
Interim VCEA Counsel

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2018- _______

A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE ADOPTING POWER PROCUREMENT AND OPERATIONAL BUDGETS

WHEREAS, the Valley Clean Energy Alliance ("VCEA") is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act"), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo ("County"), the City of Davis ("Davis"), and the City of Woodland ("City") (the "JPA Agreement"), to collectively study, promote, develop, conduct, operate, and manage energy programs; and

WHEREAS, the operating budget has been updated based on an updated accounting of committed and expected costs; and

WHEREAS, there is uncertainty around unknown expenses in the initial year of operations, as there is no operating history to ensure all items are accounted for; and

WHEREAS, a 10% contingency has been incorporated into the operating budget to allow VCEA to operate effectively as the agency gains operating experience; and

WHEREAS, this operating budget will replace the previously approved launch budget for the remaining fiscal year; and

WHEREAS, the operating budget will need to be consolidated with the implementation budget for purposes of financial reporting and budget compliance.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby adopts the Power Procurement and Operation Budgets for Calendar Years 2018 and 2019 (Attachment A) and authorizes VCEA staff the administrative authority to perform the consolidation of the implementation budget with the operating budget.

ADOPTED, this ____________ day of ______________, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
VCEA Board Chair

____

VCEA Board Secretary

Approved as to form:

____

Interim VCEA Counsel

Operating Budget Remainder of FY 2017-18

	3/31/2018	4/30/2018	5/31/2018	6/30/2018
Operating Expenses	$ 338,353	$ 476,844	$ 366,844	$ 436,523
Labor	$ 61,157	$ 61,157	$ 61,157	$ 61,157
Contract Labor	$ 58,333	$ 58,333	$ 58,333	$ 58,333
Non-Labor	$ 188,103	$ 314,004	$ 214,004	$ 277,349
PG&E Data Fees	$ -	$ -	$ -	$ 32,261
Office Space	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Technology	$ 6,000	$ 1,000	$ 1,000	$ 1,000
Contracts	$ 78,825	$ 143,726	$ 143,726	$ 174,310
Launch Support	$ 94,678	$ 159,678	$ 59,678	$ 59,678
Supplies	$ 100	$ 100	$ 100	$ 100
Marketing Collateral	$ -	$ -	$ -	$ -
Community Engagement Activities & Sponsorships	$ -	$ 1,000	$ 1,000	$ 1,000
Customer Credits and Adjustments	$ -	$ -	$ -	$ 500
Travel (Excl Key Account)	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Travel (Key Account 50mi/day)	$ 500	$ 500	$ 500	$ 500
CalCCA Dues	$ -	$ -	$ -	$ -
Memberships	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Contingency	$ 30,759	$ 43,349	$ 33,349	$ 39,684

FY 2018-19 Forecast Operating Budget

	7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019
Operating Expenses	$ 533,857	$ 463,154	$ 415,549	$ 406,452	$ 401,865	$ 404,363	$ 519,823	$ 400,749	$ 405,573	$ 401,410	$ 412,718	$ 428,383
Labor	$ 61,157	$ 61,157	$ 61,157	$ 61,157	$ 61,157	$ 61,157	$ 62,380	$ 62,380	$ 62,380	$ 62,380	$ 62,380	$ 62,380
Contract Labor	$ 58,333	$ 58,333	$ 49,167	$ 49,167	$ 49,167	$ 49,167	$ 49,167	$ 49,167	$ 45,383	$ 45,383	$ 45,383	$ 45,383
Non-Labor	$ 365,834	$ 301,559	$ 267,448	$ 259,179	$ 255,008	$ 257,279	$ 361,020	$ 252,770	$ 260,939	$ 257,155	$ 267,435	$ 281,676
PG&E Data Fees	$ 32,261	$ 32,261	$ 32,261	$ 32,261	$ 32,261	$ 32,261	$ 32,906	$ 32,906	$ 32,906	$ 32,906	$ 32,906	$ 33,272
Office Space	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,100	$ 5,100	$ 5,100	$ 5,100	$ 5,100	$ 5,100
Technology	$ 1,000	$ 1,000	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,520	$ 1,520	$ 6,620	$ 1,520	$ 1,520	$ 1,520
Contracts	$ 278,573	$ 214,248	$ 202,031	$ 193,761	$ 189,590	$ 191,861	$ 192,385	$ 186,135	$ 189,204	$ 190,500	$ 200,780	$ 214,401
Launch Support	$ 43,901	$ 43,901	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 102	$ 102	$ 102	$ 102	$ 102	$ 102
Marketing Collateral	$ -	$ -	$ 21,507	$ 21,507	$ 21,507	$ 21,507	$ 21,937	$ 21,937	$ 21,937	$ 21,937	$ 21,937	$ 22,181
Community Engagement Activities & Sponsorships	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,020	$ 1,020	$ 1,020
Customer Credits and Adjustments	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 510
Travel (Excl Key Account)	$ 2,000	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040	$ 2,040
Travel (Key Account 50mi/day)	$ 500	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510	$ 510
CalCCA Dues	$ -	$ -	$ -	$ -	$ -	$ -	$ 102,000	$ -	$ -	$ -	$ -	$ -
Memberships	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,020	$ 1,020	$ 1,020	$ 1,020	$ 1,020	$ 1,020
Contingency	$ 48,532	$ 42,105	$ 37,777	$ 36,950	$ 36,533	$ 36,760	$ 47,257	$ 36,432	$ 36,870	$ 36,492	$ 37,520	$ 38,944