

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Sustainability Manager, City of Davis
Shawn Marshall, LEAN Energy US

Subject: Review of Critical Path Timeline

Date: January 17, 2017

RECOMMENDATION:

Receive update on critical path timeline for potential program launch in October 2017 or March/April 2018.

BACKGROUND & DISCUSSION:

At its first Board meeting on December 13, 2016, the VCEA Board discussed two possible timeframes for commencement of electric service: 1) a “fast track” timeline that would enroll customers in October 2017, and 2) a more pragmatic timeline that would enroll customers in March/April 2018. As previously discussed, there are pros and cons to each option, and in either case, the ability to achieve key implementation milestones and launch in optimal economic conditions will be considered.

At the request of Chair Saylor, staff prepared the attached “critical dates” timeline which distills the overall implementation process into 10 key actions and date targets which must be met to achieve either timeline. This high-level overview (Attachment A) is supported by a more detailed timeline/spreadsheet that staff is using to track progress internally (Attachment B). The spreadsheet indicates an October 2017 launch but the timeline to get the necessary steps completed is exceptionally tight and many of the steps are interconnected.

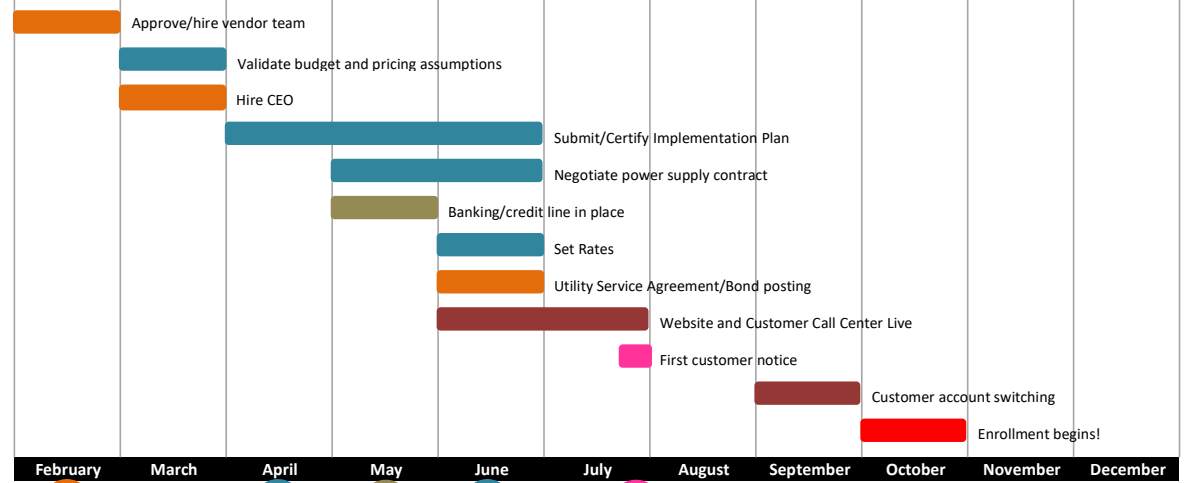
The Board’s direction at its December meeting was to continue to move aggressively toward a Fall 2017 launch while maintaining Spring 2018 as a fallback option. Staff is not recommending any change in direction, other than managing expectations around the feasibility of the fast track/October timeline. In the near term (i.e. by March/April), there are three primary factors that will impact a final decision on launch date: 1) vendor contracting and their availability to complete critical deliverables, 2) the ability to approve and submit VCEA’s implementation plan by April 1, and 3) the ability to hire a CEO and issue a credit services RFP by early March.

Based on these factors, VCEA will know by early Spring if an October launch and enrollment for the program is truly feasible.

