

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 11

To: Board of Directors

From: Mitch Sears, Executive Officer
Edward Burnham, Finance and Operations Director

Subject: Extension of the VCE/Sacramento Municipal Utilities District (SMUD) Master Services Agreement.

Date: April 13, 2023

RECOMMENDATION

Authorize via Resolution the Executive Officer to execute the amendments, task orders, and any necessary documents related to a 5-year extension of VCE’s Master Services Agreement with the Sacramento Municipal Utilities District (SMUD) through December 31, 2028.

Overview

The purpose of this staff report is to (1) authorize an extension of VCE’s existing Master Services Agreement with SMUD for Call Center, Billing, Data, etc. services through December 31, 2028; (2) reduce Wholesale Energy Services (WES) to levels necessary for transition of these services to TEA; and (3) expand SMUD service to include collections.

BACKGROUND & ANALYSIS

On October 12, 2017 the VCE Board approved a Professional Services Agreement with the Sacramento Municipal Utility District (SMUD) and Task Orders 1 and 2 to provide program launch and operational services. Soon thereafter, a series of additional Task Orders were implemented to the Agreement, including Task Order 3 to provide Wholesale Energy Services (WES); Task Order 4 to provide Operational Staff Services to VCE; and Task Orders 5 (Long Term Renewable Procurement Services) and 6 (Expansion of VCE Service to Winters, CA).

In early 2022 SMUD informed VCE that it would not continue to offer WES services to its CCA clients but was interested in continuing other support services it provided to VCE and other CCA clients. At the September 8, 2022 Board meeting, staff informed the Board of the activities that would be occurring in the fourth quarter of 2022 related to the selection of a new WES provider for VCE. At its December 8, 2022 meeting, the Board approved the WES agreement with The Energy Authority (TEA), outlined in Board [Item 18](#). VCE and SMUD are currently following the WES transition plan in order to have a seamless hand-off from SMUD to TEA for the WES portion of the SMUD contract. VCE and SMUD have agreed to maintain other essential services to VCE under the overall Agreement.

At its March 10, 2022 meeting, the Board approved the VCE Collections Policy ([Item 14](#)), that governs the customer engagement and collection of accounts receivable that are significantly overdue (3 months +). VCE staff are recommending Task order 9 to allow SMUD to provide debt collection services as required and outlined in VCE's collections policy for a smooth and coherent approach to our accounts receivables and customer support management. Based on staff research, these services are offered at market competitive rates due primarily to the fact that SMUD conducts these types of activities for its own customer base.

Master Service/Task Order Amendments

The recommended revisions/reductions/additions in the attached task orders and amendments are summarized below:

Master Services Agreement (MSA) - Amendment

- 5 Year extension of the MSA (December 31, 2023 to December 31, 2028), inclusive of the Task Orders for the below.

Task Order 3 Amendment 32 – Reduced Wholesale Energy Services

- Updated two sections for reduced support:
 - 1.5 Scheduling Coordinator Services
 - 1.8 Power Portfolio Purchase Service
- Updated pricing for the above two services to be at an hourly rate.
- Drawdown and close SMUD reserve account and lockbox requirements
- Removed several sections (note: replaced by new contract with TEA):
 - Load Forecast Models Development
 - Wholesale Power Procurement and Risk Policy and Reporting
 - Resource Portfolio Modeling and Power Supply Budget
 - Resource-Related Launch Filings/Registration/Agreements
 - Load and Resource Portfolio Operation Service
 - Wholesale Load and Resource Settlements and Verification
 - Market Risk Instruments Management
 - Update Portfolio Model and Report Power Supply Risk Metrics
 - CAISO Market Monitoring
 - Resource Portfolio Compliance Reporting
 - Enterprise Risk Management Program Support

Task Order 7 – Data Management and Customer Call Center Services (Replaces Task order 2)

- Updated deliverables and timeline for normalized operations.
- Updated contact center hours to reflect recent changes.
- Updated and consolidated the contact center section.
- Updated reporting table to include the list of current report provided.
- Removed/updated language for non-applicable sections and launch activity.
- Updated per meter and hourly rate pricing.

Task Order 8 - Consulting Services (Replaces Task order 4)

- Consolidated scope to focus on professional consulting services.
- Updated hourly rate pricing.

- Removed several sections (note: no longer needed due to transition to “in-house” staffing – SMUD consulting services still available as needed):
 - Dedicated Operational Staff
 - Professional Services
 - Non-Solicitation
 - Approval Process/Acceptance
 - Oversight of Dedicated Operational Staff
 - Employment-Related Obligations to Dedicated Operational Staff
 - Leave

Task Order 9 - Debt Collection Services (NEW)

- Accounts Receivable Data Analytics and Web Portal
- Customer Outreach
 - “Here to Help” initial contact letter
 - Customer Care Calls and Tracing
 - Validation Notices and Written Notifications
- Customer Segmentation
 - Up to 40 segments to deploy unique strategies for each segment.

Master Services Extension

Staff is recommending that the Master Services Agreement be extended for a term of five (5) years 2023-2028. This would provide certainty and stability for continued success with our customer support and billing activities. The costs associated with the recommended extension of the Master Services Agreement are within those currently budgeted and forecasted for provision of these services.

CONCLUSION

The support services provided by SMUD, including customer support and billing services, are extremely important for VCE’s operations, customer retention and receivables management. If approved by the Board, the recommended collections services will be delivered by SMUD, a trusted, experienced provider of these types of services. The partnership VCE has established with SMUD during the initial term of the Master Services Agreement has been instrumental in VCE’s current and future success. Staff is recommending Board approval of the attached amendments and task orders between VCE and SMUD.

