



**Regular Meeting of the Valley Clean Energy Alliance
Board of Directors
Thursday, December 8, 2022 at 5 p.m.
Via Video/Teleconference**

Pursuant to Assembly Bill 361 (AB 361), legislative bodies may meet remotely without listing the location of each remote attendee, posting agendas at each remote location, or allowing the public to access each location, with the adoption of certain findings. The Board of Directors found that the local health official recommended measures to promote social distancing and authorized the continuation of remote meetings for the foreseeable future. Any interested member of the public who wishes to listen in should join this meeting via teleconferencing as set forth below.

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/82182371315>

Meeting ID: 821 8237 1315

- b. By phone**

One tap mobile:

+1-669-900-9128,, 82182371315# US

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Dial:

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Meeting ID: 821 8237 1315

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: Jesse Loren, (Chair/City of Winters), Tom Stallard (Vice Chair/City Woodland), Don Saylor (Yolo County), Dan Carson (City of Davis), Wade Cowan (City of Winters), Mayra Vega (City of Woodland), Gary Sandy (Yolo County), and Lucas Frerichs (City of Davis)

5:00 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 regular 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. **Renew authorization of remote public meetings as authorized by Assembly Bill 361.**
4. **Approve November 10, 2022 Board meeting Minutes.**
5. **Receive 2022 Long Range Calendar.**
6. **Receive Financial Updates October 31, 2022 (unaudited) financial statement.**
7. **Receive November 30, 2022 Regulatory update provided by Keyes & Fox.**
8. **Receive Community Advisory Committee November 17, 2022 meeting summary.**
9. **Receive Community Advisory Committee 2022 Year-end Task Group Reports.**
10. **Net Energy Metering (NEM) 3.0 update.**
11. **Receive information on rotation of jurisdictions for Board Chair and Vice Chair.**
12. **Ratify Third Amendment to Green Ideals Consultant Agreement to extend term through February 28, 2023 and increase the not to exceed amount, for the transition of marketing, website and social media services. (Action)**
13. **Approve agreement with Don Dame for energy consulting services for a three-year term effective January 1, 2023 expiring December 31, 2025, with options to extend, for a not to exceed amount of \$45,000. (Action)**
14. **Approve agreement with Jim Parks for key account, program and grant activity services for a one year term effective January 1, 2023 expiring December 31, 2023 with options to extend, for a not to exceed amount of \$30,000. (Action)**
15. **Approve agreement with Pacific Policy Group for lobbying services for a two-year term effective January 1, 2023 expiring December 31, 2024, with options to extend, for a not to exceed amount of \$132,000. (Action)**
16. **Approve agreement with REACH Strategies for marketing, website and social media services for a three-year term effective January 1, 2023 through December 31, 2025, with options to extend, for a not to exceed amount of \$425,000. (Action)**
17. **Approve Greenhouse gas (GHG) Free Attributes for 2023 accepting large hydro and rejecting nuclear. (Action)**

REGULAR AGENDA

18. **Approve agreement with The Energy Authority for wholesale energy services for a three-year term starting January 1, 2023 expiring December 31, 2025, with options to extend, for a not to exceed amount of \$2,476,900. (Action)**
19. **Approve 2023 Operating Budget and 2023 Customer Rates. (Action)**
20. **Approve VCE Rate Adjustment Policy. (Action)**
21. **Recognition of Board Members for service to Valley Clean Energy.**
22. **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.

- 23. Adjournment:** A special meeting has been tentatively scheduled for Thursday, January 19, 2023 at 5 p.m.

**PUBLIC PARTICIPATION INSTRUCTIONS FOR VALLEY CLEAN ENERGY BOARD OF DIRECTORS
MEETING ON THURSDAY, DECEMBER 8, 2022 AT 5:00 P.M.:**

PUBLIC PARTICIPATION. 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. 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.

Verbal public participation during the meeting: If participating during the meeting, there are two (2) ways for the public to provide verbal comments:

- 1) 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”.
- 2) If you are attending by phone only, you will need to press *9 to raise your hand. When called upon, please 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 Comments: If you wish to make a public comment at this meeting, please e-mail your public comment to Meetings@ValleyCleanEnergy.org or notifying the host as described above. Written public comments that do not exceed 300 words will be read by the VCE Board Clerk, or other assigned VCE staff, to the Committee 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 3, 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. E-mail comments received after the item is called will be distributed to the Board and posted on the VCE website so long as they are received by the end of the meeting.

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. 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.

VALLEY CLEAN ENERGY ALLIANCE**Staff Report - Item 3**

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Renew Authorization to continue Remote Public Meetings as authorized by Assembly Bill 361

DATE: December 8, 2022

Recommendation

VCE Board renew authorization for remote (video/teleconference) meetings, including any standing or future committee(s) meetings and Community Advisory Committee meetings, by finding:

1. Pursuant to Assembly Bill 361 (AB 361), that the COVID-19 pandemic state of emergency is ongoing.

Background/Summary of AB 361

Pursuant to Government Code Section 54953(b)(3) legislative bodies may meet by “teleconference” only if the agenda lists each location a member remotely accesses a meeting from, the agenda is posted at all remote locations, and the public may access any of the remote locations. Additionally, a quorum of the legislative body must be within the legislative body’s jurisdiction.

Due to the COVID-19 pandemic, the Governor issued Executive Order N-29-20, suspending certain sections of the Brown Act. Pursuant to the Executive Order, legislative bodies no longer needed to list the location of each remote attendee, post agendas at each remote locations, or allow the public to access each location. Further, a quorum of the legislative body does not need to be within the legislative body’s jurisdiction. After several extensions, Executive Order N-29-20 expired on September 30, 2021.

On September 16, 2021, the Governor signed AB 361, which kept some of the provisions of Executive Order N-29-20. Pursuant to Government Code Section 54953(e), legislative bodies may meet remotely and do not need to list the location of each remote attendee, post agendas at each remote locations, or allow the public to access each location.

However, legislative bodies must first find either that: (1) the legislative body is meeting during a state of emergency and determine by majority vote that meeting in person would present an imminent risk to the health or safety of attendees; or (2) state or local health officials impose or recommend social distancing measures. Government Code Section 54953(e)(1). The legislative body must make the required findings every 30 days, until the end of the state of emergency or recommended or required social distancing. Government Code Section 54953(e)(3). On January 1, 2024, Government Code Section 54953(e) is repealed.

The recommended action is required by AB 361 to continue meeting remotely during a declared state of emergency. Since March 1, 2022, the Yolo County Health Officer is no longer expressly recommending social distancing, although she still encourages the use of facial coverings/masks indoors. The VCE Board retains discretion under AB 361 to independently determine that remote meetings should continue because meeting in person would present imminent risks to the health and safety of attendees. Staff recommends that the Board make a finding that holding meetings in person would present an imminent risk to the public for the following reasons:

- The facilities in which the VCE Board meet were not designed to prevent the spread of infection by promoting mask usage, social distancing (including between Board members), or by use of increased ventilation/air filtration or other sanitary measures.
- Some staff, Board members, and community members who would otherwise participate in VCE meetings to participate in Board meetings, and some of these community members are likely at high risk for serious illness from COVID-19 and/or live with someone who is high risk.

Staff continues to monitor the situation as part of our emergency operations efforts and will return to the Board every thirty (30) days or as needed with additional recommendations related to the conduct of public meetings.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 4

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from November 10, 2022 meeting
DATE: December 8, 2022

RECOMMENDATION

Receive, review and approve the attached November 10, 2022 meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, NOVEMBER 10, 2022**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, November 10, 2022 at 5:00 p.m., to be held via Zoom webinar. Chair Jesse Loren established that there was a quorum present and began the meeting at 5:00 p.m.

Board Members Present: Jesse Loren, Tom Stallard, Don Saylor, Dan Carson, Wade Cowan

Members Absent: Gary Sandy, Lucas Frerichs, Mayra Vega

Welcome Chair Loren welcomed all.

Public Comment – General and Consent Board Clerk informed those present that there were no verbal or written public comments on general or consent items.

Approval of Consent Agenda / Resolutions 2022-030 and 2022-031 Motion made by Director Cowan to approve the consent agenda items, seconded by Vice Chair Stallard. Motion passed with Directors Sandy, Frerichs and Vega absent. The following items were:

3. Authorized to continue remote public meetings as authorized by Assembly Bill 361;
4. Approved October 13, 2022 Board meeting Minutes;
5. Received 2022 Long Range Calendar;
6. Received Financial Updates September 30, 2022 (unaudited) financial statement;
7. Received Legislative update from Pacific Policy Group;
8. Received October 2022 Regulatory update dated November 2, 2022 provided by Keyes & Fox;
9. Received Community Advisory Committee October 27, 2022 meeting summary;
10. Approved increase in allocation from the Tumbleweed Long Duration Storage project originally approved by the VCE Board on May 12, 2022 as Resolution 2022-030; and,
11. Approved participation in Phase 1 of VCE's Vehicle-Grid Integration (VGI) Pilot Program in partnership with SMUD and approve budget adjustment of \$125,000 to meet VCE's local match requirements and administrative costs associated with the pilot program as Resolution 2022-031.



Item 12: Approve 2023 Legislative Platform. (Action)

VCE Executive Officer Mitch Sears introduced this item, and VCE Staff Yvonne Hunter provided a brief overview of the draft 2023 Legislative Platform. Board and Staff briefly discussed the draft Platform. Ms. Hunter informed those present that the California Public Utilities Commission (CPUC) recently came out with their Proposed Decision on Net Energy Metering (NEM) 3.0. Staff continue to monitor the proceeding. There were no verbal or written public comments.

Chair Loren made a motion to approve the 2023 Legislative Platform, seconded by Director Carson. Motion passed by the following vote:

AYES: Loren, Stallard, Saylor, Carson, Cowan

NOES: None

ABSENT: Sandy, Frerichs, Vega

ABSTAIN: None

Item 13: Receive update on draft 2023 Operating Budget. (Information)

Mr. Sears introduced this item. VCE Staff Edward Burnham provided an update on the 2023 Operating Budget by providing updated key factors for forecasting budget expenses and revenue. Staff and the Board discussed meeting reserve targets. There were no written public comments.

Verbal Public Comment: Christine Shewmaker commented that VCE has seen the unpredictable impacts of climate on VCE's load and costs. It is difficult for VCE to focus on goals of clean energy and programs. She is glad to see power cost contingencies in the draft budget. Is the current amount enough? And are there ways to look at past impacts to forecast an amount? The erratic climate changes have made it difficult to adequately forecast. She poses the question to the Board and Staff: how is it best to deal with the uncertainty now and in the future.

Mr. Sears reaffirmed that the additional contingency built into the power budget and reserves are to be used to cover unanticipated costs. Mr. Burnham also reminded those present that a Rate Adjustment policy is another tool to assist with maintaining reserves. A draft Rate Adjustment policy will be presented to the Board at the December meeting.

Board Member and Staff Announcements

Chair Loren announced that the installation of electric vehicle charging stations at Hotel Winters is finally moving forward after the completion of other work in the area. She is very proud on behalf of the City of Winters to report this good news.



Director Saylor announced that he attended a tour of Putah Creek Solar Farm located just outside the City of Winters in Yolo County. He thanked VCE Staff Ms. Hunter for being the host. The solar farm's installation contractor was very informative and the event was well attended.

Mr. Sears informed those present that the California Public Utilities Commission (CPUC) released their updated Proposed Decision (PD) on Net Energy Metering (NEM) 3.0. Staff are currently reviewing and analyzing the PD for potential impacts. VCE's annual Renewable Portfolio Standard (RPS) Plan was submitted to the CPUC and accepted with no requests for additional information. In addition, VCE's RPS Plan was recognized for the work within the Plan. Many thanks to Staff and VCE's consultants for their exceptional job on putting together the Plan.

Mr. Sears gave an update on VCE's AgFIT Pilot Program. Staff continue to collect information from participating farmers and sharing information with some of the State agencies. Those agencies were impressed with the early results and are interested in how more information can be captured through State efforts. VCE has received receptivity for the potential to expand VCE's pilot program model throughout the State. VCE continues to participate in the CPUC proceeding for dynamic pricing.

Chair Loren announced that the Board's next regular meeting is scheduled for Thursday, December 8, 2022 at 5 p.m.

Adjournment

Chair Loren adjourned the regular Board meeting at 5:32 p.m.

Alisa M. Lembke
VCEA Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 5

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Board and Community Advisory Committee 2022 Long-Range Calendar

DATE: December 8, 2022

Recommendation

Receive and file the 2022 Board and Community Advisory Committee long-range calendar listing proposed meeting topics.

VALLEY CLEAN ENERGY
2022 Meeting Dates and *Proposed* Topics
Board and Community Advisory Committee (CAC)
(CAC: Topics and Discussion Dates may change as needed)

MEETING DATE		TOPICS	ACTION
January 13, 2022 Special Meeting scheduled for January 27, 2022	Board	<ul style="list-style-type: none"> • Election of Officers for 2022 (Annual) • Near-term Procurement Directives and Delegations for 2022 Power Procurement Activities • Calendar Year Budget and 2022 VCE customer rates • GHG Free Attributes • 2022 Legislative Platform • Receive CAC 2021 Calendar Year End Report (Annual) • 2021 Year End Review: Customer Care and Marketing 	<ul style="list-style-type: none"> • Action • Action • Action • Action • Action • Information • Information
January 27, 2022 January 20, 2022	Advisory Committee	<ul style="list-style-type: none"> • 2022 Task Groups Tasks/Charge (Annual) • Update on 2022 Power Charge Indifference Adjustment (PCIA) and Rates • Carbon Neutral by 2030 Study • CC Power long duration storage • Draft Collections Policy • Update on customer programs development (draft Heat Pump Pilot Program) 	<ul style="list-style-type: none"> • Action • Discussion/Action • Discussion/Action • Information • Information/Discussion • Information
February 10, 2022	Board	<ul style="list-style-type: none"> • CC Power long duration storage • Update on customer programs development • Update on 2022 PCIA and Rates • Update on Time of Use (TOU) • Update on SACOG Grant – Electrify Yolo • Strategic Plan Update (Annual) • Carbon Neutral Report 	<ul style="list-style-type: none"> • Action • Information • Information • Information • Information • Information • Information/Discussion
February 24, 2022	Advisory Committee	<ul style="list-style-type: none"> • Power Procurement / Renewable Portfolio Standard Update • Time of Use (TOU) and Bill Protection • Final Draft Collections Policy • Customer program concept (Heat Pump Pilot Program) • 2022 Task Group – energy resiliency 	<ul style="list-style-type: none"> • Information • Discussion/Action • Action • Discussion/Action • Discussion/Action

March 10, 2022	Board	<ul style="list-style-type: none"> • Receive Enterprise Risk Management Report (Bi-Annual) • Collections Policy • Presentment of customer program concept (Heat Pump Pilot Program) • Time of Use (TOU) Bill Protection • Ag FIT (Flexible Irrigation Technology) pilot program 	<ul style="list-style-type: none"> • Information • Discussion/Action • Action • Discussion/Action • Discussion/Action
March 24, 2022	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Customer program concept (draft EV Rebates Program) • CC Power long duration storage project • Overview of VCE Forecasting 	<ul style="list-style-type: none"> • Information • Information • Information/Discussion
April 14, 2022	Board	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • 7/1/21 thru 12/31/21 Audited Financial Statements (James Marta & Co.) • CC Power long duration storage project 	<ul style="list-style-type: none"> • Information • Action • Discussion/Action
April 28, 2022	Advisory Committee	<ul style="list-style-type: none"> • Program Concepts Development (EV Rebates Program) • Update on Customer Dividend and Programs Allocation • Forecasting – load and power costs • 	<ul style="list-style-type: none"> • Discussion/Action • Information • Information • Discussion
May 12, 2022	Board	<ul style="list-style-type: none"> • Update on Customer Dividend and Programs Allocation • Presentment of customer program concept (EV Rebates Program) • Appointment of At-Large Members to the CAC 	<ul style="list-style-type: none"> • Information • Action • Action
May 26, 2022	Advisory Committee	<ul style="list-style-type: none"> • Forecasting – financial modeling • Draft Rate Structure • Net Energy Metering (NEM) 3.0 Update 	<ul style="list-style-type: none"> • Information • Information/Discussion • Information
June 9, 2022	Board	<ul style="list-style-type: none"> • Opt-Out Fees • Update on 3-Year Programs Plan • Forecasting • Draft Rate Structure • Net Energy Metering (NEM) 3.0 Update 	<ul style="list-style-type: none"> • Information • Information • Information • Information/Discussion • Information
June 23, 2022	Advisory Committee	<ul style="list-style-type: none"> • Draft Rate Structure • Update 3-Year Programs Plan • Review CAC Charge (Annual) 	<ul style="list-style-type: none"> • Discussion/Action • Information/Discussion • Discussion
July 14, 2022	Board	<ul style="list-style-type: none"> • Re/Appointment of Members to Community Advisory Committee (Annual) • Update on SACOG Grant – Electrify Yolo 	<ul style="list-style-type: none"> • Action • Information

		<ul style="list-style-type: none"> • Draft Rate Structure • Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> • Discussion/Action • Information
July 28, 2022 NO MEETING	Advisory Committee	This meeting has been cancelled.	
August 11, 2022 NO MEETING	Board	This meeting has been cancelled.	
August 25, 2022	Advisory Committee	<ul style="list-style-type: none"> • Power Procurement / Renewable Portfolio Standard update • Mid-year 2022 rates update • Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> • Information • Information • Information
September 8, 2022	Board	<ul style="list-style-type: none"> • Certification of Standard and UltraGreen Products / 2021 Power Content Label (Annual) • Enterprise Risk Management Report (Bi-Annual) • Mid-year 2022 Customer rates review • Introduction to Rate Adjustment System concept 	<ul style="list-style-type: none"> • Action • Information • Information/Discussion • Information/Discussion
September 22, 2022	Advisory Committee	<ul style="list-style-type: none"> • Legislative End of Session update • 2022 Integrated Resource Plan (IRP <i>update</i> due 11/1/2022) • Update on Programs Plan and 2023 program concepts • Introduction to Rate Adjustment System concept 	<ul style="list-style-type: none"> • Information • Information/Discussion • Information/Discussion • Information/Discussion
October 13, 2022	Board	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • Update on 2023 draft Operating Budget • Quarterly Customer Participation Update • Strategic Plan update • 2022 Integrated Resource Plan (IRP <i>update</i> due 11/1/22) • Update on Programs Plan and 2023 program concepts 	<ul style="list-style-type: none"> • Information • Information • Information • Information/Discussion • Discussion/Action • Information
October 27, 2022	Advisory Committee	<ul style="list-style-type: none"> • Update on Power Content Label Customer Mailer • SACOG Update • Quarterly Customer Participation Update • Legislative End of Session Update • Review CAC Task Group Year-end Reports • Rate Adjustment System • Draft 2023 Legislative Platform 	<ul style="list-style-type: none"> • Information • Information • Information • Information • Discussion • Discussion • Discussion/Action

November 10, 2022	Board	<ul style="list-style-type: none"> • 2023 Operating Budget Update • 2023 Legislative Platform 	<ul style="list-style-type: none"> • Information/Discussion • Discussion/Action
November 17, 2022 (rescheduled November 24 th meeting due to the Thanksgiving holiday)	Advisory Committee	<ul style="list-style-type: none"> • GHG Free Attributes • Power Procurement / Renewable Portfolio Standard Update • Rate Adjustment System • Carbon Neutral by 2030 	<ul style="list-style-type: none"> • Information • Information • Discussion/Action • Discussion/Action
December 8, 2022	Board	<ul style="list-style-type: none"> • Rate Adjustment System (2023 Implementation) • Approve 2023 Operating Budget (Annual) and 2023 Customer Rates • GHG Free Attributes • Carbon Neutral by 2030 • Receive CAC Year-end Task Group Reports • Election of Officers for 2023 (Annual) 	<ul style="list-style-type: none"> • Action • Discussion/Action • Action • Discussion • Information • Nominations
December 15, 2022 (rescheduled December 22 nd meeting due to the Christmas holiday)	Advisory Committee	<ul style="list-style-type: none"> • 2023 CAC Task Group(s) formation (Annual) • Forecasting Customer Ag Energy Using Hydrological Conditions 	<ul style="list-style-type: none"> • Discussion/Action • Information
January 12, 2023 (REMOTE MEETING)	Board	<ul style="list-style-type: none"> • Oaths of Office for Board Members (Annual - new Members only) • Election of Officers for 2023 (Annual) • Brown Act / AB 2449 – New Legislation on Teleconferencing Meetings • Update on SACOG Grant – Electrify Yolo • Strategic Plan update (Annual) • Quarterly Customer Participation Update • 2022 Year End Review: Customer Care and Marketing 	<ul style="list-style-type: none"> • Action • Nominations • Discussion/Action • Information • Discussion/Action • Information • Information
January 26, 2023 (REMOTE MEETING)	Advisory Committee	<ul style="list-style-type: none"> • Quarterly Customer Participation Update • Legislative Summary/Update (Pacific Policy Group) • 2023 Customer Rate update • Strategic Plan update 	<ul style="list-style-type: none"> • Information • Information • Information • Information

- Notes:**
1. CalCCA Annual Meeting scheduled (tentatively) for May 17 - 19, 2023 (San Diego).
 2. Currently all meetings are held remotely via Zoom video/teleconference, "location" is subject to change.

