



VCE BOARD MEETING – January 9, 2020

Item 12 – Distribution System Guiding Principles

City of Woodland Council Chambers, Woodland, CA

VCE Distribution System - Core Principles

Recommendation

Valley Clean Energy adopt a core set of principles to guide the acquisition, ownership and operation of the local distribution system in Yolo County.

VCE Distribution System - Core Principles

Distribution system principles can help VCE:

1. Drive the acquisition of the distribution system assets;
2. Communicate VCE's message and intent to customers, the community and outside parties;
3. Guide staff in the execution and operation of the distribution system.

Additionally, principles can guide VCE's participation in the effort to transform PG&E to a public, customer-owned utility.

VCE Distribution System - Core Principles

Background

- At the December 12, 2019 VCE Board Meeting, staff presented a draft set of principles for the ownership and operation of the distribution system.
- Based on direction from VCE Board Members, a set of six core principles have been developed.

VCE Distribution System - Core Principles

1. Create and maintain an electric system that is reliable, maximizes safety for all customers and encourages and supports local economic development.
2. Ensure that rates and bills are affordable for all customer classes.
3. Conduct business in a manner that is ethical, open and transparent to customers and the community.

VCE Distribution System - Core Principles, cont.

4. Protect workers by preserving labor agreements and benefits.
5. Develop a governance structure that provides for and encourages customer participation and fosters local decision-making allowing each community to implement energy solutions that are right for them.
6. Demonstrate leadership in climate, clean energy and GHG reduction as well as general environmental stewardship.

VCE Distribution System - Core Principles

Recommendation

Valley Clean Energy adopt a core set of principles to guide VCE's acquisition, ownership and operation of the local distribution system in Yolo County.



Valley Clean Energy Board Item 14– 2019 Year in Review

January 9, 2020



Item 14 - VCE 2019 Year in Review – Overview

Overview

- Vision and Mission
- Financial
- Outreach and Programs



Item 14 - VCE 2019 Year in Review

VCE Integrated Vision – Short term (adopted 2017)

- Provide electricity users with greater choice over the sources and prices of the electricity
 - Opt up/out to provide choice in the source and price of electricity
- 1. Offer basic electricity service with higher renewable electricity content, at a rate competitive with PG&E
 - 42% Renewable (48% in 2018)
 - Price match with PG&E generation rates + customer dividend



Item 14 - VCE 2019 Year in Review

VCE Integrated Vision – Short term (Cont.)

2. Develop and offer additional low-carbon or local generation options at modest price premiums
 - Opt up to 100% renewable Ultra-Green for +1.5 cents/Kwh
3. Establish an energy planning framework for developing local energy programs and local energy resources and infrastructure
 - Solicitations for long-term renewable resources with priority for local/regional projects
 - Open solicitation for local renewable and energy storage projects (pending)



Item 14 - VCE 2019 Year in Review

VCE Integrated Vision – Short term (Cont.)

4. Accomplish vision goals while accumulating reserve funds for future VCE energy programs and mitigation of future energy costs and risks
 - Initial 30 days cash reserve in place; progress toward 90 day cash reserve

VCE Integrated Vision – Long term

Future vision for VCE is to continuously improve the electricity choices available to VCE customers, while expanding local energy-related economic opportunities.

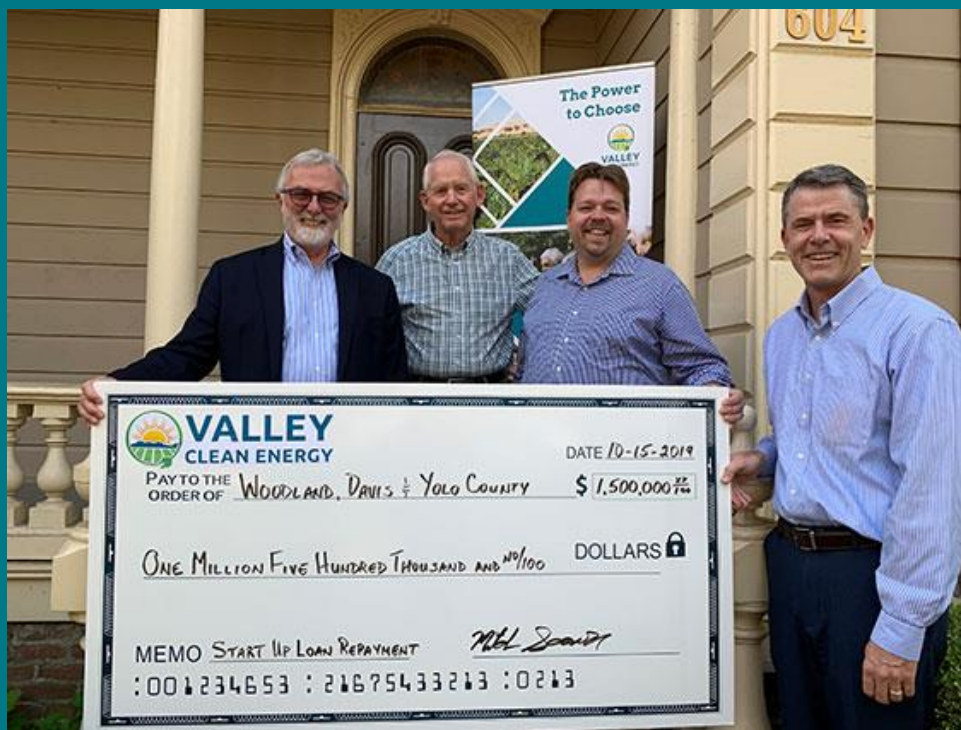


Item 14 - VCE 2019 Year in Review

Notable Accomplishments

- City of Winters joined VCE; begin customer service in 2021
- Paid start-up loans to member jurisdictions years ahead of schedule
- Exceeded renewable energy and GHG free targets of 42% renewable and 75% renewable for latest full calendar year (2018) – 48% renewable /85% GHG free
- Late stage negotiations on long-term renewable contracts
- Initiated efforts to acquire local PG&E distribution assets
- Maintained competitive rates with PG&E





