

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report – Item 10**

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**TO:** Community Advisory Committee

**FROM:** Mitch Sears, Interim General Manager  
Edward Burnham, Director of Finance & Internal Operations

**SUBJECT:** VCE Three-Year Strategic Plan Update (Informational)

**DATE:** December 16, 2021

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**PURPOSE**

The purpose of this report is to inform the general manager and CAC of the summarized progress on the Strategic Plan goals.

**BACKGROUND**

The Board ratified the VCE Three-Year Strategic Plan at the November 12, 2020 meeting which incorporates the following schedule for status reporting:

- Quarterly Report to VCE Management  
Staff will report quarterly to the Interim General Manager on the status of goals, objectives and metrics for which they are responsible.
- Annual Report to Board and CAC  
Staff will report annually to the Board and CAC on the status of goals, objectives and metrics, and will recommend any mitigations or amendments as may be necessary for Board approval.

The attached summary is the strategic plan status report which is being shared with the CAC for discussion and feedback.

**ATTACHMENTS**

1. VCE Strategic Plan 2021 Status Report



**VALLEY**  
CLEAN ENERGY

# **VCE Three-Year Strategic Plan Update**

**2021**

# VCE Three-Year Strategic Plan Update



## Goal 1 - FINANCIAL STRENGTH

Maintain grow a strong financial foundation and manage costs to achieve long-term organizational health.

- Objectives:
- 1.1 - Maintain consistently healthy cash reserves to fund VCE’s mission, vision, and goals.
  - 1.2 - Achieve an investment grade credit rating by end of 2024.
  - 1.3 - Commit to fiscal efficiencies to build a program foundation from which to deliver customer and community value.
  - 1.4 - Manage customer rates to optimize VCE’s financial health while maintaining rate competitiveness with PG&E.

| Obj. | Key Developments  | Planned Activities  |
|------|---|---|
| 1.1  | <ul style="list-style-type: none"><li>1. Developed collections policy for review by CAC &amp; Board</li><li>2. Renewed credit line with RCB through calendar 2021.</li><li>3. Received preliminary CAPP approval for funding ~\$800K of COVID related receivables</li></ul> | <ul style="list-style-type: none"><li>1. Collections policy approval Q1 2022</li><li>2. Renew credit line for CY 2022</li></ul> |
| 1.2  | <ul style="list-style-type: none"><li>1. Budgeted for a financial advisor to support the process of establishment of first credit rating</li></ul>  | <ul style="list-style-type: none"><li>1. Issue RFP for financial advisor Q1 2022</li></ul>                                      |
| 1.4  | <ul style="list-style-type: none"><li>1. Adopted cost-based rate policy</li><li>2. Implemented rate change to maintain cash reserve minimums</li></ul>  | <ul style="list-style-type: none"><li>1. Develop an additional analytics model for cost study and long-term rates.</li></ul>    |

# VCE Three-Year Strategic Plan Update



## Goal 2 - PROCUREMENT & POWER SUPPLY

Manage power supply resources to consistently exceed California’s Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is 100% carbon neutral by 2030.

- 2.1 - Continue to identify and pursue cost effective local renewable energy resources.
- 2.2 - Acquire sufficient bundled energy and renewable resources to achieve VCE’s greenhouse gas reduction targets.
- 2.3 - Deploy storage and other strategies to achieve renewable, carbon neutral, resource adequacy, and resiliency objectives.
- 2.4 - Identify and pursue cost effective, local distributed energy (e.g., behind the meter rooftop Solar + storage) resources to help meet reliability needs.
- 2.5 - Study and present options for achieving a 100% carbon neutral resource portfolio as well as 100% carbon free resource portfolio (carbon free hour by hour) by 2030.2
- 2.6 - Optimize the hedging strategy to mitigate risk in accordance with the energy risk guidelines and procurement plan.

| Obj. | Key Developments   | Planned Activities   |
|------|--|--|
| 2.2  | 1. In Q1 2021, executed a 90MW PV +75MW BESS 20 yr. PPA will provide VCE stable, low-cost power and resource adequacy.   | 1. COD Expected in late 2022.                                    |
| 2.3  | 1. Participation in RFP with CC power for long-duration storage. We are currently negotiating (2) 8-hour battery storage systems to bring forward Q122.<br>2. RFO issued through CC Power for firm resources “geothermal.” Both efforts support the CPUC decision - Bids expected Q421.<br><br>Note: Both support CPUC mandate for additional resources - Reference R. 20-05-003 | 1. Evaluate firm resource proposals and contract awards by Q322. |
| 2.5  | 2. Carbon neutrality task group – Awarded RFP to study has progressed with an expected final report to be delivered in January 2022 to Board – See companion item #8   |  |



# VCE Three-Year Strategic Plan Update

## Goal 3 - CUSTOMERS & COMMUNITY (3.1 - 3.4)

Prioritize VCE's community benefits and increase customer satisfaction and retention.