CAC PROPOSED FUTURE TOPICS Topics and Discussion dates may change as needed	ESTIMATED MEETING DATE(S)
Net Energy Metering (NEM) 3.0 (Information/Discussion/Action)	As needed
Self Generation Incentive Program (SGIP)	TBD
2023 Customer Rates update (Information)	January 2023
Legislative Items (as needed)	
Strategic Plan additional updates (as needed)	
Time of Use (TOU) (as needed)	
SACOG Update (as needed)	

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

TO: Board of Directors

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

SUBJECT: Financial Update – October 31, 2022 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending October 31, 2022

DATE: December 8, 2022

RECOMMENDATION:

Accept the following Financial Statements (unaudited) for the period of October 1, 2022 to October 31, 2022 (with comparative year to date information) and Actual vs. Budget year to date ending October 31, 2022.

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 October 31, 2022.

Financial Statements for the period October 1, 2022 – October 31, 2022

In the Statement of Net Position, VCEA, as of October 31, 2021, has a total of \$619,754 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, \$1,998,276 restricted assets related to supplier deposits, and \$1,572,704 restricted assets for the Power Purchases Reserve account. VCE has incurred obligations from Member agencies and owes as of October

31, 2021, \$1,924. 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 \$798,882. The line of credit with the County of Yolo has an outstanding balance of \$3,000,000. On October 31, 2022, VCE's net position is \$14,151,088.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCEA recorded \$6,579,529 of revenue (net of allowance for doubtful accounts), of which \$7,345,373 was billed in October, and \$3,832,335 represent estimated unbilled revenue. The cost of electricity for the October revenue amount totaled \$4,688,554. For October, VCEA's gross margin was approximately 29% and net income totaled \$1,455,897. The year-to-date change in net position was \$4,416,839.

In the Statement of Cash Flows, VCEA cash flows from operations were (\$2,550,886) due to October cash receipts of revenues being less than the monthly cash operating expenses.

Actual vs. Budget Variances for the year to date ending October 31, 2022

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

- Electric Revenue – (\$4,029,705) and -5% – Unfavorable variance due to The 2022 Budget incorporated revenues associated with extreme temperatures and drought conditions. These revenues have not fully materialized in the actuals for 2022.
- Purchased Power – (\$7,952,209) and -14% – Unfavorable variance due to warmer weather than forecast during the winter months, heat storms in June and October, and gas prices driving short-term power market increases.
- Marketing Collateral – 56 953 and -28% – favorable variance related to the delay of engagement activities related normalization post COVID-19.

Attachments:

- 1) Financial Statements (Unaudited) October 1, 2022 to October 31, 2022 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending October 31, 2022



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF OCTOBER 1 TO OCTOBER 31, 2022

PREPARED ON NOVEMBER 30, 2022

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
OCTOBER 31, 2022
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	\$	619,754
Accounts receivable, net of allowance		14,761,248
Accrued revenue		3,832,336
Prepaid expenses		41,399
Other current assets and deposits		2,139,195
Total current assets		<u>21,393,932</u>

Restricted assets:

Debt service reserve fund		1,100,000
Power purchase reserve fund		1,572,704
Total restricted assets		<u>2,672,704</u>

TOTAL ASSETS	\$	<u>24,066,636</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$	538,865
Accrued payroll		72,078
Interest payable		4,242
Due to member agencies		840
Accrued cost of electricity		3,350,579
Other accrued liabilities		67,550
Security deposits - energy supplies		1,980,000
User taxes and energy surcharges		102,512
Limited Term Loan		798,882
Loan - County of Yolo		3,000,000
Total current liabilities		<u>9,915,548</u>

Total noncurrent liabilities		-
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TOTAL LIABILITIES	\$	<u>9,915,548</u>
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NET POSITION

Restricted		
Local Programs Reserve		224,500
Restricted		2,672,704
Unrestricted		11,253,884
TOTAL NET POSITION	\$	<u>14,151,088</u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION
FOR THE PERIOD OF OCTOBER 1, 2022 TO OCTOBER 31, 2022
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING OCTOBER 31, 2022	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	\$ 6,579,259	\$ 73,780,794
Other revenue	\$ 50,060	1,158,283
TOTAL OPERATING REVENUES	\$ 6,629,319	74,939,077
OPERATING EXPENSES		
Cost of electricity	\$ 4,688,554	65,450,847
Contract services	\$ 255,421	2,246,970
Staff compensation	\$ 117,499	1,052,498
General, administration, and other	\$ 116,113	1,765,065
TOTAL OPERATING EXPENSES	\$ 5,177,587	70,515,380
TOTAL OPERATING INCOME (LOSS)	\$ 1,451,732	4,423,697
NONOPERATING REVENUES (EXPENSES)		
Interest income	\$ 6,455	26,819
Interest and related expenses	\$ (2,290)	(33,677)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 4,165	(6,858)
CHANGE IN NET POSITION	\$ 1,455,897	4,416,839
Net position at beginning of period	\$ 12,695,191	9,734,249
Net position at end of period	\$ 14,151,088	\$ 14,151,088

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
FOR THE PERIOD OF OCTOBER 1 TO OCTOBER 31, 2022
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING OCTOBER 31, 2022	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 9,181,249	\$ 64,247,297
Payments received from other revenue sources	\$ 50,060	1,158,283
Payments to purchase electricity	\$ (11,299,186)	(67,348,242)
Payments for contract services, general, and administration	\$ (370,763)	(3,493,881)
Payments for staff compensation	\$ (112,246)	(1,044,329)
Net cash provided (used) by operating activities	<u>\$ (2,550,886)</u>	<u>(6,480,872)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	\$ (43,160)	2,645,856
Interest and related expenses	\$ (2,506)	(32,221)
Net cash provided (used) by non-capital financing activities	<u>\$ (45,666)</u>	<u>2,613,635</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	\$ 6,455	26,819
Net cash provided (used) by investing activities	<u>\$ 6,455</u>	<u>26,819</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (2,590,097)	(3,981,337)
Cash and cash equivalents at beginning of period	\$ 5,882,555	5,882,555
Cash and cash equivalents at end of period	<u>\$ 3,292,458</u>	<u>\$ 6,088,653</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	\$ 619,754	619,754
Restricted assets	\$ 2,672,704	2,672,704
Cash and cash equivalents at end of period	<u>\$ 3,292,458</u>	<u>\$ 3,292,458</u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
FOR THE PERIOD OF OCTOBER 1 TO OCTOBER 31, 2022
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE PERIOD ENDING OCTOBER 31, 2022</u>	<u>YEAR TO DATE</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 1,451,732	\$ 4,423,697
(Increase) decrease in net accounts receivable	1,918,305.00	(7,453,403.41)
(Increase) decrease in accrued revenue	667,847	(2,064,142.74)
(Increase) decrease in prepaid expenses	7,717	843,831.00
(Increase) decrease in other assets and deposits	-	(140,919.00)
Increase (decrease) in accounts payable	(14,753)	94,123.00
Increase (decrease) in accrued payroll	5,253	8,169.00
Increase (decrease) in due to member agencies	(1,084)	(117,105.00)
Increase (decrease) in accrued cost of electricity	(6,610,632)	(1,981,590.00)
Increase (decrease) in other accrued liabilities	8,891	(218,200.00)
Increase (decrease) in user taxes and energy surcharges	15,838	(16,250.90)
Net cash provided (used) by operating activities	<u>\$ (2,550,886)</u>	<u>\$ (6,621,791)</u>

VALLEY CLEAN ENERGY
2022 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 10/31/22

Description	YTD Actuals	YTD Budget	YTD Variance	% over/-under
Electric Revenue	\$ 73,780,795	\$ 77,810,500	\$ (4,029,705)	-5%
Other Revenues - Programs	\$ 1,158,283	\$ -	\$ 1,158,283	100%
Interest Revenues	\$ 27,144	\$ 15,000	\$ 12,144	81%
Purchased Power	\$ 65,450,847	\$ 57,490,600	\$ (7,954,209)	-14%
Purchased Power Base	\$ 65,444,809	\$ 56,549,700	\$ (8,895,109)	-16%
Purchased Power Contingency 2%	\$ -	\$ 940,900	\$ 940,900	100%
Labor & Benefits	\$ 1,053,494	\$ 1,085,000	\$ 31,506	3%
Salaries & Wages/Benefits	\$ 872,705	\$ 908,000	\$ 35,295	4%
Contract Labor (SMUD Staff Aug)	\$ -	\$ 35,000	\$ 35,000	100%
Human Resources & Payroll	\$ 180,789	\$ 142,000	\$ (38,789)	-27%
Office Supplies & Other Expenses	\$ 188,980	\$ 168,600	\$ (20,380)	-12%
Technology Costs	\$ 54,518	\$ 33,600	\$ (20,918)	-62%
Office Supplies	\$ 9,682	\$ 2,000	\$ (7,682)	-384%
Travel	\$ 2,183	\$ 5,000	\$ 2,817	56%
CalCCA Dues	\$ 94,707	\$ 106,000	\$ 11,293	11%
CC Power	\$ 26,891	\$ 20,000	\$ (6,891)	-34%
Memberships	\$ 1,000	\$ 2,000	\$ 1,000	50%
Contractual Services	\$ 2,074,843	\$ 2,187,900	\$ 113,057	5%
Other Contract Services	\$ -	\$ 21,000	\$ 21,000	100%
Don Dame	\$ 8,747	\$ 8,400	\$ (347)	-4%
SMUD - Credit Support	\$ 454,058	\$ 459,600	\$ 5,542	1%
SMUD - Wholesale Energy Services	\$ 500,370	\$ 493,200	\$ (7,170)	-1%
SMUD - Call Center	\$ 669,199	\$ 664,300	\$ (4,899)	-1%
SMUD - Operating Services	\$ 54,935	\$ 50,400	\$ (4,535)	-9%
Commercial Legal Support	\$ 7,848	\$ -	\$ (7,848)	100%
Legal General Counsel	\$ 81,730	\$ 129,000	\$ 47,270	37%
Regulatory Counsel	\$ 167,016	\$ 166,000	\$ (1,016)	-1%
Joint CCA Regulatory counsel	\$ 28,605	\$ 27,000	\$ (1,605)	-6%
Legislative - (Lobbyist)	\$ 50,000	\$ 50,400	\$ 400	1%
Accounting Services	\$ 6,968	\$ 22,000	\$ 15,032	68%
Financial Consultant	\$ -	\$ 21,000	\$ 21,000	100%
Audit Fees	\$ 45,368	\$ 75,600	\$ 30,232	40%
Marketing	\$ 143,247	\$ 205,000	\$ 61,753	30%
Marketing Collateral	\$ 143,047	\$ 200,000	\$ 56,953	28%
Community Engagement Activities & Sponsorships	\$ 200	\$ 5,000	\$ 4,800	96%
Programs	\$ 1,162,207	\$ 145,000	\$ (1,017,207)	-702%
Program Costs	\$ 114,455	\$ 145,000	\$ 30,546	21%
Programs - AgFIT	\$ 1,047,753	\$ -	\$ (1,047,753)	100%
Rents & Leases	\$ 14,400	\$ 18,000	\$ 3,600	20%
Hunt Boyer Mansion	\$ 14,400	\$ 18,000	\$ 3,600	20%
Other A&G	\$ 377,571	\$ 304,600	\$ (72,971)	-24%
Development - New Members	\$ -	\$ 21,000	\$ 21,000	100%
Strategic Plan Implementation	\$ 5,334	\$ 38,200	\$ 32,866	86%
PG&E Data Fees	\$ 219,326	\$ 230,000	\$ 10,674	5%
Insurance	\$ 11,039	\$ 7,000	\$ (4,039)	-58%
Banking Fees	\$ 141,872	\$ 8,400	\$ (133,472)	-1589%
Miscellaneous Operating Expenses	\$ 176	\$ 600	\$ 424	71%
Contingency	\$ -	\$ 20,000	\$ 20,000	100%
TOTAL OPERATING EXPENSES	\$ 70,465,767	\$ 61,625,300	\$ (8,840,467)	-14%
Interest on RCB loan	\$ 31,181	\$ 28,900	\$ 2,281	8%
Interest Expense - Bridge Loan	\$ 2,496	\$ 66,600	\$ (64,104)	-96%
NET INCOME	\$ 4,466,779	\$ 16,104,700	\$ (11,637,921)	-72%

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: December 8, 2022

Please find attached Keyes & Fox's November 2022 Regulatory Memorandum dated November 30, 2022, 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 November 30, 2022.

Valley Clean Energy Alliance

Regulatory Monitoring Report

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: November 30, 2022

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

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 reduction targets, and ongoing reliability obligations.

Recent Developments: No recent developments this past month.

Analysis: The staff paper ([Staff Options Paper](#)) provides four potential options to replacing the need for individual LSE mid-term reliability procurement obligations such as those ordered in recent years (i.e., [D.19-11-016](#) and [D.21-06-035](#)) with ongoing, long-term, enforceable obligations for each LSE to procure its share of reliability and GHG-reduction requirements, and also proposing interim procurement options. The adjustment to reliability procurement being contemplated would result in reliability procurement occurring on a continual basis rather than the discrete time-quantity obligations currently used.

Next Steps: Comments in response to the LSEs' IRP filings are due December 2. Comments on the Staff Options Paper are now due December 12 and replies are due January 9, 2023.

Additional Information: ALJ [Ruling & Attachment](#) (Oct. 7, 2022); ALJ [Ruling & Reliable and Clean Power Procurement Program: Staff Options Paper](#) (Sep. 8, 2022); [2022 Incremental Procurement Compliance Filing](#) (Aug. 1, 2022); Docket No. [R.20-05-003](#).

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 November 9, the CPUC issued a [Proposed Decision](#) adopting, with modifications, Draft 2022 RPS Procurement Plans. The Proposed Decision requires no modifications to VCE's Draft 2022 RPS Plan and, in several review categories, recognized VCE's RPS Plan as being in the top tier of all 2022 Draft RPS plans. On November 18, the CPUC issued [D.22-11-021](#) approving LSE-accepted Voluntary Allocations and modifying the Market Offer process proposals to sell excess renewable resources under [D.21-05-030](#).

Analysis: [D.22-11-021](#) makes resources made available through the Market Offer (i.e., those resources remaining after the Voluntary Allocation process) somewhat more favorable to LSEs by increasing access to long-term contracts and removing the requirement for 10% incremental slices, but still requires procurement of slices of the available IOU portfolio.

Next Steps: Tier 2 Advice Letters from the IOUs with proposed changes to the Market Offer process and protocols, their revised timeline for the Market Offer process, and any necessary changes to their Market Offer pro forma contracts are due December 19. The Proposed Decision on RPS Procurement Plans is expected to be heard at the December 15 CPUC meeting. Final 2022 RPS Plans are due in Q1 2023 for Retail Sellers that were required to update their Draft 2022 RPS Plans.

Additional Information: [D.22-11-021](#) (Nov. 18, 2022); [Proposed Decision](#) on RPS Plans (Nov. 9, 2022); [Ruling](#) identifying RPS Plan requirements (Apr. 11, 2022); Docket No. [R.18-07-003](#).

RA Rulemaking (2023-2024)

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

Recent Developments: On November 4, PG&E submitted supplemental [Advice Letter 6706-E-A](#) supplementing its CPE annual compliance report with additional information on the CPE's failure to fulfill its 2023 Local RA procurement obligations. On November 9, the CPUC issued a [Proposed Decision](#) that would deny CalCCA's [Petition for Modification](#) (filed September 30) of [D.22-03-034](#) on System RA procurement requirements for 2023. On November 15, PG&E filed a [Notice of Availability](#) for the final Report on Proposals from Reform Track 2 Workstreams 1-3 that presents the results of the RA reform workshops.

Analysis: CalCCA's [Petition](#) requested the CPUC modify both the RA procurement timelines and penalty waivers due to the PG&E CPE's failure to fulfill its RA procurement obligations for the upcoming year. The Proposed Decision on CalCCA's Petition would provide no immediate relief from LSE RA procurement obligations aside from the additional months already provided in [D.22-03-034](#), but did raise the possibility that the issues put forth in the Petition could be addressed in the future through a more developed process. RA Reform Workstreams 1-3 pertain to development of proposals to modify mechanisms for RA resource counting, measurement, and planning; current reform proposals will likely be implemented on a trial basis during a test year in 2024 before being evaluated and implemented for compliance purposes.

Next Steps: Comments on final proposals from the RA Reform Workstreams 1-3 are due December 1 and reply comments on final proposals are due December 12. The Proposed Decision on CalCCA's [Petition for Modification](#) may be heard as soon as the December 15 CPUC meeting.

Additional Information: [Proposed Decision](#) on CalCCA Petition (Nov. 9, 2022); PG&E [Advice Letter 6706-E-A](#) (Nov. 4, 2022); CalCCA [Petition](#) (Sep. 30, 2022); [Ruling](#) on Motion to Shorten Time (Sep. 20, 2022); [Motion to Shorten Time / Joint Motion for Clarification](#) (Sep. 16, 2022); [Amended Scoping Memo and Ruling](#) (Sep. 2, 2022); Docket No. [R.21-10-002](#).

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. [D.22-09-026](#) eliminated gas line extension allowances and subsidies for all customers, in all classes by July 1, 2023.

Recent Developments: No recent developments in the past month.

Analysis: N/A

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

Additional Information: [D.22-09-026](#) (Sep. 20, 2022); [Scoping Memo](#) (Mar. 22, 2022); [D.21-11-002](#) ([Appendices A-E](#)) Decision on Building Decarb 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](#).

Transportation Electrification

Background: This rulemaking implements transportation electrification (TE) programs, tariffs, and policies and seeks to develop a comprehensive framework to guide the Commission's role in the electrification of California's transportation sector. A group of Joint CCAs are advocating for authority to design and implement transportation electrification programs utilizing ratepayer funds.

Recent Developments: On November 21, the CPUC issued [D.22-11-040](#) which adopts a third-party administered statewide behind-the-meter charging infrastructure rebate program jointly funded by the electric utilities (i.e., PG&E, SDG&E, SCE, Liberty Utilities, Bear Valley Electric, and PacifiCorp). The Decision focuses investments on charging infrastructure for medium and heavy-duty vehicles, multi-unit dwellings and disadvantaged communities. The Decision approved up to \$25 million in ratepayer funding for locally-tailored, equity-focused TE pilots to be administered by CCAs and community-based organizations.

Analysis: The Decision responded to CCA comments advocating for CCA-administered, locally-tailored TE programs with a focus on hard-to-reach and disadvantaged customers. The decision does not provide CCAs with authority to design and allocate ratepayer-funded TE incentive programs via advice letter, and instead creates a competitive process for pilot funding to be reviewed and shortlisted by IOUs and selected by the Commission. Pilot funding and administration will be through limited-scope contracts with the IOUs. The Decision also permits CCAs to provide marketing, education and outreach services pertaining to the statewide rebate program as subcontractors to the third-party statewide program administrator.

Next Steps: The Program Administrator will be selected during the first quarter of 2023.