Item 14 - A Year in Review

Finance & Internal Operations

2019

Item 14 - Financial Performance



Item 14 - Income Statement Budget

Description	YTD 5 Months Jul-Nov 2019			
	Actuals	Budget	Variance	% over/-under
Electric Revenue	\$ 28,466,061	\$ 28,793,932	\$ (327,871)	-1%
Purchased Power	19,757,955	19,901,128	(143,174)	-1%
Operating Expense	1,928,280	2,089,485	(161,205)	-8%
Other Income/(Expense)	(21,659)	(24,586)	2,927	2%
NET INCOME	\$ 6,758,167	\$ 6,778,733	\$ (20,565)	0%

Budget Status:

- Fiscal Year 2019-2020 is off to a successful start
- Electric Revenue & Purchased Power within 1% of budget
- Net Income rounds to 0% budget variance



Item 14 - Balance Sheet vs Pro-Forma

Description	As of November 30, 2019			
	Actuals	Mar 2018 ProForma	\$ Variance	% Variance
Cash & Equivalents (Unrestricted)	\$ 14,621,343	\$ 11,768,541	\$ 2,852,802	24%
Restricted Cash	2,000,523	2,701,620	(701,097)	-26%
Accounts Receivable	4,405,519	7,721,330	(3,315,811)	-43%
Other Assets	3,010,914	607,941	2,402,973	395%
TOTAL ASSETS	24,038,299	22,799,432	1,238,867	5%
Accounts Payable	601,457	239,423	362,034	151%
Accrued Power Purchases	5,552,655	2,614,937	2,937,718	112%
Due to Member Agencies & SMUD	934,606	2,532,681	(1,598,075)	-63%
Term Loan (was RLOC)	1,976,611	7,750,000	(5,773,389)	-74%
Other Liabilities	885,970	-	885,970	100%
TOTAL LIABILITIES	9,951,299	13,137,041	(3,185,742)	-24%
NET POSITION	14,087,000	9,662,391	4,424,609	46%

Balance Sheet Status:

- Cash on target despite owing \$1.6M less to members and \$5.8M less on RLOC than in original Pro-Forma

Item 14 - Financial Covenants

Key Financial Measures	Proposed Debt Covenants	As of Nov 30, 2019
Change in Net Position	At least \$1.00	\$6,758,167
Debt Service Coverage Ratio	1.25 or greater	29
Net Position	At least \$11.0 million	\$14,087,000
Liabilities to Unrestricted Net Position	2.0 or less	0.82

Covenants Status:

- Covenants based on prospective RLOC terms
- Net Position covenant requirement may be modified depending on PCIA outcomes



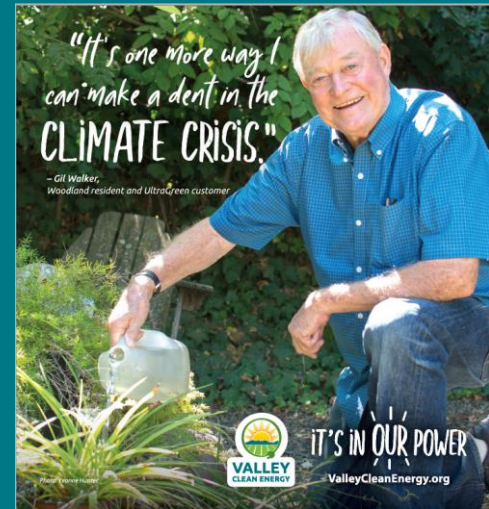
Item 14 -Significant Financial Items



Item 14 -Financial Items of Note

Financial Accomplishments & Challenges

- Paid \$1.5M start-up loans to member jurisdictions years ahead of schedule
- Cash reserves are ahead of schedule; have eclipsed 60 days cash and are progressing towards our goal of 90 days cash
- In the last year, paid down our SMUD obligation by \$750K
- Paid down our Revolving Line of Credit by \$1M; then converted the balance to Term Loan; currently working to renew RLOC
- PCIA will present a significant challenge to cash flow in 2020 and beyond



Item 14 - A Year in Review

Customer Care/Marketing/Outreach 2019

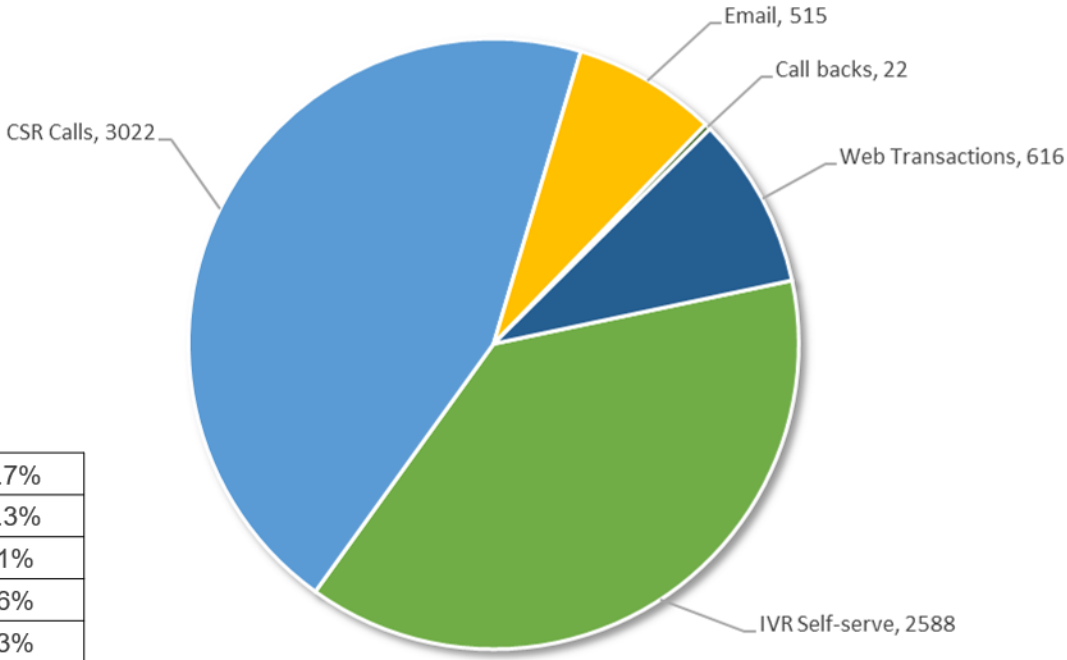
January 9, 2020

Item 14 - Call Center Metrics



Contact Center Customer Care

TOTAL CONTACTS - 2019



CSR Calls	44.7%
IVR Self-serve	38.3%
Web Transactions	9.1%
Email	7.6%
Call backs	0.3%

