

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 12

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To: Board of Directors

From: Mitch Sears, Interim General Manager  
Rebecca Boyles, Director of Customer Care and Marketing

Subject: Amendment 22 (Net Energy Metering Donation Program web format) Task Order 2 of the SMUD Professional Services Agreement

Date: June 10, 2021

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### RECOMMENDATION

Ratify via resolution approval of Amendment 22 to Task Order 2 of the Sacramento Municipal Utilities District (SMUD) Professional Service Agreement authorizing the implementation of the Net Energy Metering (NEM) Donation program web format at a cost of \$8,500.

### BACKGROUND

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; 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).

A Net Energy Metering Donation (NEM) Pilot Program (see attached) was adopted by the Board in June 2020. This program offers eligible NEM customers the opportunity to donate their surplus solar generation credits to charities/community based organizations (CBOs). Eligible customers have been given an opportunity to donate their NEM credits to CBOs or to receive a check from VCE.

To date, we have enrolled all legacy NEM customers, and continue to enroll NEM customers residing in the City of Winters on a monthly basis. There was a need for an easy and accessible way for customers to donate their NEM credit online. Amendment 22 to SMUD Task Order 2 implements a NEM Donation Program webform for customers to access through VCE's website. This form will streamline the NEM Donation Program process operationally, and will provide template architecture for webforms in the future such as customer program intake forms. This will make implementation of future webforms easier, incurring only nominal expense after this initial development.

Amendment 22 to SMUD agreement Task Order 2 (Data Management and Customer Call Center Services) authorizes the implementation of the Net Energy Meter Donation program webform at a cost of \$8,500.

**Financial Impact:** The cost for SMUD to implement the webform is \$8,500, though some future financial impact to VCE will be mitigated by creating the basic webform infrastructure. . This cost has been budgeted in the FY2020/2021 operating budget.

### **CONCLUSION**

Staff is requesting the VCE Board to ratify via resolution Amendment 22 to Task Order 2 (Data Management and Customer Call Center Services).

### **Attachments:**

1. NEM Donation Program adopted June 2020
2. Signed Amendment 22 to Task Order 2 (Data Management and Customer Call Center Services)
3. Resolution ratifying approval of Amendment 22 (NEM Donation Program web format) to Task Order 2 to the VCE-SMUD Professional Services Agreement

## **Pilot NEM Donation Program**

**(adopted by Board June 11, 2020)**

### **Background**

Most solar net energy metered (NEM) customers pay their electricity bill once per year. This is called an annual true-up. Depending on a customer's annual solar production at true-up, a customer may owe money, or if they generate excess energy, VCE may owe them money.

When a customer's true-up credit balance exceeds \$100, VCE pays the customer for the outstanding balance, zeroing out the account. For credit balances less than \$100, the balance rolls over as a credit on the customer's bill.

### **Description**

VCE would like to pilot a program that offers eligible NEM customers the opportunity to donate their NEM credits to charities/community based organizations (CBOs). Eligible customers will be notified via website, email and/or regular mail and will be given the opportunity to donate their NEM credits to CBOs or to receive a check from VCE. A reply sheet and postage paid envelope will be included in the letter to facilitate an easy response, or customers may respond electronically through email or the VCE website (when this functionality is enabled).

If a customer selects to donate their NEM credits to a selected CBO, the CBO will be provided with the customer's name, address, and amount of donation so a charitable donation receipt can be sent.

### **Benefits**

- Provides funding to local charities/CBOs
- Provides a tax deduction to the donor
- Creates community good will towards VCE
- Reduces the number of checks VCE must write

### **Potential Donations**

After the first year of VCE operation, there were 5 customers with credit balances exceeding \$100. The total amount of credits exceeding \$100 was \$5,986.

During the second year of VCE service, there were 64 customers with credit balances exceeding \$100. The total credit balance for those customers was \$21,924.

The number of NEM customers with outstanding credit balances is expected to grow dramatically as VCE adds over 6,000 new NEM customers in 2020—customers who were previously full-service PG&E customers. Additional customers will continue to be added through new installations in existing buildings as well as new construction.

