

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 10

TO: Community Advisory Committee

FROM: Mitch Sears, Executive Officer
Gordon Samuel, Assistant General Manager & Director of Power Services
Rebecca Boyles, Director of Customer Care and Marketing

SUBJECT: Informational Item: Power Content Label Customer Mailer

DATE: October 27, 2022

BACKGROUND

California Public Utilities Code requires all retail sellers of electric energy, including Valley Clean Energy (VCE), to disclose “accurate, reliable, and simple-to-understand information on the sources of energy” that are delivered to their respective customers.¹ Applicable regulations direct retail sellers to provide such communications no later than October 1st of each year. The format for requisite communications is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. This format has been termed the “Power Content Label” (PCL) by the California energy Commission (CEC).

Information presented in the PCL includes the appropriate share of total energy supply based on resource type, including both renewable and conventional fuel sources. In the event that a retail seller meets a certain percentage of its supply obligation from unspecified resources, the report must identify such purchases as “unspecified sources of power.” Unspecified sources of power refers to electricity that cannot be sourced back to a specific generator, such as energy purchased through open market transactions.

During the 2021 calendar year, VCE’s Standard Green service delivered a lower percentage of renewables than in past years. For VCE Standard Green customers, 12.6% of the energy delivered was from renewable energy resources. For UltraGreen customers, 100% of the energy delivered was generated from renewable energy resources. A copy of VCE’s Power Content Label listing the energy resources used during 2021 is attached².

The lower percentage of renewables in the Standard Green power mix was a decision taken by VCE’s Board of Directors, and is in alignment with VCE’s long-term procurement strategy to

¹ California Public Utilities Code Section 398.1(b).

² Current and prior years PCL are located on VCE’s website at <https://valleycleanenergy.org/power-sources/pcl2020/>.

provide a substantially larger percentage of renewables in the coming years. The Board made the difficult decision to decrease renewables content due to circumstances including rising power costs and renewables project development delays, instead of raising rates above PG&E's. VCE is projected to be over 80% renewable in 2024, and will meet all compliance obligations to be 40% renewable averaging over a 4-year period (compliance period 4, years 2021-2024).

Consistent with applicable regulations and CEC guidance, VCE completed required customer communications in accordance with the deadline. On July 9th, 2020, VCE staff received written confirmation from the CEC that "The program regulations state that retail suppliers may send the label via email to customers that have consented to receiving email in lieu of U.S. postal mail." All current customers receiving VCE service during the calendar year 2021 should have received the PCL via postal mail or email, if VCE has an email address for the customer on file. This year, due to clarification from the CEC, the PCL was sent only to current, active customers.

Staff has been actively monitoring customer sentiment, and has seen very few inquiries (less than 10) about the PCL by phone/email, and no material impact to opt-out requests has been noted.

ATTACHMENT

1. 2021 Power Content Label Mailer/Postcard



Why am I receiving this notice?

VCE is required by the California Energy Commission to send this information to all customers who received VCE service at any time between January 1st and December 31, 2020. The Power Content Label illustrates the content of the power you buy, compared to the standard Power Mix in California.

2021 POWER CONTENT LABEL

Valley Clean Energy Alliance

<https://valleycleanenergy.org/power-sources/>

Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)			Energy Resources	Standard Green	UltraGreen	2021 CA Power Mix
Standard Green	UltraGreen	2021 CA Utility Average	Eligible Renewable¹ Biomass & Biowaste Geothermal Eligible Hydroelectric Solar Wind Coal Large Hydroelectric Natural Gas Nuclear Other Unspecified Power² TOTAL	12.6%	100.0%	33.6%
722	0	456		0.0%	0.0%	2.3%
				0.0%	0.0%	4.8%
				0.0%	26.6%	1.0%
				4.6%	73.4%	14.2%
				8.0%	0.0%	11.4%
				0.0%	0.0%	3.0%
				10.9%	0.0%	9.2%
				0.0%	0.0%	37.9%
				0.0%	0.0%	9.3%
			0.0%	0.0%	0.2%	
			76.5%	0.0%	6.8%	
			100.0%	100.0%	100.0%	
Percentage of Retail Sales Covered by Retired Unbundled RECs³:				0%	0%	
<p>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p>						
For specific information about this electricity portfolio, contact:				Valley Clean Energy Alliance 1-855-699-8232		
For general information about the Power Content Label, visit:				http://www.energy.ca.gov/pcl/		
For additional questions, please contact the California Energy Commission at:				Toll-free in California: 844-454-2906 Outside California: 916-653-0237		