Additional Information: [D.22-11-040](#) (Nov. 21, 2022); PG&E's [Advice Letter 6259-E](#) (Oct. 13, 2022); [Ruling](#) entering [Staff Proposal](#) on Transportation Electrification Framework to record (Feb. 25, 2022); Docket No. [R.18-12-006](#).

Commercial EV Real-Time Pricing Pilot

Background: This proceeding approved PG&E's proposed commercial EV rate pilot featuring day-ahead hourly real-time pricing. This pilot includes real-time pricing for both imports from and exports to the grid by commercial EVs.

Recent Developments: On November 14, PG&E filed a [Petition for Modification](#) of [D.21-11-017](#) ([Appendix B](#)) requesting the CPUC provide flexibility in budget amounts, authorize costs for billing system changes and program management, modify dated for filing advice letters for additional funds for development of tools identified in the Decision, and authorize an additional \$515,000 for increased measurement and evaluation work.

Analysis: PG&E's requests result from differences in the scope and scale of its original pilot proposal and the broader Commission-ordered program. As an innovative real-time pricing pilot for EVs, a thorough measurement and evaluation process will help inform future EV- and real-time pricing-related activities.

Next Steps: Opt-in enrollment for the real-time pricing export compensation pilot begins October 1, 2023. The proceeding was previously closed but reopened to address PG&E's Petition.

Additional Information: PG&E [Petition for Modification](#) (Nov. 14, 2022); [D.22-10-024](#) ([Export Compensation Settlement](#)) (Oct. 26, 2022); PG&E [Proposal](#) (Mar. 24, 2022); [Corrected MGCC Study](#) (Mar. 17, 2022); [Application & Testimony](#) (Oct. 23, 2020); Docket No. [A.20-10-011](#).

Demand Flexibility

Background: This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and may also modify, consolidate, or eliminate existing dynamic rate pilots. VCE is a party to this proceeding as its scope relates to the AgFIT Pilot.

Recent Developments: On November 2, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) organizing the proceeding into phases and establishing two tracks for the current Phase 1. The Commission intends to complete Phase 1 by November 2, 2024 (i.e., within 24 months). 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) (AB 205). Phase 1-Track B will streamline and expedite the adoption of demand flexibility rates for large investor-owned electric utilities by creating new demand flexibility-based rate design principles and guidance. In response to comments by VCE, Track B will also consider the expansion of existing dynamic rates pilots such as AgFIT. The Scoping Memo also includes a Staff Proposal on demand flexibility principles for comment.

Analysis: This proceeding will implement income-graduated fixed charge reform required by AB 205 and the development of principles to guide future dynamic rates and other demand flexibility measures. This proceeding may evaluate the results of VCE's AgFIT pilot and explore expansion of the pilot capacity cap and application to other LSE territories.

Next Steps: Comments on the Scoping Memo and Staff Proposal are due December 2, and reply comments are due January 4. A Ruling with staff guidance for parties' Track A proposals is expected in December 2022.

Additional Information: [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [VCE and Polaris Ex Parte Notice](#) (Oct. 10, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

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: On November 4, the CPUC issued a [Proposed Decision](#) that would approve the IOU's demand response programs, pilots, and budgets for the 2023 Bridge Year. The decision would generally keep the DR programs the same, delaying PG&E's proposed Capacity Bidding Program RA-related changes and proposed electronic enrollment process changes until Phase 2, but allowing PG&E's Capacity Bidding Program hours to align with CAISO Availability Assessment Hours, and change Capacity Bidding Program hours to 4 pm – 9 pm from 1 pm – 9 pm.

Analysis: 2023 Bridge Year funding plays an important role in maintaining DR program continuity and providing market stability for customer-participants and third-party providers while the future nature and level of DR programs from 2024-2027 will be decided in Phase 2.

Next Steps: A Proposed Decision on the Phase 1 Demand Response Auction Mechanism is expected in December. The Proposed Decision on the 2023 Bridge Year is on the agenda for the December 1 Commission meeting.

Additional Information: [Proposed Decision](#) (Nov. 4, 2022); [Ruling](#) (Sep. 22, 2022); Assigned Commissioner's [Scoping Memo and Ruling](#) and DRAM Evaluation report (Jul. 5, 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: Protests/responses to the Application were filed on November 4, PG&E filed a reply on November 14, and a November 15 ALJ [Ruling](#) scheduled a prehearing conference for December 2. CalCCA's protest focused on the following key concerns with the proposed transaction: (1) the potential for ratepayer harm, (2) the potential for significant regulatory and ratemaking impacts, (3) the potential impact on the scheduling and dispatching of resources, (4) the regulatory hurdles facing the proposal, (5) the potential market structure implications for all LSEs, and (6) the need for conditions for approval if the proposed transaction moves forward.

Analysis: This Application may impact CCAs in PG&E's service territory in a few key ways. First, it could significantly impact PG&E's approach to and the overall structure of ongoing Commission proceedings and regulatory processes, including the Energy Resource Recovery Account proceedings, the Voluntary Allocation and Market Offer process, and the resource adequacy proceeding. Second, the proposed transaction could result in various ratepayer impacts, including the rate impacts of: the new debt contemplated by the proposed structure PG&E's proposed use of the associated proceeds (e.g., for capital investments versus paying dividends), PG&E and Pacific Generation having two different costs of capital, and PG&E's dispatch behavior changes as a result of the transaction (which could impact all California ratepayers).

Next Steps: A prehearing conference is scheduled for December 2.

Additional Information: ALJ [Ruling](#) on prehearing conference (Nov. 15, 2022); PG&E [Application](#) (Sep. 28, 2022); Docket No. [A.22-09-018](#).

PCIA Rulemaking

Background: The Power Charge Indifference Adjustment (PCIA) is a nonbypassable charge levied on electric bills of customers who have departed from IOU service, such as CCA customers, to compensate IOUs for resources procured on behalf of former customers prior to their departure. The new Voluntary Allocation/Market Offer process was authorized in [D.21-05-030](#). Phase 2 issues related to PCIA data access and voluntary allocations in market-price benchmark (MPB) calculations were resolved in [D.22-07-008](#). Currently, the proceeding is evaluating the calculation of the MPB charges.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: On December 1, the joint CCA proposal for PCIA data access is due.

Additional Information: [Ruling](#) Requesting Comments and Staff Proposal for Long-Term RPS Transactions (Aug. 4, 2022); [D.22-01-023](#) on Phase 2 (Jan. 27, 2021); [D.18-09-013](#) Track 1 Decision approving PG&E Settlement Agreement (Sep. 20, 2018); Docket No. [R.17-06-026](#).

PG&E 2023 Phase 1 GRC

Background: Phase 1 General Rate Case (GRC) proceedings set PG&E's revenue requirement, including the 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 2023-2026. Phase 2 GRC proceedings determine cost allocation among customer classes (e.g., Residential) and rate design issues. The proceeding is divided into two tracks. Track 1 addresses most matters, including PG&E's requested revenue requirement together with safety and environmental and social justice issues. Track 2 addresses the narrower matters of the reasonableness of the 2019-2021 actual costs recorded in the named memorandum accounts and balancing accounts and, to the extent relevant, safety and environmental and social justice.

Recent Developments: Parties submitted opening briefs on November 4 (with opening briefs on depreciation issues submitted November 10). PG&E's opening brief opposed the Joint CCAs' vintaging proposals, arguing (1) the proposed vintaging framework is inconsistent with the case-by-case re-vintaging approach endorsed by the Commission, and (2) asset end of life extension assumptions reflected in PG&E depreciation studies should not trigger re-vintaging.

Analysis: The resolution of the Joint CCAs' issues will impact how certain generation-related costs in PG&E's current and future applications will be vintaged for purposes of PCIA cost recovery. It will also impact how the costs associated with energy storage projects are functionalized.

Next Steps: The deadline for proposing settlements is December 2. In Track 1, reply briefs are due December 9, and a Proposed Decision is expected in Q2 2023. In Track 2, evidentiary hearings will be held January 23-27, 2023, and a Proposed Decision is expected in Q2 2023.

Additional Information: ALJ [Ruling](#) (Oct. 21, 2022); PG&E's [Amended Application](#) (Mar. 10, 2022); PG&E [Affordability Metrics Report](#) (Feb. 23, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

PG&E ERRA Forecast (2023)

Background: Annual Energy Resource and Recovery Account (ERRA) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other nonbypassable customer charges for the upcoming year as well as fuel and purchased power costs associated with serving bundled customers that a utility may recover in rates.

Recent Developments: On November 15, PG&E submitted [Advice Letter 6761-E](#) Preliminary Annual Electric True-Up (AET). PG&E will submit a final AET Tier 1 advice letter in late December to reflect revenue changes adopted by the CPUC by the end of 2022 with updated balancing account balance forecasts. On November 22, PG&E filed a separate application notifying the Commission that its ERRA balance was more than four percent undercollected (surpassing the “trigger” amount), but did not request any change in rates, and instead, requested permission to dispose of its year-end balances through the final decision in its 2023 ERRA Forecast application. On November 28, the ALJ issued a Proposed Decision that would reject PG&E’s proposal to impose an unlawful “rate floor” on PCIA rates and would support CalCCA’s position that customers with negative PCIA rates based on a negative forecast indifference amount should receive a credit.

Analysis: This proceeding will determine PG&E’s rates for 2023 based on its revenue requirement forecast. PG&E’s updated forecasted rates for CCA customers decline 13.1% to \$0.12704/kWh based on a \$936.2 million revenue requirement reduction.

Next Steps: The procedural schedule is condensed to meet the deadline for the final 2022 Commission Meeting and allow for new rates to be effective January 1, 2023. The Proposed Decision is on the agenda for the December 15 Commission meeting.

Additional Information: [Proposed Decision](#) (Nov. 28, 2022); PG&E [Advice Letter 6761-E](#) (Nov. 15, 2022); PG&E [Updated Forecast](#) (Oct. 17, 2022); [Scoping Memo](#) (Aug. 4, 2022); [Application](#) (May 31, 2022); Docket No. [A.22-05-029](#).

PG&E 2019 ERRA Compliance

Background: The annual ERRA 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 the proceeding was resolved with issuance of [D.21-07-013](#). Phase 2 is ongoing and is addressing issues related to the 2019 Public Safety Power Shutoff (PSPS) events.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: The Commission is expected to establish a common accounting methodology for Public Safety Power Shutoff events in Q4 2022.

Additional Information: [D.22-07-009](#) extending statutory deadline (Jul. 18, 2022); [Ruling](#) amending schedule (Apr. 6, 2022); [Joint Case Management Statement](#) (Feb. 25, 2022); [D.21-07-013](#) resolving Phase 1 (Jul. 16, 2021); PG&E’s [Application](#) and [Testimony](#) (Feb. 28, 2020); Docket No. [A.20-02-009](#).

PG&E 2020 ERRA Compliance

Background: The annual ERRA 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 events in 2020 has yet to begin.

Recent Developments: No recent developments in the past month.

Analysis: N/A.

Next Steps: Phase 2 will not begin until after the Commission resolves issues related to the establishment of a common accounting methodology for Public Safety Power Shutoff events in Phase 2 of the 2019 ERRA Compliance proceeding, which is expected in Q4 of 2022.

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 ERRA Compliance

Background: The annual ERRA 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: No recent developments in the past month.

Analysis: N/A

Next Steps: PG&E's rebuttal testimony is due December 9, a status conference is scheduled for January 6, 2023, and, if no settlement is reached by January 11, 2023 evidentiary hearings will be held on January 17-19, 2023 followed by Opening Briefs on February 17, 2023 and a target date for a Proposed Decision of May-June 2023.

Additional Information: Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERRA Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

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. Currently, this proceeding is focused on developing the rules, policies, and procedures for these safety culture assessments.

Recent Developments: On November 17, the CPUC voted to approve [Resolution SPD-3](#) which adopts the CPUC's Office of Energy Infrastructure Safety proposals for performance metrics and requirements for the 2023 Wildfire Mitigation Plans.

Analysis: Development of the guidelines and performance metrics in the Resolution provides a framework for safety assessments and evaluation and could impact VCE and its customers to the extent it succeeds or fails to influence PG&E's safety culture and hence the safety of VCE customers. The Resolution could also impact the rates VCE customers pay to PG&E to mitigate or address safety issues.

Next Steps: A proposed decision on the Staff Proposal (Safety Culture Concept Paper attached to the September 13 [Ruling](#)) is expected in late 2022.

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

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: On November 10, PG&E submitted [Advice Letter 6758-E](#) on CCA Financial Security Requirements (FSR) that describes the data sources and values used to calculate the FSR for each CCA in PG&E's service territory. The specific FSR requirement for individual CCAs is provided confidentially to each CCA. PG&E continues to use the RA values from the CPUC's 2019 RA Report as approved for FSR calculations a year ago in [Resolution E-5170](#), but recommends the Commission adopt the [updated RA Market Price Benchmark](#) value.

Analysis: If the Commission adopts the updated FSR values as PG&E recommends, the Local RA market price benchmark will increase to \$6.93/kW-month, \$1.89/kW-month or 37.5% more than the value currently used, and the System RA market price benchmark will increase to \$7.39/kW-month, \$2.42/kW-month or 48.7% more than the value currently used.

Next Steps: A staff proposal on FSR requirements was expected in August but is delayed.

Additional Information: PG&E [Advice Letter 6758-E](#) (Nov. 10, 2022); PG&E [Advice Letter 6589-E-B](#) and Disposition Letter (Jul. 7, 2022); [Scoping Memo and Ruling](#) (Sep. 16, 2021); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

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 November 7, the CPUC issued a Disposition Letter accepting [PG&E Advice Letter 6730-E](#) effective as of November 7 which approves PG&E's Community Microgrid Enablement Tariff (CMET) modifications that indefinitely extend the availability of PG&E's tariff beyond December 31, removes the requirement for a single islanding point, and enables parallel work on the interconnection study and microgrid islanding study.

Analysis: The CMET is currently the only tariff allowing PG&E customers to develop front-of-the-meter multi-customer community microgrids, and approval of these changes will ensure its continued availability while the CPUC evaluates details of the Microgrid Incentive Program design to determine what information is considered in evaluating microgrid opportunities and how the incentives will be allocated.

Next Steps: In Track 4, an ALJ Ruling providing an Energy Division Staff Proposal for a Microgrid Multi-Property Tariff is expected. In Track 5, a staff proposal on Definitions, Metrics, Tools, and Methods and Informing Grid Planning is expected in late 2022. An ALJ Ruling establishing 2023 scheduling & activities is expected in Q1 2023.

Additional Information: [Disposition Letter/Advice Letter 6730-E](#) (Nov. 7, 2022); [Disposition Letter](#) for PG&E [Advice Letter 6486-E](#) (Oct. 13, 2022); ALJ [Ruling Requesting Comments](#) on attached Staff Proposal for Microgrid Incentive Program (Jul. 6, 2022); [Scoping Memo](#) (Dec. 17, 2021); Docket No. [R.19-09-009](#).

Investigation into PG&E Organization, Culture, and Governance

Background: This proceeding was opened as part of an investigation into whether PG&E's organizational culture and governance prioritize safety. Currently, the proceeding serves as a vehicle to monitor the progress of PG&E in improving its safety culture, and to address any relevant issues that arise, with the consultant NorthStar continuing in its monitoring role of PG&E.

Recent Developments: On November 4, the CPUC issued [D.22-11-012](#) extending the statutory deadline by one year to November 8, 2023 to provide the Commission sufficient time to review comments and reply comments to the September 16 Ruling. The September 16 [Ruling](#) requested comments on the Final Report on consultant NorthStar's assessment of PG&E's safety culture and implementation of recommendations. The report includes 65 recommendations for PG&E, five of which are classified as critical. The critical recommendations include developing an implementation plan for NorthStar's recommendations, clearly defining supervisory requirements, expediting completion of safety leadership training for crew leads and foremen, developing a comprehensive safety strategy, and improved coordination between business lines and corporate safety office.

Analysis: The implementation of safety recommendations directly impacts PG&E workers as well as all utility customers in its territory. Catastrophic wildfires threaten lives and property, and the power shutoff events designed to prevent wildfires are both disruptive and potentially harmful to consumers' health when people are exposed to high temperatures and dry conditions, particularly when shutoffs occur without advance notice. The safety threats from power disruptions present opportunities for CCAs to further engage their customers with information, incentives, and other programs focused on distributed generation and other resilience strategies.

Next Steps: The CPUC will consider the final report in a future decision.

Additional Information: [D.22-11-012](#) extending statutory deadline (Nov. 4, 2022); ALJ [Ruling](#) and final NorthStar Report (Sep. 16, 2022); [Letter](#) from President Batjer to PG&E on Fast Trip issues (Oct. 25, 2021); [Letter](#) from President Batjer to PG&E (Aug. 18, 2021); [Resolution M-4852](#) (Apr. 15, 2021); [Letter](#) from President Batjer to PG&E (Nov. 24, 2020); [Ruling](#) on proposals to improve PG&E safety culture (Jun. 18, 2019); [Scoping Memo](#) (Dec. 21, 2018); Docket No. [I.15-08-019](#).

Other Dockets

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

Docket	Name	Status
A.20-06-011	PG&E Regionalization Plan	D.22-06-028 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. Town Hall Report Q3 (Oct. 28, 2022)
R.21-03-001	Wildfire Fund NBC (2022-2023) Rulemaking	A Proposed Decision scheduled to be heard at the December 1 CPUC meeting would set the 2023 Wildfire NBC at \$5.30/MWh (\$0.00537/kWh) effective as of January 1, 2023. The 2023 Wildfire NBC is \$1.22/MWh, or 18.7%, less than the current 2022 Wildfire NBC of \$6.52/MWh. This reduction is mostly due to the fund having completed recovery of all prior period under-collections. The Wildfire NBC is set at a level sufficient to fund an annual \$902.4 million revenue requirement.
R.20-11-003	Ensuring Summer 2021 Reliability	D.22-06-005 closed the proceeding.
A.19-11-019	PG&E 2020 Phase 2 GRC	D.22-08-002 closed the docket; all current activity is now covered under the Commercial EV Real-Time Pricing docket.
A.21-06-001	PG&E 2020 ERRAs Forecast	D.22-02-002 closed the proceeding, and the Rehearing Request (filed March 14, 2022) was denied by D.22-11-019 issued on November 7.
R.19-03-009	Direct Access Rulemaking	D.21-06-033 closed the proceeding, but an Application for Rehearing (July 29, 2021) remains outstanding.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Community Advisory Committee November 17, 2022 Meeting Summary

DATE: December 8, 2022

This report summarizes the Community Advisory Committee’s meeting held via Zoom webinar on Thursday, November 17, 2022.

- A. 2023 Greenhouse gas (GHG)-free Attributes.** Staff provided a summary report and staff recommendation on PG&E’s GHG-free resources, including large hydro and nuclear. The CAC supported Staff’s recommendation (via the Consent Agenda) that the Board accept the 2023 allocation of large hydro carbon free attributes, reject the 2023 allocation of nuclear power carbon free attributes, and recommend that the Executive Officer enter into the necessary agreement(s) with PG&E to accept only the large hydro portion of the 2023 GHG free allocations. (8-0-0)

- B. Power Procurement / Renewable Portfolio Standard update.** Staff provided an update on the Aquamarine project (showing the amounts delivered and curtailed against the forecasted energy), 2022 RPS targets and progress, and long term Renewables Portfolio Standard (RPS) forecasting and PPA timing of anticipated projects coming on line. The CAC discussed the impacts of the Yolo County municipal accounts opting up to UltraGreen, specifically with forecasting; definitions of production, delivery and curtailment of energy; where VCE will be in meeting its goal of 20% local energy sources; and, Putah Creek Solar Farm. The CAC suggested that the Board receive a “Power Procurement / Renewal Renewable Portfolio Standard update” at least once a year.

