



**Meeting of the Valley Clean Energy Alliance  
Board of Directors  
Thursday, October 12, 2023 at 5:30 p.m.  
City of Davis Community Chambers  
23 Russell Boulevard, Davis, California 95616**

Board Members will be attending in-person and public participation will be in-person and available via Zoom Webinar (video/teleconference). VCE will, to the best of its ability, provide hybrid and remote options for VCE meeting participants and to the public; however, VCE cannot guarantee these options will be available due to technical limitations outside of our control. For assurance of public comment, VCE encourages in-person and written public comments to be submitted as described below when possible. VCE, to the best of its abilities, will provide participation via the Zoom platform.

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Alisa Lembke, VCEA Board Clerk/Administrative Analyst, at least two (2) working days before the meeting at (530) 446-2754 or [Alisa.Lembke@valleycleanenergy.org](mailto:Alisa.Lembke@valleycleanenergy.org).

If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of VCEA staff who will distribute the information to the Board members and other staff.

Please note that the numerical order of items is for convenience of reference. Items may be taken out of order on the request of any Board member with the concurrence of the Board. Staff recommendations are advisory to the Board. The Board may take any action it deems appropriate on any item on the agenda even if it varies from the staff recommendation.

**Members of the public who wish to listen to the Board of Director's meeting may do so with the video/teleconferencing call-in number and meeting ID code.  
Video/teleconference information below to join meeting:**

**Join meeting via Zoom:**

**a. From a PC, Mac, iPad, iPhone, or Android device with high-speed internet.**

**(If your device does not have audio, please also join by phone.)**

**<https://us02web.zoom.us/j/83080537687>**

**Meeting ID: 830 8053 7687**

**b. By phone**

**One tap mobile:**

**+1-669-900-9128,, 83080537687# US**

**+1-669-444-9171,, 93080537687# US**

Dial:

+1-669-900-9128 US

+1-669-444-9171 US

**Meeting ID: 830 8053 7687**

**Public comments may be submitted electronically or during the meeting.** Instructions on how to submit your public comments can be found in the PUBLIC PARTICIPATION note at the end of this agenda.

**Board Members:** Tom Stallard (Chair, City of Woodland), Lucas Frerichs (Vice Chair, Yolo County), Jesse Loren (City of Winters), Will Arnold (City of Davis), Mayra Vega (City of Woodland), Albert Vallecillo (City of Winters), Bapu Vaitla (City of Davis)

**Alternate Board Members:** Angel Barajas (Yolo County), Tania Garcia-Cadena (City of Woodland), Donna Neville (City of Davis)

### **5:30 p.m. Call to Order**

1. **Welcome.**
2. **Public Comment:** This item is reserved for persons wishing to address the Board on any VCE-related matters that are not otherwise on this meeting agenda or are listed on the Consent portion of the agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to two minutes per speaker, electronically submitted comments should be limited to approximately 300 words. Comments that are longer than 300 words will only be read for two minutes. All electronically submitted comments, whether read in their entirety or not, will be posted to the VCE website within 24 hours of the conclusion of the meeting. See below under **PUBLIC PARTICIPATION** on how to provide your public comment.

### **CONSENT AGENDA**

3. **Approve proclamations recognizing service of CAC members.**
4. **Approve September 14, 2023 Board meeting Minutes.**
5. **Receive 2023 Long Range Calendar.**
6. **Receive financial updates: A) June 30, 2023; B) July 31, 2023; and C) August 31, 2023 (unaudited) financial statement.**
7. **Receive Legislative update provided by Pacific Policy Group.**
8. **Receive October 4, 2023 Regulatory update provided by Keyes & Fox.**
9. **Receive Community Advisory Committee September 28, 2023 meeting summary.**
10. **Receive Customer Participation update.**
11. **Receive SACOG – Electrify Yolo Grant update.**
12. **Receive update on VCE’s compliance with the California Energy Commission's Market Informed Demand Automation Server (MIDAS) rates upload.**
13. **Board member meeting Stipends - Informational.**

## REGULAR AGENDA

14. **Introduction of REACH Strategies, VCE’s marketing and outreach consultant. (Information)**
15. **Receive Legislative End of Session update.**
16. **Receive 2023 Operating Budget update and 2024 Preliminary Operating budget.**
17. **Update on 3-Year Programs Plan and introduction 2024 Program concepts.**
18. **Board Member and Staff Announcements:** Action items and reports from members of the Board, including announcements, AB1234 reporting of meetings attended by Board Members of VCEA expense, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Board or the public.
19. **Announcement/Adjournment:** The Board’s next regular meeting is scheduled for Thursday, November 9, 2023 at 5:30 p.m. at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695.

**PUBLIC PARTICIPATION: Public Comments:** Public participation for this meeting will be done electronically via e-mail and during the meeting as described below.

**Public participation via e-mail:** If you have anything that you wish to be distributed to the Board and included in the official record, please e-mail it to VCE staff at [Meetings@ValleyCleanEnergy.org](mailto:Meetings@ValleyCleanEnergy.org) . If information is received by 3:00 p.m. on the day of the Board meeting it will be e-mailed to the Board members and other staff prior to the meeting. If it is received after 3:00 p.m. the information will be distributed after the meeting, but within 24 hours of the conclusion of the meeting. Written public comments that do not exceed 300 words will be read by the VCE Board Clerk, or other assigned VCE staff, to the Board and the public during the meeting subject to the usual time limit for public comments [two (2) minutes]. General written public comments will be read during Item 2, Public Comment. *Written public comment on individual agenda items should include the item number in the “Subject” line for the e-mail and the Clerk will read the comment during the item.* Items read cannot exceed 300 words or approximately two (2) minutes in length. All written comments received will be posted to the VCE website.

**Verbal public participation during the meeting:**

- 1) **If attending in person**, please complete a **Comment Card** and return it to the Board Clerk.
- 2) **If attending remotely via Zoom**, there are two (2) ways for the public to provide verbal comments:
  - A. If you are attending by computer, activate the “participants” icon at the bottom of your screen, then raise your hand (hand clap icon) under “reactions”. When called upon, you will be “unmuted” to allow to speak.
  - B. If you are attending by phone only, you will need to press \*9 to raise your hand. When called upon, press \*6 to unmute your microphone.

**VCE staff will acknowledge that you have a public comment to make during the item and will call upon you to make your verbal comment.**

Public records that relate to any item on the open session agenda for a regular or special Board meeting are available for public review on the VCE website. Records that are distributed to the Board by VCE staff less than 72 hours prior to the meeting will be posted to the VCE website at the same time they are distributed to all members, or a majority of the members of the Board. Questions regarding VCE public records related to the meeting should be directed to Board Clerk Alisa Lembke at (530) 446-2750 or [Alisa.Lembke@ValleyCleanEnergy.org](mailto:Alisa.Lembke@ValleyCleanEnergy.org). The Valley Clean Energy website is located at: <https://valleycleanenergy.org/board-meetings/>.

**Accommodations for Persons with disabilities.** Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Alisa Lembke, VCE Board Clerk/Administrative Analyst, as soon as possible and preferably at least two (2) working days before the meeting at (530) 446-2754 or [Alisa.Lembke@ValleyCleanEnergy.org](mailto:Alisa.Lembke@ValleyCleanEnergy.org).

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 4

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**TO:** Board of Directors  
**FROM:** Alisa Lembke, Board Clerk / Administrative Analyst  
**SUBJECT:** Approval of Minutes from September 14, 2023 meeting  
**DATE:** October 12, 2023

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#### RECOMMENDATION

Receive, review and approve the attached September 14, 2023 meeting Minutes.

Attachment: 9/14/23 meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS MEETING  
THURSDAY, SEPTEMBER 14, 2023**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, September 14, 2023 at 5:30 p.m. to be held at City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. VCE Chair Tom Stallard established that there was a quorum present and began the meeting at 5:30 p.m.

Board Members Present: Tom Stallard, Will Arnold, Lucas Frerichs, Jesse Loren, Mayra Vega, Babu Vaitla, Angel Barajas (Alternate – Yolo County), Albert Vallecillo (Alternate – City of Winters)

Members Absent: Richard Casavecchia

Welcome and Recognition of Service of VCE Board Member (Yolo County Board of Supervisor) Gary Sandy  
Chair Stallard welcomed the Board members. He recognized the service and valuable contributions of Yolo County Board of Supervisor and VCE Board Member Gary Sandy who passed away recently.

Appointment of Vice Chair  
Director Loren made a motion to appoint Lucas Frerichs as VCE Board Vice Chair, seconded by Director Barajas (alt.). Motion passed with Director Casavecchia absent.

Public Comment – General and Consent  
Chair Stallard opened the floor for public comment on both the agenda and Consent agenda items. There were no verbal or written public comments.

Approval of Consent Agenda / Resolution 2023-011 thru 2023-012  
Motion made by Director Barajas to approve the consent agenda items, seconded by Director Loren. There was no verbal or written public comments as stated above. Legal Counsel Inder Khalsa read off information regarding the employment agreement between VCE and Mitch Sears in accordance with California State law. Motion passed with Director Casavecchia absent. The following items were:  
5. approved July 13, 2023 Board Special meeting;  
6. received 2023 Long Range Calendar;  
7. received Legislative update provided by Pacific Policy Group;  
8. received August 2023 Regulatory update dated September 6, 2023 provided by Keyes & Fox;  
9. received Community Advisory Committee August 24, 2023 meeting summary;



10. accepted and attested the accuracy of Valley Clean Energy's 2022 Power Content Label for the Standard Green and UltraGreen products;
11. received biannual Enterprise Risk Management update;
12. approved updated Wholesale Energy Procurement Risk Management Policy;
13. approved VCE applying for and accept funds from the Strategic Growth Council's Community Resilience Centers grant program as Resolution 2023-011; and,
14. approved Employment Agreement between VCE's Executive Officer Mitch Sears and VCE as Resolution 2023-012.

Item 15: Consider appointment to At-Large seat on Community Advisory Committee. (Action)

Mr. Sears introduced this item. Danielle Ballard was present and introduced herself and expressed her interest in serving on the Community Advisory Committee. There were no verbal or written public comments.

Motion made by Director Vega to appoint Danielle Ballard to vacant At-Large seat on Community Advisory Committee (CAC), in Class 3 of Committee members, with a term that expires in June of 2024, seconded by Vice Chair Frerichs. Motion passed by the following vote:

AYES: Arnold, Frerichs, Loren, Vega, Vaitla, Barajas (Alt.), Vallecillo (Alt.), Stallard

NOES: None

ABSENT: Casavecchia

ABSTAIN: None

Item 16: Energy Markets update and procurement Direction: A) 2024 and 2025 Resource Adequacy Market and procurement framework; and, B) Renewable Portfolio Content Category (PCC) option for Compliance Period 4 (ending 2024). (Discussion/Action)

Mr. Sears introduced this item. VCE Chief Operating Officer Gordon Samuel provided options to procure a percentage of VCE's load from eligible renewable resources to meet California's reporting requirement to achieve and report interim targets referred to as Compliance Periods. Mr. Samuel reviewed the definition of Renewable Energy Credits (RECs), the measurement of Megawatts (MWhs) generated with an eligible renewable technology, and the different categories of RECs called Portfolio Content Categories (PCC). He also provided an overview of 2024 and 2025 Resource Adequacy (RA) energy markets; Power Content Label; the use of purchasing different REC categories to bridge VCE's long-term energy portfolio; and, Staff's approach to satisfying Compliance Period 4 reporting requirements. The Board and Staff discussed: value of resources; power content label, emissions and RECs; and, rate of transmission and load. There was no verbal public comment.

Written Public Comment: Written public comment was received from James Skeen, which was read into the record by the Board Clerk.

Motion made by Director Loren to authorize VCE the use of Portfolio Content Category (PCC) 3 RECs, up to the maximum amount allowable, for Compliance



Period 4, seconded by Director Barajas (Alt.). Motion passed by the following vote:

- AYES: Arnold, Frerichs, Loren, Vega, Vaitla, Barajas (Alt.), Vallecillo (Alt.), Stallard
- NOES: None
- ABSENT: Casavecchia
- ABSTAIN: None

Item 17: Consider adoption of minor update of VCE's Strategic Plan and extension of the planning period to the end of 2025. (Discussion/Action)

Mr. Sears introduced this item. VCE Director of Finance and Internal Operations Edward Burnham briefly reviewed highlights of the proposed minor update to VCE's Strategic Plan. Mr. Burnham reminded those present that Staff, in coordination with the Community Advisory Committee (CAC) Strategic Plan Task Group, developed the minor updates. The Board and Staff discussed carbon neutrality and what energy is considered renewable. There was no written public comment.

Verbal Public Comment: Christine Shewmaker commented that each regulatory agency has a slightly different definition of renewable energy.

Motion made by Director Vallecillo (Alt.) to approve the minor update of the VCE Strategic Plan and extend the current end of the planning period to the end of 2025, seconded by Director Barajas (Alt.). Motion passed by the following vote:

- AYES: Arnold, Frerichs, Loren, Vega, Vaitla, Barajas (Alt.), Vallecillo (Alt.), Stallard
- NOES: None
- ABSENT: Casavecchia
- ABSTAIN: None

Item 18: Consider approval of Phase 2 of VCE's Electric Vehicle Rebate Pilot Program. (Discussion/Action)

VCE Director of Customer Care & Outreach Rebecca Boyles introduced this item. She informed those present that there was no staff report for this item and that originally this was going to be an action item; however, due to significant changes of the California Vehicle Rebate Program (CVRP), this became an information item. Ms. Boyles informed those present that VCE uses CVRP eligibility as proxy for Customer eligibility for VCE's Electric Vehicle (EV) Rebate Pilot Program. In addition, the CVRP in 2024 is allowing only low-income residents incentives up to \$12,000 with upper income limits of \$43,740 for an individual and \$90,000 for a family of four.

She reviewed a few concepts that could be included in Phase 2 and Phase 3, which may include home charging equipment, residential panel upgrades and possibly bidirectional charging. Ms. Boyles informed those present that the CAC recommended Phase 2 of the EV Rebate will need to be reworked. She stated that the next steps will be to communicate with Customers who are on the EV Rebate waitlist; develop full list of eligibility criteria with terms and





conditions; research methods and cost of new eligibility criteria verification process; outline and establish new proposed Customer application process; discuss new direction with the Programs and Outreach Task Group and/or CAC; then, return to Board for approval.

Board and Staff discussed: qualifications for low income, incentives, and outreach. There were no verbal or written public comments.

Item 19: Board  
Member and Staff  
Announcements

Director Loren invited others to participate in the Carnitas Festival in Winters on Saturday, September 30<sup>th</sup>. VCE will have a booth at the Festival.

Mr. Sears informed those present that the League of California Cities will holding their 2023 Annual Conference and Expo in Sacramento. CalCCA will have a booth there and VCE Staffer Yvonne Hunter will be assisting CalCCA. Mr. Sears announced that a tour of the Putah Creek Solar Farm has been scheduled for a group of Graduate students from UC Davis for Thursday, September 21<sup>st</sup> at 9 a.m. Board members are invited to attend. If interested, please contact VCE Staff Rebecca Boyles.

Mr. Sears informed those present that Staff have been working diligently to submit VCE's Strategic Growth Council Grant application (Esparto-Capay Microgrid) to meet the due date of September 19, 2023. He informed those present that the Sacramento Basin-wide Air Pollution Control Council is having an Agricultural Biomass Utilization conference on October 4<sup>th</sup> in Winters, which he will be attending and was asked to speak at. Lastly, he spoke at CalCCA's Partner Briefing meeting recently held.

Announcement

Chair Stallard ended the Board's meeting in honor of Gary Sandy. Chair Stallard announced that the Board's next scheduled regular meeting is Thursday, October 12, 2023 at 5:30 p.m. at the City of Davis Community Chambers located at 23 Russell Blvd., Davis, Californian 95616. Chair Stallard adjourned the regular Board meeting at 6:25 p.m.

Alisa M. Lembke  
VCEA Board Secretary

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 5

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**TO:** Board of Directors

**FROM:** Alisa Lembke, Board Clerk/Administrative Analyst

**SUBJECT:** Board and Community Advisory Committee 2023 Long-Range Calendar

**DATE:** October 12, 2023

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#### **Recommendation**

Receive and file the 2023 Board and Community Advisory Committee long-range calendar listing proposed meeting topics.

Attachment: 2023 Board and CAC Long Range Calendar

**VALLEY CLEAN ENERGY**  
**2023 Meeting Dates and *Proposed* Topics**  
**Board and Community Advisory Committee (CAC)**  
**(Note: Meeting locations and Topics are subject to change)**

MEETING DATE		TOPICS	ACTION
January 12, 2023 Special Meeting scheduled for January 19, 2023 (3 <sup>rd</sup> Thursday) (REMOTE)	Board	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members (Annual - new Members only)</li> <li>• Election of Officers for 2023 (Annual)</li> <li>• Brown Act / AB 2449 – New Legislation on Teleconferencing Meetings</li> <li>• 2022 Year End Review: Customer Care and Marketing</li> <li>• Support Legislation to extend sunset (BioMAT program)</li> <li>• Long-term Power Portfolio Update</li> <li>• Quarterly Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Discussion/Action</li> <li>• Information</li> <li>• Action</li> <li>• Information</li> <li>• Information</li> </ul>
January 26, 2023 (REMOTE)	Advisory Committee	<ul style="list-style-type: none"> <li>• Legislative Summary/Update (Pacific Policy Group)</li> <li>• 2023 Customer Rate update</li> <li>• Forecasting Customer Ag Energy using hydrological conditions (research results) presentation</li> <li>• Task Group Formation</li> <li>• Quarterly Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>
February 9, 2023 (IN PERSON)	Board (Davis)	<ul style="list-style-type: none"> <li>• Legislative &amp; Regulatory Updates</li> <li>• Update on 2023 PCIA and Rates</li> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• Strategic Plan Update (Annual)</li> <li>• Enterprise Risk Oversight Committee (EROC) proposed modifications</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
February 23, 2023 (Remote)	Advisory Committee	<ul style="list-style-type: none"> <li>• Strategic Plan update (Annual)</li> <li>• Update on 2023 PCIA and Rates</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Information</li> </ul>
March 9, 2023 (IN PERSON)	Board (Woodland)	<ul style="list-style-type: none"> <li>• Meeting cancelled due to lack of agenda items.</li> </ul>	

March 23, 2023 <b>(IN PERSON)</b>	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>Meeting cancelled due to lack of agenda items.</li> </ul>	
April 13, 2023	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>Update on SACOG Grant – Electrify Yolo</li> <li>Calendar Year 2023 Audited Financial Statements (James Marta &amp; Co.)</li> <li>Receive Enterprise Risk Management Report (Bi-Annual)</li> <li>SMUD: Amendment(s) to update Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Action</li> <li>Information</li> <li>Discussion/Action</li> </ul>
April 27, 2023	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>Customer Participation Update</li> <li>EV Rebates Program</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information/Discussion/Action</li> </ul>
May 11, 2023	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>Meeting cancelled.</li> </ul>	
May 25, 2023	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>Meeting cancelled due to schedule conflict.</li> </ul>	
June 8, 2023 Meeting Cancelled 5-Year Anniversary Celebration and <b>Special Board meeting: June 15, 2023</b>	<b>Board (Davis) Veterans Memorial Center</b>	<ul style="list-style-type: none"> <li>Re/Appointment of Members to Community Advisory Committee (Annual)</li> <li>Customer Participation Update</li> <li>EV Rebates Program</li> <li>Mid-Year 2023 Financial Update</li> <li>VCE's 5-Year Anniversary</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information</li> <li>Discussion/Action</li> <li>Information</li> <li>Information</li> </ul>
June 22, 2023	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>Customer Dividend and Programs Allocation</li> <li>Strategic Plan update (Guidelines)</li> <li>Power Procurement / Renewable Portfolio Standard Update</li> <li>80% Renewable by 2030 Policy. (<i>placeholder</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion</li> <li>Discussion</li> <li>Information</li> <li>Discussion/Action</li> </ul>
July 13, 2023	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>Status of SACOG Grant – Electrify Yolo</li> <li>Customer Participation Update</li> <li>Customer Dividend and Programs Allocation</li> <li>Strategic Plan update (Guidelines)</li> <li>Power Portfolio Renewable Content (<i>placeholder</i>)</li> <li>80% Renewable by 2030 Policy. (<i>placeholder</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion/Action</li> <li>Information</li> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Information/Discussion</li> <li>Discussion/Action</li> </ul>

