

VALLEY CLEAN ENERGY ALLIANCE

Staff Report Item - 9

TO: VCEA Community Advisory Committee

FROM: Mitch Sears, Interim General Manager, VCEA

SUBJECT: Updated Load Forecast and Introduction of Procurement Approach

DATE: November 6, 2017

Recommendation

Receive presentation from SMUD.

Background and Analysis

SMUD will provide background information on several topics related to power procurement as outlined below. The purpose of this agenda item is to update the CAC and set the stage for recommendations by the CAC at its next meeting.

Presentation topics:

- **Load Forecast.** SMUD has completed its evaluation of detailed customer PG&E load data, and has developed VCEA's Load Forecast. This is the forecast that will be used for actual power procurement activities and revenue forecasts. We'll review data used for inputs into the forecast, and will present the methodology. Results will be presented for review and discussion.
- **Power Procurement Process.** SMUD will provide an overview of the power procurement process and the timing of anticipated power procurements.
- **Resource Portfolio Alternative.** The CAC has requested that SMUD run an additional resource mix scenario for a 42% renewable resource supply. SMUD made that run and has incorporated it into the updated VCEA Financial Model. The updated VCEA Financial Model has current assumptions for PCIA for 2018 and beyond. (The PCIA in 2018 will be greater than assumed). The Financial impact of the new resource scenario is compared with the financial impact of the other scenarios developed for the Implementation Plan.
- **Wholesale Power Procurement & Risk Management Policy Highlights (Agenda Item 10).** The procurement and risk policy will establish the commodity Risk Management program for VCEA. It will establish Risk Management functions and procedures for managing the risks associated with power procurement activities. SMUD will present an overview of the key elements of the Risk Management policies for discussion.