- C. Current 80% Renewable by 2030 Policy.** Staff provided the background on VCE’s power content targeting 80% renewable by 2030, which also set a goal of 25% of this amount be from local resources. Staff provided the current renewable portfolio trajectory out to the year 2030 and showed a comparison study of the Integrated Resource Plan (IRP) preferred conforming portfolio. Staff sought feedback from the CAC on the current power portfolio content, and discussed possibly modifying VCE’s current policy of 80% renewable with the plan of returning to the CAC with a formal proposal in mid-2023. The CAC discussed with Staff: their reasons for moving the plan for a formal proposal from Q3/Q4 2022 to mid-2023, portfolio diversity, VCE’s definition of local resources, possible other types of resources, such as wind, adding battery storage to existing solar,

alignment of VCE's goals with portfolio, other options to reach portfolio goal, and setting a larger target than 80% by 2030, such as 95% or 100% goal, now. Several members expressed the advantages to setting an aspirational or reach goal now rather than in mid 2023 and noted a number of other CCAs that have set similar 100% by 2030 goals. After a lengthy and productive discussion, the CAC recommends that the Board set a target now of reaching 100% Renewables Portfolio Standard (RPS) by 2030, of which 25% is local. (8-0-0)

D. Adoption of Rate Adjustment Policy. Staff presented a final draft of the Rate Adjustment Policy to be presented to the Board for adoption at their December 2022 meeting. Staff sought additional input from the CAC and a recommendation to the Board to adopt the Rate Adjustment System (RAS) policy. The CAC discussed with Staff: what other CCAs had this type of policy; the mechanics of the policy, such as what is a qualifying event, purpose of monthly adjustment and annual cumulative limit, amortization of rate increase, when, who and how many times reviewed; perception and reaction of customers to rate increase; other "lines of defense" available to deal with unanticipated events, such as a drought; how policy and a rate increase is perceived by customers; and, monthly adjustment percentage proposed at 7.5% and annual cumulative limit percentage proposed at 15% as outlined in Staff's recommendation. After a lengthy and productive discussion, the CAC recommends that the Board adopt the Draft – Rate Adjustment Policy including the following key elements: a) customer rate adjustments shall be calculated no more than once per month; b) such monthly adjustment shall not result in more than a 5% increase/decrease to VCE's weighted average total generation rate; c) the net annual cumulative limit for within-year customer rate adjustments authorized under his policy is a total of 10% unless modified by the Board; and, d) rates are reviewed annually by the Board as part of the annual budget process. (8-0-1)

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 9

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Community Advisory Committee Task Group 2022 Year End Reports
DATE: December 8, 2022

RECOMMENDATION

Receive and file the Community Advisory Committee 2022 Year-end reports from the following Task Groups:

1. Legislative/Regulatory
2. Outreach
3. Programs
4. Energy Resilience

Attachments:

1. Legislative/Regulatory Task Group Report
2. Outreach Task Group Report
3. Programs Task Group Report
4. Energy Resilience Task Group Report

**VALLEY CLEAN ENERGY
COMMUNITY ADVISORY COMMITTEE**

**LEGISLATIVE/REGULATORY TASK GROUP (Leg/Reg TG)
2022 YEAR END REPORT**

Task Group Members: Lorenzo Kristov, Jennifer Rindahl, Christine Shewmaker (through March), Yvonne Hunter (through July)

Primary Staff Contact: Mitch Sears

Task Group Structural Change: Beginning in August, Yvonne Hunter joined VCE staff in the position of Legislative and Project Specialist which includes serving as liaison to CalCCA's legislative committee. In her new position she is continuing to participate in regular LRTG meetings.

2022 Charge:

Work with VCE's lobbyist and VCE staff to:

- Provide feedback, technical information and strategic advice to VCE staff on key legislative and regulatory issues facing VCE and the CCA community in general, including legislation and regulatory issues related to VCE's Strategic Plan and Environmental Justice Statement.
- Provide periodic reports to the CAC about legislation and regulatory issues.
- Solicit recommendations from the CAC on VCE positions on key legislation and regulatory proceedings.
- Advise VCE staff on CalCCA's regulatory work when appropriate.
- Work with staff to consider options to enhance the Task Group's and CAC's understanding of regulatory proceedings.
- Contribute to VCE's engagement with legislators and other stakeholders.
- Work with staff to periodically review and update VCE's Legislative Platform for consideration by the CAC and VCE Board.

Highlights of Accomplishments:

During 2022, the Leg/Reg Task Group met bi-weekly with staff and VCE's lobbyist and worked closely with them to:

1. Review pending legislation, provide feedback, technical and policy information, and strategic guidance on legislative and regulatory issues. Discuss and recommend VCE positions and legislative strategies for pending legislation and regulatory issues.
2. Provide input on selected regulatory proceedings of interest to VCE.
3. With Ms. Hunter's new position on VCE staff, periodically discuss CalCCA's legislative activities of interest to VCE.

4. Discuss VCE's AgFIT program and its potential impacts on regulatory and legislative issues as well as how best to brief VCE's legislative representatives about AgFIT.
5. Discuss end of session politics and legislation and how they may impact VCE.
6. Provide periodic updates to the CAC on legislative and regulatory issues.
7. Prepare a draft 2023 Legislative Platform for CAC review and Board action.

Challenges:

1. Navigating the process as the Legislature moves from a Covid to a post-Covid structure.
2. Identifying those legislative and regulatory topics where VCE has a significant interest and can make a difference given VCE's limited resources. This is particularly challenging with regard to CPUC proceedings because there are so many that affect retail electricity customers, they continue to proliferate, and there is no VCE staff person assigned to track regulatory activities.

Opportunities:

1. Become better informed about CalCCA legislative activities and how VCE may become more engaged.
2. Work with CalCCA and/or other CCAs to advocate for and secure funding for an expanded AgFIT type of program.
3. Advise VCE staff on developing briefing materials to educate legislators and other policy makers on CCA goals, activities and issues.

**VALLEY CLEAN ENERGY
COMMUNITY ADVISORY COMMITTEE**

**OUTREACH TASK GROUP (OTG)
2022 YEAR END REPORT**

Task Group Members: Mark Aulman (chair), Marsha Baird, Yvonne Hunter (through 6/22)

Primary Staff Contact: Rebecca Boyles

2022 Charge:

- Collaborate with VCEA staff and consultants on community outreach to, and liaison with, member communities
- Assist in the development of public information strategies, planning, and materials related to VCEA policies and programs. As requested by staff, review draft materials and provide comments as appropriate

Highlights of Accomplishments:

- Reviewed and provided editorial feedback on in-progress marketing materials.
- Assisted with message development regarding cost-based rates and 2021 power content label.
- Assisted with public outreach by staffing tables at public venues as conditions allowed.
- Reviewed VCE advertising (bus banner ads in May 2022) and updates to the VCE website, (heat pump and EV rebate programs).
- Monitored social media for VCE-related postings and replied, as needed.
- Initiated monthly task group meetings to review near-term marketing project calendar and provide feedback on specific projects in-progress.
- Contacted Yolo County supervisor's office to coordinate outreach to Spanish-speaking customers
- Contacted community members in City of Woodland through the city's Sustainability Advisory Committee regarding benefits of electrification
- Conducted review of submissions and participated in interviews with marketing communications firms that responded to the RFP for Marketing, Website and Social Media services.

Lessons Learned – Challenges and Opportunities:

Challenges:

- VCE remains in an evolving and challenging fiscal and regulatory environment.
- Benefit messages should focus on diverse customer segments (example: ag customers).
- The OTG recommends a proactive, rather than reactive role, to ensure the accuracy and clarity of marketing materials, following marketing communications best practices.

- The OTG would benefit from: a) participation of additional CAC members; b) closer working liaison with the CAC Programs Task Group.

Opportunities:

- VCE Strategic Plan and Marketing Plan offer opportunities to promote goals and objectives through consistent benefit-focused communications
- New programs (examples: recent EV incentives, heat pump rebates, Ohm Connect) enable VCE to enhance its benefit messaging.
- The professional experience of VCE's marketing staff, including Rebecca Boyles and Sierra Huffman, continue to strengthen VCE's outreach strategies and programs.

**VALLEY CLEAN ENERGY
COMMUNITY ADVISORY COMMITTEE**

**PROGRAMS TASK GROUP (PTG)
2022 YEAR END REPORT**

Task Group Members: Marsha Baird (Chair), David Springer, Rahul Athalye (beginning 8/22)

Primary Staff Contact: Rebecca Boyles

2022 Charge: The CAC Programs Task Group will assist Staff with development and planning of Customer Programs that are prioritized for implementation by the criteria outlined in the 3-year Programs Plan adopted by the Board in June 2021. Specifically, the Task Group will:

- (1) advise on program details and review program design/implementation forms for programs prioritized for implementation in 2022,
- (2) assist VCE Staff with updates to programs already in place,
- (3) collaborate with Staff on annual update to the 3-year Programs Plan,
- (4) assist Staff with finding and applying for external funding for upcoming programs,
- (5) have preliminary discussions with Staff on programs in line for implementation in 2023, and
- (6) provide summaries and updates at monthly CAC meetings on Task Group activities.

Highlights of Accomplishments:

- Assisted Staff with the development and implementation of new 2022 VCE programs:
 - Promote Heat Pumps for space conditioning and water heating – With sizable rebates offered by PG&E’s Comfortable Homes and TechClean California, Task Group and Staff felt phase 1 of this program should focus on education on heat pumps and information on rebates. Task Group provided input and review of website content and suggested the inclusion of GoGreen Financing. Launched in June 2022.
 - Electric Vehicle Rebates – Discussed numerous options for rebate program at monthly Task Group meetings. Phase 1 is designed to be easy for staff to implement while providing large rebates to customers. Future phases will expand. Launched in September 2022.
- Received updates from Staff on programs developed through partnerships:
 - AgFIT (Polaris): Launched in July 2022; new program concept with understandable challenges and time commitments but much future potential.
 - OhmConnect: Second year of program, running relatively smoothly.
- Brainstormed and discussed with Staff future programs such as Ag Electrification, SGIP, Energy Efficiency rebates for low-income customers and Workforce Development.

- Researched and updated spreadsheet of programs offered by other CCAs.
- Assisted Staff with update of Energy Efficiency Graphic on website.

Lessons Learned – Challenges and Opportunities:

Challenges:

- Limited staff time to develop programs due to lean staffing and other marketing activities and priorities.
- Partnerships have proven to be time consuming but worthwhile.
- Limited financial resources to augment program funding.

Opportunities:

- Continue to learn from experiences of other CCAs on programs that have worked well for their customers.
- Consider hiring consultants to help with implementation of some programs.
- Engage with Staff on supplemental program funding as reserves build in the future.
- Work with Staff and Community Advisory Committee to identify future program needs.

**VALLEY CLEAN ENERGY
COMMUNITY ADVISORY COMMITTEE**

**ENERGY RESILIENCE TASK GROUP (ERTG)
2022 YEAR END REPORT**

Task Group Members: Lorenzo Kristov
Gerry Braun

Primary Staff Contact: Gordon Samuel

Excerpts from 2022 Charge

Concept: Form a Task Group (TG) to consider practical ways that VCE can work with its member jurisdictions and other local collaborators to address imminent challenges related to climate disruption. The TG would focus initially on how VCE could contribute to building local energy resilience, i.e., the capability to maintain electric service for essential community needs and functions during planned and unplanned power system outages.

2022 Charge: Work with VCE staff and other potential collaborators to develop specific ideas and initiatives for providing energy resilience benefits for Yolo County people and communities while maintaining VCE’s financial health and core responsibilities.

The TG proposes the following tasks for 2022:

1. Develop a draft local energy resilience vision for VCE, to provide a context for resilience efforts that can serve as a guidance document for the next several years. Aim for CAC adoption by end of 2022 for recommendation to VCE Board.
2. Identify a specific school in VCE service area for implementation of a resilience hub. In collaboration with relevant partners (i.e., school board, microgrid technology company) develop an implementation plan in the form of a “shovel-ready” project description that can be submitted for funding. Aim for complete project plan by end of 2022.
3. Work with other CCAs and CalCCA to explore advancing RCES as a statewide program and collaboratively develop a strategy for advocacy.
- 4.

Accomplishments:

- Met with Davis JUSD Superintendent, Facilities Manager and Energy Manager to explore potential for creating a resilience hub at a school facility, such as a multi-purpose room. They expressed strong interest in the idea, noting the recent completion of several new MPRs that could be potential sites.

Challenges:

The primary challenge is our own bandwidth. The charge was overly ambitious. For example, achieving item 2 above would require several significant steps, including:

- Identifying a partner facility, i.e., facility operator and relevant decision authorities who would collaborate with our TG to develop project proposal
- Developing desired performance goals for the resilience hub (i.e., services it should provide; number of people to serve; duration of off-grid operation)
- Identifying a developer partner to formulate technical plan to achieve desired performance (i.e., size & location of solar array & battery storage; incorporation of EV charging; wiring, controls and other electrical infrastructure)
- Identifying appropriate funding opportunities and preparing grant applications.

Opportunities:

California is now formally recognizing the importance of creating resilience centers throughout the state, particularly for extreme heat; see 10/18/22 Extreme Heat Symposium conducted by CA OPR + Resources Agency.

New CEC proceeding on Community Energy Resilience Investment, to distribute Federal DOE funding for community resilience projects; applications may begin in Q1/2023. Funding from federal Inflation Reduction Act and prior Infrastructure Investment and Jobs Act becoming available.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 10

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Yvonne Hunter, Legislative and Projects Specialist

SUBJECT: New CPUC NEM 3.0 Proposed Decision

DATE: December 8, 2022

Introduction

The following highlights key elements of the new CPUC NEM 3.0 proposed decision (PD), released November 10, 2022. The newly released PD replaces the previous proposed decision released in 2021, which attracted substantial opposition and was withdrawn.

Background/Analysis

Highlights of Key Provisions

The PD includes the following key provisions which would be applicable to residential NEM customers and NEM Aggregation (primarily agricultural) customers:

- **Legacy NEM Customers Not Impacted:** Unlike the previous PD, the new PD does not affect existing NEM 1.0 or 2.0 customers. It would *only* apply to those customers who install systems and submit their interconnect paperwork to the appropriate utility by April 2023, assuming the CPUC adoption timeline proceeds as suggested by the CPUC.
- **No New Fees:** Unlike the previous PD, the new PD does not add new, monthly fees to NEM 3.0 customers.
- **Annual True Up:** The PD retains an annual true up and monthly billing. It appears NEM 3.0 customers may have an initial option to change their true up month.
- **Excess Generation Payments:** The PD uses a new formula to determine what to pay NEM 3.0 customers for excess generation. Unlike NEM 2.0, which pays customers a fixed per kWh fee for excess generation, the PD would instead implement “Retail Export Compensation Rates” that will be based on an hourly Avoided Cost Calculator that averages costs across days in the month, differentiated by weekdays and weekends/holidays based on Time of Use Rates. There

are other added rates that include a “five year glide path” in the form of an Avoided Cost Calculator which the CPUC expects to result in a nine-year payback period for standalone solar.

- **Battery Storage:** The PD incentivizes inclusion of battery storage in several ways. Those PV systems with battery storage capability will be able to take advantage of time windows when it is financially advantageous to send stored power to the grid, such as during evening or night hours, when the export rates are higher. The PD also states that NEM 2.0 customers may add battery storage to their systems without changing their NEM 2.0 status.
- **Low Income Customers:** Low-income customers would receive higher incentive payments for the power they send to the grid. In addition, two-thirds of the \$900 million in the 2022-2023 state budget that offers additional upfront incentive payments for installing solar PV systems paired with battery storage is allocated to low-income homes.

Timeline

The November release of the revised PD kicked off a minimum 30 day comment period. The timeline for implementing the PD depends on whether the CPUC considers and adopts the proposal at its December 15, 2022 hearing. If the decision is adopted in December, there is a 120-day window for those wishing to install solar PV on their homes or businesses and become NEM 2.0 customers. Or, the CPUC could reschedule when to consider and vote on the PD, which would delay when NEM 3.0 takes effect.

VCE staff will continue to monitor the proceeding and bring information to the Board as major developments occur.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 11

To: Board of Directors

From: Mitch Sears, Executive Officer
Alisa Lembke, Board Clerk

Subject: Informational - Rotation of Board Chair and Vice Chair

Date: December 8, 2022

RECOMMENDATION

Informational

BACKGROUND/DISCUSSION

Since formation in December 2016, as a matter of practice, the Board has rotated the Board Chair and Vice Chair positions between member jurisdictions each year. In a four-year span, each member jurisdiction holds the Vice Chair position and then rotates to the Chair position the following year. Following service as Chair, that jurisdiction goes to the back of the queue. Note: all member jurisdictions are represented on the Board sub-committee.

The table below shows the current member jurisdiction positions and the rotation history. Consistent with this system, in 2023 Woodland will hold the Chair, Yolo County will hold the Vice Chair and Winters will return to the back of the queue.

VALLEY CLEAN ENERGY					
Year	Election of Officers Board Meeting Date	Chair	Jurisdiction	Vice Chair	Jurisdiction
2017	12/13/2016	Don Saylor	Yolo County	Lucas Frerichs	Davis
2018	12/14/2017	Lucas Frerichs	Davis	Tom Stallard	Woodland
2019	12/13/2018	Tom Stallard	Woodland	Gary Sandy	Yolo County
2020	12/12/2019	Don Saylor	Yolo County	Dan Carson	Davis
2021	12/10/2020	Dan Carson	Davis	Jesse Loren	Winters
2022	1/27/2022	Jesse Loren	Winters	Tom Stallard	Woodland

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 12

TO: Board of Directors

FROM: Rebecca Boyles, Director of Marketing and Customer Care

SUBJECT: Ratify Third Amendment to Green Ideals, Marketing Consultant Agreement, to extend through February 28, 2023 and increase not to exceed amount

DATE: December 8, 2022

RECOMMENDATION

Ratify Third Amendment to Green Ideals, Marketing Consultant Agreement, extending the agreement through February 28, 2023 and increasing the not to exceed amount by \$40,000.

BACKGROUND & DISCUSSION

In November 2018, VCE entered into an agreement with Green Ideals for customer outreach and marketing consultants. In November 2020, the Board approved Amendment One (1), which extended the agreement one (1) year to expire on November 21, 2021. In September 2021, the Board approved Amendment Two (2), which extended the agreement one (1) year to expire on November 21, 2022.

VCE issued a request for proposals for marketing, website, and social media services in August 2022. Several proposals were received and evaluated. In a separate agenda item, staff is recommending to the Board at this meeting to enter into an agreement with a new marketing vendor. To cover the transition from Green Ideals to the new vendor and to continue to provide customer outreach and marketing services to VCE, a Third Amendment via agreement letter was signed by VCE's Executive Officer Mitch Sears and Green Ideals to extend the Green Ideals agreement through February 28, 2023 [ninety-seven (97) days] and increase the not to exceed amount by \$40,000. Attached is a copy of the signed Third Amendment letter agreement.

FISCAL IMPACT

The Green Ideals contract is a time and materials-based contract. The Third Amendment increased the not-to-exceed amount by \$40,000. VCE has funds in its 2022 budget year and has budgeted monies in its proposed 2023 Operating budget to cover the current and anticipated expenditures.

ATTACHMENTS

1. Signed Third Amendment
2. Resolution 2022-XX to Ratify

THIRD AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES BETWEEN VALLEY CLEAN ENERGY ALLIANCE AND GREEN IDEALS

This Third Amendment to the Consultant Services Agreement (“Third Amendment”) is made and entered into as of this 21st day of November 2022, by and between Valley Clean Energy Alliance, a Joint Powers Agency, existing under the laws of the State of California with its principal place of business at 604 2nd Street, Davis, California 95616 (“VCE”) and Green Ideals, a sole proprietorship, with its principal place of business at 47 Creek Road, Fairfax, California 94930 (“GI”). VCE and GI are sometimes individually referred to as “Party” and collectively as “Parties.”

Recitals

1. On November 21, 2018, VCE and GI entered into an “Agreement for Consultant Services,” No. 2018-01 (“Agreement”), for the purpose of retaining GI to provide the services described in Exhibit A of the Agreement. The Agreement was for a term of two (2) years and a total amount not to exceed \$425,000.
2. On November 12, 2020, the VCE Board of Directors approved Resolution No. 2018031, authorizing the Interim General Manager to execute the First Amendment to the Agreement, extending the term for one (1) year, for a new expiration date of November 21, 2021.
3. On September 9, 2021, the VCE Board of Directors approved Resolution No. 2021-019, authorizing the Interim General Manager to execute the Second Amendment to the Agreement, extending the term by one (1) year, through November 21, 2022, and increasing the not to exceed amount by \$200,000, for a total amount not to exceed \$625,000.
4. VCE and GI now desire to further amend the Agreement to extend the term for a new expiration date of February 28, 2023, and to increase the not to exceed amount by \$40,000, for a total not to exceed amount of \$665,000.