July 27, 2023	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>Meeting cancelled.</li> </ul>	
August 10, 2023	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>Meeting cancelled.</li> </ul>	
August 24, 2023	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>Customer Participation Update</li> <li>Strategic Plan Draft</li> <li>Programs Update</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
September 14, 2023	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>Certification of Standard and UltraGreen Products / 2022 Power Content Label (Annual)</li> <li>Enterprise Risk Management update (Bi-annual)</li> <li>Strategic Plan final draft</li> <li>Renewable Product Content Category options</li> <li>Electric Vehicle Rebate Program – Phase 2</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information</li> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
September 28, 2023	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>Progress update on 3-Year Programs Plan and Introduction to 2024 Program concepts</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion</li> </ul>
October 12, 2023	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>Update on SACOG Grant – Electrify Yolo</li> <li>2023 Operating Budget update and 2024 preliminary Operating Budget</li> <li>Customer Participation Update</li> <li>Progress update on 3-Year Programs Plan and 2024 program concepts</li> <li>Legislative End of Session update</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> <li>Information</li> </ul>
October 26, 2023	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>Update on 2022 Power Content Label</li> <li>Customer Participation Update</li> <li>Review CAC Task Group Year-end Reports</li> <li>Draft 2024 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Discussion</li> <li>Discussion/Action</li> </ul>
November 9, 2023	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>2024 Operating Budget Update</li> <li>2024 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion</li> <li>Discussion/Action</li> </ul>
November 23, 2023 November 16, 2023 (rescheduled to November 16 <sup>th</sup> due to the Thanksgiving holiday on Nov. 23 <sup>rd</sup> .)	<b>Advisory Committee (Woodland, Cache Creek Room, 292 W. Beamer St.)</b>	<ul style="list-style-type: none"> <li>GHG Free Attributes</li> <li>Legislative End of Session update</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> </ul>

December 14, 2023	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Approve 2024 Operating Budget (Annual) and 2024 Customer Rates</li> <li>• GHG Free Attributes</li> <li>• Receive CAC Year-end Task Group Reports</li> <li>• Election of Officers for 2024 (Annual)</li> <li>• 2023 Year End Review: Customer Care and Marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Action</li> <li>• Discussion</li> <li>• Nominations</li> <li>• Information</li> </ul>
December 28, 2023 (rescheduled to December 21, 2023)	<b>Advisory Committee (Winters Community Center – Main Hall)</b>	<ul style="list-style-type: none"> <li>• 2024 CAC Task Group(s) formation (Annual)</li> <li>• Election of Officers for 2024 (Annual)</li> <li>• Power Procurement / RPS update</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Nominations</li> <li>• Information</li> </ul>
January 11, 2024	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members (Annual - new Members only)</li> <li>• Election of Officers for 2024 (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> </ul>
January 25, 2024	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• Legislative Summary/Update (Pacific Policy Group)</li> <li>• Rates/Budget 2024 update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> </ul>

**Notes:** 1. CalCCA Annual Meeting scheduled for April 16-19, 2024 (San Jose).

<b>CAC PROPOSED FUTURE TOPICS</b> Topics and Discussion dates may change as needed	<b><u>ESTIMATED</u> MEETING DATE(S)</b>
Strategic Plan (Annual Report) to Board and CAC	February 2024
Net Billing Tariff (NBT) [broader subject than Net Energy Metering (NEM) 3.0] (Information/Discussion/Action)	October / November 2023
Electric Vehicle Rebate Program – Phase 2	TBD
AgFIT (Agriculture Flexible Irrigation Technology) Pilot Program – How it works (Information)	TBD
Regionalization (Information)	TBD
Self Generation Incentive Program (SGIP)	
Agri-voltaics (for information only)	
Legislative Items (as needed)	

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 6A**

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**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Director  
Edward Burnham, Finance and Operations Director

**SUBJECT:** Financial Update – June 30, 2023 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending June 30, 2023

**DATE:** October 12, 2023

---

**RECOMMENDATION:**

Accept the following Financial Statements (unaudited) for the period of June 1, 2023 to June 30, 2023 (with comparative year to date information) and Actual vs. Budget year to date ending June 30, 2023.

**BACKGROUND & DISCUSSION:**

The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending June 30, 2023.

**Financial Statements for the period June 1, 2023 – June 30, 2023**

In the Statement of Net Position, VCE, as of June 30, 2023, has a total of \$5,545,433 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, \$1,800,000 restricted assets related to supplier deposits, and \$3,436,559 restricted assets for the Power Purchases Reserve account. VCE has incurred obligations from Member agencies and owes as of June 30, 2023 a total of \$8,035. VCE member obligations are incurred monthly due to staffing, accounting, and legal services.

The term loan with River City Bank includes a current portion of \$267,858 and a long-term portion of 181,284. On June 30, 2022, VCE's net position was \$16,737,515.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$ 10,754,193 of revenue (net of allowance for doubtful accounts), of which \$8,777,362 was billed in June, and \$7,339,006 represent estimated unbilled revenue. The cost of electricity for the June revenue totaled \$5,171,794. For June, VCE's gross margin was approximately 52% and the net income totaled \$5,151,217. The year-to-date change in net position was 1,326,981.

In the Statement of Cash Flows, VCE cash flows from operations were \$818,609 due to June cash receipts of revenues being more than the monthly cash operating expenses.

#### Actual vs. Budget Variances for the year to date ending June 30, 2023

Below are the financial statement line items with variances >\$50,000 and 5%

- Electric Revenue – (\$6,124,115) and -13% – Unfavorable variance due to revenue model (January-2023) and retail load variance lower than forecasted due to mild winter and spring.
- Purchased Power – \$1,895,194 and -6% – Favorable variance due to gas prices driving short-term power market increases during winter off-set by lower load than forecasted.
- Wholesale Energy Services – (\$310,987) and 58% unfavorable variance related to the transition of services to TEA starting in Q123 budgeted for Q223.
- Credit Support Services (SMUD) – \$105,505 and 41% favorable variance related to lower retail load than forecasted due to mild winter and summer.
- Operational Support Services (SMUD) – (\$92,257) and 290% unfavorable variance related to Percentage of Income Payment Plan (PIPP) program implementation, bill presentment, and base green rate implementation.
- Legal General Counsel – \$72,838 and 89% favorable variance related to lower operational support requirements than budgeted.
- Strategic Plan Implementation – \$72,270 or 100% favorable variance due to timing difference.
- Contingency – (\$120,00) and (100%) – favorable variance to budget is due to not having a need yet to utilize the contingency funds set aside in the budget.

#### **Attachments:**

- 1) Financial Statements (Unaudited) June 1, 2023 to June 30, 2023 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending June 30, 2023





# VALLEY CLEAN ENERGY

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2023**

**PREPARED ON SEPTEMBER 28, 2023**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
June 30, 2023  
(UNAUDITED)

**ASSETS**

Current assets:

Cash in Yolo County Treasury		
Cash and cash equivalents	\$	5,545,433
Accounts receivable, net of allowance		11,619,815
Accrued revenue		3,020,149
Prepaid expenses		17,363
Other current assets and deposits		2,227,703
Total current assets		22,430,463

Restricted assets:

Debt service reserve fund		1,100,000
Power purchase reserve fund		3,436,559
Total restricted assets		4,536,559
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>26,967,022</b>

**LIABILITIES**

Current liabilities:

Accounts payable	\$	441,698
Accrued payroll		96,649
Interest payable		1,336
Due to member agencies		8,035
Accrued cost of electricity		6,322,760
Other accrued liabilities		1,071,558
Security deposits - energy supplies		1,800,000
User taxes and energy surcharges		38,329
Limited Term Loan		267,858
Total current liabilities		10,048,223

Noncurrent liabilities

Term Loan- RCB		181,284
Total noncurrent liabilities		181,284
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>10,229,507</b>

**NET POSITION**

Net position:

Local Programs Reserve		224,500
Restricted		4,536,559
Unrestricted		11,976,456
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>16,737,515</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION**  
**FOR THE PERIOD OF JUNE 1, 2023 TO JUNE 30, 2023**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<b>FOR THE PERIOD ENDING JUNE 30, 2023</b>	<b>YEAR TO DATE</b>
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 10,754,193	\$ 38,475,028
Other revenue	3,375	631,219
<b>TOTAL OPERATING REVENUES</b>	<b>10,757,568</b>	<b>\$ 39,106,247</b>
<b>OPERATING EXPENSES</b>		
Cost of electricity	5,171,794	\$ 34,110,194
Contract services	199,725	1,837,426
Staff compensation	113,718	737,096
General, administration, and other	141,422	1,187,259
<b>TOTAL OPERATING EXPENSES</b>	<b>5,626,658</b>	<b>\$ 37,871,975</b>
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>5,130,909</b>	<b>\$ 1,234,272</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	21,644	102,681
Interest and related expenses	(1,336)	(9,971)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>20,308</b>	<b>92,710</b>
<b>CHANGE IN NET POSITION</b>	<b>5,151,217</b>	<b>1,326,981</b>
Net position at beginning of period	11,586,298	15,410,534
Net position at end of period	<b>\$ 16,737,515</b>	<b>\$ 16,737,515</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2023**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING JUNE 30, 2023</u>	<u>YEAR TO DATE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 6,075,308	\$ 37,484,605
Payments received from other revenue sources	3,375	631,219
Payments to purchase electricity	(5,174,461)	(32,396,459)
Payments for contract services, general, and administration	(410,130)	(3,137,395)
Payments for staff compensation	(103,186)	(756,732)
<b>Net cash provided (used) by operating activities</b>	<u>818,609</u>	<u>(1,774,762)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	(44,149)	(81,826)
Interest and related expenses	(1,516)	(10,883)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(45,665)</u>	<u>(92,709)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	21,644	102,681
<b>Net cash provided (used) by investing activities</b>	<u>21,644</u>	<u>102,681</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	794,588	2,422,109
Cash and cash equivalents at beginning of period	9,287,404	49,947,420
<b>Cash and cash equivalents at end of period</b>	<u>\$ 10,081,992</u>	<u>\$ 52,369,529</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	5,545,433	5,545,433
Restricted assets	4,536,559	4,536,559
<b>Cash and cash equivalents at end of period</b>	<u>\$ 10,081,992</u>	<u>\$ 10,081,992</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2023**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING JUNE 30, 2023</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 813,899	\$ 1,234,271
(Increase) decrease in net accounts receivable	(2,438,083.00)	(1,390,134)
(Increase) decrease in accrued revenue	2,056,064	410,248
(Increase) decrease in prepaid expenses	15,342	(17,363)
Increase (decrease) in accounts payable	(62,630)	42,169
Increase (decrease) in accrued payroll	(5,889)	(19,636)
Increase (decrease) in due to member agencies	650	(198,409)
Increase (decrease) in accrued cost of electricity	(2,667)	1,713,735
Increase (decrease) in other accrued liabilities	(7,772)	60,894
Increase (decrease) in user taxes and energy surcharges	21,992	(10,537)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 818,609</u>	<u>\$ 2,412,137</u>

**VALLEY CLEAN ENERGY**  
**2023 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 06/30/23**

Description	YTD Actuals	YTD Budget	YTD Variance	% over/-under
Electric Revenue	\$ 42,793,885	\$ 48,918,000	\$ (6,124,115)	-13%
Other Revenues - Programs	\$ 631,219	\$ 330,000	\$ 301,219	91%
Interest Revenues	\$ 102,681	\$ 21,000	\$ 81,681	389%
<b>Purchased Power</b>	<b>\$ 34,110,194</b>	<b>\$ 32,215,000</b>	<b>\$ 1,895,194</b>	<b>6%</b>
Purchased Power Base	\$ 34,110,194	\$ 30,680,000	\$ 3,430,194	11%
Purchased Power Contingency 2%	\$ -	\$ 1,535,000	\$ (1,535,000)	-100%
<b>Labor &amp; Benefits</b>	<b>\$ 738,812</b>	<b>\$ 721,200</b>	<b>\$ 17,612</b>	<b>2%</b>
Salaries & Wages/Benefits	\$ 585,826	\$ 600,000	\$ (14,174)	-2%
Contract Labor (SMUD Staff Aug)	\$ -	\$ 15,000	\$ (15,000)	-100%
Human Resources & Payroll	\$ 152,986	\$ 106,200	\$ 46,786	44%
<b>Office Supplies &amp; Other Expenses</b>	<b>\$ 147,171</b>	<b>\$ 108,000</b>	<b>\$ 39,171</b>	<b>36%</b>
Technology Costs	\$ 17,614	\$ 23,400	\$ (5,786)	-25%
Office Supplies	\$ 6,840	\$ 1,200	\$ 5,640	470%
Travel	\$ 15,621	\$ 3,000	\$ 12,621	421%
CalCCA Dues	\$ 64,512	\$ 66,600	\$ (2,088)	-3%
CC Power	\$ 41,029	\$ 12,600	\$ 28,429	226%
Memberships	\$ 1,555	\$ 1,200	\$ 355	30%
<b>Contractual Services</b>	<b>\$ 1,728,664</b>	<b>\$ 1,559,000</b>	<b>\$ 169,664</b>	<b>11%</b>
Other Contract Services	\$ -	\$ 13,200	\$ (13,200)	-100%
Don Dame	\$ 1,897	\$ 5,400	\$ (3,503)	-65%
SMUD - Credit Support	\$ 148,895	\$ 254,400	\$ (105,505)	-41%
SMUD - Wholesale Energy Services	\$ 849,887	\$ 538,900	\$ 310,987	58%
SMUD - Call Center	\$ 421,839	\$ 415,300	\$ 6,539	2%
SMUD - Operating Services	\$ 124,057	\$ 31,800	\$ 92,257	290%
Commercial Legal Support	\$ 20,156	\$ 15,000	\$ 5,156	34%
Legal General Counsel	\$ 8,762	\$ 81,600	\$ (72,838)	-89%
Regulatory Counsel	\$ 68,096	\$ 105,000	\$ (36,905)	-35%
Joint CCA Regulatory counsel	\$ 7,525	\$ 16,800	\$ (9,275)	-55%
Legislative - (Lobbyist)	\$ 33,000	\$ 33,000	\$ -	0%
Accounting Services	\$ 8,590	\$ 14,400	\$ (5,810)	-40%
Financial Consultant	\$ -	\$ 21,000	\$ (21,000)	-100%
Audit Fees	\$ 35,960	\$ 13,200	\$ 22,760	172%
<b>Marketing</b>	<b>\$ 168,533</b>	<b>\$ 132,000</b>	<b>\$ 36,533</b>	<b>28%</b>
Marketing Collateral	\$ 145,343	\$ 126,000	\$ 19,343	15%
Community Engagement Activities & Sponsorships	\$ 23,190	\$ 6,000	\$ 17,190	287%
<b>Program Costs</b>	<b>\$ 741,482</b>	<b>\$ 417,000</b>	<b>\$ 324,482</b>	<b>78%</b>
Program Costs	\$ 2,459	\$ 87,000	\$ (84,541)	-97%
Programs - EV	\$ 112,623	\$ -	\$ 112,623	100%
Programs - AgFIT	\$ 617,428	\$ 330,000	\$ 287,428	87%
Programs - Heat Pump	\$ 8,972	\$ -	\$ 8,972	100%
<b>Rents &amp; Leases</b>	<b>\$ 6,588</b>	<b>\$ 13,200</b>	<b>\$ (6,612)</b>	<b>-50%</b>
Hunt Boyer Mansion	\$ 6,588	\$ 13,200	\$ (6,612)	-50%
<b>Other A&amp;G</b>	<b>\$ 231,679</b>	<b>\$ 300,800</b>	<b>\$ (69,121)</b>	<b>-23%</b>
Development - New Members	\$ -	\$ 12,600	\$ (12,600)	-100%
Strategic Plan Implementation	\$ (270)	\$ 72,000	\$ (72,270)	-100%
PG&E Data Fees	\$ 131,441	\$ 138,000	\$ (6,559)	-5%
Insurance	\$ 17,640	\$ 5,700	\$ 11,940	209%
Banking Fees	\$ 82,868	\$ 72,500	\$ 10,368	14%
<b>Miscellaneous Operating Expenses</b>	<b>\$ 256</b>	<b>\$ 3,600</b>	<b>\$ (3,344)</b>	<b>-93%</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ 120,000</b>	<b>\$ (120,000)</b>	<b>-100%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 37,873,378</b>	<b>\$ 35,589,800</b>	<b>\$ (2,283,578)</b>	<b>-6%</b>
Interest on RCB loan	\$ 9,971	\$ 10,900	\$ (929)	-9%
Interest Expense - Bridge Loan	\$ -	\$ 25,000	\$ (25,000)	-100%
<b>NET INCOME</b>	<b>\$ 5,644,435</b>	<b>\$ 13,643,300</b>	<b>\$ (7,998,865)</b>	<b>-59%</b>

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 6B**

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**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Director  
Edward Burnham, Finance and Operations Director

**SUBJECT:** Financial Update – July 31, 2023 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending July 31, 2023

**DATE:** October 12, 2023

---

**RECOMMENDATION:**

Accept the following Financial Statements (unaudited) for the period of July 1, 2023 to July 31, 2023 (with comparative year to date information) and Actual vs. Budget year to date ending July 31, 2023.

**BACKGROUND & DISCUSSION:**

The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending July 31, 2023.

**Financial Statements for the period July 1, 2023 – July 31, 2023**

In the Statement of Net Position, VCE, as of July 31, 2023, has a total of \$6,268,493 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, \$1,800,000 restricted assets related to supplier deposits, and \$3,455,552 restricted assets for the Power Purchases Reserve account. VCE has incurred obligations from Member agencies and owes as of July 31, 2023 a total of \$6,734. VCE member obligations are incurred monthly due to staffing, accounting, and legal services.

The term loan with River City Bank includes a current portion of \$223,529 and a long-term portion of 181,284. On July 31, 2022, VCE's net position was \$22,140,585.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$ 10,636,848 of revenue (net of allowance for doubtful accounts), of which \$10,889,433 was billed in July, and \$7,333,912 represent estimated unbilled revenue. The cost of electricity for the July revenue totaled \$4,902,253. For July, VCE's gross margin was approximately 52% and the net income totaled \$5,403,070. The year-to-date change in net position was 6,730,051.

In the Statement of Cash Flows, VCE cash flows from operations were \$753,983 due to July cash receipts of revenues being more than the monthly cash operating expenses.

#### Actual vs. Budget Variances for the year to date ending July 31, 2023

Below are the financial statement line items with variances >\$50,000 and 5%

- Electric Revenue – (\$8,157,267) and -13% – Unfavorable variance due to revenue model (January-2023) and retail load variance lower than forecasted due to mild winter and spring.
- Purchased Power – \$1,694,553 and -6% – Favorable variance due to gas prices driving short-term power market increases during winter off-set by lower load than forecasted.
- Wholesale Energy Services – (\$320,150) and 53% unfavorable variance related to the transition of services to TEA starting in Q123 budgeted for Q223.
- Credit Support Services (SMUD) – \$99,137 and 39% favorable variance related to lower retail load than forecasted due to mild winter and summer.
- Operational Support Services (SMUD) – (\$93,329) and 252% unfavorable variance related to Percentage of Income Payment Plan (PIPP) program implementation, bill presentment, and base green rate implementation.
- Legal General Counsel – \$85,718 and 90% favorable variance related to lower operational support requirements than budgeted.
- Strategic Plan Implementation – \$84,016 or 100% favorable variance due to timing difference.
- Contingency – (\$140,00) and (100%) – favorable variance to budget is due to not having a need yet to utilize the contingency funds set aside in the budget.

