

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 8**

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Community Advisory Committee November 17, 2022 Meeting Summary

DATE: December 8, 2022

This report summarizes the Community Advisory Committee’s meeting held via Zoom webinar on Thursday, November 17, 2022.

- A. 2023 Greenhouse gas (GHG)-free Attributes.** Staff provided a summary report and staff recommendation on PG&E’s GHG-free resources, including large hydro and nuclear. The CAC supported Staff’s recommendation (via the Consent Agenda) that the Board accept the 2023 allocation of large hydro carbon free attributes, reject the 2023 allocation of nuclear power carbon free attributes, and recommend that the Executive Officer enter into the necessary agreement(s) with PG&E to accept only the large hydro portion of the 2023 GHG free allocations. (8-0-0)
- B. Power Procurement / Renewable Portfolio Standard update.** Staff provided an update on the Aquamarine project (showing the amounts delivered and curtailed against the forecasted energy), 2022 RPS targets and progress, and long term Renewables Portfolio Standard (RPS) forecasting and PPA timing of anticipated projects coming on line. The CAC discussed the impacts of the Yolo County municipal accounts opting up to UltraGreen, specifically with forecasting; definitions of production, delivery and curtailment of energy; where VCE will be in meeting its goal of 20% local energy sources; and, Putah Creek Solar Farm. The CAC suggested that the Board receive a “Power Procurement / Renewal Renewable Portfolio Standard update” at least once a year.
- C. Current 80% Renewable by 2030 Policy.** Staff provided the background on VCE’s power content targeting 80% renewable by 2030, which also set a goal of 25% of this amount be from local resources. Staff provided the current renewable portfolio trajectory out to the year 2030 and showed a comparison study of the Integrated Resource Plan (IRP) preferred conforming portfolio. Staff sought feedback from the CAC on the current power portfolio content, and discussed possibly modifying VCE’s current policy of 80% renewable with the plan of returning to the CAC with a formal proposal in mid-2023. The CAC discussed with Staff: their reasons for moving the plan for a formal proposal from Q3/Q4 2022 to mid-2023, portfolio diversity, VCE’s definition of local resources, possible other types of resources, such as wind, adding battery storage to existing solar,

alignment of VCE's goals with portfolio, other options to reach portfolio goal, and setting a larger target than 80% by 2030, such as 95% or 100% goal, now. Several members expressed the advantages to setting an aspirational or reach goal now rather than in mid 2023 and noted a number of other CCAs that have set similar 100% by 2030 goals. After a lengthy and productive discussion, the CAC recommends that the Board set a target now of reaching 100% Renewables Portfolio Standard (RPS) by 2030, of which 25% is local. (8-0-0)

D. Adoption of Rate Adjustment Policy. Staff presented a final draft of the Rate Adjustment Policy to be presented to the Board for adoption at their December 2022 meeting. Staff sought additional input from the CAC and a recommendation to the Board to adopt the Rate Adjustment System (RAS) policy. The CAC discussed with Staff: what other CCAs had this type of policy; the mechanics of the policy, such as what is a qualifying event, purpose of monthly adjustment and annual cumulative limit, amortization of rate increase, when, who and how many times reviewed; perception and reaction of customers to rate increase; other "lines of defense" available to deal with unanticipated events, such as a drought; how policy and a rate increase is perceived by customers; and, monthly adjustment percentage proposed at 7.5% and annual cumulative limit percentage proposed at 15% as outlined in Staff's recommendation. After a lengthy and productive discussion, the CAC recommends that the Board adopt the Draft – Rate Adjustment Policy including the following key elements: a) customer rate adjustments shall be calculated no more than once per month; b) such monthly adjustment shall not result in more than a 5% increase/decrease to VCE's weighted average total generation rate; c) the net annual cumulative limit for within-year customer rate adjustments authorized under his policy is a total of 10% unless modified by the Board; and, d) rates are reviewed annually by the Board as part of the annual budget process. (8-0-1)