Now therefore, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Section 1.4 of the Agreement is hereby amended in its entirety to read as follows:
 - a. 1.4 Term. The term of this Agreement, which began on November 21, 2018, shall end on February 28, 2023, unless amended as provided in this Agreement, or when terminated as provided in Article 5.
2. Exhibit D of the Agreement is hereby replaced in its entirety by Exhibit D attached hereto.
3. Except as amended by this Third Amendment, all other provisions of the Agreement will remain in full force and effect.

4. If any portion of this Third Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

[Signatures on Next Page]

**SIGNATURE PAGE FOR THIRD AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES
BETWEEN VALLEY CLEAN ENERGY ALLIANCE
AND GREEN IDEALS**

IN WITNESS WHEREOF, the Parties have entered into this Third Amendment as of the 21st day of November 2022.

VALLEY CLEAN ENERGY ALLIANCE

GREEN IDEALS



By:

Mitch Sears
Executive Officer



By:

Susan Bierzychudek
Managing Director/Principal

APPROVED AS TO FORM

By: 

Inder Khalsa
VCE Attorney

EXHIBIT D

BUDGET, PAYMENT, RATES

Budget: \$665,000 for marketing and outreach services covering through February 28, 2023.

Payment: VCEA will pay uncontested invoices within 30 days of receipt.

Billing Rates

Green Ideals

Susan Bierzychudek
Julie Contreras

\$175/hour
\$150/hour

Project Director/Principal
Design Director

Media Solutions

Cynthia Metier
Kelly Wheeler
Alisha Harris
David Alvarado

\$150/hour
\$125/hour
\$120/hour
\$100/hour

VP
Senior Media Buyer
Account Executive
Media Buyer/Coordinator

Digital Marketing Labs

Kyle Cassano
Todd Wilkinson

\$160/hour
\$140/hour

President/CEO
Project Manager

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022 - ____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
RATIFYING THE THIRD AMENDMENT TO THE GREEN IDEALS AGREEMENT FOR
COMMUNICATIONS AND OUTREACH CONSULTANT SERVICES**

WHEREAS, on November 15, 2018 the Board of Directors of the Valley Clean Energy Alliance (“VCE”) adopted Resolution 2018-031 to authorize its General Manager to execute an agreement between VCE and Green Ideals (“GI”) for communications and outreach vendor consultant services that was to expire November 21, 2020; and

WHEREAS, Resolution 2018-031 provided the option for a no-cost extension of up to one (1) year by mutual agreement at agreed prices with all other terms and conditions remaining the same; and

WHEREAS, on November 10, 2020 the VCE Board of Directors adopted Resolution 2020-031 to approve Amendment One (1) to the GI agreement, which exercised VCE’s option for a one (1) year no-cost extension to the agreement, to expire on November 21, 2021; and

WHEREAS, on September 9, 2021 the VCE Board of Directors adopted Resolution 2021-019 to approve Amendment Two (2) to the GI agreement, which extended the expiration term by one (1) year to November 21, 2022 and increased the total not to exceed amount to \$625,000; and

WHEREAS, both parties to the GI agreement have agreed to again extend the expiration term, and on November 21, 2022 a Third Amendment to the GI agreement was executed to extend the expiration term through February 28, 2023 and to increase the not to exceed amount by \$40,000 to cover anticipated expenses while transitioning to a new marketing, social media and website vendor, for a total not to exceed amount of \$665,000.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. Ratifies the Third Amendment to the Green Ideals Agreement to extend the agreement through February 28, 2023 and increase the not to exceed amount by \$40,000.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCE Board Secretary

EXHIBIT A - Signed Third Amendment Letter to Green Ideals Agreement

EXHIBIT A

**THIRD AMENDMENT TO
GREEN IDEALS AGREEMENT FOR CONSULTANT SERVICES**

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 13**

TO: Board of Directors

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

SUBJECT: Approve Consultant Agreement - Donald B. Dame

DATE: December 8, 2022

RECOMMENDATION

Approve consultant agreement with Donald B. Dame for a three-year term for the time period of January 1, 2023 terminating December 31, 2025, with two (2) one year options to extend, at a not to exceed amount of \$15,000 annually.

BACKGROUND & DISCUSSION

Donald Dame has provided professional consulting services for VCE since July 2017. He has continued to provide consulting services related to enterprise risk management, electric utility analysis, customer rates, and program implementation assistance among other related activities.

Staff recommend entering into a three (3) year agreement with Donald B. Dame to provide energy consulting services for Community Choice Aggregates (“CCA”) related operations and management consulting and advisory services. The agreement for three years, begins January 1, 2023 ending December 31, 2025 which aligns with our fiscal calendar year; has two (2) one year options to extend; and, a not to exceed amount of \$15,000 annually. Budgeted in the 2023 Operating budget is \$15,000.

Attachments:

1. Donald B. Dame Consultant Agreement
2. Resolution 2022-XXX

**AGREEMENT BETWEEN THE VALLEY CLEAN ENERGY ALLIANCE AND
DONALD B. DAME
FOR
ENERGY CONSULTING SERVICES**

THIS AGREEMENT, is entered into this _____ day of December 2022, by and between the **VALLEY CLEAN ENERGY ALLIANCE**, a Joint Powers Authority organized and operating under the laws of the State of California, with its principal place of business at 604 Second Street, Davis, California, 95616 ("VCE"), and **DONALD B. DAME**, a sole proprietor independent consultant, whose address is 2022 Pierpont Blvd., Ventura, California 93001 (herein after referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

A. VCE is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. VCE and Consultant desire to enter into an agreement for Community Choice Aggregates ("CCA") related operations and management consulting and advisory services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on January 1, 2023, and shall terminate on December 31, 2025, with two (2) one year options to extend, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed Fifteen Thousand and no/100 dollars (\$15,000) per calendar year based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and VCE agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area under similar circumstances and in a manner reasonably satisfactory to VCE and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to VCE for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to VCE by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by VCE, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, VCE may deduct the cost of such correction from any retention amount held by VCE or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. **INDEPENDENT PARTIES**

VCE and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by VCE to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from VCE to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless VCE and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of VCE officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant's personnel practices. VCE shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to VCE from Consultant as a result of Consultant's failure to promptly pay to VCE any reimbursement or indemnification arising under this section.

7. **NO RECOURSE AGAINST CONSTITUENT MEMBERS OF VCE**

VCE is organized as a Joint Powers VCE in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members.

VCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of VCE's constituent members in connection with this Agreement.

8. **NON-DISCRIMINATION**

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. **HOLD HARMLESS AND INDEMNIFICATION**

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify VCE and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those VCE agents serving as independent contractors in the role of VCE officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. Intellectual Property Indemnification. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Consultant shall indemnify, defend, and

hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party's IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys' fees of counsel of VCE's choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by VCE shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. **INSURANCE**

A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish VCE with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to VCE by certified mail, Attention: Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to VCE and licensed to do insurance business in the State of California. Endorsements naming VCE as additional insured shall be submitted with the insurance certificates.

B. **Subrogation Waiver.** Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to VCE, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or VCE with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against VCE by virtue of the payment of any loss under such insurance.

C. **Failure to secure or maintain insurance.** If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, VCE shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. Additional Insured. VCE, its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. Sufficiency of Insurance. The insurance limits required by VCE are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. CONFLICT OF INTEREST

Consultant warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the VCE Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this section into any subcontract that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff VCE, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. PROHIBITION AGAINST TRANSFERS

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of VCE. Any attempt to do so without such consent shall be null and void, and any

assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from VCE under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to VCE by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL**

Unless prior written consent from VCE is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and VCE in the same manner and to the same extent as Consultant is bound to VCE under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to VCE.

14. **REPORTS**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of VCE. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to VCE the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of VCE, and all publication rights are reserved to VCE. Consultant may retain a copy of any Report furnished to VCE pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by VCE in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other VCE projects as VCE deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as VCE may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by VCE.

F. VCE shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by VCE that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of VCE or its designees at all proper times, and gives VCE the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from VCE for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Executive Officer (“VCE Representative”) shall represent VCE in all matters pertaining to the services to be performed under this Agreement. Donald B. Dame (Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **INFORMATION AND DOCUMENTS**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively “Data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by VCE. VCE shall grant such authorization if

applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the VCE Representative or unless requested in writing by VCE's counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within VCE. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives VCE notice of such court order or subpoena.

B. Consultant shall promptly notify VCE should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within VCE. VCE may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with VCE and to provide VCE with the opportunity to review any response to discovery requests provided by Consultant. However, VCE's right to review any such response does not imply or mean the right by VCE to control, direct or rewrite the response.

C. In the event VCE gives Consultant written notice of a "litigation hold", then as to all data identified in such notice, Consultant shall, at no additional cost to VCE, isolate and preserve all such data pending receipt of further direction from VCE.

D. Consultant's covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and VCE's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO VCE:
Valley Clean Energy Alliance
604 Second Street
Davis, CA 95616
Attention: Executive Officer

TO CONSULTANT:
Donald B. Dame
2022 Pierpont Blvd.
Ventura, CA 93001

19. **TERMINATION**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be determined by VCE but shall be not less than 10 days) and according to the requirements set forth in VCE's written notice of default, and in addition to any other remedy available to VCE by law, the VCE Representative may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The VCE Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.

In the event of VCE's termination of this Agreement due to no fault or failure of performance by Consultant, VCE shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to VCE any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of VCE. Consultant shall have no other claim against VCE by reason of such termination, including any claim for compensation.

20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations. VCE, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to VCE that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Yolo, State of California.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from VCE to do otherwise.

23. **WAIVER**

A waiver by VCE of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both VCE and Consultant.

25. **AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **VCE'S RIGHTS TO EMPLOY OTHER CONSULTANTS**

VCE reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in VCE's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of VCE from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of VCE's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by VCE shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by VCE for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

34. **SUCCESSORS AND ASSIGNS**

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. **NO THIRD PARTY BENEFICIARIES INTENDED**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

RECOMMENDED FOR APPROVAL

CONSULTANT

VALLEY CLEAN ENERGY ALLIANCE

Donald B. Dame

A Joint Powers Authority

By: _____

By: _____

Name: Donald B. Dame

Name: Mitch Sears

Title: Consultant

Title: Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

Counsel for VCE

Exhibit A
Scope of Services

VCE requires professional consulting services from a qualified party to provide technical review, electric utility expertise, services agreements and relationships, risk management assistance, rate design and review assistance, budget preparation and review assistance, and other technical and financial services related to VCE's operation and management. Consultant is to perform these and other related tasks upon the request of authorized VCE staff. Consultant's tasks on behalf of VCE include but are not limited to the following:

- Evaluate CCA technical services options available to VCE and present results to VCE staff, management and, as directed, to the VCE Board and advisory committees.
- Assist VCE, as directed, in meeting VCE program goals and objectives.
- Attend, as directed, VCE monthly risk management meetings and provide input on related business risk profiles.
- Work together, as directed, with VCE staff, General Counsel, and other VCE vendors and/or consultants to identify and evaluate various CCA related business risk exposures, and outline and discuss actions which may help mitigate such identified exposures.
- Prepare, review and present, as directed, materials for use at VCE Board meetings or other materials requested by VCE.
- Assist VCE staff and members, as directed, of draft CCA related documents which may include services contracts, policies and procedures related to VCE's CCA program.
- As requested, draft and review materials and make recommendations regarding potential governance and voting practices applicable to VCE's JPA and membership.
- Advise VCE staff and members regarding the status and activities of other existing and incipient CCAs throughout California.
- Make recommendations and give opinions from time to time on actions that consultant deems may be beneficial to overall CCA operation and management.
- Provide, as directed, input to VCE rate, financial and power contracting staff related to setting VCE generation rates, VCE's annual budget process, and entering short- or long-term power supply arrangements.
- Provide other CCA related consulting services as directed and/or requested by VCE.

Exhibit B
Schedule of Performance

The scope and schedule of service provided pursuant to this agreement commence on the date of signature and runs through December 31, 2025, with two (2) one year options to extend, unless terminated pursuant to the terms of this agreement. This agreement may be extended by mutual agreement in writing by both Parties.

This schedule may be modified with the written approval of VCE.

Exhibit C
Compensation

VCE shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed the annual calendar year budget amount of Fifteen Thousand and no/100 dollars (\$15,000.00) per calendar year.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of Fifteen Thousand and no/100 dollars (\$15,000.00) per calendar year, as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to VCE unless previously approved in writing by VCE.

Task / Particulars / Cost Category	Rate
1. Donald B. Dame, Consulting Services	\$ 175.00 / hour
2. Travel Time by Air or Automobile	\$ 87.50 / hour
3. Automobile Mileage Rate (or current IRS allowed rate)	\$ 0.625 / mile
4. Actual Direct Expenses (receipts required above \$25.00)	Actual Expense
5. Phone/postage/printing/office materials	No Charge

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to VCE describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). VCE shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. VCE does not pay interest on past due amounts.

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by VCE. In no event shall reimbursable expenses collectively exceed the total sum of two thousand dollars (\$2,000.00) unless approved in writing by VCE.

///

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from a VCE Representative prior to commencement of any additional services. Consultant shall submit, at the VCE Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

Exhibit D
Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

(1) **Workers' Compensation:**

Statutory coverage as required by the State of California. If Consultant is exempt from such coverage, Consultant shall provide VCEA within thirty (30) days' of the commencement of this Agreement an endorsed waiver stating Consultant is not required by law to carry Workers' Compensation Insurance.

(2) **Commercial Liability:**

Not required under this agreement.

(3) **Automotive:**

Consultant's performance of the Scope of Services under this Agreement does not require the use or operation of a vehicle or automobile. Should Consultant use or operate any vehicle or automobile in performance of the Scope of Services under this Agreement, Consultant shall maintain comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage, and supply all certificates to VCE in compliance with all requirements under Section 10 of this Agreement.

(4) **Professional Liability**

Optional Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000 will be attained by Consultant if specifically requested in writing by VCE. If VCE requests Consultant to attain such insurance, VCE agrees it will compensate Consultant for the fair and reasonable cost of such professional liability insurance coverage.

(5) **Privacy and Cybersecurity Liability**

Privacy and cybersecurity liability is not required under this agreement.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION 2022-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
APPROVING AN AGREEMENT WITH DONALD B. DAME
FOR ENERGY CONSULTING SERVICES AND AUTHORIZING THE EXECUTIVE OFFICER IN
CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE AGREEMENT**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, Donald B. Dame has been a consultant to VCE since July 2017 providing services related to enterprise risk management, electric utility analysis, and program implementation assistance among other related activities; and,

WHEREAS, staff recommend that VCE enter into a three (3) year agreement with Donald B. Dame to provide energy consulting services for Community Choice Aggregates (“CCA”) related operations and management consulting and advisory services.

NOW, THEREFORE, the Board of Directors of Valley Clean Energy Alliance resolves as follows:

1. The VCE Executive Officer, in consultation with VCE Legal General Counsel, is authorized to finalize, approve, execute and extend on behalf of VCE the agreement with Donald B. Dame for energy consulting services attached hereto for a not to exceed amount of \$15,000 annually for a term of three (3) years, ending December 31, 2025, with two (2) one-year options to extend.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____ 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Board Chair

ATTEST: _____
Alisa M. Lembke, VCE Board Secretary

Exhibit A: Donald B. Dame Consultant Agreement

EXHIBIT A

DONALD B. DAME CONSULTANT AGREEMENT

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 14

To: Board of Directors

From: Rebecca Boyles, Director of Customer Care & Marketing

Subject: Approve consultant agreement with Jim Parks for a one-year term (CY2023) with two (2) one-year options to extend, to provide energy advisory services

Date: December 8, 2022

RECOMMENDATION

Approve consultant agreement between VCE and Jim Parks for a one-year term beginning January 1, 2023.

BACKGROUND

Since June 2020, VCE has had an agreement with Jim Parks to provide energy advisory services, including transitional customer care and marketing director duties, SACOG grant and other program activities, and key account services.

Mr. Parks' served as VCE's Director of Customer Care and Marketing on assignment from SMUD during the launch and early operations of VCE. After retiring from SMUD, VCE retained his services to provide cost effective assistance to Staff with key account services for designated commercial, industrial, and agricultural customer outreach and programmatic work for the SACOG grant, and fill needed gaps in staffing as needed. The proposed scope associated with this contract extension includes those activities listed above. Additionally, staff may rely on Mr. Parks for programmatic support for two programs approved in 2022 – the Heat Pump Pilot Program, and the EV Rebate Program, as well as assist in other duties/services as needed.

Fiscal Impact

\$30,000 has been budgeted in the 2023 operating budget.

Staff recommend the attached consultant agreement be approved via Resolution.

Attachments

1. Consultant Agreement with Jim Parks
2. Resolution 2022-XXX

**AGREEMENT BETWEEN THE VALLEY CLEAN ENERGY ALLIANCE AND
JIM PARKS
FOR
ENERGY ADVISORY SERVICES**

THIS AGREEMENT, is entered into this _____ day of December 2022, by and between the **VALLEY CLEAN ENERGY ALLIANCE**, a Joint Powers Authority organized and operating under the laws of the State of California, with its principal place of business at 604 Second Street, Davis, California, 95616 ("VCE"), and **JIM PARKS**, Owner, whose address is 4478 G Street, Sacramento, California 95819 (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

A. VCE is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. VCE and Consultant desire to enter into an agreement for energy advisory services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. TERM

The term of this Agreement shall commence on January 1, 2023 and shall terminate on December 31, 2023, with two (2) one year options to extend, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED

Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. COMPENSATION TO CONSULTANT

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed Thirty Thousand and no/100 dollars (\$30,000) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and VCE agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area under similar circumstances and in a manner reasonably satisfactory to VCE and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to VCE for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to VCE by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by VCE, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, VCE may deduct the cost of such correction from any retention amount held by VCE or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. **INDEPENDENT PARTIES**

VCE and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by VCE to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from VCE to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless VCE and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of VCE officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant's personnel practices. VCE shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to VCE from Consultant as a result of Consultant's failure to promptly pay to VCE any reimbursement or indemnification arising under this section.

7. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF VCE

VCE is organized as a Joint Powers VCE in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. VCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of VCE's constituent members in connection with this Agreement.

8. NON-DISCRIMINATION

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. HOLD HARMLESS AND INDEMNIFICATION

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify VCE and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those VCE agents serving as independent contractors in the role of VCE officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. Intellectual Property Indemnification. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Consultant shall indemnify, defend, and hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party's IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys' fees of counsel of VCE's choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by VCE shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. **INSURANCE**

A. General Requirements. On or before the commencement of the term of this Agreement, Consultant shall furnish VCE with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to VCE by certified mail, Attention: Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to VCE and licensed to do insurance business in the State of California. Endorsements naming VCE as additional insured shall be submitted with the insurance certificates.

B. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to VCE, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or VCE with respect to the services of Consultant herein, a waiver

of any right to subrogation which any such insurer of Consultant may acquire against VCE by virtue of the payment of any loss under such insurance.

C. Failure to secure or maintain insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, VCE shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. Additional Insured. VCE, its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. Sufficiency of Insurance. The insurance limits required by VCE are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. CONFLICT OF INTEREST

Consultant warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the VCE Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to

abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this section into any subcontract that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff VCE, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST TRANSFERS**

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of VCE. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from VCE under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to VCE by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL**

Unless prior written consent from VCE is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and VCE in the same manner and to the same extent as Consultant is bound to VCE under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall

require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to VCE.

14. **REPORTS**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of VCE. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to VCE the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of VCE, and all publication rights are reserved to VCE. Consultant may retain a copy of any Report furnished to VCE pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by VCE in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other VCE projects as VCE deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as VCE may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by VCE.