#### **Attachments:**

- 3) Financial Statements (Unaudited) July 1, 2023 to July 31, 2023 (with comparative year to date information.)
- 4) Actual vs. Budget for the year to date ending July 31, 2023





# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF JULY 1 TO JULY 31, 2023**

**PREPARED ON SEPTEMBER 28, 2023**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
July 31, 2023  
(UNAUDITED)

**ASSETS**

Current assets:

Cash in Yolo County Treasury		
Cash and cash equivalents	\$	6,268,493
Accounts receivable, net of allowance		14,028,376
Accrued revenue		3,015,055
Prepaid expenses		123,619
Other current assets and deposits		2,227,703
Total current assets		25,663,246

Restricted assets:

Debt service reserve fund		1,100,000
Power purchase reserve fund		3,445,552
Total restricted assets		4,545,552
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>30,208,798</b>

**LIABILITIES**

Current liabilities:

Accounts payable	\$	336,813
Accrued payroll		85,860
Interest payable		1,244
Due to member agencies		6,734
Accrued cost of electricity		4,257,605
Other accrued liabilities		1,118,158
Security deposits - energy supplies		1,800,000
User taxes and energy surcharges		56,986
Limited Term Loan		223,529
Total current liabilities		7,886,929

Noncurrent liabilities

Term Loan- RCB		181,284
Total noncurrent liabilities		181,284
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>8,068,213</b>

**NET POSITION**

Net position:

Local Programs Reserve		224,500
Restricted		4,545,552
Unrestricted		17,370,533
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>22,140,585</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION**  
**FOR THE PERIOD OF JULY 1, 2023 TO JULY 31, 2023**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	FOR THE PERIOD ENDING JULY 31, 2023	YEAR TO DATE
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 10,636,848	\$ 49,111,876
Other revenue	-	631,219
<b>TOTAL OPERATING REVENUES</b>	<b>10,636,848</b>	<b>\$ 49,743,095</b>
<b>OPERATING EXPENSES</b>		
Cost of electricity	4,902,253	\$ 39,012,447
Contract services	190,874	2,028,301
Staff compensation	100,455	837,552
General, administration, and other	62,686	1,249,940
<b>TOTAL OPERATING EXPENSES</b>	<b>5,256,268</b>	<b>\$ 43,128,240</b>
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>5,380,580</b>	<b>\$ 6,614,855</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	23,734	126,414
Interest and related expenses	(1,244)	(11,215)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>22,490</b>	<b>115,199</b>
<b>CHANGE IN NET POSITION</b>	<b>5,403,070</b>	<b>6,730,051</b>
Net position at beginning of period	16,737,515	15,410,534
Net position at end of period	<b>\$ 22,140,585</b>	<b>\$ 22,140,585</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JULY 1 TO JULY 31, 2023**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING JULY 31, 2023</u>	<u>YEAR TO DATE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	8,252,038	46,592,049
Payments received from other revenue sources	-	631,219
Payments to purchase electricity	(6,967,408)	(39,363,867)
Payments for contract services, general, and administration	(419,403)	(3,556,799)
Payments for staff compensation	(111,244)	(867,976)
Other cash payments	-	(268,507)
<b>Net cash provided (used) by operating activities</b>	<u>753,983</u>	<u>3,434,626</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	(44,329)	(81,826)
Interest and related expenses	(1,334)	(10,881)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(45,663)</u>	<u>(92,707)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	23,734	126,414
<b>Net cash provided (used) by investing activities</b>	<u>23,734</u>	<u>126,414</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	732,053	3,154,162
Cash and cash equivalents at beginning of period	10,081,992	60,029,412
<b>Cash and cash equivalents at end of period</b>	<u>10,814,045</u>	<u>63,183,574</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	6,268,493	6,268,493
Restricted assets	4,545,552	4,545,552
<b>Cash and cash equivalents at end of period</b>	<u>10,814,045</u>	<u>10,814,045</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF JULY 1 TO JULY 31, 2023**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING JULY 31, 2023</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	5,380,580	6,614,851
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		
(Increase) decrease in net accounts receivable	(2,408,561)	(2,943,289)
(Increase) decrease in accrued revenue	5,094	415,342
(Increase) decrease in prepaid expenses	(106,256)	(123,619)
(Increase) decrease in other assets and deposits	-	(268,507)
Increase (decrease) in accounts payable	(104,886)	(62,718)
Increase (decrease) in accrued payroll	(10,789)	(30,425)
Increase (decrease) in due to member agencies	(1,301)	(199,710)
Increase (decrease) in accrued cost of electricity	(2,065,155)	(351,420)
Increase (decrease) in other accrued liabilities	46,600	107,494
Increase (decrease) in user taxes and energy surcharges	18,657	8,120
<b>Net cash provided (used) by operating activities</b>	<b>753,983</b>	<b>3,166,119</b>

**VALLEY CLEAN ENERGY**  
**2023 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 07/31/23**

Description	YTD Actuals	YTD Budget	YTD Variance	% over/-under
Electric Revenue	\$ 53,430,733	\$ 61,588,000	\$ (8,157,267)	-13%
Other Revenues - Programs	\$ 631,219	\$ 385,000	\$ 246,219	64%
Interest Revenues	\$ 126,414	\$ 24,500	\$ 101,914	416%
<b>Purchased Power</b>	<b>\$ 39,012,447</b>	<b>\$ 40,707,000</b>	<b>\$ (1,694,553)</b>	<b>-4%</b>
Purchased Power Base	\$ 39,012,447	\$ 38,768,000	\$ 244,447	1%
Purchased Power Contingency 2%	\$ -	\$ 1,939,000	\$ (1,939,000)	-100%
<b>Labor &amp; Benefits</b>	<b>\$ 839,267</b>	<b>\$ 841,400</b>	<b>\$ (2,133)</b>	<b>0%</b>
Salaries & Wages/Benefits	\$ 676,448	\$ 700,000	\$ (23,552)	-3%
Contract Labor (SMUD Staff Aug)	\$ -	\$ 17,500	\$ (17,500)	-100%
Human Resources & Payroll	\$ 162,819	\$ 123,900	\$ 38,919	31%
<b>Office Supplies &amp; Other Expenses</b>	<b>\$ 164,720</b>	<b>\$ 125,200</b>	<b>\$ 39,520</b>	<b>32%</b>
Technology Costs	\$ 24,146	\$ 26,500	\$ (2,354)	-9%
Office Supplies	\$ 7,105	\$ 1,400	\$ 5,705	408%
Travel	\$ 15,621	\$ 3,500	\$ 12,121	346%
CalCCA Dues	\$ 75,264	\$ 77,700	\$ (2,436)	-3%
CC Power	\$ 41,029	\$ 14,700	\$ 26,329	179%
Memberships	\$ 1,555	\$ 1,400	\$ 155	11%
<b>Contractual Services</b>	<b>\$ 1,919,705</b>	<b>\$ 1,771,000</b>	<b>\$ 148,705</b>	<b>8%</b>
Other Contract Services	\$ -	\$ 15,400	\$ (15,400)	-100%
Don Dame	\$ 2,185	\$ 6,300	\$ (4,116)	-65%
SMUD - Credit Support	\$ 155,263	\$ 254,400	\$ (99,137)	-39%
SMUD - Wholesale Energy Services	\$ 929,050	\$ 608,900	\$ 320,150	53%
SMUD - Call Center	\$ 495,075	\$ 485,700	\$ 9,375	2%
SMUD - Operating Services	\$ 130,829	\$ 37,200	\$ 93,629	252%
Commercial Legal Support	\$ 21,068	\$ 17,500	\$ 3,568	20%
Legal General Counsel	\$ 9,482	\$ 95,200	\$ (85,718)	-90%
Regulatory Counsel	\$ 84,394	\$ 122,500	\$ (38,107)	-31%
Joint CCA Regulatory counsel	\$ 7,611	\$ 19,600	\$ (11,989)	-61%
Legislative - (Lobbyist)	\$ 38,500	\$ 38,500	\$ -	0%
Accounting Services	\$ 7,289	\$ 16,800	\$ (9,511)	-57%
Financial Consultant	\$ -	\$ 24,500	\$ (24,500)	-100%
Audit Fees	\$ 38,960	\$ 28,500	\$ 10,460	37%
<b>Marketing</b>	<b>\$ 156,078</b>	<b>\$ 154,000</b>	<b>\$ 2,078</b>	<b>1%</b>
Marketing Collateral	\$ 144,884	\$ 147,000	\$ (2,116)	-1%
Community Engagement Activities & Sponsorships	\$ 11,194	\$ 7,000	\$ 4,194	60%
<b>Program Costs</b>	<b>\$ 770,531</b>	<b>\$ 486,500</b>	<b>\$ 284,031</b>	<b>58%</b>
Program Costs	\$ 375	\$ 101,500	\$ (101,125)	-100%
Programs - EV	\$ 115,980	\$ -	\$ 115,980	100%
Programs - AgFIT	\$ 642,878	\$ 385,000	\$ 257,878	67%
Programs - Heat Pump	\$ 11,297	\$ -	\$ 11,297	100%
<b>Rents &amp; Leases</b>	<b>\$ 8,238</b>	<b>\$ 15,400</b>	<b>\$ (7,162)</b>	<b>-47%</b>
Hunt Boyer Mansion	\$ 8,238	\$ 15,400	\$ (7,162)	-47%
<b>Other A&amp;G</b>	<b>\$ 256,992</b>	<b>\$ 338,950</b>	<b>\$ (81,958)</b>	<b>-24%</b>
Development - New Members	\$ -	\$ 14,700	\$ (14,700)	-100%
Strategic Plan Implementation	\$ (16)	\$ 84,000	\$ (84,016)	-100%
PG&E Data Fees	\$ 153,559	\$ 161,000	\$ (7,441)	-5%
Insurance	\$ 20,580	\$ 6,650	\$ 13,930	209%
Banking Fees	\$ 82,868	\$ 72,600	\$ 10,268	14%
<b>Miscellaneous Operating Expenses</b>	<b>\$ 1,669</b>	<b>\$ 4,200</b>	<b>\$ (2,531)</b>	<b>-60%</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ 140,000</b>	<b>\$ (140,000)</b>	<b>-100%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 43,129,646</b>	<b>\$ 44,583,650</b>	<b>\$ (1,454,004)</b>	<b>-3%</b>
Interest on RCB loan	\$ 11,215	\$ 12,300	\$ (1,085)	-9%
Interest Expense - Bridge Loan	\$ -	\$ 35,000	\$ (35,000)	-100%
<b>NET INCOME</b>	<b>\$ 10,416,286</b>	<b>\$ 16,981,550</b>	<b>\$ (6,565,264)</b>	<b>-39%</b>

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 6C

**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Director  
Edward Burnham, Finance and Operations Director

**SUBJECT:** Financial Update – August 31, 2023 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending August 31, 2023

**DATE:** October 12, 2023

**RECOMMENDATION:**

Accept the following Financial Statements (unaudited) for the period of August 1, 2023 to August 31, 2023 (with comparative year to date information) and Actual vs. Budget year to date ending August 31, 2023.

**BACKGROUND & DISCUSSION:**

The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending August 31, 2023.

Financial Statements for the period August 1, 2023 – August 31, 2023

In the Statement of Net Position, VCE, as of August 31, 2023, has a total of \$12,269,507 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, \$1,800,000 restricted assets related to supplier deposits, and \$3,455,039 restricted assets for the Power Purchases Reserve account. VCE has incurred obligations from Member agencies and owes as of August 31, 2023 a total of \$9,337. VCE member obligations are incurred monthly due to staffing, accounting, and legal services.

The term loan with River City Bank includes a current portion of \$179,108 and a long-term portion of 181,284. On August 31, 2022, VCE's net position was \$27,323,978.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$ 11,881,091 of revenue (net of allowance for doubtful accounts), of which \$13,729,589 was billed in August, and \$6,562,671 represent estimated unbilled revenue. The cost of electricity for the August revenue totaled \$6,204,703. For August, VCE's gross margin was approximately 48% and the net income totaled \$5,257,764. The year-to-date change in net position was 11,913,444.

In the Statement of Cash Flows, VCE cash flows from operations were \$6,102,262 due to August cash receipts of revenues being more than the monthly cash operating expenses.

#### Actual vs. Budget Variances for the year to date ending August 31, 2023

Below are the financial statement line items with variances >\$50,000 and 5%

- Electric Revenue – (\$8,506,176) and -12% – Unfavorable variance due to revenue model (January-2023) and retail load variance lower than forecasted due to mild winter and spring.
- Purchased Power – \$3,996,850 and -8% – Favorable variance due to gas prices driving short-term power market increases during winter off-set by lower load than forecasted.
- Wholesale Energy Services – (\$322,470) and 47% unfavorable variance related to the transition of services to TEA starting in Q123 budgeted for Q223.
- Credit Support Services (SMUD) – \$100,011 and 39% favorable variance related to lower retail load than forecasted due to mild winter and summer.
- Operational Support Services (SMUD) – (\$91,139) and 214% unfavorable variance related to Percentage of Income Payment Plan (PIPP) program implementation, bill presentment, and base green rate implementation.
- Legal General Counsel – \$95,870 and 88% favorable variance related to lower operational support requirements than budgeted.
- Strategic Plan Implementation – \$83,610 or 87% favorable variance due to timing difference.
- Contingency – (\$160,00) and (100%) – favorable variance to budget is due to not having a need yet to utilize the contingency funds set aside in the budget.

#### **Attachments:**

- 5) Financial Statements (Unaudited) August 1, 2023 to August 31, 2023 (with comparative year to date information.)
- 6) Actual vs. Budget for the year to date ending August 31, 2023





# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF AUGUST 1 TO AUGUST 31, 2023**

**PREPARED ON SEPTEMBER 29, 2023**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2023**  
**(UNAUDITED)**

**ASSETS**

Current assets:

Cash in Yolo County Treasury		
Cash and cash equivalents	\$	12,269,507
Accounts receivable, net of allowance		15,050,032
Accrued revenue		2,243,815
Prepaid expenses		108,277
Other current assets and deposits		2,227,703
Total current assets		31,899,334

Restricted assets:

Debt service reserve fund		1,100,000
Power purchase reserve fund		3,455,039
Total restricted assets		4,555,039
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>36,454,373</b>

**LIABILITIES**

Current liabilities:

Accounts payable	\$	350,399
Accrued payroll		55,123
Interest payable		1,108
Due to member agencies		9,337
Accrued cost of electricity		4,355,249
Other accrued liabilities		2,162,037
Security deposits - energy supplies		1,800,000
User taxes and energy surcharges		36,750
Limited Term Loan		179,108
Total current liabilities		8,949,111

Noncurrent liabilities

Term Loan- RCB		181,284
Total noncurrent liabilities		181,284
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>9,130,395</b>

**NET POSITION**

Net position:

Local Programs Reserve	\$	224,500
Restricted		4,555,039
Unrestricted		22,544,439
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>27,323,978</b>

FOR THE PERIOD OF AUGUST 1, 2023 TO AUGUST 31, 2023  
(WITH COMPARATIVE YEAR TO DATE INFORMATION)  
(UNAUDITED)

	FOR THE PERIOD ENDING AUGUST 31, 2023	YEAR TO DATE
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 11,881,091	\$ 49,111,876
Other revenue	-	631,219
<b>TOTAL OPERATING REVENUES</b>	11,881,091.00	49,743,094.69
<b>OPERATING EXPENSES</b>		
Cost of electricity	\$ 6,204,703	\$ 39,088,233
Contract services	229,308	2,028,008
Staff compensation	105,580	837,552
General, administration, and other	110,901	1,248,818
<b>TOTAL OPERATING EXPENSES</b>	6,650,492.30	43,202,610.86
<b>TOTAL OPERATING INCOME (LOSS)</b>	\$ 5,230,599	\$ 6,540,484
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	28,273	126,414
Interest and related expenses	(1,108)	(11,215)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	27,165	115,199
<b>CHANGE IN NET POSITION</b>	5,257,764	11,913,444
Net position at beginning of period	22,066,214	15,410,534
Net position at end of period	\$ 27,323,978	\$ 27,323,978

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF AUGUST 1 TO AUGUST 31, 2023**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING AUGUST 31, 2023</u>	<u>YEAR TO DATE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	11,610,439	58,202,488
Payments received from other revenue sources	-	631,219
Payments to purchase electricity	(6,107,059)	(45,546,712)
Payments for contract services, general, and administration	735,200	(2,820,184)
Payments for staff compensation	(136,317)	(1,004,293)
Other cash payments	(0)	(268,507)
<b>Net cash provided (used) by operating activities</b>	<u>6,102,262</u>	<u>9,462,517</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	(44,421)	(170,576)
Interest and related expenses	(1,243)	(13,459)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(45,664)</u>	<u>(184,035)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	28,273	154,687
<b>Net cash provided (used) by investing activities</b>	<u>28,273</u>	<u>154,687</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of period	6,084,871	9,164,662
<b>Cash and cash equivalents at end of period</b>	<u>10,739,674</u>	<u>70,769,086</u>
	<u>16,824,546</u>	<u>79,933,749</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	12,269,507	12,269,507
Restricted assets	4,555,039	4,555,039
<b>Cash and cash equivalents at end of period</b>	<u>16,824,546</u>	<u>16,824,546</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF AUGUST 1 TO AUGUST 31, 2023**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING AUGUST 31, 2023</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	5,230,599	11,771,078
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		
(Increase) decrease in net accounts receivable	(1,021,656)	(3,964,945)
(Increase) decrease in accrued revenue	771,240	1,186,582
(Increase) decrease in prepaid expenses	15,342	(108,277)
(Increase) decrease in other assets and deposits	(0)	(268,507)
Increase (decrease) in accounts payable	13,585	(49,133)
Increase (decrease) in accrued payroll	(30,737)	(61,162)
Increase (decrease) in due to member agencies	2,602	(197,107)
Increase (decrease) in accrued cost of electricity	97,644	(253,776)
Increase (decrease) in other accrued liabilities	1,043,879	1,151,373
Increase (decrease) in user taxes and energy surcharges	(20,236)	8,120
<b>Net cash provided (used) by operating activities</b>	<b>6,102,262</b>	<b>9,214,246</b>

**VALLEY CLEAN ENERGY**  
**2023 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 08/31/23**

Description	YTD Actuals	YTD Budget	YTD Variance	% over/-under
Electric Revenue	\$ 65,311,824	\$ 73,818,000	\$ (8,506,176)	-12%
Other Revenues - Programs	\$ 631,219	\$ 440,000	\$ 191,219	43%
Interest Revenues	\$ 154,687	\$ 28,000	\$ 126,687	452%
Purchased Power	\$ 45,217,150	\$ 49,214,000	\$ 3,996,850	8%
Purchased Power Base	\$ 45,217,150	\$ 46,870,000	\$ 1,652,850	4%
Purchased Power Contingency 2%	\$ -	\$ 2,344,000	\$ 2,344,000	100%
Labor & Benefits	\$ 944,847	\$ 961,600	\$ 16,753	2%
Salaries & Wages/Benefits	\$ 759,993	\$ 800,000	\$ 40,007	5%
Contract Labor (SMUD Staff Aug)	\$ -	\$ 20,000	\$ 20,000	100%
Human Resources & Payroll	\$ 184,854	\$ 141,600	\$ (43,254)	-31%
Office Supplies & Other Expenses	\$ 181,566	\$ 142,400	\$ (39,166)	-28%
Technology Costs	\$ 29,342	\$ 29,600	\$ 258	1%
Office Supplies	\$ 8,004	\$ 1,600	\$ (6,404)	-400%
Travel	\$ 15,621	\$ 4,000	\$ (11,621)	-291%
CalCCA Dues	\$ 86,016	\$ 88,800	\$ 2,784	3%
CC Power	\$ 41,029	\$ 16,800	\$ (24,229)	-144%
Memberships	\$ 1,555	\$ 1,600	\$ 45	3%
Contractual Services	\$ 2,107,899	\$ 1,967,800	\$ (140,099)	-7%
Other Contract Services	\$ -	\$ 17,600	\$ 17,600	100%
Don Dame	\$ 2,622	\$ 7,200	\$ 4,578	64%
SMUD - Credit Support	\$ 154,389	\$ 254,400	\$ 100,011	39%
SMUD - Wholesale Energy Services	\$ 1,001,370	\$ 678,900	\$ (322,470)	-47%
SMUD - Call Center	\$ 570,743	\$ 556,200	\$ (14,543)	-3%
SMUD - Operating Services	\$ 133,739	\$ 42,600	\$ (91,139)	-214%
Commercial Legal Support	\$ 25,244	\$ 20,000	\$ (5,244)	-26%
Legal General Counsel	\$ 12,930	\$ 108,800	\$ 95,870	88%
Regulatory Counsel	\$ 101,159	\$ 140,000	\$ 38,841	28%
Joint CCA Regulatory counsel	\$ 12,852	\$ 22,400	\$ 9,548	43%
Legislative - (Lobbyist)	\$ 44,000	\$ 44,000	\$ -	0%
Accounting Services	\$ 9,891	\$ 19,200	\$ 9,309	48%
Financial Consultant	\$ -	\$ 28,000	\$ 28,000	100%
Audit Fees	\$ 38,960	\$ 28,500	\$ (10,460)	-37%
Marketing	\$ 216,724	\$ 176,000	\$ (40,724)	-23%
Marketing Collateral	\$ 185,996	\$ 168,000	\$ (17,996)	-11%
Community Engagement Activities & Sponsorships	\$ 30,728	\$ 8,000	\$ (22,728)	-284%
Programs	\$ 766,505	\$ 556,000	\$ (239,262)	-43%
Program Costs	\$ 28,757	\$ 116,000	\$ 87,243	75%
Programs - EV	\$ 115,105	\$ -	\$ (115,105)	100%
Programs - AgFIT	\$ 642,428	\$ 440,000	\$ (202,428)	-46%
Programs - Heat Pump	\$ 8,972	\$ -	\$ (8,972)	100%
Rents & Leases	\$ 19,776	\$ 17,600	\$ (2,176)	-12%
Hunt Boyer Mansion	\$ 19,776	\$ 17,600	\$ (2,176)	-12%
Other A&G	\$ 294,685	\$ 377,100	\$ 82,415	22%
Development - New Members	\$ -	\$ 16,800	\$ 16,800	100%
Strategic Plan Implementation	\$ 12,390	\$ 96,000	\$ 83,610	87%
PG&E Data Fees	\$ 175,907	\$ 184,000	\$ 8,093	4%
Insurance	\$ 23,520	\$ 7,600	\$ (15,920)	-209%
Banking Fees	\$ 82,868	\$ 72,700	\$ (10,168)	-14%
Miscellaneous Operating Expenses	\$ 2,229	\$ 4,800	\$ 2,571	54%
Contingency	\$ -	\$ 160,000	\$ 160,000	100%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 49,780,138</b>	<b>\$ 53,577,300</b>	<b>\$ 3,797,162</b>	<b>7%</b>
Interest on RCB loan	\$ 12,323	\$ 13,600	\$ (1,277)	-9%
Interest Expense - Line of Credit	\$ -	\$ 40,000	\$ (40,000)	-100%
<b>NET INCOME</b>	<b>\$ 16,305,269</b>	<b>\$ 20,655,100</b>	<b>\$ (4,349,831)</b>	<b>-21%</b>

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 7

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: October 12, 2023

Staff, VCE’s lobby services consultant at Pacific Policy Group, and the Community Advisory Committee’s Legislative - Regulatory Task Group continue to meet and discuss legislative matters. Below is a summary of recent activities in the California Legislature and Administration.