■ IVR Self-serve ■ CSR Calls ■ Email ■ Call backs ■ Web Transactions



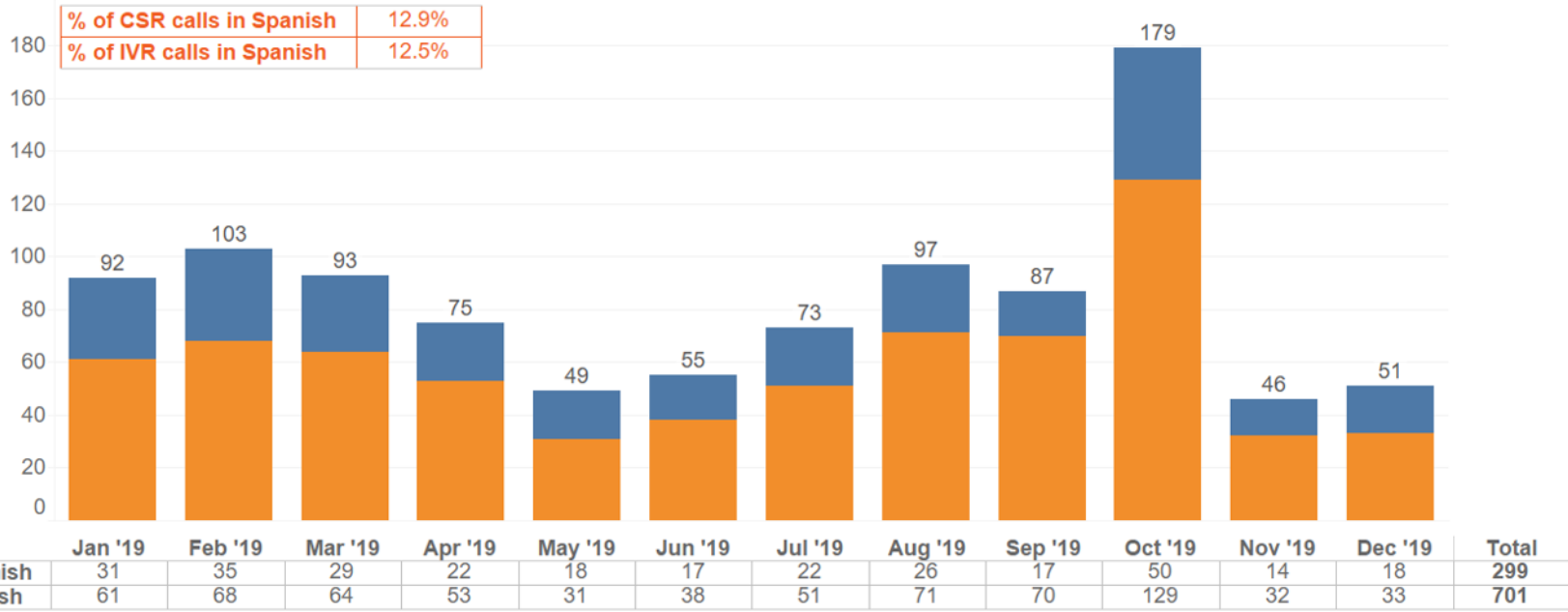
Contact Center Customer Care

Rolling 12-Month

LANGUAGE TRANSLATION TRENDS - 2019



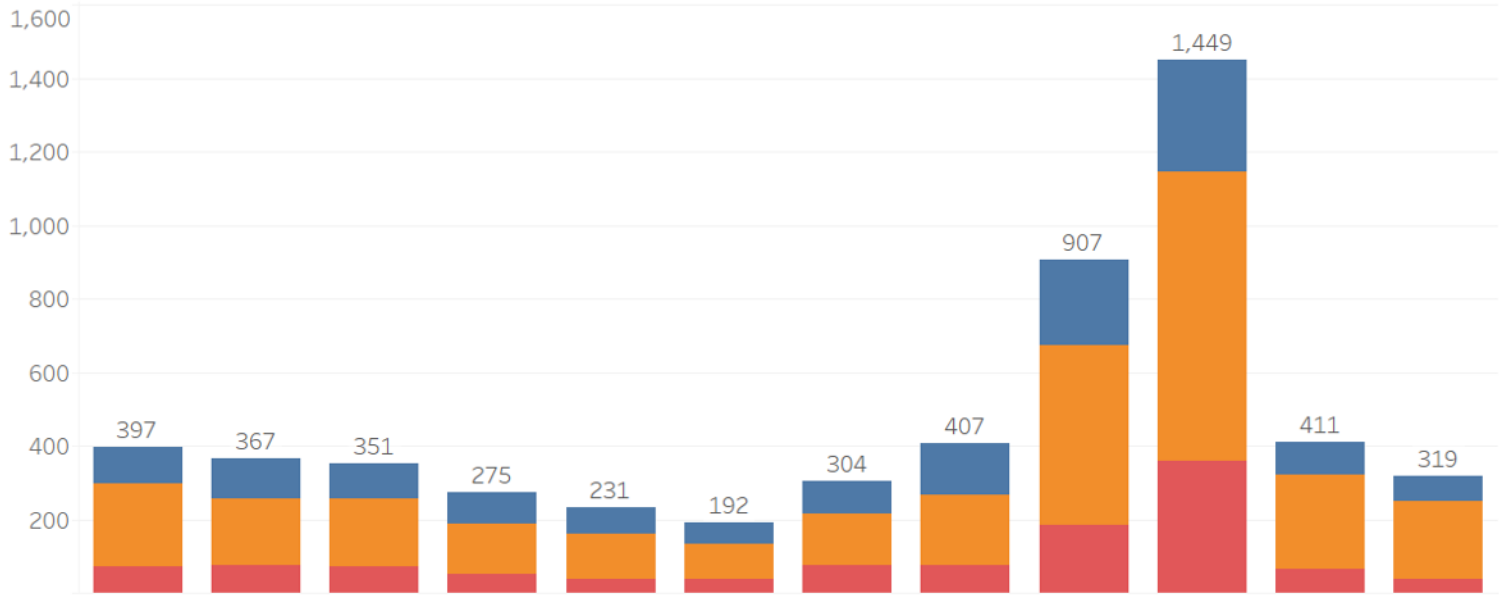
Spanish Calls (IVR & CSR)