F. VCE shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by VCE that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of VCE or its designees at all proper times, and gives VCE the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a

minimum period of five (5) years after Consultant receives final payment from VCE for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Executive Officer (“VCE Representative”) shall represent VCE in all matters pertaining to the services to be performed under this Agreement. Jim Parks (“Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **INFORMATION AND DOCUMENTS**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively “Data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by VCE. VCE shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the VCE Representative or unless requested in writing by VCE’s counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within VCE. Response to a subpoena or court order shall not be considered “voluntary,” provided Consultant gives VCE notice of such court order or subpoena.

B. Consultant shall promptly notify VCE should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within VCE. VCE may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with VCE and to provide VCE with the opportunity to review any response to discovery requests provided by Consultant. However, VCE’s right to review any such response does not imply or mean the right by VCE to control, direct or rewrite the response.

C. In the event VCE gives Consultant written notice of a “litigation hold”, then as to all data identified in such notice, Consultant shall, at no additional cost to VCE, isolate and preserve all such data pending receipt of further direction from VCE.

D. Consultant’s covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and VCE's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO VCE:

Valley Clean Energy Alliance
604 Second Street
Davis, CA 95616
Attention: Executive Officer

TO CONSULTANT:

Jim Parks
4478 G Street
Sacramento, CA 95819

19. **TERMINATION**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be determined by VCE but shall be not less than 10 days) and according to the requirements set forth in VCE's written notice of default, and in addition to any other remedy available to VCE by law, the VCE Representative may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The VCE Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.

In the event of VCE's termination of this Agreement due to no fault or failure of performance by Consultant, VCE shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to VCE any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of VCE. Consultant shall have no other claim against VCE by reason of such termination, including any claim for compensation.

20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations. VCE, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to VCE that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Yolo, State of California.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from VCE to do otherwise.

23. **WAIVER**

A waiver by VCE of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both VCE and Consultant.

25. **AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **VCE'S RIGHTS TO EMPLOY OTHER CONSULTANTS**

VCE reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in VCE's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of VCE from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of VCE's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by VCE shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by VCE for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

34. **SUCCESSORS AND ASSIGNS**

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. **NO THIRD PARTY BENEFICIARIES INTENDED**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

JIM PARKS

VALLEY CLEAN ENERGY ALLIANCE
A Joint Powers Authority

By: _____

By: _____

Name: Jim Parks

Name: Mitch Sears

Title: Owner

Title: Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

Inder Khalsa
Legal Counsel for VCE

Exhibit A
Scope of Services

Consultant shall provide the following services to VCE at the direction of the Executive Officer, Director of Customer Care and Marketing, and/or Assistant General Manager and Director of Power Resources:

1. Act as the Manager, Key Accounts and perform the duties associated with this position including customer outreach, responding to key account customer requests, promotion of VCE programs, participation in grant activities and other duties as assigned.
2. Continue to work with SACOG grant team to facilitate project completion on time, on budget, and within the parameters of the grant.
3. Review and verify PG&E rate changes and develop rate tables for the VCE website.
4. Other duties/services as needed and directed by VCE staff.

Exhibit B
Schedule of Performance

The scope of this contract commences on January 1, 2023 terminating December 31, 2023, with options to extend:

- January 1, 2024 through December 31, 2024
- January 1, 2025 through December 31, 2025

The Agreement and the schedule may be extended by mutual agreement in writing by both parties.

Exhibit C
Compensation

VCE shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of Thirty Thousand and no/100 Dollars (\$30,000), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to VCE unless previously approved in writing by VCE.

Rates

Personnel	Title	Hourly
Jim Parks	Consultant	\$125

Other Applicable Reimbursement Rates:

Particulars	Rate
Air Travel Time	\$50.00 / hour
Auto Travel Time (one hour or more)	\$50.00 / hour
Auto Mileage Rate (or current IRS reimbursement rate)	\$0.625 / mile
Actual Direct Expenses (Receipts required above \$25.00)	Actual Expense
Phone/postage/printing/office materials	No Charge

Total Not to Exceed Amount: \$30,000.00 unless amended by written agreement of both parties.

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to VCE describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). VCE shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. VCE does not pay interest on past due amounts.

///

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by VCE.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from VCE Representative prior to commencement of any additional services. Consultant shall submit, at the VCE Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

Exhibit D
Insurance Requirements and Proof of Insurance

Due to the nature and scope of the work to be performed by Consultant, VCE and Consultant have agreed to waive the requirements for insurance set forth in Section 10 with the exception of the requirement for automobile insurance. Should Consultant use or operate any vehicle or automobile in performance of the Scope of Services under this Agreement, Consultant shall maintain comprehensive automotive liability coverage with minimum limits of \$500,000 per accident for bodily injury and property damage, and supply all certificates to VCE in compliance with all requirements under Section 10 of this Agreement.

Statutory Workers' Compensation coverage is required by the State of California. If Consultant is exempt from such coverage, Consultant shall provide VCE within thirty (30) days' of the commencement of this Agreement an endorsed waiver stating Consultant is not required by law to carry Workers' Compensation Insurance.

Further, the parties agree that VCE may reevaluate the need for liability insurance on 30 days' notice to Consultant. Such reevaluation will be based on a change in the scope of services under this Agreement.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION 2022-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
APPROVING AN AGREEMENT WITH JIM PARKS
FOR ENERGY ADVISORY SERVICES AND AUTHORIZING THE EXECUTIVE OFFICER IN
CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE AGREEMENT**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, since June 2020, VCE has used Jim Parks to provide energy advisory services, including transitional customer care and marketing director duties, SACOG grant and other program activities, and key account services; and,

WHEREAS, staff recommend that VCE enter into an agreement with Jim Parks to provide energy advisory services.

NOW, THEREFORE, the Board of Directors of Valley Clean Energy Alliance resolves as follows:

1. The VCE Executive Officer, in consultation with VCE Legal General Counsel, is authorized to finalize, approve, execute, and extend on behalf of VCE the agreement with Jim Parks for energy advisory services attached hereto for a not to exceed amount of \$30,000 for a term of one (1) year beginning January 1, 2023 ending December 31, 2023, with two (2) one year options to extend.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____ 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jesse Loren, VCE Board Chair

ATTEST: _____
Alisa M. Lembke, VCE Board Secretary

Exhibit A: Jim Parks Consultant Agreement

EXHIBIT A

JIM PARKS CONSULTANT AGREEMENT

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 15

TO: Board of Directors

FROM: Mitch Sears, Executive Officer

SUBJECT: Consultant Agreement with Pacific Policy Group

DATE: December 8, 2022

RECOMMENDATION

Approve consultant agreement with Pacific Policy Group (“PPG”) for lobbying services for a two (2) year term effective January 1, 2023.

BACKGROUND

Since February 2019, Mark Fenstermaker of PPG has provided lobbying services and represented VCE on legislative matters at the capitol. Staff and PPG utilized the VCE Vision, Mission statement and Board actions and direction to identify priorities for VCE legislative activities. At the Board’s July 2020 meeting, the Board approved its first Legislative Platform to formalize and organize VCE’s approach to legislative activities and provide guidance to PPG. Since July 2020, the Board has approved yearly a Legislative Platform and recently in November 2022, the 2023 Legislative Platform was approved.

With the 2023-2024 Legislative session beginning in early 2023, staff believes the continuance of VCE’s direct engagement with the Legislature is important as key energy Bills move through the legislative process. In order to be effective and execute VCE’s legislative platform, staff believes it is necessary to continue to have an experienced lobbying presence in Sacramento.

Staff continues to be satisfied with PPG’s performance, responsiveness, and professionalism and is therefore recommending entering into an agreement for a two (2) year term, with two (2) one year options to extend, at a not to exceed amount of \$132,000 (\$5,500 a month, \$66,000 each calendar year). For the 2023 Operating budget, \$66,000 has been budgeted for these services.

Attachments:

1. Pacific Policy Group Consultant Agreement
2. Resolution 2022-XXX

**AGREEMENT BETWEEN THE VALLEY CLEAN ENERGY ALLIANCE AND
PACIFIC POLICY GROUP
FOR
LOBBYING SERVICES**

THIS AGREEMENT, is entered into this ____ day of December 2022, by and between **VALLEY CLEAN ENERGY ALLIANCE**, a Joint Powers Authority organized and operating under the laws of the State of California, with its principal place of business at 604 Second Street, Davis, California, 95616 ("VCE"), and **PACIFIC POLICY GROUP**, a Limited Liability Corporation, whose address is 1121 L Street, Suite 700, Sacramento, California 95814 (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

A. VCE is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. VCE and Consultant desire to enter into an agreement for lobbying services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on January 1, 2023, and shall terminate on December 31, 2024, with two (2) one year options to extend, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed One Hundred Thirty-two Thousand and no/100 dollars (\$132,000) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and VCE agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area under similar circumstances and in a manner reasonably satisfactory to VCE and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to VCE for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to VCE by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by VCE, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, VCE may deduct the cost of such correction from any retention amount held by VCE or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. **INDEPENDENT PARTIES**

VCE and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by VCE to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from VCE to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless VCE and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of VCE officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant's personnel practices. VCE shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to VCE from Consultant as a result of Consultant's failure to promptly pay to VCE any reimbursement or indemnification arising under this section.

7. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF VCE

VCE is organized as a Joint Powers VCE in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. VCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of VCE's constituent members in connection with this Agreement.

8. NON-DISCRIMINATION

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. HOLD HARMLESS AND INDEMNIFICATION

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify VCE and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those VCE agents serving as independent contractors in the role of VCE officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. Intellectual Property Indemnification. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents,

inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Consultant shall indemnify, defend, and hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party's IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys' fees of counsel of VCE's choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by VCE shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. INSURANCE

A. General Requirements. On or before the commencement of the term of this Agreement, Consultant shall furnish VCE with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to VCE by certified mail, Attention: Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to VCE and licensed to do insurance business in the State of California. Endorsements naming VCE as additional insured shall be submitted with the insurance certificates.

B. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to VCE, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or VCE with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against VCE by virtue of the payment of any loss under such insurance.

C. Failure to secure or maintain insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, VCE shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be

compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. Additional Insured. VCE, its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. Sufficiency of Insurance. The insurance limits required by VCE are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. CONFLICT OF INTEREST

Consultant warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the VCE Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this section into any subcontract that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff VCE, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST TRANSFERS**

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of VCE. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from VCE under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to VCE by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL**

Unless prior written consent from VCE is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and VCE in the same manner and to the same extent as Consultant is bound to VCE under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to VCE.

14. **REPORTS**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property

of VCE. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to VCE the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of VCE, and all publication rights are reserved to VCE. Consultant may retain a copy of any Report furnished to VCE pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by VCE in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other VCE projects as VCE deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as VCE may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by VCE.

F. VCE shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by VCE that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of VCE or its designees at all proper times, and gives VCE the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from VCE for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Executive Officer (“VCE Representative”) shall represent VCE in all matters pertaining to the services to be performed under this Agreement. Mark Fenstermaker, Principal, (Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **INFORMATION AND DOCUMENTS**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by VCE. VCE shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the VCE Representative or unless requested in writing by VCE's counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within VCE. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives VCE notice of such court order or subpoena.

B. Consultant shall promptly notify VCE should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within VCE. VCE may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with VCE and to provide VCE with the opportunity to review any response to discovery requests provided by Consultant. However, VCE's right to review any such response does not imply or mean the right by VCE to control, direct or rewrite the response.

C. In the event VCE gives Consultant written notice of a "litigation hold", then as to all data identified in such notice, Consultant shall, at no additional cost to VCE, isolate and preserve all such data pending receipt of further direction from VCE.

D. Consultant's covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and VCE's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

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TO VCE:

Valley Clean Energy Alliance
604 Second Street
Davis, CA 95616
Attention: Executive Officer

TO CONSULTANT:

Pacific Policy Group
1121 L Street, Suite 700
Sacramento, CA 95814
Attention: Mark Fenstermaker

19. **TERMINATION**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be determined by VCE but shall be not less than 10 days) and according to the requirements set forth in VCE's written notice of default, and in addition to any other remedy available to VCE by law, the VCE Representative may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The VCE Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.

In the event of VCE's termination of this Agreement due to no fault or failure of performance by Consultant, VCE shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to VCE any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of VCE. Consultant shall have no other claim against VCE by reason of such termination, including any claim for compensation.

20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations. VCE, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law

2/21 Version

to perform such services. Consultant represents and warrants to VCE that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Yolo, State of California.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from VCE to do otherwise.

23. **WAIVER**

A waiver by VCE of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both VCE and Consultant.

25. **AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **VCE'S RIGHTS TO EMPLOY OTHER CONSULTANTS**

VCE reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in VCE's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of VCE from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of VCE's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by VCE shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by VCE for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts'

fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

34. **SUCCESSORS AND ASSIGNS**

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. **NO THIRD PARTY BENEFICIARIES INTENDED**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

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IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

RECOMMENDED FOR APPROVAL

PACIFIC POLICY GROUP

VALLEY CLEAN ENERGY ALLIANCE
A Joint Powers Authority

By: _____

By: _____

Name: Mark Fenstermaker

Name: Mitch Sears

Title: Principal

Title: Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

Counsel for VCE

Exhibit A
Scope of Services

1. Monitor, analyze, and track legislation throughout the legislative process and provide updates to VCE as appropriate.
2. Identify legislation of importance to VCE and provide recommendations on positions.
3. In coordination with VCE, testify on behalf of VCE in committee hearings.
4. Facilitate meetings for and represent VCE in meetings with legislators, staff, committee consultants, the Governor's Office, and other appropriate members of the Administration.
5. Draft position letters, fact sheets, and other information pieces as needed.
6. Work with VCE and CalCCA to develop and advance a strategy to procure additional state funding through the budget process to expand VCE's AgFIT pilot.
7. Monitor budget committee and subcommittee hearings and identify potential budget proposals for VCE to engage.
8. Represent VCE in meetings with other stakeholders to build relationships and grow support for CCAs from environmental, environmental justice, agricultural, and local government organizations.
9. Monitor relevant proceedings of the California Energy Commission, California Air Resources Board, and other state agencies and work with VCE to potentially engage proceedings as appropriate.
10. Ensure that the necessary reporting disclosures are filed with the California Fair Political Practices Commission by all required deadlines.

Exhibit B
Schedule of Performance

The term of this agreement is January 1, 2023 through December 31, 2024, with two (2) one year options to extend. The 2023 Legislative Session will commence on January 4, 2023 and conclude on September 4, 2023 and the majority of the work described in Exhibit A will occur during this time frame. Some of the proposed services, such as relationship building, is an ongoing process.

This schedule may be modified with the written approval of VCE.

Task
1. Monitor and engage legislation throughout the 2023 and 2024 legislative sessions. Each year, the legislative session runs from January to September.
2. Throughout the 2023 and 2024 legislative sessions, represent VCE in legislative committee hearings.
3. During and outside of the legislative session, consistently meet with legislators, officials and staff of the Administration, and stakeholders to build relationships and share relevant information on behalf of VCE.
4. Develop and implement a strategy to procure additional state funding in the 2023-24 state budget and 2024-25 state budget to expand VCE's AgFIT pilot
5. Monitor proposals to the 2023-24 state budget and 2024-25 state budget to identify appropriations or policies pertinent to VCE and engage accordingly.
6. File FPPC reports on a quarterly basis.

Exhibit C
Compensation

VCE shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of One Hundred Thirty-two Thousand dollars (\$132,000), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to VCE unless previously approved in writing by VCE.

Task	Estimated Budget
1. All services – PPG works on a flat monthly retainer basis and is proposing a monthly fee of \$5,500 [\$66,000 per calendar year for two (2) years]	\$ 132,000
Total	\$132,000

Rates

Personnel	Title	Hourly
Mark Fenstermaker	Principal and Co-Founder	\$300.00

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to VCE describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). VCE shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. VCE does not pay interest on past due amounts.

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by VCE.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from VCE Representative prior to commencement of any additional services. Consultant shall submit, at the VCE Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

Exhibit D
Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

- (1) **Workers' Compensation:**
Statutory coverage as required by the State of California. If Consultant is exempt from such coverage, Consultant shall provide VCE within thirty (30) days' of the commencement of this Agreement an endorsed waiver stating Consultant is not required by law to carry Workers' Compensation Insurance.
- (2) **Liability:**
Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.
- (3) **Automotive:**
Comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.
- (4) **Professional Liability**
Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.
- (5) **Privacy and Cybersecurity Liability**
Privacy and cybersecurity liability is not required under this Agreement.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION 2022-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
APPROVING AN AGREEMENT WITH PACIFIC POLICY GROUP FOR LOBBYING SERVICES AND
AUTHORIZING THE EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO
FINALIZE AND EXECUTE THE AGREEMENT**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, VCE continues to participate in the joint CalCCA Legislative group for monitoring of legislative bills that may have significant impact on CCA’s; and,

WHEREAS, since July 2019, VCE has employed the services of Pacific Policy Group to provide lobbying and consulting legislative advocacy services for VCE’s specific interests; and,

WHEREAS, staff recommend that VCE enter into a two (2) year agreement with Pacific Policy Group, with two (2) one year options to extend, for lobbying services.

NOW, THEREFORE, the Board of Directors of Valley Clean Energy Alliance resolves as follows:

1. The VCE Executive Officer, in consultation with VCE Legal General Counsel, is authorized to finalize, approve, execute, and extend on behalf of VCE the agreement with Pacific Policy Group for lobbying services attached hereto for a not to exceed amount of \$132,000 for a term of two (2) years beginning January 1, 2023 ending December 31, 2024, with two (2) one year options to extend.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____ 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Board Chair

ATTEST: _____
Alisa M. Lembke, VCE Board Secretary

Exhibit A: Pacific Policy Group Consultant Agreement

EXHIBIT A

PACIFIC POLICY GROUP CONSULTANT AGREEMENT

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 16

TO: Board of Directors

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

SUBJECT: Communications and Outreach Vendor Selection

DATE: December 8, 2022

RECOMMENDATION

Adopt a resolution approving an agreement for communications and outreach services with REACH Strategies for a two (2) year term.

BACKGROUND AND ANALYSIS

In August 2022, VCE staff released a Request for Proposals (RFP) seeking proposals for marketing, website, and social media services to support ongoing marketing and outreach efforts. Four (4) proposals were received from marketing firms. An evaluation team comprised of Staff and Community Advisory Committee (CAC) Outreach Task Group members reviewed the proposals and identified three (3) semi-finalists to interview. After careful evaluation and consideration, a decision was made to recommend REACH Strategies as the new marketing and outreach firm for VCE.

Evaluation Criteria and Process

The following summarizes the criteria used to evaluate the proposals:

I. Experience and Qualifications

1. Experience in the areas identified in the “Detailed Scope of Services”
2. Meets “Bidder Qualifications” section
3. Resumes of staff performing the work
4. CCA/Energy experience

II. Proposer’s Approach to Working with VCE

III. Commercial Terms (Price) and Compliance with VCE Contractual Terms

After evaluating the proposals, the three (3) semi-finalists were asked to provide a draft work sample highlighting how the firm would address a campaign that included diverse audiences.

The semi-finalists were evaluated on the following:

- 1) Responsiveness to the RFP, interview performance, and quality of the draft work sample.
- 2) The firm’s approach (web/social media) and work product samples.

- 3) Firm experience in the energy sector and with CCAs.
- 4) Demonstrated ability to meet VCE's unique needs in a way that is congruent with a fast-paced, small team setting.

After evaluating all the information (proposals, interviews, work product), the evaluation team unanimously agreed that REACH Strategies provided the best combination of skills, experience, cost, and fit and alignment with VCE's communication and outreach needs.

Scope of Work

The scope that the selected firm will be performing includes the following key activities:

1. Program Branding, Website and Social Media:
 - a. Working with existing program mission and branding style guides, refine style guides, and ensure alignment with VCE's Strategic Plan and Outreach and Marketing Plans.
 - b. Maintain and update multi-functional, multi-lingual website (English and Spanish).
 - c. Maintain and improve social media presence for VCE utilizing existing platforms in VCE member communities. Work with VCE staff to measure and improve marketing/communications analytics.
 - d. Develop/update program collateral including FAQs, program brochures, fact sheets and PowerPoint templates.
2. Marketing, Advertising and Press:
 - a. Manage and conduct press outreach - schedule editorial meetings; draft press releases, op-eds and news articles.
 - b. Maintain a social media presence for VCE on Facebook, Twitter, Instagram, and other platforms as requested.