The 2023 legislative session concluded on September 14 and Governor Newsom has until October 14 to sign or veto all of the bills put on his desk. One such bill for the Governor to decide upon is AB 1373 (Garcia), the policy bill that supplanted the Governor’s trailer bill proposal to authorize the Department of Water Resources to take on central procurement, amongst other provisions. Lobbying efforts by CalCCA and individual CCAs, including VCE, shaped the policy to ensure CCAs maintain their procurement autonomy and limit the types of resources that DWR may procure. While the language does not explicitly limit DWR to procuring offshore wind or geothermal resources from the Salton Sea, those two categories align with the limitations on the types of resources that can be procured while solar and terrestrial wind do not. Importantly, VCE, as well as CalCCA and other CCAs, ended up in a “neutral” position after working out amendments with the Governor’s Office, the author, and the relevant policy committees. Senator Dodd played an important role during negotiations earlier in the summer that prevented previous, harmful iterations of the proposed policy from advancing and VCE has appreciated his representation on this legislation.

The Legislature will reconvene on January 3, 2024, and the 2024 session will run through August 31, 2024. The most pressing items between now and the beginning of the next session are how the leadership changes in both houses affect committee chairpersonships and committee makeups. Assembly Speaker Rivas made very few committee changes once he assumed the Speakership, but changes are anticipated in 2024. Incoming Senate Pro Tem McGuire may also make changes to committees once he takes over from current Pro Tem Atkins. There are many legislators terming out in 2024 or running for other office, so the carousel of incoming and outgoing legislators over the next 18 months will weigh on the decisions of the new leaders.

The following chart provides an overview of bills that staff, Pacific Policy Group, and the Community Advisory Committee’s Legislative - Regulatory Task Group monitored and engaged on throughout the year.

Measure	Summary	Outcome	VCE Position	CalCCA Position
AB 1373 (Garcia)	Authorizes the Department of Water Resources to act as a Central Procurement Entity	Passed Legislature	Oppose Unless Amended; Neutral	Oppose Unless Amended; Neutral
AB 50 (Wood)	Requires the CPUC to determine appropriate timelines for IOUs to energize customers.	Passed Legislature	Support	Support
AB 538 (Holden)	Would allow the CAISO to seek the creation of a regional Western grid.	2-year bill – Held in Asm. Appropriations	None	None
AB 1567 (Garcia)	Proposes a \$15.9 billion water and climate resilience general obligation bond be placed before the voters in the next election. Includes \$2 billion for clean energy projects.	2-year bill – Held in Sen. Natural Resources & Water	None	None
SB 867 (Allen)	Proposes a \$15.9 billion water and climate resilience general obligation bond be placed before the voters in the next election. Includes \$2 billion for clean energy projects.	2-year bill – Held in Asm. Natural Resources	None	None
AB 557 (Hart)	Eliminates the Jan. 1, 2024, sunset on the ability of local bodies to use teleconferencing during a declared state of emergency.	Passed Legislature	None	None
SB 537 (Becker)	Would allow board members of multijurisdictional, cross-county local agencies residing more than 40 miles from the public meeting to attend public meetings remotely without being accessible to the public.	2-year bill – held on Asm. Floor	None	None (Peninsula Sponsored, Sonoma Supported)
AB 625 (Aguiar-Curry)	Extends the sunset date of the Bioenergy Market Adjusting Tariff (BioMAT) program as proposed in Public Utilities Code Section 399.20(f)(6) amongst other provisions.	Dead - Held in Asm. Appropriations Suspense	Support	None (MCE, Sonoma, Pioneer, Supported)
SB 688 (Padilla)	Creates a grant program for piloting projects to advance agrivoltaic systems.	Dead – Held in Asm. Appropriations Suspense	None	None



## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 8

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To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: October 12, 2023

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Please find attached Keyes & Fox’s September 2023 Regulatory Memorandum dated October 4, 2023 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

**Attachment:** Keyes & Fox Regulatory Memorandum dated October 4, 2023.

## Valley Clean Energy Alliance

## Regulatory Monitoring Report

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To: Valley Clean Energy Alliance (VCE) Board of Directors

From: Sheridan Pauker, Partner, Keyes & Fox LLP  
Tim Lindl, Partner, Keyes & Fox LLP  
Jason Hoyle, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Update

Date: October 4, 2023

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Keyes & Fox LLP and EQ Research LLC are pleased to provide VCE's Board of Directors with this informational memo describing key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC) over the past month.

### Demand Flexibility

**Background:** This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and the proceeding may also modify, consolidate, or eliminate existing dynamic rate pilots. VCE is a party to this proceeding as its scope relates to VCE's AgFIT dynamic rates Pilot. Phase 1-Track A will establish an income-graduated fixed charge for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B first adopted rate design and demand flexibility principles and is now considering broad expansion of the AgFIT Pilot.

**Recent Developments:** On September 25, [VCE](#) and other parties filed opening comments on the August 15 ALJ [Ruling](#) and Track B [Staff Proposal](#) to significantly expand VCE's AgFIT pilot and SCE's dynamic rates pilot to support near-term summer reliability. On September 29, the ALJ issued an [email ruling](#) extending the deadline for the Track B Working Group proposal to October 11. On October 3, the ALJ issued an [email ruling](#) requiring SCE and PG&E to file detailed budgets for the expanded pilots by October 13 and inviting CCAs to do so by the same date, and inviting comments on such budgets by October 25.

**Analysis:** The Staff Proposal concludes that AgFIT has shown initial success in shifting load during ramp and peak hours. The Staff Proposal's Expanded Pilot #1 would open up AgFIT to all bundled and unbundled customers in PG&E territory and all types of agricultural load, lift the 5 MW cap and extend the length of this pilot by 3 years. No parties filed comments opposing Expanded Pilot #1. The Staff Proposal's Expanded Pilot #2 would apply the AgFIT model within PG&E territory to medium and large commercial customers and residential customers on EV charging, home battery and electric heat pump rates. In Track A, the gradual move towards IGFCs will provide additional time for consideration and analysis prior to full implementation of this novel approach to aligning the structure of retail electric rates with utility cost structures while recognizing the importance of access to affordable electricity and ensuring that the changes to rate structures does not disproportionately harm large numbers of ratepayers.

**Next Steps:** In Track B, reply comments on the Staff Proposal to expand pilot programs are due October 9, PG&E and SCE budget details are due October 13 and comments on such budgets are due October 25. The Track B Working Group proposals are due October 11, comments on the proposals are due November 13, and reply comments on the proposals are due December 22. In Track A, opening briefs on income-graduated fixed charges are due October 6, and a proposed decision is expected in March or April of 2024.

**Additional Information:** ALJ [Ruling](#) (Oct. 3, 2023); ALJ [Ruling](#) (Sep. 29, 2023); [VCE Comments](#) (Sep. 25, 2023); ALJ [Ruling](#) (Sep. 13, 2023); ALJ [Ruling](#) (Aug. 25, 2023); ALJ [Ruling](#) (Aug. 22, 2023); ALJ [Ruling](#) & [Staff Proposal](#) (Aug. 15, 2023); [D.23-04-040](#) on electric rate design principles (May 3, 2023); [D.23-04-008](#) (Apr. 14, 2023); CalCCA [Reply Comments on Scoping Memo](#) (Jan. 4, 2023); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

### RPS Rulemaking

**Background:** This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, aspects of the new Voluntary Allocation/Market Offer (VAMO) process, and other tariffs for the purchase of renewable energy.

**Recent Developments:** On September 7, the ALJ filed a [Proposed Decision](#) that would deny the Petition for Modification (PFM) of D.20-10-005 (filed 10/8/2021) by Burning Daylight, LLC, JTN Energy, LLC, Reido Farms, LLC, and Vote Solar. The PFM requested modifications to several aspects of the Renewable Market Adjusting Tariff (ReMAT). On September

8, the CPUC issued [Draft Comment Resolution E-5288](#), which will amend the Bioenergy Renewable Auction Mechanism (BioRAM) Program and authorize the procurement and/or extension of eligible contracts pursuant to Senate Bill 1109. All three major IOUs filed a report on the effectiveness of the VAMO process near the end of September in which the IOUs indicated that their excess RPS resources had been nearly fully subscribed and all three IOUs recommended no additional VAMO process in the future were necessary.

**Analysis:** The Draft Comment Resolution requires PG&E, SCE, and SDG&E to procure or extend BioRAM contracts through financial commitments of 5 to 15 years by December 1, 2023 for biomass facilities that were operating in 2022 partly as a means of removing forest materials from high-hazard zones. The Resolution is expected to result in new and/or extended energy procurement contracts which will lead to increased ratepayer costs through a non-bypassable charge established in D.18-12-003, although actual costs are not currently known. The VAMO process will likely be concluded given the lack of available IOU RPS resources to offer or allocate.

**Next Steps:** A proposed decision on draft 2023 RPS Procurement Plans is expected in late 2023.

**Additional Information:** SDG&E [VAMO Report](#) (Oct. 2, 2023); PG&E [VAMO Report](#) (Sep. 28, 2023); SCE [VAMO Report](#) (Sep. 21, 2023); [Draft Comment Resolution E-5288](#) (Sep. 8, 2023); [Proposed Decision](#) (Sep. 7, 2023); VCE [Draft 2023 RPS Procurement Plan](#) (Aug. 29, 2023); [D.23-08-003](#) (Aug. 17, 2023); [Ruling](#) (Jun. 12, 2023); [Assigned Commissioner's Ruling](#) (May 5, 2023); VCE's [Amended Final 2022 RPS Procurement Plan](#) (May 2, 2023); [D.22-11-021](#) (Nov. 18, 2022); [Scoping Memo](#) (Apr. 6, 2022); Docket No. [R.18-07-003](#).

## IRP Rulemaking

**Background:** This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, and ongoing reliability obligations.

**Recent Developments:** On August 24, the CPUC issued a [Proposed Decision](#) (PD) that would deny the [Petition for Modification](#) of [D.22-05-015](#) filed jointly by San Diego Clean Power and Clean Energy Alliance on October 28, 2022 that requested modification of the provision in D.22-05-015 allowing a one-time purchase of resource adequacy capacity to account for load migration to CCAs in between the issuance of D.19-11-016 and D.22-05-015. The Petition sought to use the year-ahead load forecast as the basis for determining the resource adequacy capacity available via the one-time purchase rather than the actual load being served at the time D.22-05-015 was issued. Responses to PG&E's and SCE's [Joint Expedited Petition for Modification](#) requesting an extension of the deadline for zero-emitting resource procurement were filed on September 8 by several parties. [CalAdvocates](#)' and [California Energy Storage Alliance](#)'s responses generally support the extension requested in the Petition, while the responses of [Environmental Defense Fund](#), [Alliance for Retail Energy Markets](#), [Large-scale Solar Association](#), and [Green Power Institute](#) are generally opposed to the extension.

**Analysis:** The Proposed Decision would clarify that the one-time provision for the purchase of resource adequacy capacity to account for load migration to CCAs during development of the Modified Cost Allocation Mechanism is based on load served at the time D.22-05-015 was issued rather than the year-ahead load forecast. The decision would reduce the quantity of resource adequacy available to CCAs from IOUs resulting from the one-time purchase provision. The Joint Expedited Petition for Modification, if granted, would provide two additional years for LSEs to procure the 5-hour storage or demand response resources for replacement of the Diablo Canyon facility, but have no impact on other MTR procurement obligations. VCE's share of the Diablo Canyon replacement is 10 MW and is planned to be met using the Gibson Solar + storage project that was modified to include a 5-hour battery.

**Next Steps:** The Proposed Decision is scheduled to be heard at the October 12 Commission meeting. A proposed decision on the May 30 Petition for Modification regarding long lead-time resource compliance deadlines is expected during the third quarter. A staff proposal on the Reliable and Clean Power Procurement Plan is also expected to be released during the third quarter. In Q4, the Commission will analyze the need for backstop procurement under D.19-11-016. VCE's next IRP will be due in November 2024.

**Additional Information:** [Proposed Decision](#) (Aug. 24, 2023); [Scoping Memo and Ruling](#) (Aug. 21, 2023); [Joint Expedited Petition for Modification](#) (Aug. 9, 2023); [Petition for Modification](#) (May 30, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); ALJ [Ruling & Reliable and Clean Power Procurement Program: Staff Options Paper](#) (Sep. 8, 2022); [D.22-05-015](#) (May 23, 2022); [D.21-06-035](#) (Jun. 30, 2021); [Scoping Memo](#) (Sep. 24, 2020); Docket No. [R.20-05-003](#).

## RA Rulemaking (2023-2024)

**Background:** This proceeding considers resource adequacy (RA) requirements for LSEs and introduced the Central Procurement Entity (CPE) to ensure grid reliability and sufficient capacity. The proceeding is divided into an implementation track and a reform track.

**Recent Developments:** On September 19, PG&E submitted the 2023 Annual Compliance Report for its Central Procurement Entity (CPE) as [AL 7027-E](#) showing the PG&E CPE has a negative (i.e., under-procurement) net local RA position in all months of the years from 2024-2026. On September 28, the Energy Division announced the release of the

final 2024 RA Guide and templates on the RA Compliance [website](#). On September 22, the demand response providers filed comments fully supporting CLECLA's [Petition for Rehearing](#) which raised concerns regarding the recent changes to Base Interruptible Program dispatch.

**Analysis:** The 2024 RA year is the final year of the current RA system and the test year for the slice-of-day RA system that will formally begin with the 2025 RA year. No significant changes were made to the RA templates or filing guide for the 2024 RA year. The CLECLA Petition seeks modifications to D.23-06-029's changes to emergency demand response dispatch procedures primarily to ensure that emergency demand response resources are only dispatched in response to actual events. The requested modifications would reduce the level of confusion and avoid unnecessary financial harm to program participants.

**Next Steps:** D.23-06-029 closed the proceeding, but it has been reopened to address the Petitions for Modification and Applications for Rehearing. The next RA docket is expected to be opened within the next few months.

**Additional Information:** Demand Response providers' [Response](#) (Sep. 22, 2023); PG&E [AL 7027-E](#) (Sep. 19, 2023); CLECA [Petition for Rehearing](#) (Aug. 24, 2023); Demand Response providers' [Application for Rehearing, Joint Motion for Rehearing, Motion for Partial Stay](#) (Aug. 4, 2023); CalCCA [Application for Rehearing](#) (Jul. 26, 2023); [D.23-06-029](#) (Jul. 5, 2023); [D.23-04-010](#) on Reform Track Phase 2 (Apr. 7, 2023); [D.22-12-028](#) (Dec. 19, 2022); [Amended Scoping Memo and Ruling](#) (Sep. 2, 2022); Docket No. [R.21-10-002](#).

## PG&E 2023 Phase 1 GRC

**Background:** Phase 1 General Rate Case (GRC) proceedings set PG&E's revenue requirement, including functionalizing costs into categories such as electric distribution or generation, and impact the costs recovered through rates from customers (e.g., bundled, unbundled, or both) for a set period (in this case, 2023-2026).

**Recent Developments:** On September 5, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) that amends the Phase I Scoping Memo (issued October 1, 2021) to create a separate Phase II to consider electric distribution capacity additions driven by the accelerated need for new electric vehicle (EV) charging infrastructure.

On September 13, the CPUC issued a [Proposed Decision \(Attachment\)](#) from the ALJs and an [Alternate Proposed Decision \(Attachment\)](#) from the Assigned Commissioner. On the CCAs' issues, the Proposed Decisions are identical.

Both Proposed Decisions:

- (1) Reject the CCAs' request that the Commission re-vintage the 12 hydro assets at issue in this case;
- (2) "Decline to consider" the CCAs' proposed re-vintaging framework for use in future GRCs, but do adopt the portion of that framework requiring PG&E to submit testimony in any future GRC in which it is undertaking certain new investments in utility-owned generation (to justify its requested vintaging treatment for those investments); and
- (3) Decline to adopt the CCAs' proposed order requiring that, in future GRCs, if PG&E is seeking cost recovery for battery-related costs, it must provide testimony on the functions it proposes the batteries serve to inform its functionalization proposals.

The Alternate Proposed Decision differs from the Proposed Decision in treatment of Wildfire System Hardening and Escalation. These differences are summarized in detail in the digest summary in the linked Proposed Decisions.

[Illustrative rates](#) filed on September 27 show an average non-CARE residential bill increase of 11.9% for the ALJs' Proposed Decision, and an average non-CARE residential bill increase of 9.9% for the Alternate Proposed Decision.

**Analysis:** The CCAs submitted opening comments on the Proposed Decisions on October 3. Those comments focused primarily on countering the Proposed Decisions' erroneous conclusion that there is not sufficient record evidence to adopt the CCAs' re-vintaging proposals for the 12 hydro assets at issue. While the Proposed Decisions did not indicate how the Commission came to this conclusion, they erred in suggesting that the record did not address the issue of decommissioning cost recovery (*i.e.*, how to ensure unbundled customers pay their fair share of these costs if these assets are re-vintaged).

**Next Steps:** Reply comments on the Proposed Decisions are due October 9. An oral argument is scheduled for October 18. These items may be heard as early as the November 2 Commission meeting. The Track 2 schedule is currently held in abeyance per an email ruling issued December 13. For the EV Phase II portion of the proceeding, a Joint Case Management Statement is due October 27, and a proposed decision is expected in early February 2024.

**Additional Information:** [Illustrative rates](#) (Sep. 27, 2023); [Proposed Decision](#) and [Alternate Proposed Decision](#) (Sep. 13, 2023); [Scoping Memo and Ruling](#) (Sep. 5, 2023); PG&E's [Amended Application](#) (Mar. 10, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

## PG&E 2024 ERRa Forecast

**Background:** The annual Energy Resource and Recovery Account (ERRA) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other nonbypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates.

**Recent Developments:** On September 15, the Assigned Commissioner issued an amended [Scoping Ruling and Memo](#) consolidating A.23-07-012, an expedited ERRA Trigger application filed by PG&E regarding a forecast undercollection in

its ERRAs, with this ERA Forecast proceeding. PG&E's ERA Trigger application, including the amortization of its trigger balance, will be addressed in its ERA Forecast application. On October 2, the CPUC issued the updated [Market Price Benchmarks](#) (MPBs) calculation that will be used by PG&E in the October ERA Forecast update. The GHG-free resource MPB for 2024 is \$0/MWh because the reported values did not meet the 1,000 GWh threshold set in D.23-06-006. The RPS adder MPB increased by \$1.43/MWh to \$31.73/MWh, the System RA MPB increased by \$0.86/MWh to \$15.23, the Flexible RA MPB increased by \$1.30/MWh to \$9.12/MWh, and PG&E's Local RA MPB increased by \$1.14/MWh to \$9.52/MWh. The 2024 MPBs also include new energy index MPBs which, for PG&E, are \$72.88/MWh for on-peak energy and \$65.77/MWh for off-peak energy.

**Analysis:** PG&E's preliminary ERA forecast indicates the possibility of a decrease in the PCIA rates (or an increase in the PCIA credit) paid by CCA customers across most vintages in 2024, but that forecast is expected to change significantly by the Fall Update (including likely increases to forecasted PCIA rates), based primarily on changes to brown power prices. In the ERA Trigger Application, PG&E's requested rate increase is expected to increase the system average bundled rate by up to 1.95 cents/kWh, or approximately 6.3% above the current level, effective November 1, 2023 through April 30, 2024.

**Next Steps:** Opening briefs will be filed October 13 and reply briefs on October 23. The Energy Division will provide its market price benchmark update on October 2, and PG&E will provide its fall update on October 16. A proposed decision is expected on November 22. Comments on the ERA Trigger Application are due November 1 and reply comments are due November 6.

**Additional Information:** [Market Price Benchmarks](#) (Oct. 2, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERA Trigger PG&E [Reply to Protest](#) (Aug. 15, 2023); ERA Trigger CalCCA [Protest](#) (Aug. 10, 2023); [Scoping Memo and Ruling](#) (Aug. 3, 2023); ALJ [Ruling](#) (Aug. 1, 2023); ERA Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERA Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

## PG&E 2020 ERA Compliance

**Background:** The annual ERA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries. Phase 1 of this proceeding concluded in April 2022 with issuance of [D.22-04-041](#) approving a settlement agreement. Phase 2 issues related to unrealized sales and revenues resulting from PG&E's Public Safety Power Shutoff (PSPS) events in 2020 are under consideration.

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** Phase 2 is expected to begin soon since the Commission recently resolved issues related to the establishment of a common accounting methodology for PSPS events in Phase 2 of the 2019 ERA Compliance proceeding (see above).

**Additional Information:** [D.22-08-009](#) extending statutory deadline (Aug. 11, 2022); [Scoping Memo and Ruling](#) (Jun. 21, 2021); [Application](#) (Mar. 1, 2021); Docket No. [A.21-03-008](#).

## PG&E 2021 ERA Compliance

**Background:** The annual ERA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

**Recent Developments:** PG&E filed supplemental testimony regarding unrealized sales associated with 2021 Public Safety Power Shutoff (PSPS) events on August 8. The ALJ issued an e-mail ruling amending the procedural schedule on September 27.