Attachments:

1. Amendment 1 to Master Services Agreement
2. Amendment 32 to Task Order 3 - Wholesale Energy Services
3. Task Order 7 - Data Management and Customer Call Center Services
4. Task Order 8 - Consulting Services
5. Task Order 9 - Debt Collections Services
6. Resolution 2023-XXX

AMENDMENT 1 to the Master Services Agreement

This Amendment 1 to the Master Services Agreement is made by and between the Sacramento Municipal Utility District (SMUD) and Valley Clean Energy (VCE), on the date of last signature below (“Amendment 1”). SMUD and VCE are Parties to that certain Master Services Agreement, dated October 25, 2017 (“MSA”).

Recitals

WHEREAS, the Parties entered into the MSA to facilitate implementation and operation of a Community Choice Aggregation (CCA) program for VCE pursuant to Public Utilities Code Section 366.2 et seq.;

WHEREAS, the original MSA expires on June 1, 2023 (5 years from the Launch Date), and pursuant to Section 4.2 of the MSA, VCE and SMUD have agreed to extend the term until December 31, 2028;

WHEREAS, under the original MSA, SMUD supported the launch and on-going operations of VCE’s CCA program and VCE desires to continue with certain services from SMUD as provided in the Task Order(s).

NOW THEREFORE, the Parties agree to the terms of this Amendment 1 set forth below.

Section 4.2 TERM, is amended as follows:

Section 4.2 Term is struck in its entirety and replaced with the following:

“4.2.1 This MSA shall remain in effect through December 31, 2028, unless terminated in accordance with Section 4.3 (Termination) or as otherwise agreed in writing by the Parties. This MSA may be extended by mutual agreement of the Parties, for a maximum term of fifteen (15) years. Either Party may notify the other Party at least six (6) months prior to expiration indicating its desire to extend the term of the MSA, and the Parties shall meet and discuss whether an extension is mutually acceptable. At that time SMUD shall evaluate its fees and rates for potential changes in the compensation structure of the Task Order(s).

Additionally, each Task Order will have its own term, not to exceed the term of the MSA, which may be extended by mutual agreement of the Parties.

4.2.2 The Launch Date is June 1, 2018.”

SIGNATURES

The Parties have executed this Amendment 1, and it is effective as of the date of last signature below.

Valley Clean Energy

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

Sacramento Municipal Utility District

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

AMENDMENT 32 TO EXHIBIT A: SCOPE OF SERVICES Task Order 3 – Wholesale Energy Services

Wholesale Energy Services Extension

The Sacramento Municipal Utility District (SMUD) and Valley Clean Energy (VCE) agree to the following services, terms, and conditions described in this Amendment 32 to Task Order 3 the provisions of which are subject to the terms and conditions of the Master Professional Services Agreement (Agreement) between the Parties. If any specific provisions of this Amendment 32 to Task Order 3 conflict with any general provisions in the Agreement, Task Order 3, or any preceding Amendments to Task Order 3, the provisions of this Amendment 32 to Task Order 3 shall take precedence. Capitalized terms used in this Amendment which are not defined in this Amendment will have the respective meanings ascribed to them in the Agreement or previous Amendment thereof.

The Effective Date of this Amendment 32 is June 1, 2023.

Section 1, SCOPE OF WORK,

VCE has hired a new Wholesale Energy Services vendor and SMUD will work to transition services to the new vendor. SMUD will continue to perform limited services from June 1, 2023 until December 31, 2023.

Subsections 1.1. Load Forecast Models Development, 1.2. Wholesale Power Procurement and Risk Policy and Reporting, 1.3. Resource Portfolio Modeling and Power Supply Budget, 1.4. Resource-Related Launch Filings/Registration/Agreements, 1.5. Scheduling Coordinator Services, 1.6. Load and Resource Portfolio Operation Service, 1.7. Wholesale Load and Resource Settlements and Verification, 1.8. Power Portfolio Purchase Service, 1.9. Market Risk Instruments Management, 1.10. Update Portfolio Model and Report Power Supply Risk Metrics, 1.11. CAISO Market Monitoring, 1.12. Resource Portfolio Compliance Reporting and 1.14. Enterprise Risk Management Program Support are replaced in their entirety with the following:

1.1. Wholesale Load and Resource Settlement Verification

SMUD will perform all wholesale settlement activities for VCE's Resource Adequacy (RA) contracts in SMUD's name. SMUD will dispute materially inaccurate settlements and work directly with the counterparty as necessary to resolve any invoice related discrepancy. Term energy hedge contracts, day-ahead contracts, PPAs, load, or other products are not included.

1.2. Power Portfolio Purchase Services

SMUD shall provide power portfolio purchase services to and on behalf of VCE, limited to RA transactions. Many of the transactions will be executed using existing "enabling" agreements that SMUD has with other parties trading energy in the western United

States.

- 1.2.1. SMUD will use its status and credit as an active market participant in western energy markets and the CAISO managed market, to execute specific transactions for the VCE power portfolio in SMUD's name. It is likely that transactions using SMUD's name may yield more and lower cost power proposals from suppliers than if the transactions are directly in VCE's name, because of SMUD's established history and credit position with western energy market trading partners. However, SMUD makes no warranty or guarantee that it will enter into lower cost transactions.
- 1.2.2. VCE will have full transparency and approval authority over, in accordance with the Policy, procurement efforts including the counterparties from whom SMUD receives bids on behalf of VCE and the ultimate prices paid by SMUD for the various components of VCE's power supply.
- 1.2.3. SMUD will coordinate with its counterparties to determine the units that should be shown in VCE's monthly RA showings for these contracts. The unit information will be provided to VCE's Scheduling Coordinator who will submit VCE's comprehensive showing. SMUD will expect VCE's Scheduling Coordinator to provide verification of proper showing to SMUD.

