

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 13

---

To: Board of Directors

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

Subject: Amendment 26 (Implementation of Rate Configuration) to Task Order 2 of the SMUD Professional Services Agreement

Date: January 27, 2022

---

### RECOMMENDATION

Adopt resolution ratifying approval of Amendment 26 to Task Order 2 of the Sacramento Municipal Utilities District (SMUD) Professional Service Agreement authorizing the implementation of rate configuration.

### 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).

As discussed at Board meetings dating back to 2018 and more recently during Board deliberations on fiscal year budget adoption this summer, rate determining factors and rising power market prices have stretched VCE's financials and forced the Board to adopt cost mitigation measures beginning as early as 2018 (e.g. rate increase, delayed procurement of renewables, reduced program activity). After a thorough discussion on current projections, on October 21, 2021 a 5% average generation rate adjustment effective November 1, 2021 for customer classes excluding California Alternative Rates for Energy (CARE) and Family Electric Rates Assistance (FERA) customers was approved. SMUD prepares and produces VCE's generation rates. There was a need to amend Task Order 2 of our agreement with SMUD to reflect SMUD's reconfiguration and implementation of VCE's generation rates.

**Financial Impact:** The cost for reconfiguring and implementing VCE's generation rates is \$26,372.

**CONCLUSION**

The recommended Board action ratifies Interim General Manager Mitch Sears recent signature of Amendment 26 to Task Order 2 (Data Management and Customer Call Center Services) for SMUD to implement VCE's rate configuration.

**Attachments:**

1. Signed Amendment 26 to Task Order 2 (Data Management and Customer Call Center Services)
2. Resolution ratifying approval of Amendment 26 (Implementation of Rate Configuration) to Task Order 2 to the VCE-SMUD Professional Services Agreement

**AMENDMENT 26 TO EXHIBIT A: Scope of Services****A.2 Task Order 2 – Data Management and Customer Call Center Services**

SMUD and VCE agree to the following services, terms, and conditions described in this Amendment 26 to Exhibit A, Task Order No. 2 (Amendment 26), 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 26 conflict with any general provisions in the Agreement or Task Order 2, the provisions of this Amendment 26, 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.

**Section 1, SCOPE OF WORK, is amended to include Section 1.5.10. with the sections below:****“1.5.10. Implement VCE Rate Configuration.**

## Features

- 5% additional premium (opposite of discount) to generation rates
- 5% additional premium (opposite of discount) to demand rates
- Premium amounts will be shown in-line (no additional presentment)
- 5% additional premium will only affect NON CARE and NON FERA
- Effective 11/1/2021

## Deliverables and Due Dates

The rate configuration scope of work is scheduled for deployment for bill cycles that begin on or after November 1, 2021.

	<b>Milestone</b>	<b>Responsible Party</b>	<b>Due Date</b>
1	Task Order Amendment executed	VCE	November 12, 2021
2	Configuration complete	SMUD	November 21, 2021
3	Go-live date	SMUD	December 1, 2021

“

**Section 4, COMPENSATION FOR SERVICES is amended to add the following:**

“For work associated with Section 1.5.10, effective on the implementation date (December 1, 2021), there will be a one-time fee of \$26,372.”

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


“For work associated with Section 1.5.10, SMUD will provide an invoice with the fixed fee for the implementation of this rate configuration upon implementation, and payment will be due net thirty (30) days from date of the invoice.”

[Signature Page follows]

**SIGNATURES**


The Parties have executed this Amendment 26, and it is effective as of the date of last signature below.

**Valley Clean Energy**

**By:**   
\_\_\_\_\_  
**Name:** Mitch Sears  
\_\_\_\_\_  
**Title:** Interim General Manager  
\_\_\_\_\_  
**Date:** December 8, 2021  
\_\_\_\_\_

**Approved as to Form:** N/A  
\_\_\_\_\_

**Sacramento Municipal Utility District**

**By:**   
\_\_\_\_\_  
**Name:** Brandy Bolden  
\_\_\_\_\_  
**Title:** Chief Customer Officer  
\_\_\_\_\_  
**Date:** 11/9/2021  
\_\_\_\_\_

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

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2022 - \_\_\_\_**

**A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE RATIFYING INTERIM  
GENERAL MANAGER'S APPROVAL AND EXECUTION OF AMENDMENT 26  
(IMPLEMENTATION OF RATE CONFIGURATION) TO TASK ORDER 2 TO THE  
SACRAMENTO MUNICIPAL UTILITIES DISTRICT PROFESSIONAL SERVICES AGREEMENT**

**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; and,

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

**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; and,

**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; and,

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

**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; and,

**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; and,

**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; and,

**WHEREAS**, on May 13, 2021 the Board ratified signed Amendment 23 to Task Order 2 which implemented an outbound call campaign to customers in billing arrears; and,

**WHEREAS**, on June 10, 2021 the Board ratified Amendment 22 to Task Order 2 which implemented a way for Net Energy Metering customers to donate their credit online; and,

**WHEREAS**, on July 8, 2021 the Board approved Amendment 24 to Task Order 2 which reduced the VCE's call center hours; and,

**WHEREAS**, on October 21, 2021 the Board approved a 5% average generation rate adjustment effective November 1, 2021 for customer classes excluding California Alternative Rates for Energy (CARE) and Family Electric Rates Assistance (FERA) customers; and,

**WHEREAS**, as a result, VCE's rates needed to be reconfigured and implemented by SMUD; and,

**WHEREAS**, to implement VCE's rate configuration, Amendment 26 was signed by Interim General Manager Mitch Sears.

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

1. Ratify Interim General Manager's approval and execution of Amendment 26 to Task Order 2 (Data Management & Customer Call Center Services) implementing VCE's rate configuration.

**PASSED, APPROVED AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_ day of \_\_\_\_\_, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
\_\_\_\_\_, VCE Chair

\_\_\_\_\_  
Alisa M. Lembke, VCE Board Secretary

EXHIBIT A: Amendment 26 to Master Professional Services Agreement Task Order 2