**Analysis:** N/A

**Next Steps:** Intervenor testimony regarding PG&E's 2021 PSPS events is due October 13 and rebuttal testimony is due October 27. The target date for a Proposed Decision is Q3 2023.

**Additional Information:** ALJ [Ruling](#) (Sep. 27, 2023); [ALJ Ruling](#) on schedule (Jan. 6, 2023); Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERA Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

## PG&E 2022 ERA Compliance

**Background:** The annual ERA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

**Recent Developments:** The ALJ issued a [Ruling](#) modifying the procedural schedule on September 25 rescheduling the evidentiary hearing and the status conference.

**Analysis:** N/A

**Next Steps:** The status conference is no scheduled for January 17, 2024 and the evidentiary hearing is now scheduled for January 24-25, 2024.

**Additional Information:** ALJ [Ruling](#) (Sep. 25, 2023); [Scoping Memo and Ruling](#) (Jun. 2, 2023); PG&E 2022 ERRA Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

## Wildfire Fund NBC 2024-2026

**Background:** This rulemaking will set the Wildfire Fund nonbypassable (NBC) charge for the years 2024 through 2026. This charge was established by Assembly Bill 1054 (Stats. 2019, ch. 79), and is a per-kilowatt-hour charge set annually based on the Fund's revenue requirement request from the Department of Water Resources (DWR).

**Recent Developments:** On September 8, the ALJ issued a [Ruling](#) authorizing party comment on the Department of Water Resources' "90-day Notice Regarding 2024 Wildfire Non-Bypassable Charge" (90-day Notice).

**Analysis:** The projected 2024 NBC of \$5.61/MWh, or \$0.00561/kWh, is expected to produce \$888.4 million along with the projected \$14 million carry over from 2023, resulting in the \$902.4 million revenue requirement for 2024.

**Next Steps:** A Proposed Decision is expected in November followed by a Final Decision in December.

**Additional Information:** ALJ [Ruling](#) and [90-day Notice](#) (Sep. 8, 2023); [Scoping Memo and Ruling](#) (May 22, 2023); [Order Instituting Rulemaking](#) (Mar. 21, 2023); Docket No. [R.23-03-007](#).

## Microgrids

**Background:** This proceeding was opened to implement the requirements of SB 1339 (Stern, 2018), regarding the commercialization of microgrids for distribution customers of the large IOUs. The initial three tracks have concluded, and Track 4 and Track 5 address the establishment of a Microgrid Incentive Program, potential contributions that microgrids can make to mitigating capacity shortages in the near-term, the development of a multi-property microgrid framework, and examination of the value of resiliency from microgrids.

**Recent Developments:** On August 8, the ALJ issued a [Ruling](#) directing the IOUs to develop and submit a draft pro-forma standard microgrid multiproperty tariff, including any necessary utility-specific deviations by October 9. On September 5, the CPUC sent a [letter](#) granting the Joint IOUs' request for an extension of time to comply with OP 6 of D.20-06-017, which ordered the Joint IOUs to temporarily remove the storage sizing limit for large net energy metering (NEM)-paired storage for a period of three years while maintaining existing metering requirements. The new deadline is August 16, 2025.

**Analysis:** The Pro-Forma Standard Multi-Property Microgrid Tariff will reduce barriers to microgrid deployment and enable microgrids to increase resiliency by allowing local generation and storage resources to be used in participating areas without dependence on the broader electrical grid.

**Next Steps:** The IOUs will submit their Pro-Forma Standard Multi-Property Microgrid Tariff on October 9, and comments are due October 27. A staff proposal on Multi-Property Microgrid Tariffs is expected in January 2024. The Joint Application for Rehearing is pending.

**Additional Information:** CPUC [letter](#) (Sep. 5, 2023); ALJ [Ruling](#) (Aug. 8, 2023); [Scoping Memo and Ruling](#) (Jul. 18, 2023); [Draft Resolution M-4868](#) (Jun. 9, 2023); [Joint Application for Rehearing](#) (May 15, 2023); [D.23-04-034](#) on Microgrid Incentive Program Implementation (Apr. 14, 2023); [Scoping Memo](#) (Dec. 17, 2021); Docket No. [R.19-09-009](#).

## Transportation Electrification

**Background:** This rulemaking implements transportation electrification (TE) programs, tariffs, and policies. [D.22-11-040](#) established a \$1 billion rebate program for behind-the-meter EV charging equipment, focused on medium-duty/heavy-duty vehicles and disadvantaged communities and a \$25 million pilot program for innovative, equity-focused TE programs administered by CCAs and community-based organizations.

**Recent Developments:** On September 6, the CPUC adopted [Resolution E-5257](#) approving PG&E's and SCE's requested modifications to per se reasonableness metrics regarding the extension of program timelines. On September 15, the IOUs filed Vehicle-Grid Integration Strategies [Semi-Annual Reports](#) for September 2023.

**Analysis:** In the first half of 2023, PG&E's vehicle-grid integration activities include completion of several studies on using electric vehicles as demand response resources, the launch of its residential and commercial vehicle-to-everything pilots in April, opening its EV submetering protocol to customer enrollment, and progress on several EV integration programs for homes and microgrids.

**Next Steps:** Under D.22-11-040, the program administrator contract must be filed by September 30, 2023.

**Additional Information:** PG&E [Semi-Annual Report](#) (Sep. 15, 2023); [Resolution E-5257](#) (Sep. 6, 2023); SCE's [Motion for Clarification](#) (Jun. 7, 2023); SCE's [Petition for Modification](#) (May 25, 2023); VCE's [Annual Vehicle-Grid Integration Report](#) (Mar. 15, 2023); [D.22-11-040](#) (Nov. 21, 2022); [Ruling](#) entering [Staff Proposal](#) on Transportation Electrification Framework to record (Feb. 25, 2022); [Scoping Memo and Ruling](#) (May 2, 2019); Docket No. [R.18-12-006](#).

## Demand Response Programs (2023-2027)

**Background:** This proceeding addresses the IOUs' Demand Response (DR) Portfolio Applications required under [D.17-12-003](#) for the years 2023-2027.

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** Opening briefs on Phase II DRAM issues are due October 2 and reply briefs on Phase II DRAM issues are due November 3. A proposed decision on the Demand Response Auction Mechanism (DRAM) is expected in January 2024, and a proposed decision is expected in October 2023 for the 2024-2027 DR Program.

**Additional Information:** ALJ [Ruling](#) (Aug. 24, 2023); [D.23-01-006](#) (Jan. 13, 2023); [Scoping Memo and Ruling](#) (Dec. 19, 2022); [D.22-12-009](#) (Dec. 6, 2022); [Ruling](#) consolidating Applications (May 25, 2022); PG&E [Application](#) (May 2, 2022); Docket No. [A.22-05-002](#).

## PG&E Asset Transfer

**Background:** This proceeding addresses PG&E's Application to transfer its non-nuclear generating assets to a new subsidiary, Pacific Generation, and sell up to 49.9% of its equity interest to third-party investors.

**Recent Developments:** Parties filed opening briefs in this case on September 18.

**Analysis:** At a high level, CalCCA's brief focused on the message that this transaction is not a good deal for ratepayers: there are no tangible ratepayer benefits of the transaction, but there will be incremental ratepayer costs; further, the transaction also presents new risks, including risks of detrimental market impacts.

**Next Steps:** Reply briefs are due October 5. A proposed decision is expected by the end of December.

**Additional Information:** PG&E [Notice](#) (Jun. 8, 2023); ALJ [Ruling](#) (Mar. 30, 2023); [Scoping Memo and Ruling](#) (Jan. 20, 2023); PG&E [Application](#) (Sep. 28, 2022); Docket No. [A.22-09-018](#).

## Provider of Last Resort Rulemaking

**Background:** A Provider of Last Resort (POLR) is the utility or other entity that has the obligation to serve all customers (PG&E currently serves in this role for VCE's territory). Phase 1 of this proceeding will address POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned customer migration to the POLR. Phase 2 will build on the Phase 1 to set the requirements and application process for non-IOU entities to serve as the POLR. Phase 3 will address specific issues not resolved in Phase 1 or 2.

**Recent Developments:** No recent developments in the past month.

**Analysis:** The Financial Security Requirement (FSR) method used in [AL 6939-E](#) will be replaced with the new approach being developed in this proceeding. Based on the Joint Case Management Statement, there is broad support for modifying the CCA FSR and Re-Entry Fees to: use the Resource Adequacy Market Price Benchmark (MPB) as proposed by the IOUs and CalCCA, use the IOU system average generation rates for residential and non-residential customers in FSR calculations as proposed by the IOUs and CalCCA, and to account for a potential mass involuntary return to POLR via CCA customers' CAM and DR RA allocations as proposed by CalCCA.

**Next Steps:** A proposed decision on FSR calculations is expected in October 2023.

**Additional Information:** [Amended Scoping Ruling and Memo](#) (Jun. 19, 2023); [Joint Case Management Statement – Appendix](#) (May 26, 2023); PG&E [AL 6939-E](#) (May 10, 2023); ALJ [email Ruling](#) (Mar. 17, 2023); [ALJ Ruling](#) and [Staff Proposal](#) (Jan. 6, 2023); [Scoping Memo and Ruling](#) (Sep. 16, 2021); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

## Building Decarbonization

**Background:** This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. The current Phase 3B will consider building decarbonization efforts regarding the reasonableness of modifying or ending electric line extension allowances, refunds, and discounts for "mixed-fuel" new construction (i.e., building projects that use gas and/or propane in addition to electricity).

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** There is no current procedural schedule for this proceeding.

**Additional Information:** [Amended Scoping Memo and Ruling](#) (Jul. 26, 2023); [D.23-02-005](#) (Feb. 3, 2023); [D.21-11-002 \(Appendices A-E\)](#) Decision on Building Decarbonization Phase II (Nov. 9, 2021); [D.20-03-027](#) Establishing Building Decarbonization Pilot Programs (Apr. 6, 2020); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

## Utility Safety Culture Assessments

**Background:** This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC's Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054, and an independent third-party evaluator will conduct safety culture assessments every five years per SB 901.

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** There is no current procedural schedule for this proceeding.

**Additional Information:** ALJ [Ruling](#) (May 8, 2023); [Draft Resolution SPD-3](#) (Sep. 16, 2022); ALJ [Ruling](#) (Sep. 13, 2022); [Scoping Ruling](#) with procedural schedule (Apr. 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

## Other Dockets

The following table identifies other tracked dockets that are closed or inactive.

Docket	Name	Status
<a href="#">R.17-06-026</a>	PCIA Rulemaking	The proceeding was closed by <a href="#">D.23-06-006</a> , but SCE filed a <a href="#">Petition for Modification</a> of D.23-06-006 on September 12 requesting clarification on certain points regarding the valuation of previously banked RECs.
<a href="#">I.15-08-019</a>	Investigation into PG&E Organization, Culture, and Governance	This proceeding was opened as part of an investigation into whether PG&E's organizational culture and governance prioritize safety, and currently serves to monitor the progress of PG&E in improving its safety culture. On May 19, the CPUC issued <a href="#">D.23-05-009</a> adopting the Safety Policy Division's <a href="#">Modified Staff Report</a> and closing the proceeding.
<a href="#">A.20-06-011</a>	PG&E Regionalization Plan	<a href="#">D.22-06-028</a> closed the proceeding. PG&E will continue to convene quarterly "town hall" meetings in each region and conduct broader meetings with the Regionalization Stakeholder Group. <a href="#">Town Hall Report Q1 2023</a> (May 12, 2023) and <a href="#">Quarterly Regionalization Report for Q1 2023</a> (May 15, 2023).
<a href="#">A.20-10-011</a>	Commercial EV Real-Time Pricing Pilot	Opt-in enrollment for the real-time pricing export compensation pilot now begins in February 2024. <a href="#">D.23-07-003</a> closed the proceeding.



## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 9

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TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summary of Community Advisory Committee September 28, 2023 Meeting

DATE: October 12, 2023

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This report summarizes the Community Advisory Committee’s meeting held in person and via Zoom webinar on Thursday, September 28, 2023.

The CAC congratulated Danielle Ballard for being appointed to the At Large seat. Staff informed those present that Staff continues to solicit applicants for the unincorporated Yolo County seat.

- A. Received update on Phase 2 of VCE’s Electric Vehicle Rebate Pilot Program.** VCE Director of Customer Care & Outreach Rebecca Boyles informed those present that there have been significant changes of the California Vehicle Rebate Program (CVRP), specifically the eligibility requirements, of which VCE uses as proxy for determining who is eligible for VCE’s EV Rebate Pilot Program (Phase 1). She reviewed the new CVRP eligibility requirements and a few concepts that could be included in Phase 2 and Phase 3. She informed those present that Staff will communicate with Customers who are on the EV Rebate waitlist and develop a full list of eligibility criteria. Staff will rework Phase 2 of the EV Rebate and discuss with the Outreach and Programs Task Group and/or CAC, then to the Board for approval. The CAC and Staff discussed: challenges that low-income customers have when looking to purchase an electric vehicle; outreach efforts; and, other rebates available.
- B. Receive progress update on 3-Year Programs Plan and introduction to 2024 Program concepts.** Ms. Boyles provided a progress update of VCE’s 2021-2023 Programs Plan highlighting VCE’s accomplishments and introduced program concepts for 2024. The CAC and Staff discussed: how to increase information sharing on energy efficiency, electrifying your home, and other available programs and monies, with VCE’s customers; joining efforts with VCE’s partner jurisdictions to provide resources; and, connecting customers with others who have experiences and information to share.

**VALLEY CLEAN ENERGY ALLIANCE**

**Staff Report – Item 10**

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**TO:** Board of Directors  
**FROM:** Rebecca Boyles, Director of Customer Care & Marketing  
**SUBJECT:** Quarterly Customer Participation Update (Information)  
**DATE:** October 12, 2023

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**RECOMMENDATION**

Receive and review the attached quarterly Customer Participation update reflecting the time period through September 30, 2023 (report dated 10/3/23).

Attachment: Quarterly Report - Customer Participation update

# Item 10 – Customer Participation Update

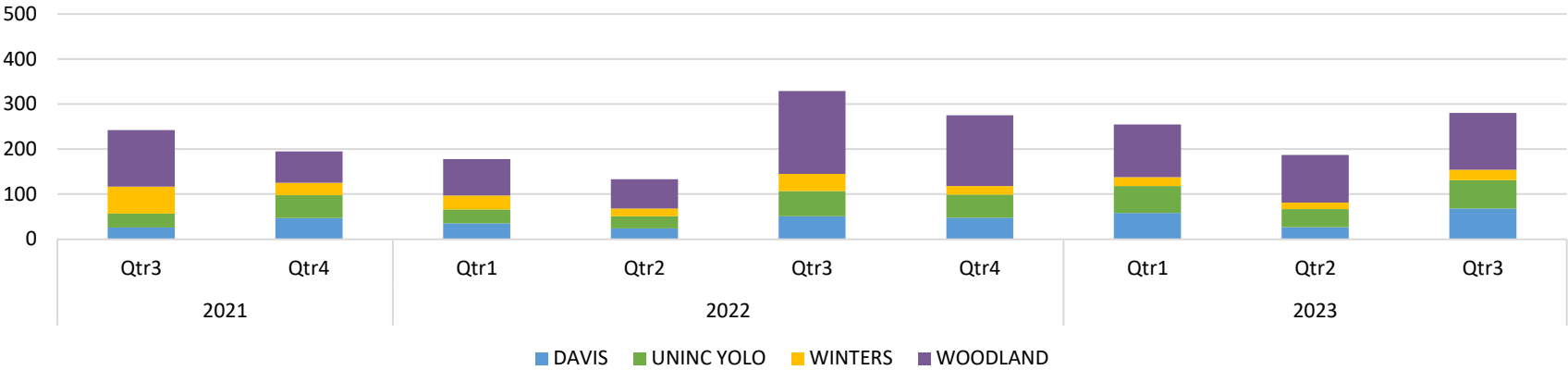
	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	NEM	Non-NEM
<b>VCEA customers</b>	27,965	20,416	2,528	10,887	61,796	53,848	6,009	9	1,930	12,836	48,960
<b>Eligible customers</b>	29,391	23,894	2,957	12,566	68,808	59,890	6,716	9	2,193	14,478	54,330
<b>Participation Rate</b>	95%	85%	85%	87%	90%	90%	89%	100%	88%	89%	90%

## % of Load Opted Out

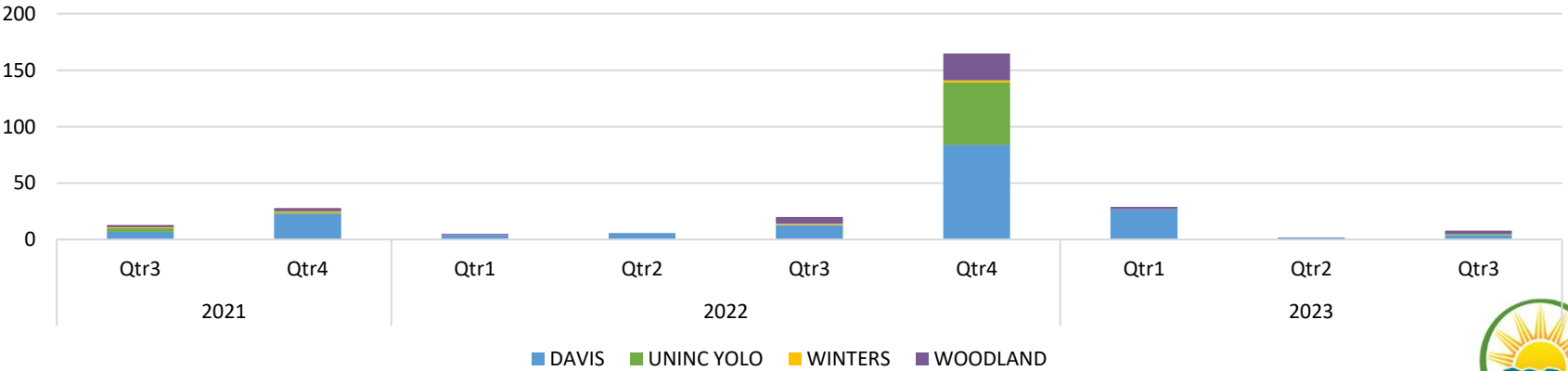
	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	Total
<b>% of Load Opted Out</b>	7%	11%	13%	11%	10%	10%	11%	0%	12%	10%
<b>% of Load Opted Up</b>	3%	1%	0%	1%	1%	0%	3%	0%	0%	1%

# Item 10 – Customer Participation Update

Quarterly Opt-Outs

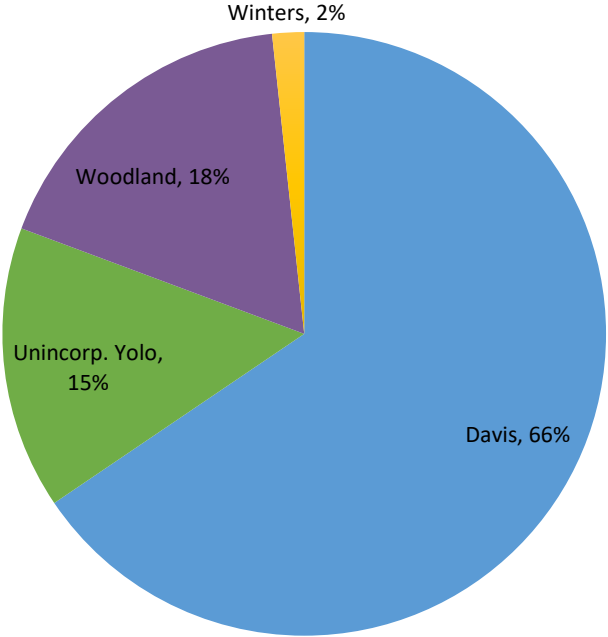


Quarterly Opt-Ups

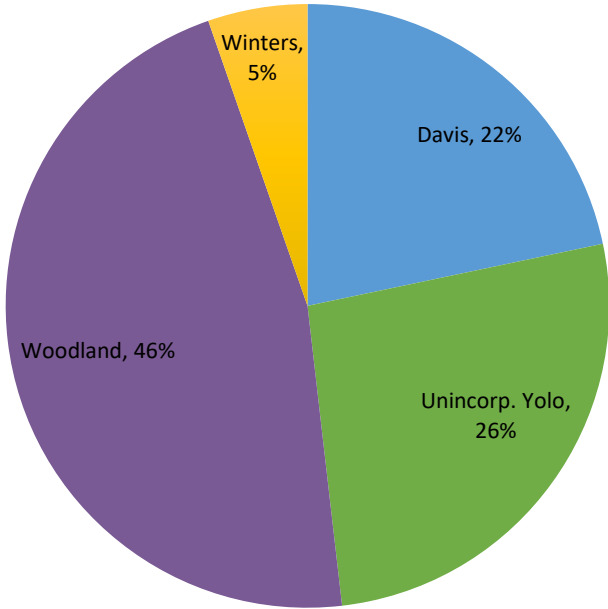


# Item 10 – Customer Participation Update

### 528 Opt-Ups



### 11,156 Opt-Outs



These pie charts are based on total opt-ups and opt-outs since launch. The percentages in the charts are the percentages of those opt-ups and opt-outs by TOT (town or territory).