Add the following to section 1.13.3 Reserve Account:

1.13.3.4 SMUD will release \$875,000 per month from the reserve account on September 20, October 20, and November 20, 2023, or when payment is received for the prior month. VCE will be able to withdraw \$875,000 per month on September 20, October 20, and November 20, 2023, or when payment is received for the prior month. SMUD will release the remaining account balance and VCE will be able to withdraw the remaining account balance on December 20, 2023. VCE will be able to close the reserve account on December 20, 2023

SMUD will support all compliance activities and regulatory filings performed by VCE's vendor that cover time periods where SMUD made the power purchases.

Section 3, TERM AND TERMINATION, is replaced in its entirety with the following:

3.1. Term of Task Order 3

Task Order 3 is effective on the Effective Date of this Amendment 32 and shall remain in effect until December 31st, 2023.

Section 4, COMPENSATION FOR SERVICES, 4.1. Wholesale Energy Services is replaced in its entirety with the following:

4.1. Services provided under 1.1. Wholesale Load and Resource Settlement Verification and 1.2. Power Portfolio Purchase Services will be billed at SMUD's Hourly Rates described in Section 4.3.

[Signature Page follows]

SIGNATURES

The Parties have executed this Amendment 32 to Task Order 3 on the dates indicated below.

Valley Clean Energy

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

Sacramento Municipal Utility District

By: _____

Name: Brandy Bolden

Title: Chief Customer Officer

Date: _____

**Approved as
to Form:** _____

Task Order 7 -Data Management and Customer Call Center Services

SMUD and VCE agree to the following services, terms and conditions described in this Task Order. This Task Order 7 is for Data Management and Customer Call Center Services ("Task Order 7"), the provisions of which are subject to the terms and conditions of the Agreement between the Parties. If any provisions of this Task Order 7 conflict with any provisions in the Agreement, the provisions of this Task Order 7 shall take precedence.

The Effective Date of this Task Order 7 is June 1, 2023. Upon the Effective Date, this Task Order 7 replaces Task Order 2 in its entirety, and Task Order 2 is eliminated.

1. SCOPE OF WORK

SMUD will provide Data Management and Call Center Services to VCE for Program Operations. As outlined in detail below, the following services will be delivered to VCE. Additional or continued Data Management and Call Center Services can be provided at any time during the Term of the Agreement through a mutually agreed upon Task Order or Task Order Amendment, subject to Section 6 below.

1.1. Electronic Data Exchange Services

- 1.1.1. Coordinate with PG&E to maintain VCE's Community Choice Aggregation Program ("Program") within PG&E's territory including meetings and calls as needed to ensure timely set up, data transfer, and billing services.
- 1.1.2. Maintain electronic interfaces and communication protocols with PG&E to exchange a full set of EDI files (including 810, 814, 820, 867, and 997) and interval and load data files (Items 16 and 17). Unless otherwise determined, data from PG&E will be received by SMUD which will process and apply VCE rates and then generate EDI transaction files to be sent back to PG&E for billing and enrollment services.
- 1.1.3. Process CCASRs from/to PG&E which specify the changes to a customer's choice of service for customer enrollment, or customer initiated returns to bundled utility service (814 Electronic Data Interchange Files). Changes will be reflected in the CRM.
- 1.1.4. Obtain customer usage data from PG&E's Enterprise Secure File Transfer server to timely bill each customer according to PG&E requirements (867 Electronic Data Interchange Files). SMUD will work with PG&E to maintain protocols required to transfer said customer usage data.
- 1.1.5. Maintain and communicate the amount to be billed by PG&E for services provided by VCE (810 Electronic Data Interchange Files). SMUD will maintain a rate table of VCE rates and apply applicable rate tariffs to calculate the amount to be billed by PG&E for services provided by VCE. SMUD will work with PG&E to maintain the transactions required to transfer the billing amounts to PG&E via the 810 EDI files and requirements specified by PG&E.
- 1.1.6. Receive and maintain data related to payment transactions toward Program charges from PG&E after payment is received by PG&E from VCE customers (820 Electronic Data Interchange Files, and/or daily payment files). SMUD will work with PG&E to maintain the transactions required to transfer the payment transactions toward CCE charges from PG&E after payment is received from customers. SMUD will store this payment data as required by VCE.
- 1.1.7. Conduct integration testing and data validation with PG&E.