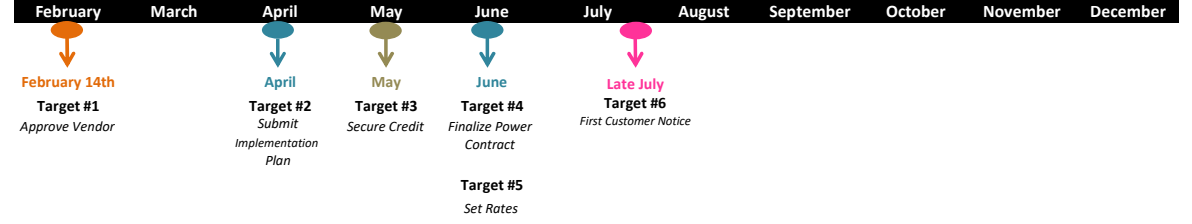
Attachments

- A. Critical Path Timeline – Overview
- B. Project Timeline

OPTION A: Fast Track to October 2017



- Admin/Project Management
- Tech and Energy Services
- Banking
- Data Management/Call Center
- Marketing/Outreach



Infrastructure and Application configuration

EDI certification (utility and bank)

Call center training/go live

List of Phase 1 customers

1st opt-out period (90 days out)

2nd opt-out period (60 days out)

Program rates and reports

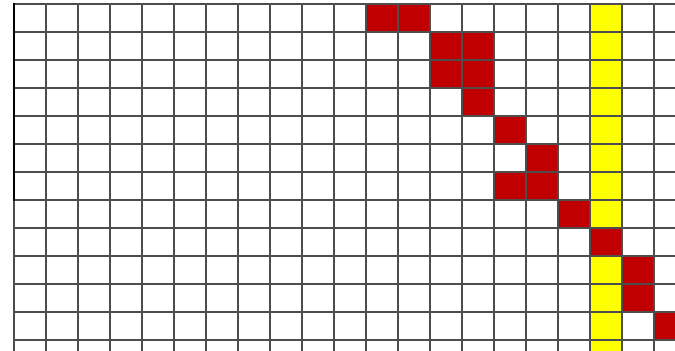
Utility account set up (dead period)

Account Switches/Program Live

1st Full Billing Cycle

3rd opt-out period (30 days post)

4th opt-out period (60 days post)



Finance/Banking

Determine source of and secure ~ \$1 M in start-up capital

Develop short list of potential bank partners and begin outreach meetings

Finalize operating budget and determine initial credit needs (working capital and credit for power supply contract)

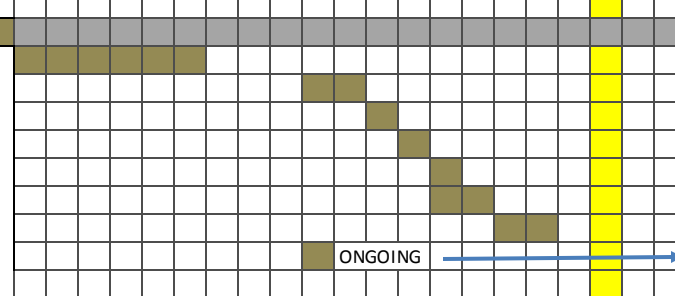
Issue banking and credit services RFP

Select banking partner

Secure necessary credit guarantees and set up credit line, deposit and lockbox accounts

Coordinate with data management vendor to ensure daily deposits and controls

Determine plan for internal accounting and annual audits



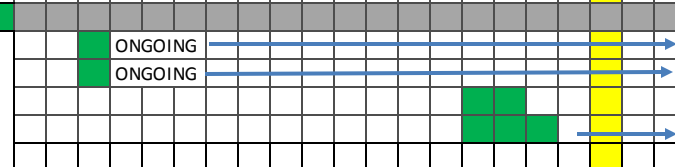
Regulatory/Legislative

Begin tracking CCE-related regulatory activity and participating in statewide efforts

Begin tracking CCE-related legislative activity and participating in statewide efforts

Register with the CPUC and obtain party status for priority regulatory proceedings

Work with technical services vendor to ensure full regulatory/program compliance and reporting



JPA Related

Meet with city attorney/county counsel to prepare JPA Agreement

Approve JPA Agreement and supporting resolution; register JPA with Sec of State

Prepare and Pass CCA Ordinance/Deadline: October 31, 2016

Determine Board composition/First Board Meeting in December 2016

Prepare Operating Guidelines or Bylaws and Operating Budget

Hire CEO and key staff

Develop Board policies and committees

Secure office space, insurance, and other admin/operations needs