Contact Center Customer Care

Rolling 12-Month

IVR CONTACTS - 2019



	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Total
Self-serve	98	109	96	86	72	60	89	141	233	303	91	70	1,448
Transfer to CSR	226	184	184	139	120	96	140	191	488	788	256	210	3,022
Transfer to PG&E	73	74	71	50	39	36	75	75	186	358	64	39	1,140

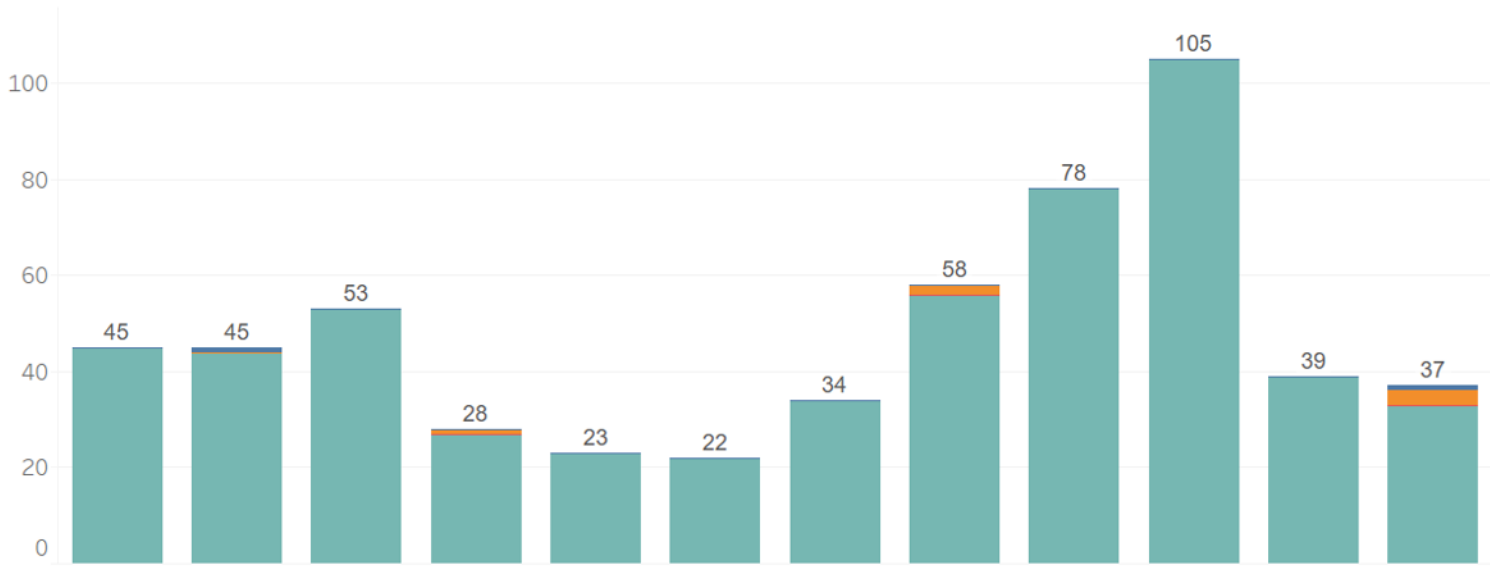


VALLEY
CLEAN ENERGY

Contact Center Customer Care

Rolling 12-Month

IVR TRANSACTIONAL TRENDS - 2019



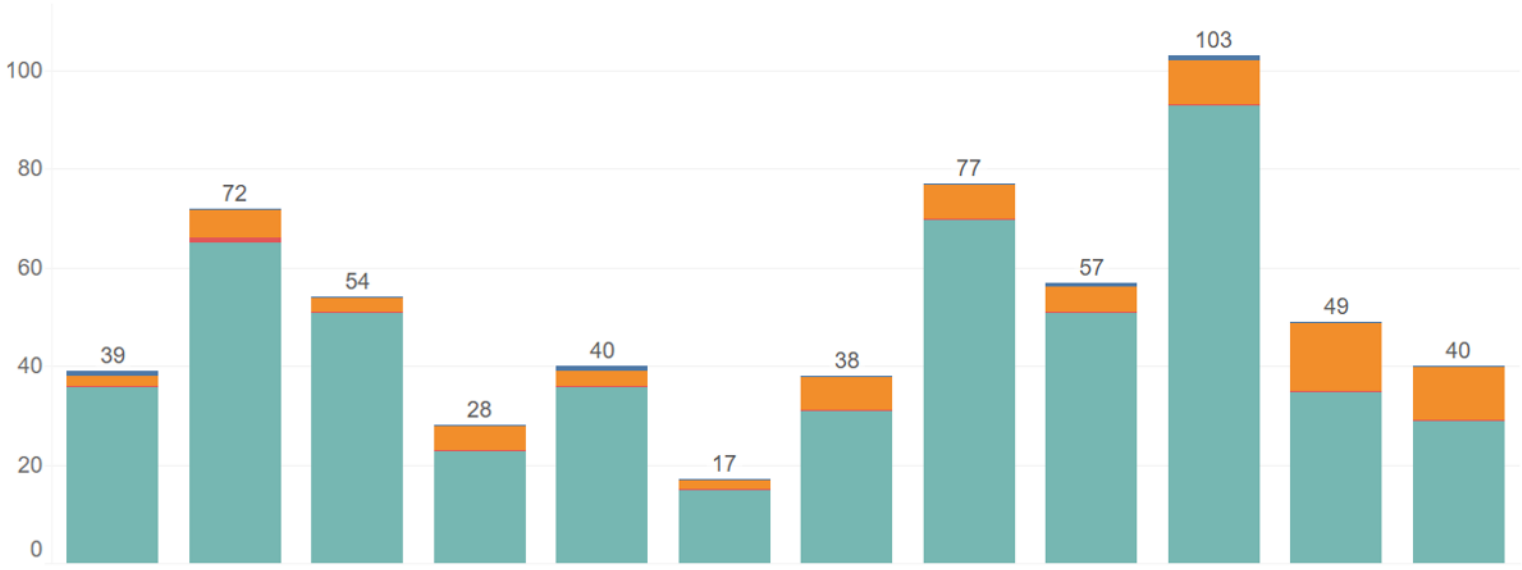
	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Total
Opt In		1										1	2
Opt Up				1				2				3	6
Opt Down													
Opt Out	45	44	53	27	23	22	34	56	78	105	39	33	559



Contact Center Customer Care

Rolling 12-Month

WEB TRANSACTIONS - 2019



	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Total
Opt In	1				1				1	1			4
Opt Up	2	6	3	5	3	2	7	7	5	9	14	11	74
Opt Down		1											1
Opt Out	36	65	51	23	36	15	31	70	51	93	35	29	535