1.2. Customer Information System

- 1.2.1. SMUD will provide and operate scalable and robust software systems to manage customer data via Customer Relationship Management (CRM) software, that will enable VCE and its customers to manage program enrollment options online through the Interactive Voice Response (IVR). SMUD will also ensure that the CRM is compatible with the billing engine and data repository for customers' electric usage data. Configure and maintain a cloud-based CRM solution that will store accurate information on all eligible accounts located in the Program service area. This data is to include each account's enrollment status (opt out, program enrollment), rate tariff election(s), payment history related to billed amount, collection status, on-site generating capacity, if applicable, and any correspondence with customer as well as other information that may become necessary to effectively administer Program services as mutually agreed to by the Parties from time to time. The software solution and system integration services will be provided by subcontractors to this Agreement.
- 1.2.2. Maintain VCE's on-line database so that in addition to SMUD, VCE has functional access to the online customer database. Administer role-based access to allow VCE, SMUD Call Center Representatives, and SMUD's team to view customer interactions, edit account notes and view other information fields as necessary.
- 1.2.3. Store customer email correspondence and make available to VCE staff upon request. Maintain an archive of such customer email correspondence for a minimum period of 24 months.
- 1.2.4. Obtain from PG&E and store historical usage data for all customers from the start of VCE's Program for a period of no less than five years. SMUD will store the historical usage data in a cloud-based database. Data stored will be in line with the data provided by PG&E via EDI standards. Obtain from PG&E and store historical PG&E bills for all customers from the start of VCE's Program for a period of no less than five years. Viewing access will be available to appropriate VCE staff and an archive of billing records shall be maintained to support intuitive parsing and labeling as may be needed.
- 1.2.5. Maintain a record of customers' enrollments status. This includes customers who have been offered Program service but have elected to opt out, either before or after starting service. SMUD will provide status reports to VCE staff on a weekly basis or other frequency as may be requested by VCE. Call center representatives will have access to this information as needed to support customer service calls.
- 1.2.6. Maintain and communicate as needed records of Net Energy Metering credits and generation data for customers to be posted on bill and settled annually.
- 1.2.7. When requested by VCE, perform quarterly program reviews to assess appropriate customer charge level, as identified by DA Xref. SMUD will ensure that program charges can be applied to the relevant customer account based on DA Xref.
- 1.2.8. Maintain all customer data according to VCE's customer privacy policy and the requirements of relevant California Public Utilities Commission Decisions including D.12-08-045, including a daily backup process. SMUD will collect only the minimum Confidential information (CI) that is directly relevant and necessary to accomplish specific authorized purpose(s) and will retain CI for only as long as is necessary to fulfill the authorized purpose(s). CI that is no longer needed will be destroyed in accordance with the terms of the Agreement.
- 1.2.9. Maintain and adhere to a Data Management Security Breach Policy for VCE that is based on SMUD's existing policy and procedures related to data breaches.

1.3. Customer Call Center

- 1.3.1. SMUD will provide professional and dedicated staffing for a VCE customer call center, including the option for customers to access self-service through an interactive voice response system. The call center will provide services in both English and Spanish, and regular metrics will be provided to VCE in order to maintain and track high levels of customer service.
- 1.3.2. Maintain a professional Interactive Voice Response (IVR) tool for the Program customer call center based on best practices from other CCE programs and from SMUD. The software solution and system integration services will be provided by subcontractors to this Agreement. Create and maintain professional IVR recordings (based on scripts received from VCE) for the Program customer call center; VCE may update recordings as business needs dictate. The IVR tool will include custom prompts and recordings to align with the VCE customer base and needs.
- 1.3.3. Track how many customers start and complete IVR self-service options without agent assistance and provide regular reports to show the success rate of completed transactions through the IVR platform, as well as other reports related to customer usage of the IVR platform.
- 1.3.4. Provide sufficient Customer Call Center staff during the Program Statutory Enrollment Period to process Program service enrollment and answer questions related to Program services, generation-related billing and other Program-related inquiries via phone or email.
- 1.3.5. Call Center staff will be available between the hours of 9:00AM to 5:00PM Pacific Standard Time, Monday through Friday, excluding VCE and PG&E holidays.
- 1.3.6. Provide sufficient Customer Call Center staff during enrollment and non-enrollment periods to process Program service enrollment and answer questions related to Program services, generation-related billing and other Program-related inquiries via phone or email.
 - Parties may mutually agree to modify call center staffing hours based on an assessment of hourly call volumes.
- 1.3.7. Provide 60 second average speed of answer with an abandon rate of 3%.
- 1.3.8. Make available data manager experts to manage escalated calls between the hours of 9:00AM to 5:00PM Pacific Standard Time, Monday through Friday, excluding VCE and PG&E holidays.
- 1.3.9. Make available bi-lingual staff to help Spanish-speaking customers. SMUD will provide staff, and a third-party contractor (a subcontractor to this Agreement), to support translation services on an as-needed basis. The translation services will include Spanish, as well as many other different languages, and will be available during SMUD business hours of 9:00 A.M to 5:00 P.M., Monday through Friday (excluding holidays).
- 1.3.10. Answer 100% of voicemail messages within one (1) business day.
- 1.3.11. Provide an automated response to 100% of emails. 95% of emails receive a customized response within one (1) business day. 100% of emails receive a customized response within three (3) business days.
- 1.3.12. Provide callers with the estimated hold time, if applicable.
- 1.3.13. Record all inbound calls and make recordings available to VCE staff upon request. Maintain an archive of such recorded calls on a WFO Platform provided by SMUD for a minimum period of 24 months. The software solution and any system integration services required will be provided by subcontractors to this Agreement. Track Call Center contact quality with criteria including:
 - Use of appropriate greetings and other call center scripts
 - Courtesy and professionalism