### **Charities/CBOs**

Customers can choose between two or three CBOs, to be determined. The intent is to keep the number of CBOs limited in order to reduce administrative effort and increase the amount allocated to each CBO.

Selected CBOs will come from one or both of the following categories:

1. **Mission Alignment with VCE** - The selected CBOs will have missions that directly align with VCE's mission and vision. This would include CBOs that focus on energy efficiency, renewable energy, energy storage and/or demand response.
2. **Provide Services to the Community** - This includes CBOs that provide services to the communities we serve such as provision of food, low income housing, family services, bill pay, counseling, etc.

The CBOs will be selected based on input from the CAC and VCE Board. The selected CBOs will be reviewed to ensure they meet our requirements. An annual review of the program and CBOs will be performed and new CBOs may be selected.

### **Mechanics**

VCE will send a letter or email to all NEM customers. With regular mail, a postage paid envelope and return form will be included.

Customers will have the following options:

1. Allow the credit to roll over to offset future energy bills.
2. Receive payment from VCE for the full credit amount.
3. Donate the credit to charity. If yes, select one of the chosen CBOs.

Customers that choose the donation option will be notified that VCE will provide the CBO with their name and address so the CBO can send a donation receipt.

Customers who do not return the form will automatically be enrolled in Option 2 and will receive a check for outstanding solar credits if the total amount exceeds \$100 (per VCE NEM policy). Credits under \$100 will stay on the customer account as a credit against future bills.

## **Considerations**

- Tracking - VCE must keep track of the donors and provide donor information to selected CBOs
- Payments to CBOs - VCE will need to pay CBOs on a regular basis
- Verification – VCE will need to ensure the CBO sends tax-deductible receipts to donors

**AMENDMENT 22 TO EXHIBIT A: Scope of Services****A.4 Task Order 2 – Data Management and Customer Call Center Services**

SMUD and VCEA agree to the following services, terms, and conditions described in this Amendment 22 to Exhibit A, Task Order No. 2 (Amendment 22), 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 22 conflict with any general provisions in the Agreement or Task Order 2, the provisions of this Amendment 22 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 a previous Amendment thereof.

The Effective Date of this Amendment 22 is the date of last signature below.

**1. Section 1, SCOPE OF WORK, is amended to add Section 1.12 below:****“1.12 NEM DONATION PROGRAM WEB FORM****1.12.1 Scope of Work**

VCE has created a program that allows customers to donate their annual NEM true-up to a local charity, rather than receiving a check or bill credit. This enhancement will create a secure web form where customers can submit their NEM true-up preference and a field in the Customer Relationship Management (CRM) system where the preference will be stored.

To implement the NEM Donation Program web form scope, SMUD will:

- Create a web form for customers to submit their true-up preference.
  - The form will include customer Account Number, the DA Xrefs in the Account, and a picklist for true-up preference (e.g., donate to Charity A, donate to Charity B, bill credit, or customer check).
  - The customer will be validated to confirm the Account Number submitted is a valid VCE customer.
  - The form will show the current selection of the NEM true-up preference for each NEM DA Xref. The customer will be able to change the preference and resubmit at any time.
- Create a field in CRM, linked at the DA Xref level, where the data will be stored upon submission through the web form.
  - The true-up preference change will be effective from the day of submission.
  - Effective start date and end date will be maintained in the database for each preference selection.

The scope for this enhancement includes the following assumptions.

- Automatic NEM cash-outs are not in scope.
- Auto-generated reports are not scope, but VCE can self-serve through the Salesforce reporting function.
- SMUD will add the true-up preference field to the NEM cash-out list supplied to VCE each month.
- Customer notification regarding program availability is not in scope, but VCE can access Salesforce email functionality to notify up to 5,000 customers per day.
- The web form will be linked in the VCE website.

### 1.12.2 Deliverables and Due Dates

The schedule for the NEM Donation Program web form is estimated to be four (4) weeks, and includes the following milestones and due dates:

	<b>Milestone</b>	<b>Responsible Party</b>	<b>Due Date</b>
1	Task Order Amendment executed	VCE	April 19, 2021
2	Begin testing with website vendor and VCE	SMUD	May 10, 2021
3	Configuration and testing complete	SMUD	May 17, 2021

### 1.12.3 Schedule

It is estimated that the Scope of Services for this task will be completed four (4) weeks from the Amendment execution date of this Amendment 22.”