3.1 - Develop engagement strategies to increase awareness of, and participation in, local control of VCE's energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.

3.2 - Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.

3.3 - Design and implement a strategy to more effectively engage local business and agricultural customers.

3.4 - Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations.

| Obj. | Key Developments  | Planned Activities  |
|------|---|---|
| 3.1  | <ol style="list-style-type: none"><li>1. Initiated a mini-campaign in partnership with Davis Food Co-op on UltraGreen opt-ups, including collateral for the campaign.</li><li>2. Rolled out an online platform for customers to easily opt up online without their PG&amp;E account number</li></ol>  | <ol style="list-style-type: none"><li>1. Analyze opt-up numbers in Q2 2022</li></ol>  |
| 3.2  | <ol style="list-style-type: none"><li>1. Followed up on cost analysis for all member jurisdictions to opt up to UltraGreen, re-initiated conversations about opting up.</li></ol>   | <ol style="list-style-type: none"><li>1. Follow up with city staff</li></ol>  |
| 3.3  | <ol style="list-style-type: none"><li>1. Initiated ag AutoDR pilot and getting ready to deploy outreach to key ag customers</li></ol>   | <ol style="list-style-type: none"><li>1. Outreach to key ag customers in Q1-2 2022</li></ol>  |
| 3.4  | <ol style="list-style-type: none"><li>1. Directly engaged with Mutual Housing management staff and conducted three public meetings (1 in Spanish) and a lot of direct engagement with management and customers. This resulted in much more awareness of VCE's brand and activities.</li><li>2. Made significant improvements to the website, including adding content on carbon-free vs. renewables, highlighting key UltraGreen customers on the homepage, updating FAQs, updating the financial resources page, and adding the VCE Power Contract map.</li><li>3. Staff conducted two educational presentations in schools about VCE and climate change</li></ol> | <ol style="list-style-type: none"><li>1. Continue to engage and continue conversations about partnering on programs, e.g., multi-family EV charging</li></ol> |



# VCE Three-Year Strategic Plan Update

## Goal 3 - CUSTOMERS & COMMUNITY (3.5 – 3.7)

Prioritize VCE's community benefits and increase customer satisfaction and retention.

3.5 - Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.

3.6 - Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.

3.7 - Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE's services and programs.

| Obj. | Key Developments   | Planned Activities   |
|------|--|--|
| 3.5  | <ol style="list-style-type: none"><li>Made significant progress on three programs in Q3-4 2021. Ag pilot approved by the CPUC; programs for both EV rebates and heat pump rebates and support are in progress.</li><li>Staff was invited to present on building decarbonization to the Woodland Sustainability Committee (WSC) in January 2022</li></ol> | <ol style="list-style-type: none"><li>Design/Implementation forms for EV rebates and heat pumps will go to CAC for consideration in January 2022;</li><li>Tier 2 advice letter to be filed with CPUC for ag pilot in January 2022.</li><li>Present to WSC in January 2022.</li></ol> |
| 3.6  | <ol style="list-style-type: none"><li>Maintained customer participation rate of over 90%</li></ol>   | <ol style="list-style-type: none"><li>Continue to monitor opt-out trends.</li></ol>  |
| 3.7  | <ol style="list-style-type: none"><li>Participating in Arrearage Management Program (AMP) and Percentage Income Payment Plan (PiPP) with PG&amp;E and other CCAs so that customers at high risk of disconnection can get support in paying arrearages and avoid disconnection.</li></ol>   | <ol style="list-style-type: none"><li>Monitor AMP and PiPP implementation with PG&amp;E and SMUD.</li><li>Continue posting in Spanish, measure success in March 2022.</li></ol>  |

# VCE Three-Year Strategic Plan Update



## Goal 4 - DECARBONIZATION & GRID INNOVATION

Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety.

- 4.1 - Working with a variety of local, regional and state partners, develop a grid innovation roadmap for VCE’s service territory that supports community energy resilience and reliability.
- 4.2 - Develop a VCE decarbonization roadmap to guide near and long-term program decisions and offerings.
- 4.3 - Increase participation in VCE’s UltraGreen 100% renewable product.
- 4.4 - Identify external funding sources to support decarbonization and grid-related programs and initiatives.