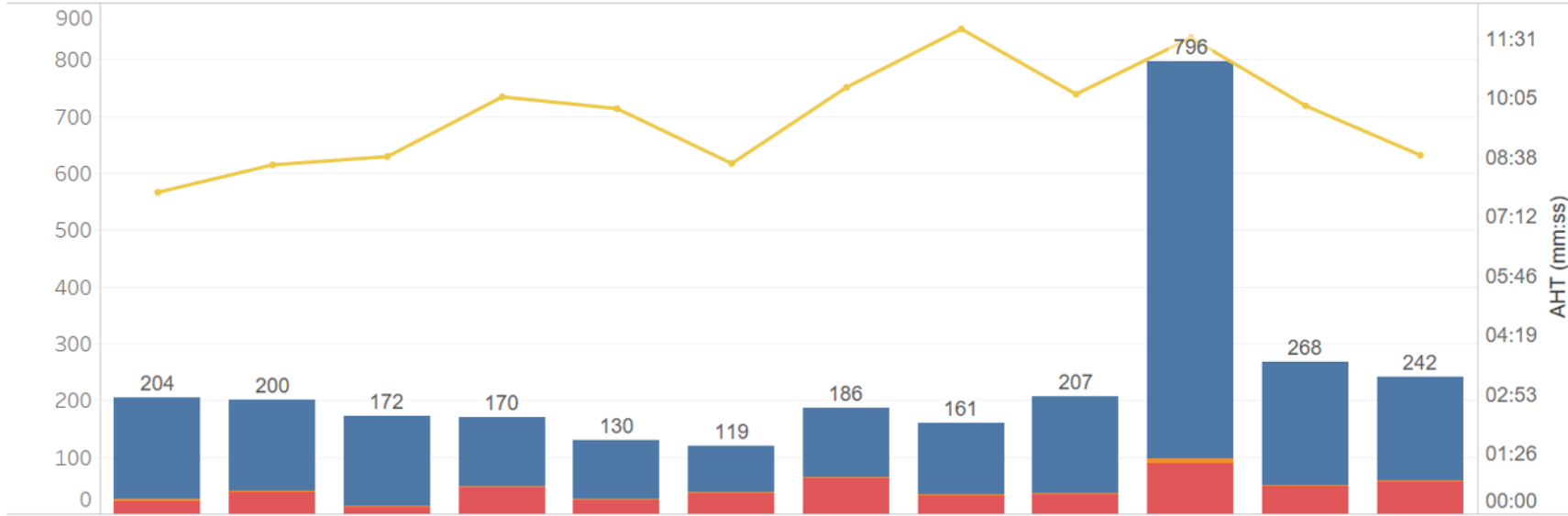


VALLEY
CLEAN ENERGY

Contact Center Customer Care

Rolling 12-Month

CUSTOMER SERVICE REPRESENTATIVES (CSR) CONTACTS - 2019

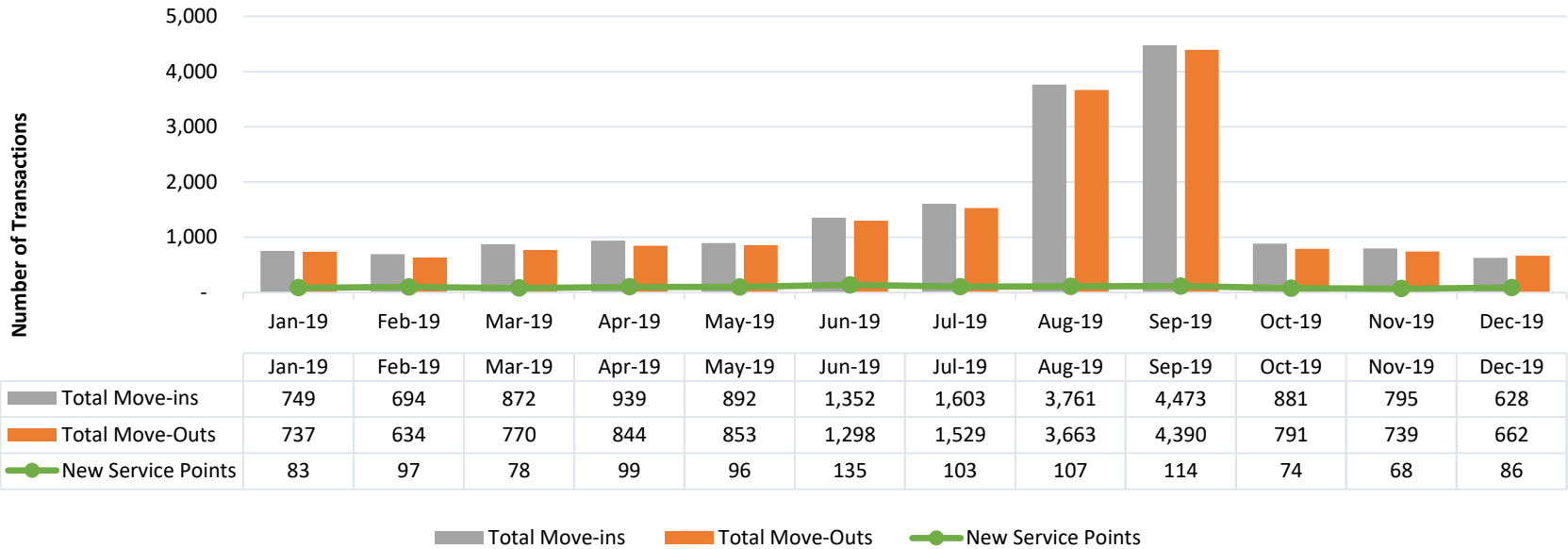


	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19
Calls Answered	178	159	157	121	104	80	121	127	171	699	217	184
Call backs	4	1			2	3	2		1	8	1	
Emails Answered	22	40	15	49	24	36	63	34	35	89	50	58
AHT (mm:ss)	07:49	08:29	08:41	10:08	09:51	08:31	10:22	11:47	10:12	11:34	09:55	08:43