Agreement Terms

Staff is seeking Board authorization to proceed with negotiations and contracting with REACH Strategies within the proposed scope of services and budget. If approved, the Executive Officer will negotiate a two-year contract with REACH Strategies for signature by the Executive Officer based on the following parameters:

- Scope. Project scope and budget consistent with the scope identified in the RFP and the proposal submitted by REACH Strategies. Any significant changes to the scope, schedule or budget, will be brought back to the Board for consideration.
- Budget. A not-to-exceed amount of \$425,000 for a two-year period. This amount is in VCE's existing budget. Staff will review the work of REACH Strategies at 6-month intervals to ensure projects are on track and that VCE is satisfied with work performance. This is a time and materials contract with work being assigned and reviewed by VCE staff.
- Term. Two-year contract term with the option for an extension of up to 1 year by mutual agreement at agreed prices, with all other terms and conditions remaining the same (consistent with RFP language).

CONCLUSION

Effective communication and outreach is important to the overall success of VCE and central to realizing its mission and achieving its strategic goals. Staff believes that the recommended firm provides a strong combination of experience and a cost effective approach that is closely aligned with VCE's mission.

Attachments:

1. REACH Strategies Consultant Agreement
2. Resolution 2022-XXX

**AGREEMENT BETWEEN THE VALLEY CLEAN ENERGY ALLIANCE AND
REACH STRATEGIES
FOR
MARKETING, WEBSITE, AND SOCIAL MEDIA SERVICES**

THIS AGREEMENT, is entered into this _____ day of December 2022, by and between the **VALLEY CLEAN ENERGY ALLIANCE**, a Joint Powers Authority organized and operating under the laws of the State of California, with its principal place of business at 604 Second Street, Davis, California, 95616 ("VCE"), and **REACH Strategies**, a California corporation whose address is 100 Shoreline Hwy Suite 100, Building B, Mill Valley, CA 94941 (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

A. VCE is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. VCE and Consultant desire to enter into an agreement for Marketing, Website and Social Media Services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on January 1, 2023, and shall terminate on December 21, 2024, unless terminated earlier as set forth herein. At the end of the initial term, the Parties may mutually agree to extend the term of the Agreement for one additional year, at no additional cost to VCE.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed Four Hundred Twenty-five Thousand dollars (\$425,000.00) based on

the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and VCE agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area under similar circumstances and in a manner reasonably satisfactory to VCE and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to VCE for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to VCE by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by VCE, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, VCE may deduct the cost of such correction from any retention amount held by VCE or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. **INDEPENDENT PARTIES**

VCE and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by VCE to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from VCE to Consultant, its employees, or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless VCE and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of VCE officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from Consultant's personnel practices. VCE shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to VCE from Consultant as a result of Consultant's failure to promptly pay to VCE any reimbursement or indemnification arising under this section.

7. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF VCE

VCE is organized as a Joint Powers VCE in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. VCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions, or assert any remedies against any of VCE's constituent members in connection with this Agreement.

8. NON-DISCRIMINATION

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. HOLD HARMLESS AND INDEMNIFICATION

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify VCE and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those VCE agents serving as independent contractors in the role of VCE officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. Intellectual Property Indemnification. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it

uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Consultant shall indemnify, defend, and hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party's IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys' fees of counsel of VCE's choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by VCE shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. **INSURANCE**

A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish VCE with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to VCE by certified mail, Attention: Executive Officer. Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to VCE and licensed to do insurance business in the State of California. Endorsements naming VCE as additional insured shall be submitted with the insurance certificates.

B. **Subrogation Waiver.** Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to VCE, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or VCE with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against VCE by virtue of the payment of any loss under such insurance.

C. Failure to secure or maintain insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, VCE shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. Additional Insured. VCE, its members, officers, employees, and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. Sufficiency of Insurance. The insurance limits required by VCE are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. CONFLICT OF INTEREST

Consultant warrants that it, its officers, employees, associates, and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial, or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates, and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates, and subcontractors, if any, shall comply with all conflict-of-interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the VCE Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this section into any subcontract

that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict-of-interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff VCE, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST TRANSFERS**

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly, or indirectly, by operation of law or otherwise, without prior written consent of VCE. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer. However, claims for money by Consultant from VCE under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to VCE by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint ventures or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL**

Unless prior written consent from VCE is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile, and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and VCE in the same manner and to the same extent as Consultant is bound to VCE under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to VCE.

14. **REPORTS**

A. Each and every report, draft, work product, map, record, and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of VCE. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to VCE the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of VCE, and all publication rights are reserved to VCE. Consultant may retain a copy of any Report furnished to VCE pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by VCE in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other VCE projects as VCE deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as VCE may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by VCE.

F. VCE shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by VCE that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of VCE or its designees at all proper times, and gives VCE the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from VCE for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Executive Officer (“VCE Representative”) shall represent VCE in all matters pertaining to the services to be performed under this Agreement. Kirk Brown (Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **INFORMATION AND DOCUMENTS**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively “Data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by VCE. VCE shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the VCE Representative or unless requested in writing by VCE’s counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within VCE. Response to a subpoena or court order shall not be considered “voluntary,” provided Consultant gives VCE notice of such court order or subpoena.

B. Consultant shall promptly notify VCE should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within VCE. VCE may, but has no obligation to, represent Consultant or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with VCE and to provide VCE with the opportunity to review any response to discovery requests provided by Consultant. However, VCE’s right to review any such response does not imply or mean the right by VCE to control, direct or rewrite the response.

C. In the event VCE gives Consultant written notice of a “litigation hold”, then as to all data identified in such notice, Consultant shall, at no additional cost to VCE, isolate and preserve all such data pending receipt of further direction from VCE.

D. Consultant’s covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during

Consultant's and VCE's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO VCE:

Valley Clean Energy Alliance
604 Second Street
Davis, CA 95616
Attention: Executive Officer

TO CONSULTANT:

Kirk Brown, CEO
REACH Strategies
100 Shoreline Hwy Suite 100, Bldg. B
Mill Valley, CA 94941

19. **TERMINATION**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be determined by VCE but shall be not less than 10 days) and according to the requirements set forth in VCE's written notice of default, and in addition to any other remedy available to VCE by law, the VCE Representative may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The VCE Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.

In the event of VCE's termination of this Agreement due to no fault or failure of performance by Consultant, VCE shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to VCE any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of VCE. Consultant shall have no other claim against VCE by reason of such termination, including any claim for compensation.

20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement.

Consultant shall, at all times, observe and comply with all such laws and regulations. VCE, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to VCE that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Yolo, State of California.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters, or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from VCE to do otherwise.

23. **WAIVER**

A waiver by VCE of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both VCE and Consultant.

25. **AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **VCE'S RIGHTS TO EMPLOY OTHER CONSULTANTS**

VCE reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in VCE's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of VCE from all claims and liabilities for compensation to Consultant for anything done, furnished, or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of VCE's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by VCE shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the

information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by VCE for any defect or error in the work prepared by Consultant, its employees, subcontractors, and agents.

32. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

34. **SUCCESSORS AND ASSIGNS**

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. **NO THIRD-PARTY BENEFICIARIES INTENDED**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF, or electronic signature may substitute for and have the same legal effect as the original signature.

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

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IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

RECOMMENDED FOR APPROVAL

REACH STRATEGIES

By: _____

Name: Kirk Brown

Title: CEO

Date: _____

VALLEY CLEAN ENERGY ALLIANCE

A Joint Powers Authority

By: _____

Name: Mitch Sears

Title: Executive Officer

Date: _____

APPROVED AS TO FORM:

Counsel for VCE

Exhibit A
Scope of Services

The scope that REACH Strategies is expected to work on includes but is not limited to:

1. Program Branding, Website and Social Media:

a. Working with existing program mission and branding style guides, refine style guides, and ensure alignment with VCE's Strategic Plan and Outreach and Marketing Plans.

b. Maintain and update multi-functional, multi-lingual website (English and Spanish).

c. Maintain and improve social media presence for VCE utilizing existing platforms in VCE member communities. Work with VCE staff to measure and improve marketing/communications analytics.

d. Develop/update program collateral including FAQs, program brochures, fact sheets and PowerPoint templates.

2. Marketing, Advertising and Press:

a. Manage and conduct press outreach - schedule editorial meetings; draft press releases, op-eds and news articles.

b. Maintain a social media presence for VCE on Facebook, Twitter, Instagram, and other platforms as requested.

Exhibit B
Schedule of Performance

Not Applicable

Intentionally Left Blank

Exhibit C
Compensation

VCE shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of Four Hundred Twenty-five thousand dollars (\$425,000), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to VCE unless previously approved in writing by VCE.

Task	Estimated Budget
1. Marketing, Website, and Social Media Services	\$15,000/month
Total Not To Exceed Amount	\$425,000

Rates

Personnel	Title	Hourly
Kirk Brown	CEO and Project Lead	\$150.00
Oshi Jauco	Project Manager	\$145.00
Amy Riley	Project Manager	\$125.00
Susan Fogarasi	Web & Graphic Design	\$75.00
Finance Support		\$50.00
Project Support		\$50.00

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to VCE describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). VCE shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. VCE does not pay interest on past due amounts.

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of

payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by VCE.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from VCE Representative prior to commencement of any additional services. Consultant shall submit, at the VCE Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

Exhibit D
Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

- (1) **Workers' Compensation:**
Statutory coverage as required by the State of California.
- (2) **Liability:**
Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.
- (3) **Automotive:**
Comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.
- (4) **Professional Liability**
Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.
- (5) **Privacy and Cybersecurity Liability** ***[May be reduced or eliminated based on scope of services]***

Privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs) of at least \$5,000,000 US per occurrence.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022- ____

A RESOLUTION OF VALLEY CLEAN ENERGY ALLIANCE APPROVING AN AGREEMENT WITH REACH STRATEGIES FOR MARKETING, WEBSITE AND SOCIAL MEDIA SERVICES AND AUTHORIZING THE EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE AGREEMENT

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, in August 2022 a Request for Proposal (RFP) was released by Valley Clean Energy staff seeking proposals to provide customer outreach and marketing services; and

WHEREAS, VCE staff and several members of the VCE Community Advisory Committee reviewed and evaluated the RFP responses and completed interviews; and

WHEREAS, staff recommend that VCE enter into an agreement with REACH Strategies to provide marketing, website and social media services.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. The VCE Executive Officer, in consultation with VCE Legal General Counsel, is authorized to finalize, approve, execute, and extend on behalf of VCE the agreement with REACH Strategies for marketing, website and social media services for a term of two (2) years ending December 31, 2024, with a one-year option to extend and for a not to exceed amount of \$425,000.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of December 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jesse Loren, VCE Board Chair

ATTEST: _____
Alisa M. Lembke, VCE Board Secretary

Exhibit A: REACH Strategies Consultant Agreement

EXHIBIT A

REACH STRATEGIES CONSULTANT AGREEMENT

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 17

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Gordon Samuel, Assistant General Manager & Director of Power Services

SUBJECT: Valley Clean Energy’s Policy regarding PG&E allocation of Greenhouse Gas (GHG)-free (Large Hydro and Nuclear) resources to Community Choice Aggregators

DATE: December 8, 2022

RECOMMENDATION

1. Accept the 2023 allocation of large hydro carbon free attributes paid for by VCE customers;
2. Reject the 2023 allocation of nuclear power carbon free attributes;
3. Authorize the Executive Officer to enter into an agreement(s) with PG&E to accept only the Large Hydro portion of the 2023 GHG free allocations; and
4. In the event the future attributes (2024 and beyond) are made available to VCE and there are no material changes in VCE’s position, staff recommends:
 - a. Continuing to bring this item to the Community Advisory Committee (CAC) and Board as part of their respective consent agendas.

BACKGROUND

PG&E owns or contracts for a number of GHG-free resources (including large hydro and nuclear from Diablo Canyon Power Plant). PG&E has been able to count these resources on its power content label (PCL) to meet its GHG-free targets. Load serving entities (LSEs), on the other hand, have been paying for those same assets through Power Charge Indifference Adjustment (PCIA), yet do not receive any of the GHG-free benefits – this includes VCE.

In mid-2019, CCAs approached PG&E to discuss whether PG&E would be agreeable to selling energy from their large hydro facilities¹. PG&E ultimately refused to make sales in 2019, but subsequently approached CCAs and offered to allocate GHG-free resources (nuclear and large hydro) to CCAs and other eligible load serving entities (LSEs).

¹ Large hydro and nuclear resources count as GHG-free on the power content label (PCL), and investor-owned utilities (IOUs) have been benefiting from counting those resources to meet their GHG-free targets. LSEs, on the other hand, have been paying for those same assets through PCIA, yet do not receive any of the GHG-free benefits through the PCL.

Eventually the allocations became available in 2020, and the VCE Board elected to receive the large hydro only attributes. This became effective in the third quarter of 2020 and VCE received approximately 24,000 MWHs in 2020 and for 2021, VCE received 32,614 MWHs (note: VCE will not know the final 2022 numbers until Q2 2023).

There is no obligation to accept this allocation of GHG-free attributes. An LSE can choose to accept neither resource pool, one or the other, or both. The volume that each LSE receives will ultimately depend on the volume of electricity generated by each resource pool and the proportion of PG&E’s load served by the LSE.

TENTATIVE SCHEDULE

2023 Carbon Free Sales Tentative Timeline	
November 4, 2022	<ul style="list-style-type: none"> • Notice Issued
Up to Week of November 14, 2022	<ul style="list-style-type: none"> • PG&E will provide Eligible LSEs with 2023 Sales Agreement for review
Wednesday, November 23, 2022 (ACTION REQUIRED)	<ul style="list-style-type: none"> • Feedback on form Sales Agreement due to PG&E
Up to Week of December 12, 2022 (ACTION REQUIRED)	<ul style="list-style-type: none"> • PG&E will provide Eligible LSEs Offers and a final version of 2023 Sales Agreement • PG&E and Eligible LSEs will execute 2023 Sales Agreement
January 1, 2023 (<i>pending execution of Sales Agreement</i>)	<ul style="list-style-type: none"> • Expected start of Delivery Period under 2023 Sales Agreement
Week of June 19, 2023 <i>(approximation)</i>	<ul style="list-style-type: none"> • First Quarterly Report for 2023 with estimated Allocation Amount will be distributed
On or about April 15, 2024	<ul style="list-style-type: none"> • Final Report for 2023 will be distributed to participating LSEs

RECOMMENDATION

As discussed with the Board in the past on this same topic related to the 2020, 2021 and 2023 allocations, staff continues to believe that:

- The potential reputational risk from accepting the nuclear allocation as part of our GHG-free target is greater than the potential savings for accepting this allocation.
- The monetary savings for either of these allocations is very low.
- Generally nuclear is not considered a clean fuel source due to risks associated with spent fuel and practical long-term disposal options.

Based on these factors, staff believes that VCE is better served by accepting the hydro allocation for 2023, but not the nuclear allocation. Staff did present this topic to the CAC in November as part of the consent agenda, and the CAC agrees with this approach.

In summary, the staff recommendation to the Board is:

1. Accept the 2023 allocation of large hydro carbon free attributes paid for by VCE customers;
2. Reject the 2023 allocation of nuclear power carbon free attributes;
3. Authorize the Executive Officer to enter into an agreement(s) with PG&E to accept only the Large Hydro portion of the 2023 GHG free allocations; and
4. In the event the future attributes (2024 and beyond) are made available to VCE and there are no material changes in VCE's position, staff recommends:
 - a. Continuing to bring this item to the Community Advisory Committee (CAC) and Board as part of their consent agendas.

Attachment

1. Resolution 2022-XXX

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022-___

A RESOLUTION OF THE VALLEY CLEAN ENERGY ALLIANCE ACCEPTING THE 2023 ALLOCATION OF LARGE HYDRO POWER GHG ATTRIBUTES FROM PACIFIC GAS & ELECTRIC AND AUTHORIZING THE EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE RELATED AGREEMENTS

WHEREAS, the Valley Clean Energy Alliance (“VCE”) is a joint powers agency established under the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”), and pursuant to a Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance between the County of Yolo (“County”), the City of Davis (“Davis”), the City of Woodland and the City of Winters (“Cities”) (the “JPA Agreement”), to collectively study, promote, develop, conduct, operate, and manage energy programs;

WHEREAS, large hydro and nuclear do not directly emit any GHG emissions, but do not qualify under the state’s RPS program;

WHEREAS, Pacific Gas and Electric (PG&E) owns and contracts for a number of GHG-free resources (including large hydro and nuclear) and count these resources on its power content label to meet its GHG-free targets;

WHEREAS, Load serving entities (LSEs), including Community Choice Aggregators (CCAs) such as VCE, have been paying for those same assets through Power Charge Indifference Adjustment (PCIA), but do not receive any of the GHG-free benefits;

WHEREAS, in 2020 PG&E approached CCAs and offered to allocate GHG-free resources to CCAs and other eligible LSEs requiring no payment, and limited in the resources to which it applies (in-state, large hydroelectric, and nuclear);

WHEREAS, in May 2020, January 2021, and January 2022 VCE Board elected to accept the large hydroelectric GHG-free attributes for calendar year 2020, 2021 and 2022;

WHEREAS, for calendar year 2023 PG&E is again offering LSEs large hydro and nuclear GHG-free attributes.

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NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. Accept the 2023 allocation of large hydro carbon free attributes paid for by VCE;
2. Reject the 2023 allocation of nuclear power carbon free attributes; and
3. The Executive Officer is authorized to finalize, execute, and sign all agreements with PG&E on behalf of VCE and in consultation with legal counsel to implement the Board's decision.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of December 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCEA Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 18

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Gordon Samuel, Assistant General Manager and Director of Power Resources

SUBJECT: Wholesale Energy Services Agreement

DATE: December 8, 2022

RECOMMENDATION

Approve the Wholesale Energy Services (WES) agreement between VCE and The Energy Authority (TEA).

BACKGROUND

In October 2017, the VCE Board approved a Professional Services Agreement with Sacramento Municipal Utility District (SMUD), along with initial task orders to provide program launch and operational services. Soon thereafter, a series of additional Task Orders were added to the Agreement, including Task Order 3 to provide WES. A large portion of the scope of services identified in Task Order 3 expires in mid-2023 and the remainder (primarily resource adequacy support) expires at the end of 2023¹. SMUD indicated in early 2022 that it would be winding down its WES offering since it included activities outside those energy services that it needed to perform for its own operations (i.e. Resource Adequacy, CPUC regulatory activities such as PCIA and Integrated Resource Plan, etc.). It would, however, continue to offer non-WES support services to VCE and its other CCA clients.

At the September 8, 2022 Board meeting, staff informed the Board of the activities that would be occurring in the fourth quarter of 2022 related to the selection of a new WES provider for VCE. VCE and SMUD have been engaged in developing a WES transition plan in order to have a seamless hand-off from SMUD to a newly selected vendor. A pool of potential vendors was identified, and staff had informal discussions with potential vendors to gauge the vendors interest and the range of services they could provide. Staff issued a request for offers (RFO) for a wholesale energy services provider on September 26, 2022 and responses were received on October 14, 2022. Four qualified entities responded to the solicitation and the preferred vendor is TEA as a result of their qualifications, cost and ability to satisfy all the items identified in the scope of work².

¹ SMUD will continue to provide other essential services to VCE under the overall Agreement through at least 2025 (e.g. Call Center Services, Billing/Data Services, etc.)

² VCE's [Wholesale Energy Services Request for Proposals](#)

ANALYSIS

Wholesale Energy Services represent the core activities of VCE (and any other CCA): procuring electricity for its customers. An experienced and reliable service provider for the range of WES activities required by VCE is critical to the organization's continued success. Based on VCE's RFO process and knowledge of service providers built up over the past 4+ years of operations, staff believes that the recommended vendor has the required expertise, experience and importantly, the commitment to the success of VCE as a community based electricity provider.