| Objective | Key Developments  | Planned Activities  |
|-----------|---|---|
| 4.1       | 1. Worked w/ the CAC on a building electrification statement. The Board adopted a statement supporting and encouraging the electrification of new buildings.  | 1. Engage with the County of Yolo planning commission on decarbonization efforts.   |
| 4.3       | 1. Followed up with member jurisdiction staff for UltraGreen Analysis & adoption<br>2. Initiated a mini-campaign in partnership with Davis Food Co-op on UltraGreen opt-ups, including collateral for the campaign.<br>3. Rolled out an online platform for customers to easily opt up online without their PG&E account number | 1. Continue to identify opt-up solutions for member jurisdictions<br>2. Analyze VCE opt-up numbers in Q2 2022   |
| 4.4       | 1. Applied for County of Yolo American Rescue Plan funding for downtown Winters reliability upgrade<br>2. Applied for funding to CPUC under the Reliability OIR to develop and deploy an agricultural autoDR pilot. Received \$3.25M in funds for the 3-year pilot.   | 1. Continue to identify ARP and other funding sources with member districts, state, and federal agencies.<br>2. Tier 2 advice letter to be filed Jan 5th, 2022. |

# VCE Three-Year Strategic Plan Update



## Goal 5 - REGULATORY & LEGISLATIVE AFFAIRS

Strongly advocate for public policies that support VCE's Vision/Mission.

- 5.1 - Work with CalCCA and other partners to proactively engage State regulators, legislators, and other State authorities in developing policy that furthers VCE's mission and facilitates our contributions to decarbonization, grid reliability, energy resiliency, affordability, local programs and social equity.
- 5.2 - Develop relationships with community stakeholder organizations that foster support for VCE's mission and vision.
- 5.3 - Optimize regulatory compliance activities.

| Objective | Key Developments   | Planned Activities   |
|-----------|--|--|
| 5.1       | <ol style="list-style-type: none"> <li>1. Actively engaged in CalCCA sponsored legislation on PCIA – SB 612 (Portantino)</li> <li>2. Active support of AB 843 (Aguiar-Curry) – access for CCA's to BioMat resources</li> <li>3. CAC Leg/Reg Task Group – bi-weekly meeting</li> </ol>  | <ol style="list-style-type: none"> <li>1. Ongoing engagement in support legislation related to CCAs</li> </ol> |
| 5.2       | <ol style="list-style-type: none"> <li>1. Identify key stakeholder groups within VCE service territory – in process,</li> <li>2. Attended Winters Chamber of Commerce on 4.12.21</li> <li>3. Met with Cool Davis to explore formalizing a relationship to work on shared decarbonization and electrification goals.</li> </ol> | <ol style="list-style-type: none"> <li>1. Decision around a structure to formalize (e.g., MOU)</li> </ol>      |
| 5.3       | <ol style="list-style-type: none"> <li>1. Plug in specific regulatory goals for 2021 - from CalCCA, Including Regulatory Staffing in CY2022 budget proposal</li> </ol>   | <ol style="list-style-type: none"> <li>1. Recruitment of Regulatory Staffing</li> </ol>                        |





## Goal 6 - ORGANIZATION, WORKPLACE & TECHNOLOGY

Analyze and implement optimal long-term organizational, management, and information technology structure at VCE.

- 6.1 - Develop a roadmap to evaluate and guide future steps toward formation of a local Publicly Owned Utility (POU).
- 6.2 - Evaluate and pursue opportunities for shared services with other CCAs for certain functions.
- 6.3 - Develop an evaluation framework to guide future expansion opportunities beyond the existing service territory.
- 6.4 - Identify optimal management, staffing and contracting structure of VCE in the near and long term; factors include balance of internal staff vs. consultant support services, transition of leadership positions to permanent internal employees.
- 6.5 - Promote diversity, equity and inclusion in leadership, hiring, promotion, and contracting policies.
- 6.6 - Support health, wellness and a productive workplace.
- 6.7 - Create an innovation-focused culture that rewards proactive participation, problem solving, new ideas, and creative use of partnerships.
- 6.8 - Deploy a modernized IT infrastructure that enables knowledge management, analytics and collaboration through robust use of data and information resources.

| Objective | Key Developments   | Planned Activities                            |
|-----------|--|---|
| 6.1       | 1. Engaged Don Dame to prepare process outline – technical steps   | 1. Outreach to CMUA                           |
| 6.2       | 1. Continued board and staff level engagement with CC Power for joint CCA procurement<br>2. Participation with the City of Stockton regarding the City's CCA feasibility study |   |
| 6.3       | 1. Research other CCA expansion evaluation methods used in the process.  |   |
| 6.4       | 1. Budgeted (1) half time regulatory Analyst and (1) Intern for Marketing and Support  | 1. Recruitment for Analyst & Intern for 2022. |
| 6.8       | 1. Working with County of Yolo GIS team on VCE platform for Dashboard and GIS mapping<br>2. Adopted Datto as an organizational network drive                                   | 1. Implement Dashboard and GIS Mapping        |