**VALLEY**  
CLEAN ENERGY

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 11

**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Officer  
Rebecca Boyles, Director of Customer Care and Marketing

**SUBJECT:** SACOG Grant - Electrify Yolo Update

**DATE:** October 12, 2023

#### RECOMMENDATION

Informational item. The purpose of this report is to give an update on the status of the Electrify Yolo (SACOG grant) project.

#### BACKGROUND

In December 2018, the Sacramento Area Council of Governments (SACOG) authorized the award of a Green Region grant in the amount of \$2,912,000, representing the regional “Electrify Yolo” project, with the purpose of installing publicly accessible electric vehicle (EV) charging stations. The City of Davis distributed funds to each entity once the Memoranda of Understanding (MOUs) were approved by each jurisdiction. All projects are to be finished by December 31, 2023.

The project goals include:

- 15-40 Level 2 chargers
- 2-5 DC Fast Chargers
- 2-10 Mobile Chargers
- Purchase or Lease of One or More Electric Vehicles

#### UPDATES

Each jurisdiction is making progress toward meeting its obligations under the grant. All MOUs were signed (Davis, VCE/Winters, Woodland, unincorporated Yolo County) as of April 2021, and some EV charger installation projects have begun, and some are finished.

VCE Staff is working with each jurisdiction to design banners to be hung at each charging station with logos of all project partners, as well as permanent aluminum signs. Temporary banners will inform members of the public that there will be EV chargers coming soon in that location and aim to increase the public’s brand association with VCE and electric vehicles. Banners have been hung in Winters at the Community Center charging stations, as well as a permanent aluminum sign.

**COVID-19 Pandemic Impacts:**

Each jurisdiction experienced impacts related to the COVID-19 pandemic and the shelter-in-place order on Yolo County. Work was delayed as resources were shifted to emergency response and other high priority projects. With the movement of the State to rescind emergency orders and the re-opening of most of the jurisdictions, the project partners are once again moving forward with consultant, siting, procurement and installation efforts. However, due to significant delays with several of the projects, not all jurisdictions may complete their projects by December 31, 2023, and the group has requested a one-year extension from SACOG.

**Fund Expenditures:**

PARTNERS	Funding available per MOU	Current Expenditure	Current Balance	Notes
VCE/WINTERS	\$ 150,000.00	\$ 79,500.00	\$ 70,500.00	Payment to VCE for Winters expenditures provided by City of Davis 6/30/22
WOODLAND	\$ 150,000.00	\$ -	\$ 150,000.00	No requests have been made by Woodland as of 1/25/23
YOLO	\$ 700,000.00	\$ 269,600.00	\$ 430,400.00	Payment to Yolo County Provided by City of Davis 6/30/22
DAVIS	\$ 1,912,000.00	\$ 266,430.00	\$ 1,645,570.00	Current cost for Contract for City of Davis and Frontier Energy as of 6/28/22
TOTAL	\$ 2,912,000.00	\$ 615,530.00	\$ 2,296,470.00	

**Partner Updates**

**City of Davis:**

During the Fall of 2020, staff issued an RFP to solicit proposals for the City’s EV Charging Station project. As a result of that competitive effort, and a thorough review of the proposals, staff recommended Frontier Energy, Inc. as the selected consultant to perform the analysis and design the City’s portion of the EV Charging project. On June 1st, 2021, the City Council approved the Professional Services Agreement (PSA) with Frontier Energy, Inc. and also solidified funding within the City’s budget to fund this effort. Five sites have been selected, and the City continues to work with PG&E to make improvements on the sites. Since the last report in January 2023, the City of Davis has not spent any additional funds. Plans and bid documents are in progress for the 5 public charging sites, as well as additional chargers at two City facilities to charge fleet vehicles. Staff has also identified a potential fleet EV van to purchase as part of the grant requirement.

**City of Winters:**

The City of Winters is finished with its two selected sites. The two separate locations for the charging stations are the Winters Community Center parking lot, located at 201 Railroad Ave., and the City parking lot at the corner of First St. and Abbey St. The Community Center has two Level 2 double chargers replacing existing chargers. The second location is a new parking lot that has one level 2 double charger and one 50kw level 1 fast charger.

**City of Woodland:**

The City of Woodland was apportioned \$150,000 to install at minimum two Level 2 EV charging stations that are accessible to the public. Site selection and feasibility studies are complete, with the site being City of Woodland public parking lot near 430-434 College St, Woodland CA 95695. PG&E has approved plans and is waiting on installment. The site is prepped and ready for switch gear and charger installation; however, the switch gear delivery has been delayed and rescheduled for later in 2023. The City is working with the manufacturer to expedite delivery as soon as possible.

County of Yolo:

- 137 N. Cottonwood St. (Bauer Building) Woodland – 2-Dual Chargers. Construction/Installation completed in mid -February 2023. Chargers are activated and being utilized. This project is complete.
- 600 A St. Davis – 1-Dual Charger – Permitting complete. Construction/Installation completed in early May 2023. Charger is activated and being utilized. This project is complete.
- 315 E. 14th St. Davis - 1-Dual Charger – Construction/Installation completed in August 2023. Charger is activated and being utilized. This project is complete.
- 25 N. Cottonwood St. (Gonzalez Building) – 2-Dual Chargers. Project on hold.
- New Project: County will install two level 2 dual charging stations as part of the new Knights Landing Community Park. Park construction is planned to be completed Spring/Summer 2024 and will include the charger installation.



**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 12**

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To: Board of Directors

From: Mitch Sears, Executive Officer  
Rebecca Boyles, Director of Customer Care and Marketing  
Sierra Huffman, Program and Community Engagement Analyst

Subject: MIDAS Upload Update

Date: October 12, 2023

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**RECOMMENDATION**

Progress update on Valley Clean Energy's actions to comply with the California Energy Commission's Market Informed Demand Automation Server (MIDAS) rates upload.

**BACKGROUND**

In 2020, California Energy Commission (CEC) worked with the California Public Utilities Commission (CPUC), the California Independent System Operator (CAISO), investor-owned utilities, publicly owned utilities, community choice aggregators, and other stakeholders to identify the steps needed to increase statewide adoption of demand flexibility-based rate options. The goal for demand flexibility is reducing peak load, as well as shifting load into periods of high renewable generation, similar to the functionality of our AgFIT Pilot Program.

In August 2021, the CEC published the pilot Market Informed Demand Automation Server (MIDAS), a statewide database of time-dependent electricity rates, CAISO Flex Alerts, and marginal greenhouse gas emissions data. MIDAS was designed to be the principal tool supporting the CEC's load management standards or goal of increased demand flexibility. MIDAS, with the help of automation technology, will provide price signals to shift or reduce load to electrical end users in real-time. The CEC required that the state's largest utilities and large CCAs (including VCE) populate the MIDAS database with time-dependent rates by August 1, 2023, and all time-dependent rate modifiers by October 1, 2023.

**CURRENT STATUS**

Staff ensured the upload of all rates into MIDAS by August 1<sup>st</sup> and October 1<sup>st</sup> of this year. This included all Public Charge Indifference Adjustment amounts (PCIA), and our three energy options of Base Green, Standard Green, and UltraGreen. Both uploads were successful and VCE's rates can now be located within, and downloaded from, the MIDAS database.

**NEXT STEPS**

VCE is working on contracting for ongoing MIDAS uploads with a third party.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 13

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**TO:** Board of Directors

**FROM:** Edward Burnham, Director of Finance & Internal Operations  
Mitch Sears, Executive Officer

**SUBJECT:** Board Compensation and Reimbursement Policy

**DATE:** October 12, 2023

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#### **RECOMMENDATION**

Informational – no action requested.

#### **BACKGROUND & ANALYSIS**

During the formation of VCE, the Joint Exercise of Powers Agreement (JPA) relating to and creating the Valley Clean Energy Alliance designated that the Board of Directors shall serve without compensation from VCE and states the following:

Section 3.6 Director Compensation. Directors shall serve without compensation from VCEA. However, Directors may be compensated by their respective appointing authorities. The board, however, may adopt by resolution a policy related to the reimbursement by VCE of expenses incurred by the Directors.

Staff has received feedback that some CCAs do provide compensation stipends. Additionally, regional JPAs such as the Sacramento Area Council of Governments, Yolo County Transportation District, and others are providing stipends to their respective board of directors for supporting the agency's required board meetings, training, and other related activities. Based on initial research, Board Stipends have ranged from \$100.00 to \$250.00 per meeting/day of service.

If there is interest on the part of the Board to investigate this further, the following are the principle steps: VCE would be required to modify the joint powers agreement to modify section 3.6 above. VCE would be required to notify the member agencies to begin this process. As part of the amendment for VCE to compensate the Authority's Board of Directors, staff would propose that VCE adopt a Board Compensation and Reimbursement Policy. The Policy would apply to both regular members of the Board and alternate members.

A Board of Directors' Compensation and Expense Reimbursement Policy would govern compensation and reimbursement of expenses for members of the Authority's Board of Directors. If adopted by the Board of Directors, the Authority would be authorized to compensate Board members a stipend amount for attending each meeting of the Board of Directors.

#### **CONCLUSION**

Staff will return to the Board of Directors for direction on next steps related to this topic.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 15

**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Officer  
Yvonne Hunter, Legislative and Project Specialist  
Mark Fenstermaker, Principal, Pacific Policy Group

**SUBJECT:** End of Session Legislative Update

**DATE:** October 12, 2023

This staff report provides an overview of how VCE engages in the legislative process and an update on the end of the 2023 legislative session.

#### OVERVIEW OF VCE'S LEGISLATIVE ENGAGEMENT

VCE participates in the legislative process through various means that work together to ensure that VCE's voice is heard in the legislature.

**Legislative Platform.** Each fall, VCE updates its Legislative Platform that includes key policy issues of interest to VCE and for which VCE may decide to take a position. It serves as a guide to help staff, Board and CAC members and VCE's lobbyist. The draft 2024 Platform is being prepared and will be considered by the CAC in October and the Board in November for action. It is important to remember that the Legislative Platform is a guide and VCE may engage in new issues that surface even if they are not addressed in the Platform.

**Legislative/Regulatory Task Group.** The Leg/Reg Task Group (of the CAC) meets every other week with staff and Pacific Policy Group to discuss pending legislation and regulations of interest to CCAs and VCE, political strategy, and what positions, if any, to recommend for VCE to take.

**VCE Procedure for Taking Positions on Bills.** At its June 2022 meeting, the VCE board adopted an updated [Legislative and Regulatory Policy and Procedure](#) for taking positions on pending legislation and regulations. The procedure includes discussion and recommendations by the Legislative/Regulatory Task Group, the CAC and the VCE board, where the legislative timeline permits such review. The procedure also includes a process for VCE to take a position where the legislative or regulatory timeline requires quick action if VCE's engagement is to be effective.

**Coordination with CalCCA.** CalCCA is the statewide association representing California CCAs in the legislative and regulatory process. Since July 2022, VCE has actively participated in CalCCA’s Legislative Committee and has, where appropriate, coordinated legislative outreach by VCE with that of CalCCA staff and lobbyists and other CCAs. VCE’s Executive Officer represents VCE on the CalCCA Board of Directors and contributes VCE’s perspective on issues before the CalCCA board, including legislative items.

**Direct VCE Lobbying.** VCE contracts with Pacific Policy Group to represent its interests in the Legislature. Mark Fenstermaker is VCE’s eyes and ears at the Capitol and provides guidance and hands on lobbying for VCE. He coordinates with the CalCCA legislative team and other CCA advocates. At critical times, VCE also asks its board members to contact VCE’s legislators on key issues.

### **END OF THE 2023 LEGISLATIVE SESSION UPDATE**

When the Legislature adjourned in September for 2023, it concluded the first of the two-year, 2023-24 Legislative Session. With the above overview of VCE’s legislative engagement as background, Pacific Policy Group will present an update of the 2023 Legislative year and a peek, perhaps, at the upcoming 2024 legislative year. The monthly legislative update report is included as item 7 in this packet.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 16

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**TO:** Board of Directors

**FROM:** Edward Burnham, Director of Finance & Internal Operations  
Mitch Sears, Executive Officer

**SUBJECT:** 2023 Operating Budget Update & 2024 Preliminary Budget

**DATE:** October 12, 2023

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#### RECOMMENDATION

Informational – no action requested.

#### OVERVIEW

This update is the first of three discussions leading to Board consideration of VCE's 2024 budget. The purpose of this staff report is to: (1) provide an update on the 2023 Operating Budget, (2) provide the 2024 Preliminary Operating Budget Update and Multi-year Outlook (2024 through 2027).

#### BACKGROUND

In December 2022, the Board approved the 2023 Operating Budget taking into account matching PG&E's proposed rates, incorporated a 2.5% rate credit for CARE/FERA and Medical Baseline customers, and directed all other revenues to cash reserves for a target of ~180+ days cash on hand by the end of 2023.

Key factors in the 2023 Operating Budget included the following:

- CARE / FERA – Incorporated a 2.5% rate credit
- Power Cost Contingencies – increased from 2.5% in 2022 to 5% in 2023 (\$3.4M)
- Financial Reserves. Incorporated a 2023 target of 180 days for operating cash
- PG&E Rate Adjustments – 3% increase – Approximately \$2M in revenue
- PCIA. PCIA: 88% reduction (net zero charge) – Approximately +\$17M in net revenue.
- Long-term power contracts (PPAs). When VCE's two largest PPA's begin full deliveries in 2023: ~60% of VCE's load served, growing to 80%+ by 2024

Staff provided a mid-year financials update in June 2023 to track/report actual 2023 Operating Budget results. Customer load demand has remained lower than forecasted resulting in reduced revenues throughout 2023.

#### ANALYSIS

This report updates information previously provided to the Board during the June 2023 Mid-year Financials Update. The section below provides updates on: (1) 2023 Operating Budget and key factors influencing results and (2) 2024 Preliminary Operating Budget Update and Multi-year Outlook (2024 through 2027).

### 1. 2023 Operating Budget Update

In December 2022, the Board approved the 2023 Operating Budget with \$109M of operating revenues and \$78M of operating expenses for a net income of \$31M. As detailed in the analysis section below, the net financial results are due primarily to a significantly lower load due to cooler weather and higher snowfall/rainfall than forecast. As presented to the Board in June, VCE experienced a ~\$4M decline in net income compared to the Budget through April 2023. This resulted in a revised net estimated income of \$27.8M for 2023. Based on the most recent financials that incorporate results through August 2023 and updated forecasts, the forecast has been revised downward by an additional ~\$10M. The 2023 budget is estimated to have a total net income of \$17M, \$14M less than forecast in the adopted 2023 Budget. As shown in Table 1 below:

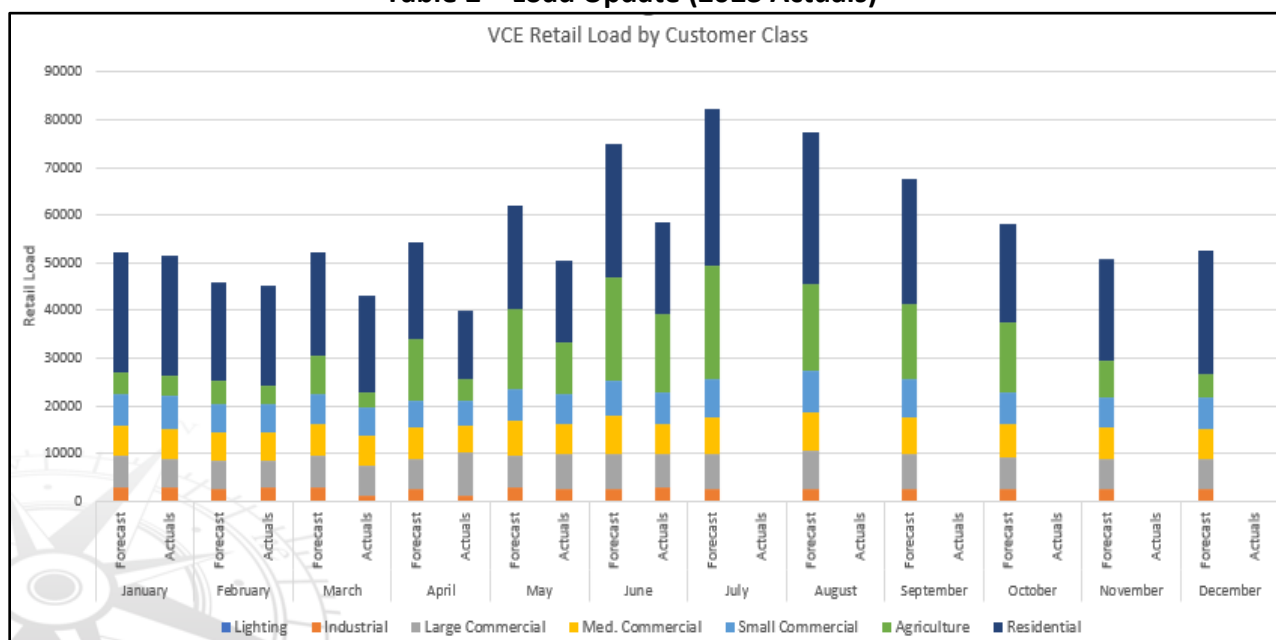
**Table 1 - 2023 Proforma Budget (Unaudited)**

Description	APPROVED 2023 BUDGET	2023 Proforma (8 Month Actuals + 4 Month forecast)	Variance
Revenue	\$ 109,500	\$ 98,800	\$ (10,700)
Power Cost	\$ 71,650	\$ 75,200	\$ (3,550)
Other Expenses	\$ 6,430	\$ 6,600	\$ (170)
<b>Net Income</b>	<b>\$ 31,420</b>	<b>\$ 17,000</b>	<b>\$ (14,420)</b>

Key factors influencing the 2023 Operating Budget results include:

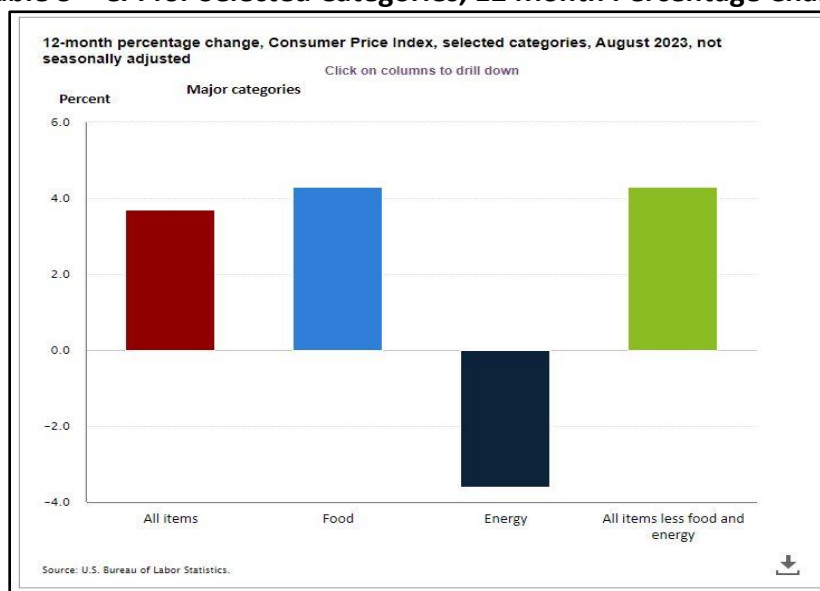
- Load Forecast. As shown in Table 2, in the first half of 2023 energy use in most sectors have been lower than forecasted. For example, two large sectors showed lower than forecast energy use: (1) residential and (2) commercial use related to agriculture due to wet and long winter, lower overall summer temperatures, and reduced heat events.

**Table 2 – Load Update (2023 Actuals)**



- Budgeted revenues. The 2023 Budget incorporated revenues associated with a normalized load. These revenues have not fully materialized in the actuals for 2023 due to the lower overall load as described above resulting in lower revenues throughout 2023.
- Power Costs. Average forward market power prices have decreased from the high 2022/23 winter costs due to an abnormally wet winter and increased hydro production. In September 2023, the CPUC authorized the use of additional natural gas storage to help with future winter demand. This has decreased total long-term energy hedging prices and day-ahead purchase prices in the recent months of 2023. Power prices are expected to remain at near current prices through 2024. Table 3 below helps illustrate the relative impact to energy sector prices compared vs. other major categories in the US economy resulting from economy wide financial impacts.

**Table 3 – CPI for Selected Categories, 12 Month Percentage Change**



**2. 2024 operating Budget Update and Multi-year Outlook (2025 through 2027).**

Staff has incorporated current forecasts for revenues and costs as shown in Table 4 below, to include matching PG&E’s rates that incorporated a 2.5% rate credit for CARE/FERA and Medical Baseline customers and PCIA forecasts. VCE's long-term renewable PPA contracts are forecasted to provide near/long-term financial relief. VCE continues building reserves for VCE’s initial investment grade credit rating, and increased ability to implement programmatic objectives.