Monthly Move-ins and Move-outs

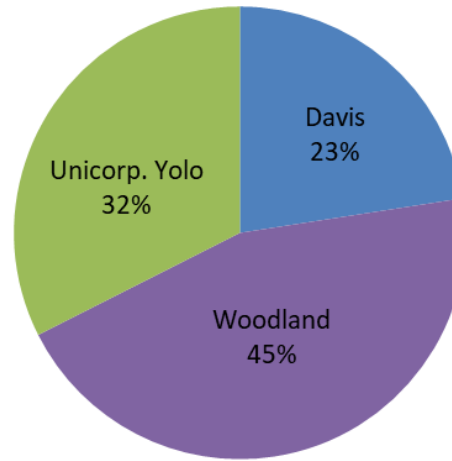


Opt Outs/Ups & SACOG

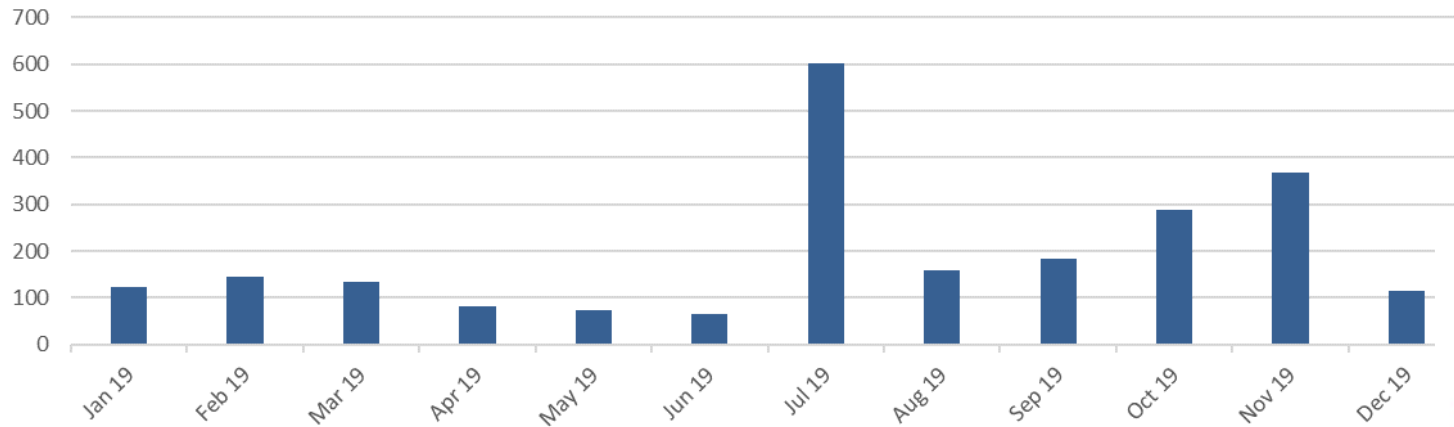


Item 14 - Enrollment Update

6,318 Opt Outs
9.7% of customers



Monthly Opt Outs



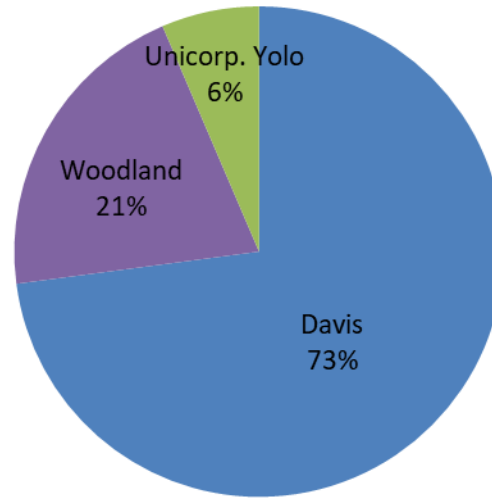
Status Date: 1/2/20



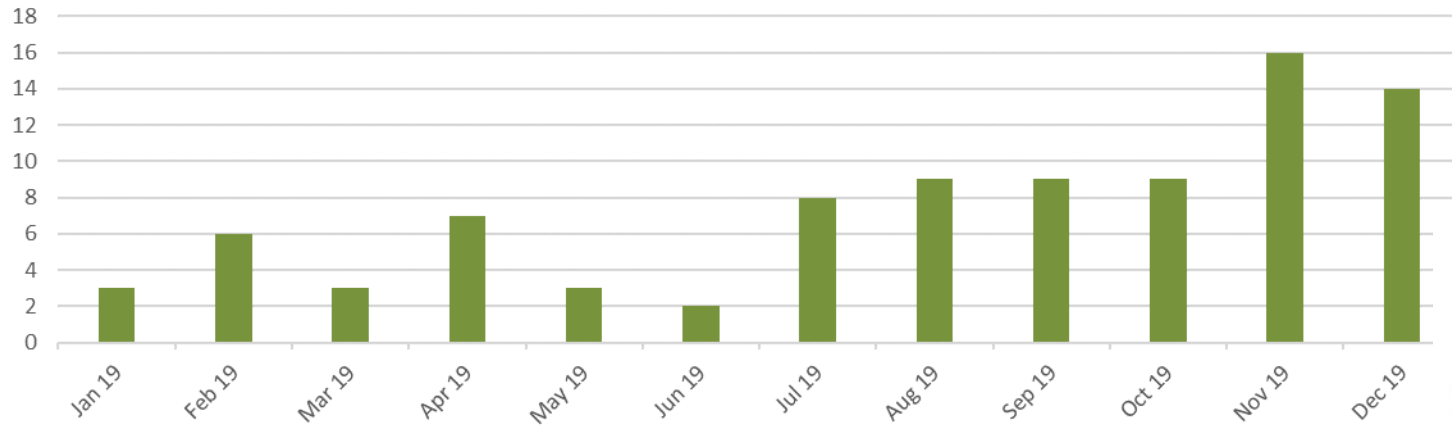
VALLEY
CLEAN ENERGY

Item 14 - Enrollment Update

155 Opt Ups



Monthly Opt Ups



Status Date: 1/2/20



Item 14 - Opt Outs by Jurisdiction/Classification

	Davis	Woodland	Yolo Co	Total	Ag	Commercial	Industrial	Residential
VCEA customers	25,529	18,676	9,228	53,433	1,757	5,733	4	45,939
Eligible customers	26,959	21,354	11,465	59,778	2,021	6,369	5	51,383
Participation Rate	95%	87%	80%	89%	87%	90%	80%	89%

- There are currently 6,336 NEM customers not included in this table. They will enroll throughout 2020.



Item 14 - SACOG Grant

- SACOG Board approved the award of \$2.9 million on December 20, 2018
- With cost-share, the total project cost is \$3.3 million
- The project includes:
 1. 15 to 40 Level 2 Chargers
 2. 2 to 5 DC Fast Chargers in downtown areas within ½ to 5 miles of major freeway corridors
 3. 2 to 10 Mobile Chargers
 4. Electric Shuttle Pilot Project in Davis, with purchase or lease of one or more electric vehicles to transport 8 or more people.



Item 14 - SACOG Grant - Status

- Fund Swap was approved by SACOG at the end of 2019 – Davis to provide final approval at the January 28 City Council meeting
- The Electrify Yolo team has gone through several iterations to determine how to facilitate the project—developed MOU and RFP