- Capturing key customer data
 - Providing customers with correct and relevant information
 - First-contact resolution
 - Accuracy in data entry and call coding
 - Grammar and spelling in email communications
- 1.3.14. Provide dedicated Customer Service Representatives (CSRs) who will respond to 100% of VCE customer inquiries. SMUD will forward calls to VCE staff as may be required to serve customer needs. Receive calls from Program customers referred to VCE by PG&E and receive calls from Program customers choosing to contact VCE directly without referral from PG&E. SMUD will "warm transfer" the customer to PG&E or VCE as needed to serve the customer's needs.
- 1.3.15. Provide a toll-free number that will be placed on VCE's website and PG&E invoices allowing VCE customers to contact the call center.
- 1.3.16. Request and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound calls.
- 1.3.17. Request permission (via live calls email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.
- 1.3.18. Respond to phone inquiries from Program customers using a script developed and updated as often as quarterly by VCE. For questions not addressed within the script, refer inquiries back to PG&E or VCE.
- 1.3.19. Unless otherwise specified by VCE, SMUD will provide call center status reports during the first week of each month; weekly during the customer enrollment periods.
- 1.3.20. 1.3.1S. As requested by VCE, host quarterly meetings with call center management and representatives to review call center metrics, deal with recurring customer concerns, and address any other issues that may arise.

1.4. Customer Enrollment Forms

- 1.4.1. Create and maintain user-friendly forms for the VCE Program website so that customers may change Program account status (opt-out or opt-in) or participate in available renewable energy product options.
- 1.4.2. Collaborate with VCE's website provider to integrate customer enrollment forms to provide an easy and intuitive experience for customers.

1.5. Billing Administration - PG&E "Bill Ready Option"

- 1.5.1. Deliver billing services to VCE by building efficient and automated processes that focus on data validation accuracy with quality assurance measures. However, the billing services are dependent on the accuracy of PG&E's data, and therefore, SMUD's quality assurance and data accuracy are subject to PG&E's data accuracy.
- 1.5.2. Maintain a table of Program rate schedules provided by VCE to ensure that all data are accurate and consistent in all VCE systems provided by SMUD.
- 1.5.3. Send Program service charges as a separate line item to PG&E for placement on monthly bill. This could include but is not limited to: non-electrical charges, special programs, collective billing, energy assistance programs, and net energy metering.
- 1.5.4. Apply PG&E account usage for each VCE customer against applicable rates to allow for customer billing. This includes but is not limited to line-item charges ranging from non-electric charges, special programs and contracts, collective billing, energy assistance programs and net energy metering.
- 1.5.5. Perform periodic review of application of Program service rates to PG&E accounts to ensure that the proper rates are applied to the accounts. This includes use of SMUD's

quality assurance process and audits to ensure accuracy of data and rates.

- 1.5.6. Timely submit billing information for each customer to PG&E to meet PG&E's standard billing window.
- 1.5.7. Use commercially reasonable efforts along with SMUD's billing quality assurance measures to remedy billing errors for any customer(s) in a timely manner (no more than two billing cycles from date of discovery).
- 1.5.8. Assist with annual settlement processes for Net Energy Metering (or successor program) customers by identifying eligible customers, providing accrued charges and credits, and providing a corresponding mailing list to VCE's designated printer. SMUD will work with VCE to provide a monthly settlement option, if VCE so chooses for an additional fee to be mutually agreed.
- 1.5.9. Provide customer mailing list to VCE's designated printer for new move-in customer notices and opt out confirmation letters routinely within 30 days of enrollment or opt out.
- 1.5.10. As per VCE's Collections Policy, send a VCE-provided letter to customers with delinquent accounts stating that failure to pay will result in customer being returned to PG&E. If no payment is received from the customer after a certain amount of time, SMUD will issue a CCASR to return customer to PG&E. VCE shall identify the length of delinquency that triggers such notice, as well as the time period allowed to bring the account current.

1.6. Settlement Quality Meter Data (SQMD) Services

- 1.6.1. SMUD will obtain VCE load data from PG&E and ensure it complies with CAISO requirements for SQMD. SMUD will forward VCE load SQMD to the CAISO at the required frequency for load settlement purposes

1.7. Reporting

- 1.7.1. Assist VCE as needed in compiling various customer sales and usage statistics that may be necessary to facilitate VCE's completion of requisite external reporting activities. Such statistics will likely include annual retail sales for VCE customers, including year-end customer counts and retail electricity sales for each retail service option offered by VCE.
- 1.7.2. Subject to change by mutual agreement of the Parties, provide the following reports to VCE via the listed frequency and delivery method.

Reports	Frequency
Billing Operations & Data Management Report (enrollment activity move-in/move-out tracking, billing transactions)	Bi-Weekly
Contact Center Report (customer interactions through IVR, Web, CSR, Chat)	Weekly, Monthly
Customer Relationship Management (CRM) Reports (including custom reports and the ability to add email functionality) and Dashboard	Available 24/7
Net Energy Metering (NEM) True-up, Cash-out Report	Bi-Weekly
Accounting Reports (Daily Payment, Invoice Details, Rates Details, Aging, ERC Exempt)	Daily, Weekly, Monthly, Quarterly

- 1.7.3. Ensure monthly status reports are provided during the first week of each month
- 1.7.4. Ensure weekly status reports are provided during all enrollment periods.

2. APPROVAL PROCESS I ACCEPTANCE

Both Parties agree to perform tasks, reviews, and approvals in a timely manner.

3. TERM AND TERMINATION

3.1. Term of Task Order 7

Task Order 7 is effective on the Effective Date of this Task Order and shall remain in effect until December 31, 2028.

3.2. Termination

This Task Order 7 may be terminated pursuant to Section 4 ("Term and Termination") of the Agreement. In the event that VCE chooses to terminate this Task Order 7 prior to the end of the five (5) year term, VCE shall pay SMUD a Termination Fee equal to fifty percent (50%) of the fee for services for the remaining portion of the five (5) year term, based on the SMUD rates then in effect as of the termination effective date. Such Termination Fee shall be due and payable thirty (30) calendar days after the date of invoice by SMUD to VCE.