**Table 4 – Multi-Year Forecast**

Description	Actuals	(8 Month Actuals + 4 Month Budget)	Preliminary Forecast*			
	2022	2023	2024	2025	2026	2027
Customer Revenue	85,323	98,800	87,500	98,000	101,000	105,000
Power Cost	75,130	75,200	68,600	62,900	68,500	77,500
Other Expenses	4,469	6,600	6,800	7,100	7,500	7,900
Net Income	5,724	17,000	12,100	28,000	25,000	19,600

\* The Multi-Year Forecast is based on analysis by CalCCA, MRW, and TEA, discounted based on power and PCIA volatility in previous years.

**2024 Preliminary Operating Budget Key Factors:**

- 2024 Customer Rates (VCE & PG&E Comparison) VCE will set customer rates to collect sufficient revenue from participating customers to fully fund VCE's Budget and continue to contribute to reserve funds to obtain an initial investment grade credit rating. Based on information from VCE and CalCCA's analysts on the proposed 2024 PG&E rates, VCE expects:
  - PCIA: 2024 PCIA to have a net zero change due to decreased energy cost recovery offset by increased recovery of resource adequacy costs and renewable energy credits.
  - PG&E Bundled rates (PCIA & Generation): 4% decrease – Results in approximately \$4M reduced revenue for 2024

As noted above, lower power market prices are forecasted to continue into 2024 which will create upward pressure on the PCIA. Although power prices are lower, increased power costs for renewable energy credits and resource adequacy should off-set the lower energy costs. Currently, based on analysis by CalCCA, staff anticipate a near-zero impact on PCIA rates for 2024.

- Resource Adequacy (RA). Rising RA costs for calendar year 2024 will have negative fiscal impacts on VCE. TEA is currently filling VCE's remaining open RA positions for 2024 based on availability. VCE's two largest PPA's deliver approximately 60% of VCE's load lowering the cost of energy and RA. This amount will grow to 80%+ in 2024. This trend toward more stable power costs is shown in the updated multi-year forecast table below. Although there are significant increases in RA from VCE's PPAs, market cost increases have outpaced PPA savings for 2024. Recent updated filings from the CPUC for 2025 and 2026 have reduced VCE's RA requirements resulting in a long-term reduction to VCE's RA costs.

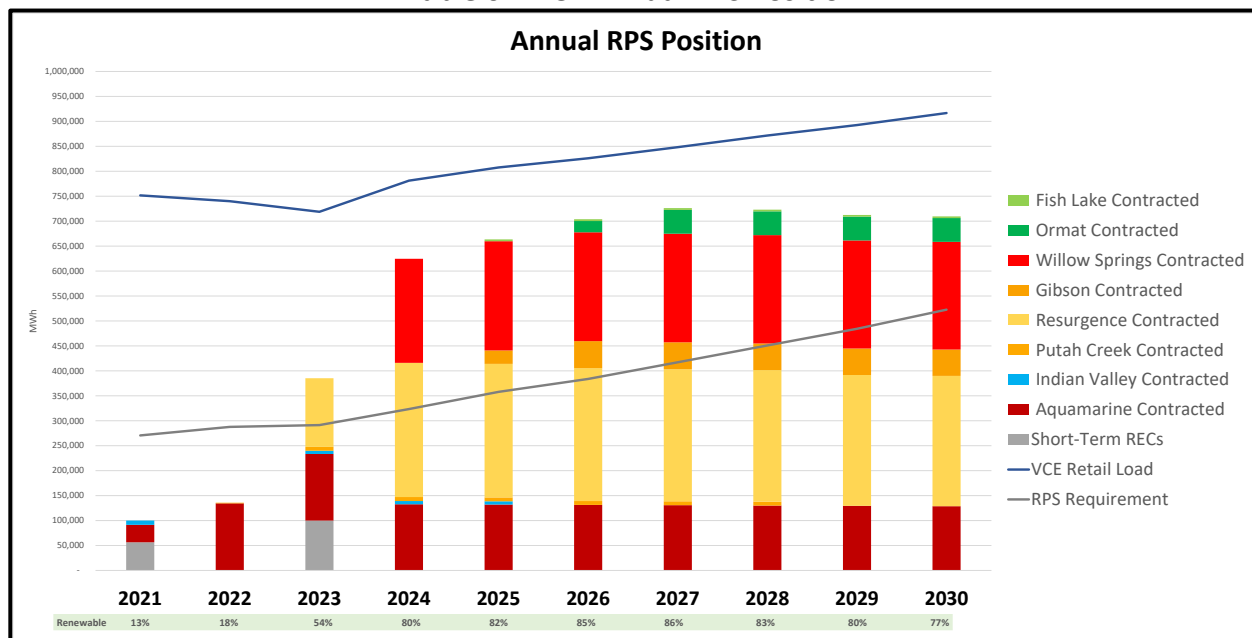
**Table 5 – Resource Adequacy Costs**

	(8 Month Actuals + 4 Month Budget)	Preliminary Forecast*			
	2023	2024	2025	2026	2027
Resource Adequacy (in thousands)	11,940	12,500	3,700	3,900	4,095

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**Table 6 – VCE Annual RPS Position**



- **2024 Programs Costs** – As VCE stabilizes its net income, VCE has been able to make significant contributions in support of customer programs. VCE anticipates reaching \$1M in program contributions in 2024 from non-reimbursable programs and \$4M including reimbursable programs (i.e. grants).

**Additional Considerations** – Preliminary 2024 Budget Other operating expenses (not including power costs) are nearly flat compared to the 2023 budget, reflecting only a 3% increase – lower than 2023 CPI at ~5%. The primary factors of increased costs in this category of expenses include salaries, programs, financing costs, and other administrative costs.

**Multi-Year Forecast (2024-2027)**

Table 4 above summarizes the preliminary 2024 Operating Budget Estimate and long-term financial forecast. VCE’s long-term renewable contracts will also have rate stabilization effects while significantly increasing VCE’s renewable content. As shown in the table, VCE is expected to continue to recover costs and build healthy cash reserves for VCE’s initial investment grade credit rating. VCE adopted the 2022 and 2023 budget, which incorporated a 2.5% rate credit for CARE/FERA and Medical Baseline customers and directed all other revenues to cash reserves. VCE expects the updated forecasts from PG&E in October to complete the analysis for extending the rate credit program to additional customers while reaching the investment grade credit rating by the end of 2028 as established in VCE’s updated 2021-2025 Strategic Plan.

**CONCLUSION**

Staff will update the 2024 Draft Operating Budget and Multi-Year Forecast for the Board in November. The draft budget will incorporate financial results from September and PG&E’s forecasts from its annual rate and PCIA proceeding with the CPUC. Though the table above indicates continued profitability and building of reserves for our initial credit rating, staff notes that there continues to be likely market volatility that may change or delay expected results. VCE has adopted the Rate Adjustment System to assist in normalizing any customer rates for favorable and unfavorable results.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 17

**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Officer  
Rebecca Boyles, Director of Customer Care and Marketing  
Sierra Huffman, Program and Community Engagement Analyst

**SUBJECT:** Progress Update on 3-Year Programs Plan

**DATE:** October 12, 2023

#### RECOMMENDATION

This item is informational.

#### OVERVIEW

The purpose of this report is to provide a progress update on VCE's 3-Year Programs Plan and to introduce potential 2024 programs concepts.

#### BACKGROUND

##### Plan Development

The 3-Year Programs Plan was adopted by the Board in June 2021. The Plan was designed to be consistent with, and support the goals and objectives of, the VCE Strategic Plan adopted by the Board in November 2020. The Plan built on the initial VCE Programs Plan developed in 2019 that guided early informational-based actions by VCE on energy efficiency and electric vehicles (EVs). Staff has continued to update these educational items, and they have served as important resources for VCE's customers.

##### 3-Year Programs Plan Progress

Since the Programs Plan was implemented in June 2021, 3 educational programs have remained active, and 4 new programs launched. Of the 4 new programs, two have seen overwhelming success and may be expanded within the next year: AgFIT and the Electric Vehicle (EV) Rebate Program. One new program has been approved by the Board and is due to launch within the next year. Staff is exploring several concepts for 2024 detailed below.

#### Active Educational Programs:

- [EV Information](#) has been updated regularly, including customer reference material about EV benefits, EV facts, Savings calculator (compared to internal combustion vehicles), EV model comparisons, CO2 reduction calculator, Rebates and incentives, and an EV charger finder.

- [Energy Efficiency Information](#): the interactive graphic on VCE's website has served as a resource for customers seeking to make their homes more energy efficient. This page is being revamped to include new informational resources in late 2023.

#### Active Programs and Pilots:

- [Electrify Yolo: Electric Vehicle \(EV\) Chargers](#) are being installed through a Sacramento Area Council of Governments (SACOG) \$2.9M grant: chargers were installed in Winters; and Woodland, Davis and Yolo County have made significant progress toward installation. Because of supply chain- and covid-related delays, the team has requested a one-year extension to finish the installations by December 2024.
- [Agricultural Flexible Irrigation Technology \(AgFIT\) Pilot](#): VCE and pilot partners received \$3.94M from the California Public Utilities Commission (CPUC) to incentivize farmers to save money while shifting peak irrigation load. The team, led by VCE, provides lucrative automation incentives, an easy-to-use irrigation scheduling application, and a dynamic pricing pilot tariff designed to save agricultural customers money when they shift load to less expensive times of the day. Launched August 2022, and due to initial success in load shift, the CPUC is proposing to expand the pilot, extend its reach to all of PG&E's service territory, and remove the participation cap. A second pilot proposed by the CPUC would expand the AgFIT pilot to other (non-ag) customer classes. Staff is working on proposed budgets and program design for the expansion pilots, and a CPUC decision is expected in Q4 2023, with a potential launch in summer 2024.
- [OhmConnect](#): VCE is working in partnership with OhmConnect to offer our residential customers incentives to shift load off of peak times of stress for the grid. Participating customers receive a \$50 sign-up bonus for participating, as well as the opportunity for cash and prize incentives for participating in load-shifting events. Launched August 2021.
- [Heat Pump Pilot Program](#): Staff worked with stakeholder organizations on marketing, education and outreach to contractors, customers, and other stakeholders on home electrification rebates, incentives, financing, and electrification strategy. Launched June 2022, though activity slowed in 2023. Staff may recommend re-vamping this program in Q2/3 2024.
- [Electric Vehicle \(EV\) Rebate Program](#): VCE launched this program in September 2022 and provided \$120,000 in rebates to customers who purchased a new EV. Due to overwhelming demand, funds were exhausted in the summer of 2023. Staff was preparing to seek Board approval to launch Phase 2 with an increase in budget, but the program that VCE used as a proxy for eligibility requirements (the California Clean Vehicle Rebate Project, or CVRP) was closed abruptly in early September 2023. Staff is exploring new ways of administering the program and is planning to return to the CAC and Board with their proposal in the next 3 months.

#### Programs Launching (Board-approved):

- [Electrification Retrofit Rebate Outreach Program \(ERRO\)](#): VCE is working with Yolo County on an American Rescue Plan-funded program designed to connect low-income residents with existing rebates to electrify their homes, as well as make them more energy-efficient, saving them money on utility bills. VCE's role will mainly be

marketing, education and outreach, and the program is due to launch within the next six months.

### 2024 Program Concepts

- **REDWDS Grant:** VCE applied for a grant from the California Energy Commission (CEC) in partnership with Monarch Tractor and GridTractor, and the grant was provisionally approved. The program would help agricultural customers with incentives for electric tractors (some of which are semi-autonomous) and bidirectional charging (the tractor could take charge from the grid but also help to provide power when the grid is down). Customers would be placed on a dynamic rate similar to AgFIT. Final CEC decision is expected Q4 2023 with an anticipated 2024 launch.
- **Video Bill Explainer:** Staff is evaluating a proposal by a firm that has worked with utilities nationwide to offer a service that uses customers' usage information to design a video bill explainer. The explainer describes some of their usage in detail and gives actionable tips on how to conserve electricity and save money, e.g. *"if you delayed the start of your dishwasher by 3 hours, you could save up to \$10/month."* The service could also be used to target low-income customers to promote rebates for the ERRO program. Staff anticipates bringing this concept before the Board in late 2023/early 2024 after receiving Programs/Outreach Task Group (POTG) feedback.
- **Customer Concierge Service:** Staff is evaluating a proposal by SMUD to provide a service for customers that includes high-touch ("white glove") service for customers interested in EVs, electrification and energy efficiency. The service would use customer-specific usage and billing information to provide personalized recommendations and could be used by customers for a range of inquiries, from frequently asked questions to in-depth tech support. Staff anticipates bringing this concept to the Board in late 2023/early 2024 after receiving POTG feedback.

### FISCAL IMPACT

As part of the 2024 budget, staff anticipates recommending that the Board allocate up to 75% of the remaining Programs Fund in 2024 to in-progress Pilots and 2024 Program Concepts. Staff anticipates program funding would surpass \$1m in non-reimbursable (VCE Programs Fund) and \$4m in reimbursable (other funding sources, e.g. the CPUC) funds in 2024. Staff will seek recommendation from the Board for specific programs at a later date, but anticipates recommending the allocation of:

- \$1.5m for AgFIT (reimbursable)
- \$75k-100k for Heat Pumps (non-reimbursable)
- \$225k-275k for EV Rebate Phase 2 (non-reimbursable)
- \$70k-100k for ERRO (reimbursable)
- \$150k-250k for REDWDS (reimbursable)
- \$100k-120k for Video Bill Explainer (partially reimbursable)
- \$100k-120k for Customer Concierge Service (partially reimbursable)

**NEXT STEPS**

Continue all active programs and continue to develop 2024 programs concepts, get feedback from the POTG and Community Advisory Committee, and bring before the Board. Update the 3-Year Programs Plan in June of 2024.

**ATTACHMENT**

1. VCE 3-Year Programs Plan

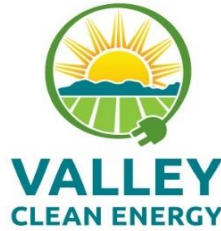


# **Valley Clean Energy**

## **3-Year Programs Plan**

**June 2021 – June 2024**

June 10, 2021



**TABLE OF CONTENTS**

**EXECUTIVE SUMMARY** ..... 3

**I. BACKGROUND**..... 3

**II. CURRENT PROGRAMS OVERVIEW** ..... 4

**III. KEY CONSIDERATIONS IN PLAN DEVELOPMENT** ..... 5

**1. VCE’S COMMITMENT TO ENVIRONMENTAL JUSTICE** ..... 5

**2. COMMUNITY REINVESTMENT** ..... 5

**3. COMMUNITY ENGAGEMENT** ..... 6

**IV. PLAN ORGANIZATION**..... 7

**1. PROGRAM STRATEGIES** ..... 7

**2. PROGRAM PHASING** ..... 7

**V. PLAN/PROGRAMS EVALUATION** ..... 9

**PROGRAM STRATEGY ONE (PS1)**..... 10

**PROGRAM STRATEGY TWO (PS2)**..... 15

**APPENDIX 1: ACRONYMS**..... 18

**APPENDIX 2: VALLEY CLEAN ENERGY STRATEGIC PLAN GOALS RELATED TO PROGRAMS** ..... 19



## EXECUTIVE SUMMARY

In 2020, Valley Clean Energy (VCE) crafted a Strategic Plan to better guide its organizational mission, vision, and strategies. The plan was adopted by the Board of Directors after significant feedback from the VCE Board, consultants, the Community Advisory Committee (CAC), and staff. The Strategic Plan lays out six goals and 32 objectives, and these goals are meant to guide VCE staff, the board, and the CAC in planning and decision-making for the next three years.

This Programs Plan is intended to complement VCE’s Strategic Plan, to provide more details on programs to be developed over the next three years to support VCE’s member communities. To accompany the Programs Plan, tasks will be tracked in a project management system so that the team can connect the strategic vision with their day-to-day tasks.

The Programs Plan focuses on two main strategies; to:

- 1) Promote the electrification of transportation, residential and commercial buildings, and agricultural operations.
- 2) Encourage and incentivize energy efficiency, demand response flexibility, and resiliency.

These strategies and goals will guide the development, deployment, and evaluation of VCE programs in the coming years. In particular, the Programs Plan seeks to advance: **Goal 3: Prioritize VCE’s community benefits and increase customer satisfaction and retention** and its corresponding Objectives 3.1. – 3.7; and **Goal 4. Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resiliency, and safety;** and corresponding Objectives 4.1. – 4.4. For a complete listing of the relevant objectives, see Appendix 3.

To ensure operational effectiveness, and alignment with the Strategic Plan, the Programs Plan will be reviewed by the Programs Task Group, the Community Advisory Committee, and the Board of Directors prior to adoption.

## I. BACKGROUND

Valley Clean Energy Alliance—or VCE—started serving customers in June 2018 and is the official electricity provider for customers in the municipalities of Woodland, Davis, Winters, and unincorporated Yolo County. VCE purchases clean electricity and PG&E delivers the electricity through their distribution system (poles and wires).

VCE is locally controlled by a Board of Directors that is comprised of elected officials from the member jurisdictions. VCE maintains program control and revenues at home, where it can





create jobs and build local clean energy installations—as many other California Community Choice Aggregation programs (CCAs) have already done. Whenever possible, VCE will reinvest dollars to boost the local economy by providing dividends and programs, while fostering a clean energy future.

In the first two+ years of operation, VCE has implemented the initial phase of programs primarily focused on educating customers about electric vehicles, energy efficiency, and PG&E incentive programs. This 3-year programs plan outlines programs to be delivered to the community and customers in the coming years as well as programs under consideration.

## II. CURRENT PROGRAMS OVERVIEW

VCE staff is working closely with the Community Advisory Committee (CAC), particularly the Programs Task Group, and the VCE Board to help guide program development. Based on input from the CAC and the VCE Board, and recommendations from VCE staff, initial programs will focus on both building and transportation electrification and energy efficiency. Supporting program areas will include demand response and energy storage technologies that will favorably impact Resource Adequacy (RA) costs. Electrification and energy efficiency programs will target multiple customer segments including residential, commercial, agricultural, and industrial.

Due to increases in the Power Charge Indifference Adjustment (PCIA) and Resource Adequacy costs, initial program funding has been limited. For that reason, initial activities have been focused on low-cost programs that provide education of electrification and energy efficiency. Action in future years will be scaled with available funding. Additionally, VCE staff and the Programs Task group will be identifying supplementary funding opportunities from the state, the federal government, and other sources that will support a **Programs Fund Bank** to enable VCE to implement enhanced programs.

For each program, a Preliminary Program Design/Implementation Form will be developed with budget, timing, and metrics defined. VCE Staff will bring the Design/Implementation Form to the CAC and the Board for input and budget approval. The program tasks will be input and tracked in Monday.com.

Over the next several years it is expected that the PCIA will stabilize, per customer power procurement costs will go down, and these trends will free up additional funds for reinvestment in customer programs. Other key contextual factors that inform the Programs Plan include:



- Ongoing impacts of the pandemic
- Social equity challenges, particularly in light of COVID-19 related economic turmoil
- The climate crisis and member jurisdictions' increasingly robust Climate Action Plans, which include energy and EV elements related to VCE operations
- Innovative program models being advanced by other CCAs
- Potential grant funding opportunities and public/private partnerships.

### III. KEY CONSIDERATIONS IN PLAN DEVELOPMENT

#### 1. VCE'S COMMITMENT TO ENVIRONMENTAL JUSTICE

VCE is committed to promoting equitable outcomes for all customers, including vulnerable, low-income, and disadvantaged communities and communities of color. VCE is prioritizing equity and environmental justice in its programs by ensuring that rates for all customers remain affordable and competitive and that all qualifying low-income customers are fully enrolled in CARE rates and other discount programs and incentives.

On October 10, 2020, the Board of Directors unanimously approved VCE's Statement on Environmental Justice. The Statement is posted to VCE's web site at: [Valley Clean Energy's Draft Statement on Environmental Justice](#).

Consistent the Statement, VCE will continue to explicitly integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE's services and programs – to ensure *all* of our customers are well served.

To this end, VCE has been an active member of CalCCA's Equity Committee, which shares best practices for CCA programs, community engagement, and internal policies that focus on environmental justice and prioritize equitable outcomes for all customers. In an effort to highlight which VCE programs have been curated with an enhanced emphasis on environmental justice, look for the VCE Environmental Justice badge under [PROGRAM STRATEGY ONE](#) and [TWO](#).



#### 2. COMMUNITY REINVESTMENT

The opportunity for community reinvestment is one of several universal benefits associated with forming a CCA program. CCAs are in a unique position to promote equitable access to and significant local participation in decisions related to the energy sector. In addition to the two



main program strategies, VCE places a priority on reinvestment in the communities it serves. The two main programs VCE currently has in place that are focused on this priority are the Customer Dividend and NEM Donation programs described below.

- The **NEM (Net Energy Metering) Donation** program launched in January 2021. NEM customers are given the option to donate any credits they have from excess electricity generation to local charities. Upon launch, customers with over \$100 in their credit balance were eligible to participate. VCE is evaluating changing the program to allow NEM customers with less than \$100 in credits to participate.
- The VCE **Customer Dividend Program** is designed to reward VCE customers by sharing the benefits of VCE's positive financial performance after specific financial targets have been met. The dividend will be based on VCE's fiscal year net revenues determined by the VCE Board. VCE customers are automatically enrolled in the program once it becomes active. The program is not currently active.