- Recent direction—distribute funds to each local government to run their respective projects
- Benefits—each entity can work at their own pace to complete their respective projects



Item 14 - SACOG Grant – Next Steps

- Team to determine project requirements
 - Demand response capable
 - Ability to charge for a charge
 - “Push” ability for charger software upgrades
 - Coordination on EVSE suppliers/maintenance
 - MOU to identify roles and responsibilities
 - Reporting requirements
- Each entity to determine—
 - Charger locations
 - Installation contractors/internal labor
- VCE Role—TBD, possible reporting responsibility



Marketing/Outreach Activities



Item 14 - Marketing Wrap-up 2019

2019 Marketing Outreach tasks have included:

- Strategic and tactical planning
- Website updates and expansion
- Brand building work – ad campaign
- Publicity – OpEds and News Releases
- Outreach materials – brochures, pamphlets, signage, SWAG

Kudos to the Outreach Task Group for their review and support

- Mark Aulman
- Yvonne Hunter
- Marsha Baird
- Christine Casey



Item 14 - Strategic and tactical planning

Strategic challenges required planning and careful communication:

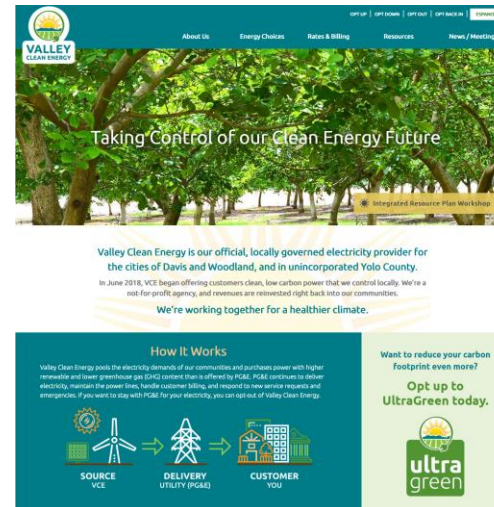
- General outreach plan to build program awareness
- Communication plans for: PCIA increases, NEM delays, PG&E bankruptcy
- PG&E asset purchase bid



Item 14 - Website — a critical communication tool

Website efforts included a full design facelift and many updates:

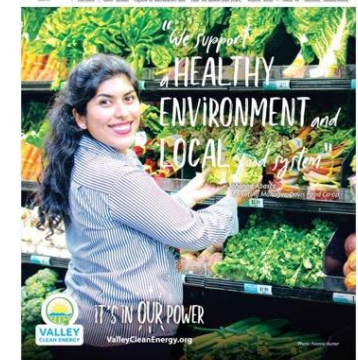
- New photos – fresh, local and optimistic
- News features, updated rates and information
- Navigation improvements/expansion
- Corrected/expanded Spanish sections
- Commercial UltraGreen feature
- City of Winters section
- Graphics for ease of understanding
- “Programs” tab for EV info



Item 14 - Building brand awareness

Some of our own customers still don't know us

- Ad campaign to build awareness
- Print, digital, transit ads
 - 3 months in print; 4 months on buses
- Social media campaign promoting UltraGreen
 - Nearly 400 facebook followers; Twitter followers doubled

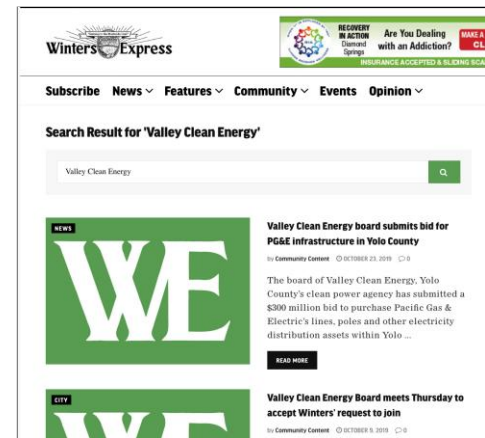
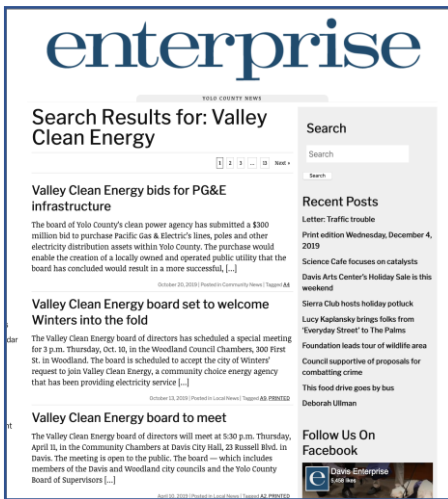


**VALLEY
CLEAN ENERGY**

Item 14 - We've been keeping the local papers busy

OpEds and News Releases were distributed across the county:

- 3 OpEds from Board Members and staff (*more planned*)
- 10 News Releases re: grant, workshops, NEM, asset bid, early loan repayment, City of Winters, etc. (*more planned*)
- Board meeting announcements monthly



Item 14 - OpEds and News Releases

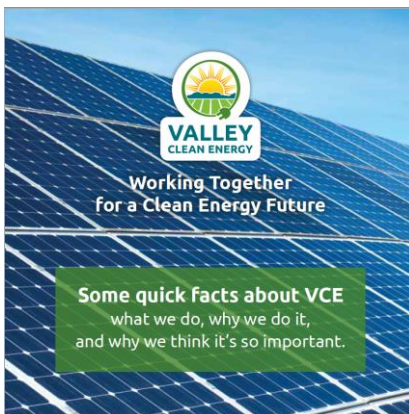
1. VCE achievements/NEM postponement 1/15
2. PG&E Bankruptcy 1/29
3. NEM/Dividend Program 7/24
4. Fraud alert 8/6
5. TOU workshop announcements 8/25
6. High summer bills 9/5
7. Power Content news release 9/13
8. Public Power bid 10/18
9. NEM workshop announcement 9/27
10. Early loan repayment 10/25
11. Integrated Resource Plan workshop announcement 11/22
12. City of Winters joining VCE 10/31
13. NEM 2020 enrollment notice 12/10



Item 14 - A “designed” story attracts more readers

Brochures and pamphlets designs that lead with VCE values:

- Fingertip Facts
- UltraGreen highlights
- City of Winters to join
- All in English and Spanish
- Window clings for UltraGreen customers



Fingertip Facts



UltraGreen brochure

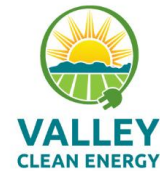


Window cling





We got Interns!



New Program



Item 14 - Electric Transportation Informational Program

- We developed an informational electric transportation program with the assistance of the CAC's Rates and Services Task Group--
 - Marsha Baird
 - Christine Shewmaker
 - Gerry Braun
- The program is up and running on our website
- This lays the foundation for additions to the program—incentives, charging infrastructure, etc.



Item 14 - Electric Transportation Informational Program



[OPT UP](#) | [OPT DOWN](#) | [OPT OUT](#) | [OPT BACK IN](#) | [ESPAÑOL](#)

[About Us](#)

[Energy Choices](#)


[Rates & Billing](#)

[Programs](#)

[Resources](#)

[News / Meetings](#)

[Taking Control of our Clean Energy Future](#)

 [Thinking about an Electric Vehicle?](#)





Electric Vehicles

Are You Planning to Buy, or Already Driving an EV?

There are plenty of reasons to be thinking about driving an electric vehicle these days. They cost far less to run than standard combustion engine cars, require less maintenance, are extremely efficient, quiet to run, eliminate tailpipe emissions, and are incredibly fun to drive. You can even charge them at home from a standard 120V outlet.

Whether you're just beginning to think about replacing your current car with an electric model, or already driving one, here is some information you might find helpful.



EV Benefits



EV facts



Savings Calculator



CO2 Reduction



EV Models



Credits & Rebates



Charger Locator



Item 14 - Next Steps on Programs

- Develop 5-year program plan
 - Agriculture
 - Building electrification
 - Electric transportation
 - Energy storage
 - Energy efficiency
 - Education
- Include budgets, high-level goals and targets, etc.
- Sets the basis for consistent/ongoing program budgets



Item 14 - It's been a banner year

We accomplished a lot--

- Work completed in 2019 laid the foundation for NEM enrollment
- Extensive awareness campaign
- Winters joining VCE
- Bid to acquire PG&E assets
- Started a new electric transportation program...

