

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 12

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**TO:** Board of Directors

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

**SUBJECT:** Customer Dividend and Programs Allocation Report

**DATE:** October 14, 2021

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### RECOMMENDATIONS

Informational Report

### OVERVIEW

The Board adopted the VCE Rate Structure & Dividend Program Guidelines on June 17, 2019, to be effective starting at the beginning of the following fiscal year on July 1, 2019. FY 2020/21 actuals resulted in a total net loss of \$3.5M for the fiscal year ending in June. The annual net margin loss of \$3.5M for FY 2020/21 did not meet the threshold (profitability) to allocate reserves to customer dividend(s) and the local program reserve.

The Board adopted FY 2020/21 and FY2021/22 budgets included anticipated losses to support rate stabilization as per VCE Rates Policy to match PG&E generation rates. The FY2021/22 budget includes \$135K from existing local program reserves, leaving a balance of \$90K for future programs.

### CONCLUSION

No cash reserve allocation will be contributed to customer dividends and the local program reserve.