

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 9

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TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Community Advisory Committee January 20, 2022 Meeting Summary

DATE: February 10, 2022

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This report summarizes the Community Advisory Committee’s meeting held via Zoom webinar on Thursday, January 20, 2022.

- A. **Considered Cost-based Customer Rates – 2022 Customer Rates.** The CAC received an update on the CPUC filing process and the revised timeline for a decision on PCIA and PG&E rates. The CAC received 2022 financial forecast update, budget scenarios based on anticipated PCIA and PG&E rates, reserves target, and rates implementation procedure. Staff provided a copy of the CAC’s November 10<sup>th</sup> recommendation to the Board on rates and presented staff’s updated recommendation based on the most recent PCIA and PG&E information collected in the past several months. Staff recommended that the CAC amend their November 10<sup>th</sup> recommendation. The CAC discussed rate stability, forecasting of revenue and costs, impacts such as hedging on forecasting, Dividend policy consideration, programs, renewable energy, potential impacts of NEM 3.0 on rates, improving forecasting for cost-based rate setting/assessment. After the discussion, the CAC recommended (8-0-0) that the Board:
1. Adopt customer rates for 2022 to match PG&E 2022 generation rates for all customer classes to cover VCE’s FY 2022 budget expenditures and to achieve between 80-90 days cash reserves by the end of 2022;
  2. Provide a 2.5% rate credit for CARE and FERA customers in 2022;
  3. Conduct a mid-year rates review in Q2 2022 to assess rates forecast and determine the feasibility of:
    - a. allocating additional funds for 2022 clean energy content procurement,
    - b. allocating additional funds to program implementation,
    - c. providing additional rate credits for all customer classes during peak summer months in 2022.
- B. **Draft VCE Carbon Neutral by 2030 report.** Staff reminded the CAC that at their December meeting, highlights of the carbon neutral report were provided. The draft report presented at this meeting is the draft report and includes “sensitivities” and input from the Carbon Neutral Task Group. Staff are seeking the CAC’s comments, prior to the final draft

being presented to the Board at their February meeting. Comments were provided on: building electrification and electric vehicles impacting forecasting and future load scenarios, the idea of looking at the whole system rather than specifically at procurement, ways to meet the need and how to meet the need, looking at the impacts of residential and commercial building, including rooftop solar, growth of construction impacting the need for electricity, and the need to consider reorganizing the report to make its findings and recommendations easier to identify. Staff asked that any additional comments and suggestions be sent to Staff Gordon Samuels.

**California Community Power JPA (“CC Power”) long duration energy storage project: Tumbleweed.** Staff presented an overview of the Tumbleweed long duration energy storage project that CC Power is considering. After a brief discussion, the CAC recommended that VCE participate in the California Community Power (CC Power) Tumbleweed Energy Storage Project (8-0-0).

- C. **Update on customer program development.** Staff provided an overview of various customer programs that are under development: Heat Pump Pilot Program, Electric Vehicle Rebates Pilot, AgFIT (Agricultural Flexible Irrigation Technology), and Net Energy Metering (NEM) 3.0.
- D. **Formation of 2022 Task Groups and consideration of Task Group “charges”.** The CAC discussed the formation of task groups. Whether a Rates Task Group will be needed in 2022 was discussed and it was determined that at this point in time, there is no need for it. Instead, when input is needed by Staff and/or the Board, an ad hoc group could be formed to address specific tasks. After a thorough discussion, three (3) task groups were formed: Leg/Reg, Outreach, and Programs (8-0-0). The draft “charges” presented at this meeting for the Leg/Reg, Outreach and Programs Task Groups were approved (8-0-0). CAC members expressed their interests in serving on the 3 task groups. Lastly, it was agreed that there should be a discussion scheduled for the CAC’s February meeting on the best way to approach the topic of resiliency and hold off on forming a task group until discussed.
- E. **Reviewed and discussed draft Collections Policy.** Staff introduced a draft Collections Policy and reviewed VCE’s collection approach and customer service focus. The CAC made suggestions, which will be considered by Staff for a revised draft policy. A revised draft policy will be brought to the CAC at their February meeting when Staff will seek the CAC’s recommendation to the Board to adopt the policy.