3.3. Transition

VCE retains sole ownership of account, communication notes and letters, usage and billing information for customers of the Program. In the event of termination of the Agreement or this Task Order 7, subject to the terms of the Agreement, SMUD shall provide to VCE all such information and data requested by VCE as reasonably agreed to by the Parties at a transition fee not to exceed \$200,000. SMUD will send requested data to VCE within 30 days after the Termination Date. SMUD will work with VCE to coordinate transfer to VCE, or a VCE contractor, the designated Call Center phone number. SMUD will coordinate with VCE or VCE contractor on how to seamlessly transition customers to web forms provided by another vendor. All other services will terminate upon the Termination Date.

4. COMPENSATION FOR SERVICES

5.1. Data Management and Call Center Services

Data Management and Call Center Services will be charged a fixed monthly fee per customer meter enrolled in Program service of \$1.17. Monthly service fees are fixed through December 31, 2023 and are thereafter annually subject to escalation at U.S. Department of Commerce, Bureau of Labor Statistics, "Consumer Price Index-All Urban Consumers less food and energy" Series ID: CUUROOOOSAOLIE for the immediately prior 12-month period.

5.2. Hourly Rates

This Task Order 7 can be amended to include additional deliverables at the SMUD hourly billing rates in the schedule below. Hourly billing rates are fixed through December 31, 2023 and are thereafter annually subject to escalation at U.S. Department of Commerce, Bureau of Labor Statistics, "Consumer Price Index-All Urban Consumers less food and energy" Series ID: CUUROOOOSAOLIE for the immediately prior 12-month period.

Resource	Hourly Rate
SMUD CXO	\$350.00
Director	\$190.00
Manager/Analyst	\$170.00
Administration	\$150.00

6. PAYMENT TERMS

Fees incurred under this Task Order 7 will be invoiced monthly. For services under this Task Order 7, VCE shall pay all undisputed invoices within thirty (30) calendar days of date of the invoice.

7. TASK AMENDMENT

This Task Order 7 may only be amended or otherwise modified with the written agreement of the Parties and approved by each Party's governing body where required by law or policy. Any changes to the scope defined in Task Order 7 will be addressed through a task amendment process. Material changes that require a formal task amendment, are those which will specifically impact defined scope, schedule, budget, or resources.

SIGNATURES

The Parties have executed this Task Order 7 on the dates indicated below.

Valley Clean Energy

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

Sacramento Municipal Utility District

By: _____

Name: **Brandy Bolden**

Title: **Chief Customer Officer**

Date: _____

**Approved as
to Form:** _____

Task Order 8 - Consulting Services

SMUD and VCE agree to the following services, terms and conditions described in this Task Order. This Task Order 8 is for Consulting Services ("Task Order 8"), the provisions of which are subject to the terms and conditions of the Agreement between the Parties. If any provisions of this Task Order 8 conflict with any provisions in the Agreement, the provisions of this Task Order 8 shall take precedence.

The Effective Date of this Task Order 8 is June 1, 2023. Upon the Effective Date, this Task Order 8 replaces Task Order 4 in its entirety, and Task Order 4 is eliminated.

1. SCOPE OF WORK

SMUD will provide professional consulting services as required by VCE during the term of this Task Order 8.

2. APPROVAL PROCESS ACCEPTANCE

Both Parties agree to perform tasks, reviews, and approvals in a timely manner.

3. TERM AND TERMINATION

3.1. Term of Task Order 8

Task Order 8 is effective on the Effective Date of this Task Order and shall remain in effect until December 31, 2028.

3.2. Termination

This Task Order 8 may be terminated pursuant to Section 4 ("Term and Termination") of the Agreement. In the event that VCE chooses to terminate this Task Order 8 prior to December 31, 2023, VCE will pay SMUD for fees incurred to date. Such fees shall be due and payable (30) calendar days after the date of the invoice by SMUD to VCE.

4. COMPENSATION FOR SERVICES

4.1. Hourly Rates

Services performed under this Task Order 8 are based on a "time and material" compensation structure. SMUD shall receive compensation at Hourly Rate. Hourly Rates are fixed through December 31, 2023 and are thereafter annually subject to escalation at U.S. Department of Commerce, Bureau of Labor Statistics, "Consumer Price Index-All Urban Consumers less food and energy" Series ID: CUUROOOOSAOLIE for the immediately prior 12-month period.

Resource	Hourly Rate
SMUD CXO	\$350.00
Director	\$190.00
Manager/Analyst	\$170.00
Administration	\$150.00

5. PAYMENT TERMS

Fees incurred under this Task Order 8 will be invoiced monthly. For services under this Task Order 8, VCE shall pay all undisputed invoices within thirty (30) calendar days of date of the invoice.

6. TASK AMENDMENT

This Task Order 8 may only be amended or otherwise modified with the written agreement of the Parties and approved by each Party's governing body where required by law or policy. Any changes to the scope defined in Task Order 8 will be addressed through a task amendment process. Material changes that require a formal task amendment, are those which will specifically impact defined scope, schedule, budget, or resources.

SIGNATURES

The Parties have executed this Task Order 8 on the dates indicated below.

