

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Agenda Item 6

TO: Valley Clean Energy Alliance Community Advisory Committee

FROM: Mitch Sears, Interim General Manager

SUBJECT: Criteria to Prioritize Legislative/Regulatory issues for Increased Activity

DATE: March 12, 2018

RECOMMENDATION

Approve the Community Advisory Committee (CAC) Legislative/Regulatory Task Group recommended criteria to prioritize Legislative/Regulatory issues for increased activity.

BACKGROUND AND ANALYSIS

In February, the Board approved a policy outlining when and how VCE would respond to legislative and regulatory matters that could have a significant impact on VCE. The attached procedure is designed to guide the CAC's Legislative/Regulatory Task Group's activities in recommending priorities for VCE engagement. The Legislative/Regulatory Task Group drafted the attached procedure which Staff is recommending for adoption by the CAC. Note, since this is a procedure that implements adopted Board policy, Staff will not be taking this to the Board for approval.

Attachment

1. Criteria to prioritize Legislative/Regulatory issues for increased activity

Criteria to Prioritize Leg/Reg Issues for Increased Activity

Final 2-14-18

The final draft of the leg/reg task group's proposed policy and procedures related to VCEA positions on legislation and regulations, approved by the VCEA board in February 2018, includes the following statement:

5. The CAC legislative subcommittee will review the materials provided by CalCCA and LEAN throughout the year and will identify 2-4 high priority issues that VCEA may want to emphasize in its legislative and regulatory outreach efforts. (Note: The legislative committee will adopt criteria to explain why a bill is considered a priority and will propose this criteria to the CAC, which may forward it to the board.)

This statement was included to allow the task group to recommend some items that should receive an increased level of activity over others. Base level of action would be to recommend the board send a letter of support or opposition. Increased activity could be encouraging board, task group, full CAC or staff involvement, including having board members talk to legislators or legislative staff, testifying at committee hearings in coordination with CalCCA or writing op ed pieces or news releases for local papers and industry news media.

Nothing in the criteria suggested in this document is meant to preclude additional activity by VCEA board members or staff on issues not identified as priority issues. For example, this could include activities such as those requested by CalCCA to address late-breaking legislation or amendments or because a legislator representing VCEA members may be a critical vote or serves on a key legislative committee.

Criteria

Impact of the Legislation or Regulation

- Items should be considered for high priority if they would:
 - Be highly detrimental to the basic goals or interests of VCEA as expressed in the vision statement if enacted;
 - or
 - Be highly beneficial to the goals or interests of VCEA as expressed in the vision statement if enacted.
- Items that should be considered for high priority may be ones where it is anticipated increased action can be effective. This could include consideration of timing or the committees on which our legislators serve, etc. This is secondary to the statement above.
- It may be useful to rank items meeting the criteria.

Goals – To use in Evaluating Legislation and Regulations as High Priority Issues Goals were identified using the vision statement adopted by the VCEA board on November 16, 2017 as a guide.

- Offering basic electricity service with higher renewable electricity content, at a rate competitive with PG&E*
- Maintaining local control – including:
 - Establishing an energy planning framework for developing local energy efficiency programs and local energy resources and infrastructure*
 - Developing and offering additional low-carbon or local generation options at modest price premiums*
 - Developing and managing customized programs for energy efficiency, on-site electricity production and storage*
- Accelerating deployment of local energy resources to increase localized investment, employment, innovation and resilience*
- Maintaining the ability of the board to adopt and act in accordance with a governance structure that enables it to govern in an open and transparent manner and in the best interest of VCEA.
- Substantially increasing the renewable electricity content of basic electricity service, with the ultimate goal of achieving zero carbon emissions electricity*
 - Causing the deployment of new renewable and low carbon energy sources*
- Remaining open to the participation of additional jurisdictions *

*These phrases are verbatim from the Vision Statement adopted by the board on November 16, 2017.

Valley Clean Energy Alliance

Integrated Vision for Community Choice Energy

Valley Clean Energy Alliance (VCEA) is a joint-powers authority working to implement a state-authorized Community Choice Energy (CCE) program. Participating VCEA governments include the City of Davis, the City of Woodland and County of Yolo. The purpose of the VCEA is to enable the participating jurisdictions to determine the sources, modes of production and costs of the electricity they procure for the residential, commercial, agricultural and industrial users in their areas. PG&E would continue to deliver the electricity procured by VCEA and perform billing, metering, and other electric distribution utility functions and services. Customers within the participating jurisdictions would have the choice not to participate in the VCEA program.

Near-Termⁱ Vision

The near-term vision for VCEA is to provide electricity users with greater choice over the sources and prices of the electricity they use, by:

- Offering basic electricity service with higher renewable electricity content, at a rate competitive with PG&E;
- Developing and offering additional low-carbon or local generation options at modest price premiums;
- Establishing an energy planning framework for developing local energy efficiency programs and local energy resources and infrastructure; and
- Accomplishing the goals enumerated above while accumulating reserve funds for future VCEA energy programs and mitigation of future energy costs and risks.

Long -Term Vision

The future vision for VCEA is to continuously improve the electricity choices available to VCEA customers, while expanding local energy-related economic opportunities, by:

- Causing the deployment of new renewable and low carbon energy sources;
- Evaluating and adopting best practices of the electricity service industry for planning and operational management;
- Substantially increasing the renewable electricity content of basic electricity service, with the ultimate goal of achieving zero carbon emissions electricity;
- Developing and managing customized programs for energy efficiency, on-site electricity production and storage;
- Accelerating deployment of local energy resources to increase localized investment, employment, innovation and resilience;
- Working to achieve the climate action goals of participating jurisdictions to shape a sustainable energy future; and
- Saving money for ratepayers on their energy bills.
- Remaining open to the participation of additional jurisdictions.

ⁱ Launch Phase and First Year