

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 9**

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Community Advisory Committee June 22, 2023 Meeting

DATE: July 13, 2023

This report summarizes the Community Advisory Committee’s meeting held in person and via Zoom webinar on Thursday, June 22, 2023. The CAC congratulated Jennifer Rindahl for being reappointed to represent the City of Winters and welcomed Carl Linvill, representing the City of Davis, to the CAC. Staff informed those present that Kristin Jacobs, Member-at-Large, has resigned from the CAC due to her moving out of VCE’s service territory.

- A. Power Procurement / Renewable Portfolio Standard (Information only, no staff report).** VCE Staff Gordon Samuel provided an update on VCE’s power procurement 2022 targets with actuals; and, provided status update on the Resurgence Solar 1, Willy 9 Chap 2 (formerly Willow springs Solar), and “compliance period 4”. The CAC discussed: impacts on load, market rates, and reasons for development delays.
- B. Considered recommendation to the Board on VCE’s 80% Renewable by 2030 goal.** Mr. Samuel introduced Jim Himelic of First Principles Advisory (FPA) who attended the meeting remotely. Mr. Himelic analyzed the cost impacts of increasing VCE’s renewable portfolio content; and, updated technology cost assumptions including the incorporation of the Inflation Reduction Act (IRA) to compose portfolio modeling scenarios. Mr. Samuel reviewed and compared the four (4) portfolio modeling scenarios. Staff and the CAC discussed: what power resources are considered renewable; how much “local” resources does VCE currently have in their portfolio; differences between the four portfolio modeling scenarios; benefits of local resources; procurement strategy; ELCC (effective load carrying capacity) value of different resources; and, “local” resources. After a thorough discussion, the CAC voted to make a recommendation to the Board to increase the current 80% renewable procurement goal by 2030 to 100% renewable by 2030; substitute the 25% renewable local component goal with a goal of 25% of future storage amounts to be from local installations; and, when VCE solicits for power procurement Request for Proposals (RFP), included is a local preference (Yolo County and adjacent to), in VCE’s evaluation criteria. (7-0-0)
- C. Considered recommendation to the Board on allocation of 2022 net margin.** VCE Staff Edward Burnham provided an overview of the background of the audited 2022 net margin; the current 2022 net margin allocation; and, Staff’s recommendation on allocation. Staff and the CAC discussed: cash reserves, target of 180 days in cash reserves, the effects on VCE’s programs, and rates. The CAC voted to make a

recommendation to the Board to approve the following allocation of the \$5.3 million in 2022 Audited Net Margin as follows: \$712,500 to the Local Programs Reserve (LPR); \$0 to dividends; and the balance of \$4,611,000 to cash reserves to reach cash reserve targets. (7-0-0)

- D. Considered recommendation to the Board on Strategic Plan Guidelines for Plan updates.** Mr. Burnham informed those present that Staff have been working with the Strategic Plan Task Group to draft guidelines to update the approach and timeline for extending the 2021-2023 Strategic Plan beyond the current end of the planning period (end of 2023) and develop a process for future plans. Mr. Burnham gave a brief background on the Strategic Plan; presented an updated approach and timeline; and, reviewed Staff's recommendation. The CAC voted to make a recommendation to the Board to approve the Strategic Plan Guidelines. (7-0-0)
- E. Discussion of meeting schedule and topics listed on the CAC 2023 long range calendar.** The CAC reviewed remaining meeting dates, topics scheduled and those listed at the bottom of the calendar as "proposed topics". Past CAC Member Christine Shewmaker provided written public comment on this item, which was read into the record and posted to the website. The CAC discussed: bringing forth new topics if it would benefit the CAC and topics listed in future "proposed topics"; having shorter meetings; spreading out topics amongst the monthly meetings rather than cancelling meetings. Staff encouraged members to share their topic ideas with the Chair, Vice Chair and Staff. Staff will continue to work with the Chair and Vice Chair on preparing agenda and will discuss what could be brought forth for a July 27, 2023 meeting.