**Section 4, COMPENSATION FOR SERVICES is amended to add Section 4.8, *NEM Donation Program web form*, as follows:**

“The fixed fee for the Implementation of the NEM Donation Program web form is \$8,500.”

**Section 5, PAYMENT TERMS, is amended to add the following:**

“SMUD will invoice the fixed fee for the NEM Donation Program web form upon completion, and payment will be due net thirty (30) days from date of the invoice.”

[Signature Page follows]

**SIGNATURES**

The Parties have executed this Amendment 22, and it is effective as of the date of last signature below.

**Valley Clean Energy Alliance**

**By:**  \_\_\_\_\_

**Name:** Mitch Sears

**Title:** Interim General Manager

**Date:** April 19, 2021

**Approved as to Form:** n/a

**Sacramento Municipal Utility District**

**By:**  \_\_\_\_\_

**Name:** Tracy Carlson

**Title:** Interim Chief Customer Officer

**Date:** 4/21/2021

**Approved as to Form:**  \_\_\_\_\_



**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2021 - \_\_\_\_**

**A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE RATIFYING THE INTERIM  
GENERAL MANAGER'S APPROVAL AND EXECUTION OF AMENDMENT 22 TO TASK  
ORDER 2 TO THE SACRAMENTO MUNICIPAL UTILITIES DISTRICT PROFESSIONAL  
SERVICES AGREEMENT**

**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;

**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;

**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;

**WHEREAS**, in October 2018, Amendment 4 to Task Order 2 updating VCE's base program from "LightGreen" to "Standard Green" was approved;

**WHEREAS**, in April 2019, Amendment 10 to Task Order 2 adding detail to SMUD's invoicing methodologies in the Compensation for Services section updating was approved;

**WHEREAS**, in June 2019, Amendments 11 and 12 to Task Order 2 implementing the Annual Dividend program and second Net Energy Metering (NEM) True-Up Policy was approved;

**WHEREAS**, in August 2019, Amendment 13 to Task Order 2 updating data management and customer call center service rate was approved;

**WHEREAS**, in May 2020, Amendment 16 to Task Order 2 authorizing the configuration of VCE's billing system to enable vintage year specific rates was approved;

**WHEREAS**, in July 2020, the Board received a signed copy by VCE's Interim General Manager of Amendment 18 to Task Orders 2, 3 and 4 increasing the billable hourly rates by 2.0% effective July 1, 2020;

**WHEREAS**, in October 2020, the Board approved Amendment 20 to Task Order authorizing SMUD to implement the 2019 California Energy Commission Power Content Label email scope of work;

**WHEREAS**, in June 2020, the Board adopted a Net Energy Metering (NEM) Donation program which offers eligible NEM customers the opportunity to donate their NEM credits to charities/community based organizations;

**WHEREAS**, Eligible NEM customers have been given an opportunity to donate their NEM credits to CBOs or to receive a check from VCE;

**WHEREAS**, as of early February 2021, VCE has enrolled all legacy NEM customers;

**WHEREAS**, there was an immediate need to provide an easy and accessible way for customers to donate their NEM credit online; and

**WHEREAS**, Interim General Manager signed Amendment 22 to Task Order 2 authorizing SMUD to implement the NEM Donation program web format on VCE's website at a cost of \$8,500 .

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

1. ratify the Interim General Manager's approval and execution of Amendment 22 to Task Order 2 (Data Management and Call Center Services).

**PASSED, APPROVED AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_ day of \_\_\_\_\_, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Dan Carson, VCE Chair

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Alisa M. Lembke, VCE Board Secretary

EXHIBIT A: Amendment 22 to Master Professional Services Agreement Task Order 2

**EXHIBIT A**

**AMENDMENT 22 TO TASK ORDER 2 (DATA MANAGEMENT AND CALL CENTER SERVICES)**