Valley Clean Energy

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

Sacramento Municipal Utility District

By: _____

Name: **Brandy Bolden**

Title: **Chief Customer Officer**

Date: _____

**Approved as
to Form:** _____

Task Order 9 – Debt Collections Services

SMUD and VCE agree to the following services, terms and conditions described in this Task Order. This Task Order 9 is for Debt Collection Services ("Task Order 9"), the provisions of which are subject to the terms and conditions of the Agreement between the Parties. If any provisions of this Task Order 9 conflict with any provisions in the Agreement, the provisions of this Task Order 9 shall take precedence.

The Effective Date of this Task Order 9 is the date of last signature.

1. SCOPE OF WORK

SMUD will provide debt collection services as required by VCE during the term of this Task Order 9.

- Data Analytics
 - Profile customers based on customer type, past due amount, engagement history, available contact information, and more. If available, use program participation, assessor's data, rate history and other factors to understand debt drivers
 - Construct pre-collection profiles of likely-to-default customers, specifically identifying income-qualified customers eligible for income assistance, to aid in proactive communications
 - Gather or compile data files , for example, assessor's data or psychographic data, to help to build out customer database
- Here to Help Letter
 - Reach out to each customer to let them know that we are available to help
 - Encourage a call with one of our Energy Advisors who can educate about programs available to them to help lower their bills, from energy efficiency opportunities to low-income programs
 - Provide information about payment channels and programs to remove perceived barriers to payment
- Customer Care Calls
 - Encourage a conversation with our Energy Advisors who are adept at “save” techniques to significantly reduce opt-out rates, and explain energy bills, determine high bill root cause, and educate on energy usage management
 - Support 150 different languages through the call center
 - Record and monitor all calls for quality assurance and adherence to customer care protocols
 - Store and make all calls available for two years
 - Keep call center hours of 9am – 5pm Pacific Time
- Validation Notice
 - When initial attempts at communication have been unsuccessful in encouraging customers to pay, initiate a formal collections process
 - Send accounts a validation notice which informs customers of their balance, instructs them how to pay and clearly advises them of their rights as outlined by federal and state laws
- Segmentation
 - Group customers using over 40 data points
 - Employ a unique strategy for each customer segment
 - Re-segment after periodic evaluation

- Written Notifications
 - Distribute additional request letters and emails, with frequency based on segmentation and new available information and.
 - Assess communication strategies and modify as needed
 - Translate content into multiple languages
 - Verify phone number, hours of operations, addresses, formatting of client information and placement of Fair Debt Collection Practices Act (FDCPA) required verbiage
 - Include a settlement letter if authorized
 - As requested, send additional information such as receipt letter, debt validation letter, payment arrangement letter, pre-authorization payment reminder letter, etc.
 - Store letters in customer's account record
- Phone Calls
 - Where a valid phone number is available, initiate collection calls
 - In compliance with Regulation F, limit call attempts and dynamically determine best call times
 - Clearly communicate agent's name and agency
 - Ensure account authorization to speak with customer
 - Request identifying information such as address or birthdate to validate
 - Read a statement of rights to the customer
 - Communicate debt information and instruct customer on ways to exit the collections process
 - Request full payment, discusses potential financial resources and negotiate a payment plan if needed
 - Offer payment options via the IVR, online or through the mail
 - Initiate disputed debt process if applicable
 - Monitor calls for quality assurance
 - Store calls for five years
 - Note customer's account record with call data, follow up date, promise to pay, canceled payment, non sufficient funds, or other activity
 - Assign account manager for high value accounts
- Customer Tracing
 - Access several data providers to identify the best possible mailing address and phone number
 - Check online resources to locate quality customer contact information
 - Standardize addresses to meet USPS guidelines to improve mail delivery
 - Check that an account isn't part of a bankruptcy proceeding
 - Verify that the responsible party isn't deceased through an automated scrub
 - Monitor credit reports looking for changes that may indicate a renewed ability to pay
- Final Steps
 - Provide payment remittance through preferred channel
- Web Portal
 - Provide access to client portal with updated customer data, notes, and provide access to custom reports as well as standard reports such as Statement Report, Close and Return Report, Collection Effectiveness Report, Special Activity Report, and Client Payment and Reversals Report

2. APPROVAL PROCESS ACCEPTANCE

Both Parties agree to perform tasks, reviews, and approvals in a timely manner.

3. TERM AND TERMINATION

3.1. Term of Task Order 9

Task Order 9 is effective on the Effective Date of this Task Order and shall remain in effect until December 31, 2028.

3.2. Termination

This Task Order 9 may be terminated pursuant to Section 4 ("Term and Termination") of the Agreement. In the event that VCE chooses to terminate this Task Order 9 prior to December 31, 2023, VCE will pay SMUD for fees incurred to date. Such fees shall be due and payable (30) calendar days after the date of the invoice by SMUD to VCE.

4. COMPENSATION FOR SERVICES

4.1. Hourly Rates

Services performed under this Task Order 9 are based on a "time and material" compensation structure.

SMUD shall receive compensation at Hourly Rate. Hourly Rates are fixed through December 31, 2023 and are thereafter annually subject to escalation at U.S. Department of Commerce, Bureau of Labor Statistics, "Consumer Price Index-All Urban Consumers less food and energy" Series ID: CUUROOOOSAOLIE for the immediately prior 12-month period.

Resource	Hourly Rate
SMUD CXO	\$350.00
Director	\$190.00
Manager/Analyst	\$170.00
Administration	\$150.00

Costs for marketing and outreach such as postage and vendor fees shall be pass through. Debt collection fees shall be 10% of all payments realized.