The Programs Plan provides a foundation to establish additional programs that advance VCE's community reinvestment goals.

### **3. COMMUNITY ENGAGEMENT**

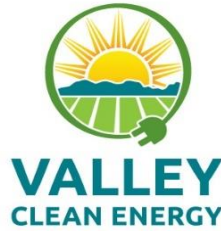
VCE was created by and for the communities it serves. For this reason, VCE staff has begun the process of conducting stakeholder outreach to determine community priorities as it relates to VCE programs.

Generally, "Community Priorities" are unique attributes or impact areas that describe program outcomes that the public has identified as being most important. Community Priorities are one aspect of determining and identifying which programs would benefit VCE customers the most. To collect input on these priorities, VCE will conduct periodic surveys to enhance its understanding of customer and community priorities. VCE will provide links to community surveys to the VCE Board and CAC members in an effort to target the community and customer segments they represent to solicit feedback on program priorities.

This strategy aligns with the following goal and objective of VCE's Strategic Plan:

**Goal 3.** *Prioritize VCE's community benefits and increase customer satisfaction and retention.*

3.6 **Objective:** *Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.*



Furthermore, VCE intends to solicit responses by providing the surveys via VCE’s social media, website, quarterly newsletter, key stakeholders, City and County officials, personal and professional connections, and diverse and/or underserved community groups.

#### IV. PLAN ORGANIZATION

##### 1. PROGRAM STRATEGIES

The Programs Plan is organized around two basic program strategies that guide action and investment over the next three years:

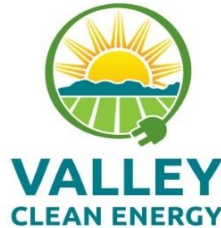
- 1) Promote the electrification of transportation, residential and commercial buildings, and agricultural operations; and
- 2) Encourage and incentivize energy efficiency, demand response flexibility, and resiliency. These general strategies provide a frame for the types of programs that VCE will be focused on over the next several years.

##### 2. PROGRAM PHASING

Program Phasing provides a set of factors that VCE will use to make high level evaluations of potential programs. Three Phases are established that help group potential programs by degree of readiness, availability of resources for implementation, and impact. The Program Phasing system is shown in Table 1 below.

**Table 1 – Program Phasing System**

Phase 1	Phase 2	Phase 3
<p>Ongoing or to be initiated within the next year.</p> <ol style="list-style-type: none"> <li>1. Achievable in the near-term.</li> <li>2. Funding and other resources are available.</li> <li>3. Building the foundation for ongoing a future project.</li> </ol>	<p>To be initiated within one to three years.</p> <ol style="list-style-type: none"> <li>1. Anticipated, yet not immediate, deadline.</li> <li>2. Funding requirements to be determined and funding sources identified or in development.</li> <li>3. Necessary for planning and development of long-term actions.</li> </ol>	<p>No defined start date, likely longer than two years.</p> <ol style="list-style-type: none"> <li>1. In the conceptual phase.</li> <li>2. Additional information needed to inform an operational plan.</li> <li>3. Funding not yet available.</li> </ol>



The initial set of potential programs identified by VCE have been evaluated using the Program Phasing system outlined in Table 1 and are listed below. Each potential program is identified as either Program Strategy 1 (PS1) or Program Strategy 2 (PS2) and is described further in Appendix 1.

**Phase 1 Programs:** *Ongoing or to be initiated within the next year*

1. [Maintain and Enhance EV Educational Resources \(PS1\);](#)
2. [Deployment and Promotion of Electric Vehicle Charging Stations \(EVCS\) \(PS1\);](#)
3. [Maintain and Enhance Educational Energy Efficiency Resources \(PS2\);](#)

**Phase 2 Programs:** *Potential to be initiated within one to three years*

1. [Agricultural Auto-Demand Response \(PS2\);](#)
2. [Demand Response and Free Thermostat for Residential Customers \(PS2\);](#)
3. [Agricultural Electrification \(PS1\);](#)
4. [Promote Dual Fuel Heat Pumps for Space Conditioning \(PS1\);](#)
5. [All Electric Awards Residential and Commercial Program \(PS1\);](#)
6. [Electric Vehicle Rebates for Lower-income Customers \(PS1\);](#)
7. [Provide Information on Self-Generation Incentive Program \(SGIP\) \(PS2\);](#)

**Phase 3 Programs:** *No defined start date for action, likely longer than two years*

1. [Electric Vehicle Ride and Drive Events in VCE Territory \(PS1\);](#)
2. [Promote Induction Cooking as a Healthier, Climate-Friendly Alternative to Fossil Gas \(PS1\);](#)
3. [Disadvantaged Communities Green Tariff Program \(DAC/GT\) \(PS1\);](#)
4. [Increase DC Fast Charger Deployment \(PS1\);](#)
5. [Expansion of Charging for Multifamily Apartments \(PS1\);](#)
6. [Develop a Residential and Commercial Battery Storage Program \(PS2\);](#)

### **3. Program Preliminary Design/Implementation Form**

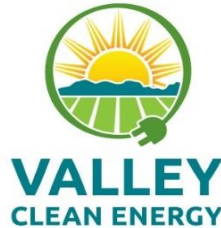
All Phase 1 and certain Phase 2 programs with a high degree of readiness, availability of resources for implementation, and/or impact will be further analyzed using the Program Preliminary Design/Implementation Form. The Form is designed to provide the level of detail necessary for VCE to make an informed decision on the feasibility of implementation and priority of a particular program. A sample Program Preliminary Design/Implementation Form is included as Appendix 2.



## **V. PLAN/PROGRAMS EVALUATION**

A Plan evaluation report will be completed annually with outcomes and recommendations presented to the Board.

The programs selected for implementation will be evaluated annually. The evaluation will include recommendations for program improvements including adjustments to future year goals, budgets, marketing plans, and other recommendations to improve program performance and customer satisfaction. On a more regular basis VCE staff and the PTG will reassess opportunities and feasibility of programs listed under the Phases one, two and three based on community feedback, budget, and VCE Board and CAC feedback. Metrics to assess program performance and strategies for collecting feedback from program participants will be incorporated into each Program Preliminary Design/Implementation Form. Underperforming programs will be evaluated for improvement or early cessation.



## PROGRAM STRATEGY ONE (PS1)

### Promote the Electrification of Transportation, Residential and Commercial Buildings, and Agricultural Operations

This strategy aligns with the following goals and objectives of VCE's Strategic Plan:

**Goal 3.** *Prioritize VCE's community benefits and increase customer satisfaction and retention.*

- 3.2 **Objective:** *Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.*
- 3.5 **Objective:** *Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.*

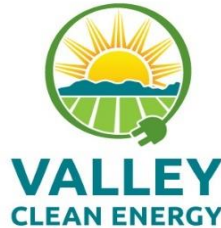
**Goal 4.** *Promote and deploy decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety.*

- 4.1 **Objective:** *Working with variety of local, regional, and state partners, develop a grid innovation roadmap for VCE's service territory that supports community energy resilience and reliability.*

#### Phase 1 Programs:

##### Maintain and Enhance EV Educational Resources

- Project:** VCE offers educational resources and access to third party incentives to help customers switch to driving an EV, including information on: EV Benefits, EV Facts, Savings Calculator, CO2 Reduction Calculator, EV Model Options (and comparison tool), EV Credits and Rebates, and a Charger Locator.
- Status:** Tools and materials currently available on <https://valleycleanenergy.org/electric-vehicles/>.
- Metric:** Number of unique visits and engagement time on website.
- Goal:** 200 unique visits and an average of 2 minutes spent on the website and subsequent tools.
- Timeframe:** Launched December 2019. Program is ongoing.



Deployment and Promotion of Electric Vehicle Charging Stations (EVCS)

- Project:** VCE was awarded a \$2.9M grant from the Sacramento Area of Council of Governments (SACOG) for installation of electric vehicle charging infrastructure and mobility hubs in Yolo County in partnership with the cities of Davis, Woodland, Winters, and unincorporated Yolo County.
- Status:** VCE has finalized MOUs with the City of Davis and Winters for installation of the EV Charging Stations. All projects are expected to be fully installed by 2022.
- Metric:** Number of EV chargers installed throughout jurisdiction.
- Goal:** 45 EV chargers installed.
- Timeframe:** Grant awarded 2019. MOUs complete in 2021. Installations complete 2023.

Phase 2 Programs:

Agricultural Electrification

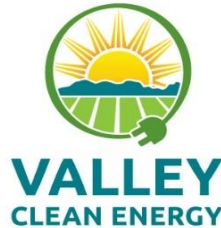
- Project:** Enable customers to access agriculture incentives for upgrading from existing fossil gas farming equipment to fuel switching farming equipment such as tractors, forklifts, diesel-powered irrigation pumps, light/heavy duty trucks, coolers/boilers and more. Consider implementation of program model from Central Coast Community Energy. A simple application process would be designed for busy ag customers in mind.
- Status:** VCE met with Programs Manager at Central Coast Community Energy (3CE) to discuss 3CE’s recent pilot Agriculture Program (launched July 2020). Project concept has been vetted by PTG, CAC, and internal staff.
- Metric:** Number of ag customers/ projects and GHG emissions reduced
- Goal:** TBD
- Feasibility:** High likelihood of implementation.
- Timeframe:** 2021-2022



Promote Dual Fuel Heat Pumps for Space Conditioning

- Project:** When an air conditioner reaches the end of its useful life it can be replaced with a heat pump while retaining the furnace for backup heat. The incremental cost is minimal, it avoids the need to add a 230V circuit for the indoor unit, and natural gas use for heating can be nearly eliminated. This is an affordable, low risk first step toward electrification. Phase I activities will include developing and disseminating information resources on customer and climate advantages. Late Phase I and Phase II activities will include a pilot demonstration.
- Status:** Under development
- Metric:** Number of air conditioners replaced annually and GHG reductions





**Goal:** Five pilot project sites by end of 2021 or early 2022, launch program in 2022.  
**Feasibility:** No technical barriers, strong likelihood of success  
**Timeframe:** 2021-2022

#### All Electric Awards Residential and Commercial Program

**Project:** VCE staff conducted preliminary research on an “All Electric Awards Program” for residential and commercial customers, similar to Silicon Valley Clean Energy (SVCE). VCE is considering showcasing all electric homes, businesses, or gas-to-electric conversions on the VCE website under Programs to inspire and educate VCE customers.  
**Status:** In concept development  
**Metric:** Number of homes and businesses highlighted on VCE website.  
**Goal:** 10  
**Timeframe:** 2021-2022

#### Electric Vehicle Rebates for Lower-Income Customers

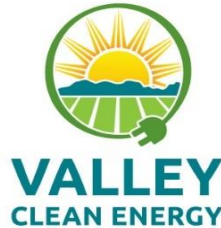
**Project:** Develop program infrastructure and disburse rebates for Electric Vehicles to income-qualifying customers for a limited time (approx. 3 months)  
**Status:** Draft Preliminary Program Design/Implementation Form  
**Metric:** Number of EVs procured with rebates.  
**Goal:** TBD  
**Feasibility:** High likelihood of implementation.  
**Timeframe:** TBD but likely to begin program implementation by August 2021



#### Phase 3 Programs:

##### Electric Vehicle Ride and Drive Events in VCE Territory

**Project:** Develop relationships with Ride and Drive event producers, local EV drivers, and car dealerships to host a free Ride and Drive event to promote the adoption of EVs in the VCE service territory.  
**Status:** Concept in development. Proposal will be requested from at least two Ride and Drive event producers.  
**Metric:** Number of Ride and Drive participants. Number of EVs purchased within six months of participating in Ride and Drive (if data is available – will depend on program investment level and event producer. Historic average is 12% of Ride and Drive event attendees purchase an EV within six months of the event.)



**Goal:** X event participants per Ride and Drive event. X events per year. X % of attendees procure an EV within six months.  
**Feasibility:** High likelihood of implementation once conditions allow  
**Timeframe:** TBD

Promote Induction Cooking as a Healthier, Climate-Friendly Alternative to Fossil Gas

**Project:** Enable customers to access electric induction stove incentives for upgrading from existing fossil gas cooktops and for new construction and kitchen remodels. Consider implementation of program model from Sonoma Clean Power which includes access to loaner induction cooktops.  
**Status:** Currently outreaching to Building Decarbonization Coalition, partner CCAs, and PG&E to create VCE-specific program plan.  
**Metric:** Number of induction stove tops provided to VCE customers on a loan/rental basis. Number of induction stove incentives provided.  
**Goal:** TBD  
**Feasibility:** High likelihood of implementation.  
**Timeframe:** TBD

Disadvantaged Communities Green Tariff Program (DAC/GT)

**Project:** This California Public Utilities Commission program enables income-qualified residential customers who live in disadvantaged communities (DACs, as defined in the State’s CalEnviroScreen tool) to benefit from utility-scale clean energy and receive a 20% bill discount. Since this discount “stacks” with others, participants on the CARE program could receive close to a 50% total bill discount. Several CCAs are participating in this program. While VCE has a small number of customers that would qualify, savings could be substantial.  
**Status:** Currently evaluating the feasibility of participation.  
**Metric:** Number of customers served. Value of discounts received.  
**Goal:** TBD  
**Feasibility:** Medium likelihood of implementation.  
**Timeframe:** TBD



Increase DC Fast Charger Deployment

**Project:** Identify potential sites for DC Fast Charge stations in each VCE jurisdiction. Release a Request for Interest (RFI) to EVSE vendors to promote increased DCFC deployment. Identify and win grant funding that could leverage additional private investment in DC Fast Chargers.  
**Status:** In concept development



**Metric:** Number of DC Fast Chargers installed.  
**Goal:** TBD  
**Feasibility:** Medium likelihood of implementation.  
**Timeframe:** TBD

Expansion of EV Charging for Multifamily Apartments

**Project:** Develop incentive program and technical resources to multifamily property owners to increase EV Charging access for apartment residents.  
**Status:** In concept phase  
**Metric:** TBD  
**Goal:** TBD  
**Feasibility:** Medium likelihood of implementation.  
**Timeframe:** TBD



///End of Strategy One\\



## PROGRAM STRATEGY TWO (PS2)

### Encourage and Incentivize Energy Efficiency, Demand Response Flexibility, and Resiliency

This strategy aligns with the following goals and objectives of VCE's Strategic Plan:

**Goal 3.** *Prioritize VCE's community benefits and increase customer satisfaction and retention.*

3.2 **Objective:** *Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.*

3.5 **Objective:** *Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.*

**Goal 4.** *Promote and deploy decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety.*

4.1 **Objective:** *Working with variety of local, regional, and state partners, develop a grid innovation roadmap for VCE's service territory that supports community energy resilience and reliability.*

#### Phase 1 Programs:

##### Maintain and Enhance Educational Energy Efficiency Resources

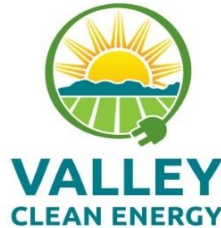
**Project:** This currently operating program provides Energy Efficiency information on the VCE website – enabling residential customers to learn about smart home improvements that save energy, reduce carbon, and save money. The site links to state, federal, and PG&E rebates, and incentives – with updates provided on a regular basis.

**Status:** Site is regularly promoted on VCE social media.

**Metric:** Number of unique visits and engagement time on site. Number of inquiries from Call Center. Number and value of rebates.

**Goal:** 200 unique visits annually. Average of two minutes spent on the website.

**Timeframe:** Launched June 2020. Program is ongoing.



## Phase 2 Programs:

### Provide Information on Self-Generation Incentive Program (SGIP)

**Project:** VCE staff conducted preliminary research on Self Generation Incentive Program (SGIP) with PG&E and Sonoma Clean Power. VCE has procured lists of residential and commercial customers eligible for SGIP grant money. VCE is considering providing information on SGIP on the VCE website under Programs. In addition, VCE is considering conducting outreach to eligible customers and/or providing application assistance, similar to SCP.



**Status:** Currently outreaching to SMUD, partner CCAs, and PG&E to create VCE-specific program plan.

**Metric:** Number of customers enrolled. Customer cost savings. VCE cost savings. kWh of load shift.

**Goal:** TBD

**Feasibility:** High likelihood of implementation.

**Timeframe:** TBD

### Agricultural Auto-Demand Response

**Project:** Provide assistance to agricultural customers to integrate irrigation pumping operations into Demand Response and other grid service programs to reduce energy costs for customers and VCE

**Status:** Program design and scope exploration ongoing with Polaris Energy Services

**Metric:** Number of customers enrolled. Customer cost savings. VCE cost savings. kWh of load shift.

**Goal:** TBD

**Feasibility:** High likelihood of implementation.

**Timeframe:** TBD

### Demand Response and Free Thermostat for Residential Customers

**Project:** Engage customers to enroll in OhmConnect's free program and receive a free smart thermostat as part of their enrollment. Smart devices integrate with OhmConnect's platform and are deployed during energy saving events. Customers earn points by successfully participating in the events (shifting load), and the points are redeemable as cash or usable in OhmConnect's store to purchase more smart devices for the home.

**Status:** Program design and scope exploration ongoing with OhmConnect



**Metric:** Number of customers enrolled. Customer cost savings. VCE cost savings. kWh of load shift.  
**Goal:** TBD  
**Feasibility:** High likelihood of implementation.  
**Timeframe:** TBD, but likely to deploy prior to August 2021

**Phase 3 Programs:**

**Develop a Residential and Commercial Battery Storage Program**

**Project:** Develop a residential and commercial battery storage program to enhance resilience for customers and reduce the impact of Public Safety Power Shutoff (PSPS) events.  
**Status:** In concept development  
**Metric:** TBD  
**Goal:** TBD  
**Feasibility:** Medium likelihood of implementation.  
**Timeframe:** TBD



///End of Strategy Two\\



## **APPENDIX 1: ACRONYMS**

**CARE** - California Alternate Rates for Energy

**DAC/GT** – Disadvantaged Communities Green Tariff

**EV** – Electric Vehicle

**EVCS** - Electric Vehicle Charging Stations

**EVSE** – Electric Vehicle Supply Equipment

**FERA** - Family Electric Rate Assistance

**FY** – Fiscal Year (July – June)

**GHG** – Greenhouse Gases

**JPA** – Joint Powers Authority

**NEM** – Net Energy Metering

**PG&E** – Pacific Gas and Electric

**PTG** – Programs Task Group

**PSPS** – Public Safety Power Shutoff

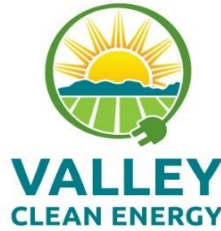
**RA** – Resource Adequacy

**SCP** – Sonoma Clean Power

**SGIP** – Self Generation Incentive Program

**SVCE** – Silicon Valley Clean Energy

**VCE** – Valley Clean Energy



## **APPENDIX 2: VALLEY CLEAN ENERGY STRATEGIC PLAN GOALS RELATED TO PROGRAMS**

### **C) CUSTOMERS AND COMMUNITY**

VCE is a customer and community focused organization. We will use all available channels and platforms to cultivate relationships with and bring customer value to all segments of the communities we serve – including those that have been historically underserved/under resourced. These channels include leveraging existing outlets established by our member agencies, partnering with commercial customers to enhance their community presence, and re-engaging with those who have opted out. Partnerships with commercial and agricultural customers are particularly important to building VCE’s brand in a region rooted in food production and innovation. Communicating our competitive rates and product and service benefits in clear and accessible ways will strengthen customer loyalty and enhance our financial standing, enabling us to better serve our communities.

#### **Goal 3: Prioritize VCE’s community benefits and increase customer satisfaction and retention.**

- 3.1 Objective: Develop engagement strategies to increase awareness of, and participation in, local control of VCE’s energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.
- 3.2 Objective: Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.
- 3.3 Objective: Design and implement a strategy to more effectively engage local business and agricultural customers.
- 3.4 Objective: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE’s service territory.
- 3.5 Objective: Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.
- 3.6 Objective: Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.
- 3.7 Objective: Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE’s services and programs.

### **D) DECARBONIZATION AND GRID INNOVATION**

One of the key factors driving the formation of VCE was to address climate change and improve local resiliency. We will play a vital role in this decades-long endeavor, with the ongoing support of our community and our Board. In addition to providing carbon-free electricity, we are reinvesting in our region and expanding our toolset for furthering emissions reductions and energy resiliency by launching decarbonization and grid innovation programs. These programs represent the next stage in VCE’s maturity and are the mechanism by which VCE will further engage our communities to achieve our mission. We will leverage partnerships, prioritize innovation and use data science to manage and influence carbon-free energy use. We will embody the entrepreneurial and innovative spirit of the





community in which we live and work, the spirit of Yolo County, to bend the carbon curve downwards and improve the lives of our community members.

**Goal 4. Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety.**

- 4.1 Objective: Working with a variety of local, regional and state partners, develop a grid innovation roadmap for VCE's service territory that supports community energy resilience and reliability.
- 4.2 Objective: Develop a VCE decarbonization roadmap to guide near and long-term program decisions and offerings.
- 4.3 Objective: Increase participation in VCE's UltraGreen 100% renewable product.
- 4.4. Objective: Identify external funding sources to support decarbonization and grid-related programs and initiatives.