5. PAYMENT TERMS

Fees incurred under this Task Order 9 will be invoiced monthly. For services under this Task Order 9, VCE shall pay all undisputed invoices within thirty (30) calendar days of date of the invoice.

6. TASK AMENDMENT

This Task Order 9 may only be amended or otherwise modified with the written agreement of the Parties and approved by each Party's governing body where required by law or policy. Any changes to the scope defined in Task Order 9 will be addressed through a task amendment process. Material changes that require a formal task amendment, are those which will specifically impact defined scope, schedule, budget, or resources.

SIGNATURES

The Parties have executed this Task Order 9 on the dates indicated below.

Valley Clean Energy

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

Sacramento Municipal Utility District

By: _____

Name: **Brandy Bolden**

Title: **Chief Customer Officer**

Date: _____

**Approved as
to Form:** _____

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2023 - ____

A RESOLUTION OF VALLEY CLEAN ENERGY ALLIANCE APPROVING AMENDMENT 1 TO MASTER SERVICES AGREEMENT, AMENDMENT 32 TO TASK ORDER 3 – WHOLESALE ENERGY SERVICES, TASK ORDER 7 – DATA MANAGEMENT AND CUSTOMER CALL CENTER SERVICES, TASK ORDER 8 – CONSULTING SERVICES, AND TASK ORDER 9 – DEBT COLLECTION SERVICES, OF THE SACRAMENTO MUNICIPAL UTILITIES DISTRICT PROFESSIONAL SERVICES AGREEMENT AND AUTHORIZING THE EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE NECESSARY AMENDMENTS AND TASK ORDERS

WHEREAS, The Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, on August 31, 2017, the VCE Board considered a proposal by the Sacramento Municipal Utilities District (“SMUD”) to provide program launch and operational services and subsequently directed VCE staff to negotiate a services agreement between VCEA and SMUD for consideration and action by the VCEA Board; and,

WHEREAS, on September 21, 2017, the SMUD Board of Directors authorized its CEO to enter into a contract with VCE to provide Community Choice Aggregate (CCA) support services; and,

WHEREAS, on October 12, 2017, the VCE Board approved the Master Professional Services Agreement and Task Order 1 (Technical and Analytical services) and Task Order 2 (Data Management and Call Center Services) to provide program launch and operational services consistent with the SMUD proposal and VCE Board direction, thereafter amendments have been made to Task Orders 1 and 2; and,

WHEREAS, in November 2017, the VCE Board approved Task Order 3 for Wholesale Energy services, thereafter several amendments have been made; and,

WHEREAS, in December 2017, the VCE Board approved Task Order 4 for Implementation and Operational Services, thereafter several amendments have been made; and,

WHEREAS, in May 2018, the VCE Board approved Task Order 5 for Long Term Procurement Services; and,

WHEREAS, in June 2019, the VCE Board approved Task Order 6 for Expansion to the City of Winters; and,

WHEREAS, the original Master Services Agreement (MSA) will expire June 1, 2023; and,

WHEREAS, Task Orders 1 (Technical and Analytical services), 5 (Long Term Procurement Services), and 6 (Expansion to the City of Winters) have expired; and,

WHEREAS, Task Order 2 (Data Management and Customer Call Center Services) and 4 (Implementation and Operational Services) will terminate on May 31, 2023; and,

WHEREAS, Task Order 3 (Wholesale Energy Services) is set to terminate on December 31, 2023; and,

WHEREAS, VCE has the need to continue selected services with SMUD and amend the MSA to extend the master services agreement to December 31, 2028; and,

WHEREAS, in anticipation of Task Order 3 (Wholesale Energy Services) expiring at the end of 2023, the VCE Board approved an agreement with The Energy Authority, Inc. (TEA) in December 2022 to provide portfolio management, scheduling coordinator, load forecasting, and credit support services, as a result, Task Order 3 needs to be amended to reflect a reduction in services being provided by SMUD while services are transitioned from SMUD to TEA; and,

WHEREAS, Task Order 7 – Data Management and Customer Call Center Services will replace Task Order 2 with an updated scope of work and to align with VCE’s fiscal calendar year ending December 31st; and,

WHEREAS, Task Order 8 – Consulting Services will replace Task Order 4 with an updated scope of work and to align with VCE’s fiscal calendar year ending December 31st; and,

WHEREAS, to assist VCE Staff in identifying past due accounts and income-qualified customers eligible for assistance; increasing communication to customers of available programs; and, implementing a collections process, Task Order 9 – Debt Collection Services outlines the scope of work.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. Approving the following:
 - A. Amendment 1 to the Master Services Agreement (MSA) continuing selected services and extending term of MSA through December 31, 2028;
 - B. Amendment 32 to Task Order 3 (Wholesale Energy Services) reducing scope of work;
 - C. Task Order 7 (Data Management and Customer Call Center Services) outlining a new scope of work with an expiration date of December 31, 2028; and,

D. Task Order 8 (Consulting Services) outlining a new scope of work with an expiration date of December 31, 2028.

2. Authorize the Executive Officer in consultation with legal counsel to finalize and execute amendments and task orders.

PASSED, APPROVED AND ADOPTED, at a special meeting of the Valley Clean Energy Alliance, held on the ____ day of _____ 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Stallard, VCE Chair

Alisa M. Lembke, VCE Board Secretary

Attachments:

1. Amendment 1 to Master Service Agreement
2. Amendment 32 to Task Order 3 - Wholesale Energy Services
3. Task Order 7 - Data Management and Customer Call Center Services
4. Task Order 8 - Consulting Services
5. Task Order 9 - Debt Collections Services