Recommended Vendor

The Energy Authority (TEA) is a non-profit wholesale energy services company that is owned by seven public power utilities and provides services to another 60 community-owned load serving entities (LSEs) throughout the United States. TEA offers three unique advantages to California CCAs in delivering the services:

- **Nonprofit entity with CCA experience** – As a public power-owned service provider serving the California CCA community since 2015, TEA has an appreciation for the challenges, responsibilities, and risk tolerances that make CCAs unique. TEA exists to serve community-owned LSEs and is directed by the GMs/CEOs of seven public power entities.
- **California market expertise** – TEA actively trades in CAISO and is currently providing a subset or the whole set of services requested by VCE to eight operating California CCAs and one Energy Services Provider. TEA has the knowledge and experience to leverage this expertise for the benefit of its clients.
- **Deep California and WECC market experience** – TEA has deep trading and portfolio procurement expertise, experiences, and maintains relationships with key market participants throughout California and the western US. TEA's approach allows for flexible and cost-effective decision making and the ability to leverage economies of scale in work products and experiences.

TEA has over 240 employees at its two primary offices in Bellevue, Washington and Jacksonville, Florida. Services for VCE will be directed by staff located in California and TEA's Western Region Office. TEA currently provides some combination of scheduling coordinator (SC), portfolio management (PM), portfolio analytics, and/or load forecasting services to the following California LSEs:

- Central Coast Community Energy – SC, Congestion Revenue Rights (CRR), and Load Forecasting services
- Clean Energy Alliance (LA area) – SC & CRR services
- Desert Community Energy – SC & CRR, PM, Portfolio Analytics (PA), and Load Forecasting services
- Joint CCAs (Central Coast Community Energy, East Bay Community Energy, Peninsula Clean Energy, and San Jose Clean Energy) – Resource Adequacy (RA) procurement advisory & compliance services
- Merced Irrigation District – primarily PM services

- Orange County Power Authority – SC, CRR, and Load Forecasting services
- Redwood Coast Energy Authority – SC & CRR, PM, PA, and Load Forecasting services
- Roseville Electric Utility – Energy Risk Management and Hedging policies advisory services
- University of California – SC & CRR, PM, PA, and Load Forecasting services

Agreement

If approved by the Board, the services that TEA will be providing VCE are included in the attached agreement and are summarized below:

1. **Portfolio Management** -Advise on long-, medium-, and short-term resource optimization, including procurement strategies, solicitation structure and timing, preferred products, and trade-offs among these, taking account of the risk management strategies and requirements adopted by VCE;
- 2) **Scheduling Coordinator (SC)**. VCE has contracted through power purchase agreements (PPAs) for the output from variable energy resources (VER), storage resources, hybrid or co-located solar + storage resources, and firm renewable PPAs, and may add additional resources. The SC will forecast, schedule and validate settlement for VCE's contracted generating resources;
- 3) **Long Range Load Forecast** including the development of a long term (10 yr) load forecast model by customer load class, to use for planning and budgeting; and
- 4) **Credit Support** needed to facilitate transactions associated with VCE's power supply, excluding the long-term PPAs executed in VCE's name.

Agreement Terms

Staff is recommending that the initial term of the agreement be three (3) years with the right to extend for two (2) additional two (2) year terms. This would provide certainty and stability over the next several years as VCE transitions from a portfolio of short-term energy contracts to one focused on longer term power purchase agreements. For the services described above the three-year total cost would be \$2,476,900. This amount represents a net reduction in cost for the range of WES services VCE currently contacts for.

CONCLUSION

The wholesale energy services scope is an extremely important function for VCE. The partnership VCE has had with SMUD has been instrumental in VCE's success to date and transitioning to TEA is important to VCE's future success. The role impacts over 80% of VCE's annual budget so it is important to partner with a well-established, proven entity like TEA. Staff is recommending Board approval of WES agreement between VCE and TEA.

ATTACHMENTS

1. The Energy Authority Agreement
2. Resolution 2022-XXX

ATTACHMENT A

**AGREEMENT BETWEEN THE VALLEY CLEAN ENERGY ALLIANCE
AND
THE ENERGY AUTHORITY, INC.
FOR
PORTFOLIO MANAGEMENT, SCHEDULING COORDINATOR, LOAD FORECASTING, AND CREDIT
SUPPORT SERVICES**

THIS AGREEMENT is entered into this _____ day of _____, 202_ (the "Effective Date"), by and between the **VALLEY CLEAN ENERGY ALLIANCE**, a Joint Powers Authority organized and operating under the laws of the State of California, with its principal place of business at 604 Second Street, Davis, California, 95616 ("VCE"), and **THE ENERGY AUTHORITY, INC.**, a Georgia non-profit corporation, whose address is 301 W. Bay Street, Suite 2600, Jacksonville, Florida 32202 (hereinafter referred to as "Consultant" or "TEA") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

A. VCE is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. VCE and Consultant desire to enter into an agreement for portfolio management, scheduling coordinator, load forecasting, and credit support services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on the Effective Date, and shall remain in effect for a period of three (3) years (the "Initial Term") from the Effective Date, unless terminated earlier as set forth herein. At the end of the Initial Term, the Agreement may be renewed for two (2) additional two (2) year terms (each a "Renewal Term"), upon written agreement by the Parties or terminated. Notwithstanding the foregoing, the commencement of

services under this Agreement shall not occur prior to the date this Agreement is executed by both Parties.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed two million four hundred seventy-six thousand nine hundred dollars (\$2,476,900.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and VCE agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards generally recognized as being employed by professionals in the same discipline in the State of California under similar circumstances and in a manner reasonably satisfactory to VCE and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall not be responsible to VCE for any errors or omissions in the performance of work pursuant to this Agreement unless such errors are the result of Consultant's gross negligence or willful misconduct. Should any such errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to VCE by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors.

6. **INDEPENDENT PARTIES**

VCE and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by VCE to its employees, including but not limited to, unemployment insurance, workers'

compensation plans, vacation and sick leave are available from VCE to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

7. **NO RECOURSE AGAINST CONSTITUENT MEMBERS OF VCE**

VCE is organized as a Joint Powers VCE in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. VCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of VCE's constituent members in connection with this Agreement.

8. **NON-DISCRIMINATION**

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code Section 12940. Consultant shall have responsibility for compliance with this Section.

9. **HOLD HARMLESS AND INDEMNIFICATION**

A. General Indemnification. To the fullest extent permitted by law, each Party shall, at its sole cost and expense, defend, hold harmless and indemnify the other Party and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those agents serving as independent contractors in the role of Party officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including reasonable fees of accountants, attorneys, or other professionals and all costs associated therewith (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of a Party, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that the Party shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the gross negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. The indemnifying Party shall defend the Indemnitees

in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. The indemnifying Party shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. The cumulative maximum amount of either Party's Liabilities, if any, arising from any and all claims, lawsuits, actions, other legal proceedings by the other Party or any other person or entity arising out of or in connection with performance or nonperformance hereunder, whether based upon contract, warranty, tort, strict liability, or any other theory of liability, shall be no more than six (6) months' compensation hereunder (exclusive of payments made for any power supply or expenses).

C. Risk Management Services. In providing services under this Agreement, in no event shall Consultant be liable to VCE for losses which VCE may incur by reason of engaging in risk management strategies recommended by Consultant, whether or not implemented by VCE, or due to recommendations not made by Consultant in the provision of any risk management services, unless such losses are the result of gross negligence or willful or reckless misconduct on the part of Consultant.

D. Intellectual Property. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including but not limited to source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Such IP Rights shall remain the exclusive property of Consultant. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party.

E. The acceptance of the services by VCE shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

F. Each Party's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. **INSURANCE**

A. General Requirements. On or before the commencement of the term of this Agreement, Consultant shall furnish VCE with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by

this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to VCE by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to VCE and licensed to do insurance business in the State of California. Endorsements naming VCE as additional insured shall be submitted with the insurance certificates.

B. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look to his/her/its insurance for recovery, as opposed to any insurance held by VCE. Consultant hereby grants to VCE, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or VCE with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against VCE by virtue of the payment of any loss under such insurance.

C. Failure to secure or maintain insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, VCE shall have an immediate right to terminate this Agreement at VCE's option.

D. Additional Insured. VCE, its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof.

Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. Sufficiency of Insurance. The insurance limits required by VCE are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. CONFLICT OF INTEREST; NON-EXCLUSIVE RELATIONSHIP.

- A. Each Party warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Each Party and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090.
- B. VCE hereby expressly acknowledges that part of the value of the services to be provided by Consultant comes from Consultant providing the same or similar services as contemplated under this Agreement to other entities. VCE acknowledges that the expertise and business plan of Consultant requires that it be able to represent multiple parties and that the services rendered thereby are and may be beneficial to VCE.
- C. Notwithstanding the nature of the Services, VCE specifically acknowledges that Consultant is not precluded from representing or performing similar or related services for, or being employed by, other persons, companies, or organizations, provided that such services do not violate any applicable conflict of interest laws.
- D. VCE further acknowledges that VCE, from time to time, has established or may establish contractual relationships with users of power resources or natural gas, and generators or producers of such power resources or natural gas. Notwithstanding the existence of such contractual relationships, VCE desires the assistance of Consultant as provided in this Agreement. VCE specifically represents to Consultant that the existence of such contractual relationships does not in and of itself create a conflict of interest unacceptable to VCE.
- E. The Parties specifically recognize and accept that there may be purchases and sales of power, natural gas, and financial instruments between and among Consultant's clients, including VCE, and that such transactions are the normal course of business in providing the services and do not create any conflict of interest for Consultant in carrying out its obligations pursuant to this Agreement.
- F. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff VCE, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST TRANSFERS**

Neither Party shall assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of the other Party. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from VCE under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to VCE by Consultant.

13. **SUBCONTRACTOR APPROVAL**

Consultant will provide VCE with a list of key staff who have been designated to work on VCE's services. However, VCE acknowledges that any of Consultant's employees may provide support services for VCR from time-to-time. Unless prior written consent from VCE is obtained, only those subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within any subcontract(s) with any and all subcontractors selected by Consultant to perform services for VCE the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant to perform services for VCE shall agree to be bound to Consultant and VCE in the same manner and to the same extent as Consultant is bound to VCE under this Agreement. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor who is hired to perform services for VCE. Consultant shall require any such subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to VCE.

14. **REPORTS**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant specifically and exclusively for VCE pursuant to this Agreement, shall be the

exclusive property of VCE. Consultant shall not copyright any Report required by this Agreement and all publication rights are reserved to VCE. Consultant may retain a copy of any Report furnished to VCE pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by VCE in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other VCE projects as VCE deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as VCE may reasonably require, furnish reports concerning the status of services required under this Agreement.

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by VCE.

F. VCE shall be the owner of and shall be entitled upon request to possession of accurate, reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to all reimbursed costs, expenses, and receipts that relate to the performance of services under this Agreement in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. During the term of this Agreement and for a period of three years from the date of final payment under this Agreement, and no more than once per year, Consultant shall provide reasonable access, during its normal hours and at VCE's own expense, to such books and records to a representative of VCE or its designee to examine and audit same, and to make transcripts therefrom as necessary. Copies of audit reports shall be provided to Consultant upon Consultant's payment of reasonable copying and delivery costs. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from VCE for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Executive Officer ("VCE Representative") shall represent VCE in all matters pertaining to the services to be performed under this Agreement. Consultant's Client Service Manager for

VCE (“Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **INFORMATION AND DOCUMENTS**

A. The Parties agree that all data, reports, documents, discussion, or other information (collectively “Data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall be subject to the terms of the Non-Disclosure Agreement in Attachment B hereto.

B. In the event VCE gives Consultant written notice of a “litigation hold”, then as to all data identified in such notice, Consultant shall, at no additional cost to VCE, isolate and preserve all such data pending receipt of further direction from VCE.

C. The Parties’ covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant’s and VCE’s regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO VCE:

For billing and invoices:

Attn: Alisa Lembke

Phone: (530) 446-2750

Email: Accounting@valleycleanenergy.org

For all other notices:

Valley Clean Energy Alliance

604 Second Street

Davis, CA 95616

Attention: Executive Officer

TO CONSULTANT:

For billing and invoices:

The Energy Authority, Inc.

301 West Bay Street, Suite 2600
Jacksonville, FL 32202
Attention: Accounts Payable Department
E-mail: accountspayable@teainc.org

For all other notices:

The Energy Authority, Inc.
301 W. Bay Street, Suite 2600
Jacksonville, Florida 32202
Attention: Legal Department
E-mail: legal@teainc.org

19. **TERMINATION**

In the event either Party fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, such Party shall be deemed in default in the performance of this Agreement. If a Party fails to cure the default within the time specified (which shall be not less than 10 days) and according to the requirements set forth in the written notice of default, and in addition to any other remedy available to a Party by law, the VCE or Consultant Representative may terminate the Agreement by giving the other Party written notice thereof, which shall be effective immediately.

The VCE or Consultant representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving 'six (6) months' prior written notice to the other Party as provided herein.

In the event of VCE's termination of this Agreement due to no fault or failure of performance by Consultant, VCE shall pay Consultant for services performed up to the effective date of termination. Upon termination, Consultant shall promptly deliver to VCE any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of VCE, provided, however, that Consultant may retain copies of information contained in Consultant's backup archives or necessary for Consultant's compliance, audit requirements, tax, billing, or other financial purposes, to be used solely for such purposes and maintained at the standard set forth in the NDA or as Consultant maintains its own confidential information, whichever is more stringent.

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20. **COMPLIANCE WITH LAWS**

Each Party shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Each Party shall, at all times, observe and comply with all such laws and regulations. A Party, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the other Party to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to VCE that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Yolo, State of California.

22. **ADVERTISEMENT**

Neither Party shall post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from other Party to do otherwise. Notwithstanding the above, Consultant acknowledges that VCE is a public agency subject to the Brown Act and Public Records Act and may be required to discuss the Agreement or services performed hereunder, or provide such related documents under these laws.

23. **WAIVER**

A waiver by a Party of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

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24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both VCE and Consultant.

25. **AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **VCE'S RIGHTS TO EMPLOY OTHER CONSULTANTS**

VCE reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Neither Party shall be liable for any failure to perform its obligations under this Agreement if such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental

regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

31. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

32. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

33. **SUCCESSORS AND ASSIGNS**

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

34. **NO THIRD PARTY BENEFICIARIES INTENDED**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

35. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

36. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

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IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

THE ENERGY AUTHORITY, INC.

By: _____

Name: _____

Title: _____

Date: _____

VALLEY CLEAN ENERGY ALLIANCE

A Joint Powers Authority

By: _____

Name: Mitch Sears

Title: Executive Officer

Date: _____

APPROVED AS TO FORM:

Counsel for VCE

Exhibit A
Scope of Services

During the Term of this Agreement, TEA shall provide to VCE certain program operation services (hereinafter, the “Operational Services” or “Program Operations”) as more particularly described herein. For purposes of this Agreement, the Operational Services provided by TEA are separated into and described in Section A.2 (Portfolio Management), Section A.2 (Scheduling Coordinator), Section A.3 (Long Range Forecast), and Section A.4 (Credit Support). Section A.1 (Provision of Trading Services and Allocation of Trading Products) describes the relationship between Parties as it pertains to the provision the Operational Services.

Section A.1 Provision of Trading Services and Allocation of Trading Products

A.1.1 Provision of Trading Services – TEA as principal in transaction.

A.1.1.1 TEA shall provide trading services on behalf of VCE with TEA acting as principal in the transaction utilizing trading agreements between TEA and its counterparties (referred to herein as TEA “trading as principal”), including, but not limited to, transacting as principal in the transaction with third parties for electricity products or with the CAISO. Trading as principal shall include electric power, renewable energy credits, resource adequacy capacity, CAISO services, associated transmission, and other related or ancillary services (collectively, “Trading Products”) between TEA and its counterparties. In performing such trading services, TEA will, on the terms and subject to the conditions set forth in this Agreement, be entitled to enter into matching purchase or sale transactions with VCE and third party transaction counterparties (“Transaction Counterparties”) under which TEA may purchase Trading Products from VCE for resale to one or more Transaction Counterparties, or may purchase Trading Products from one or more Transaction Counterparties for resale to VCE (any such transaction with a Transaction Counterparty a “Matching Transaction”).

A.1.1.2 Unless otherwise mutually agreed to by the Parties, any Trading Products purchase or sale transaction between TEA and VCE under a Matching Transaction shall be on the same terms and conditions (except for billing and payment, which shall be pursuant to this Agreement) as the terms and conditions of the applicable Matching Transaction between TEA and the applicable Transaction Counterparty. In the event that TEA purchases Trading Products on behalf of VCE in a Matching Transaction, TEA shall resell such Trading Products to VCE at the same price as TEA paid for such Trading Products, and VCE shall pay TEA the amount payable by TEA to the Transaction Counterparty and the amounts payable to any third parties related to the purchase of Trading Products, including, but not limited to, transmission service charges, transmission loss payments costs, CAISO fees and assessments, and the like, incurred by TEA. In the event that TEA purchases Trading Products from VCE for purposes of resale to a Transaction Counterparty under a Matching Transaction, TEA shall pay to VCE the amount paid by the Transaction Counterparty to TEA less the amounts payable to any third parties related to the purchase of Trading Products from VCE and resale to the Transaction Counterparty, including,

but not limited to, transmission service costs, transmission loss payments, CAISO fees and assessments, and the like, incurred by TEA.

A.1.1.3 Notwithstanding any provision of this Section to the contrary, if the Transaction Counterparty to a Matching Transaction is another TEA client for which TEA is providing trading services, the price of the transaction shall be set at market.

A.1.1.4 Notwithstanding any terms of this Agreement, nothing contained in this Agreement hereto shall be construed as requiring TEA to execute any transaction as principal in the transaction where such transaction or traded commodity or instrument is regulated under regulations promulgated pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

A.1.1.5 VCE agrees to provide credit enhancement to support VCE specific transactions executed by TEA as principal in the transaction, as more particularly described in Section A.5 below. In the event that VCE is unable to provide such requested credit enhancement, TEA will attempt to source supply from CAISO, but only to the extent of TEA’s credit limit with CAISO related to VCE transactions. In the event TEA is unable to source supply from CAISO, then TEA shall have no obligation to proceed with any transaction in regard to which the enhancement was requested. To the extent that VCE prefers to enter directly into a contract with the counterparty, TEA may execute the transactions as VCE’s agent, provided the counterparty’s credit requirements are met by VCE. In any such case, VCE becomes the principal to the transaction with the counterparty and the counterparty relies on VCE’s credit.

A.1.1.6 TEA shall not be liable to VCE for the failure of any counterparty, including but limited to any Transaction Counterparty (i.e. when TEA is trading as principal in the transaction), to pay or perform on its obligations. In the event of such failure by a Transaction Counterparty, TEA shall pursue any action against such defaulting entity at the direction of VCE, at VCE’s sole cost and expense.

A.1.1.7 Under no circumstances shall TEA be liable to VCE for the failure of CAISO to pay, or for assessments made by the CAISO for any of the CAISO’s Scheduling Coordinators’ failure to pay or perform, related to transactions with the CAISO performed on VCE’s behalf by TEA as principal in the transaction (i.e. TEA acting as Scheduling Coordinator on VCE’s behalf), unless such failure to pay or assessments result from TEA’s breach of this Agreement, subject in all cases to the limitations contained in Section 9 hereof.

A.1.1.8 If VCE interrupts a financially firm sale transaction without the contractual right to do so, TEA shall use reasonable efforts to purchase replacement capacity and energy in the wholesale marketplace and deliver it. VCE shall receive any resulting gain or be responsible for any resulting loss on the transaction.

A.1.1.9 Unless otherwise mutually agreed to by the Parties in writing, TEA shall have no obligation to enter into transactions on behalf of VCE utilizing TEA's trading agreements that extended beyond the current termination date of this Agreement, which termination date shall be the last day of the current (i) Initial Term or (ii) if applicable, Renewal Term. If the term of this Agreement is terminated early due to an Event of Default other than bankruptcy, then for existing transactions, TEA and VCE will continue to operate under the terms of this Agreement with regard to such transactions until such time as the individual transactions terminate or are fully settled. Nothing in this Agreement shall prevent TEA and VCE from agreeing to settle any such transaction prior to the previously agreed settlement date of the transaction. Obligations between the Parties to pay for transactions or other Services effected or rendered hereunder shall remain in force notwithstanding the termination of this Agreement.

A.1.2 Provision of Trading Services – TEA as agent in transaction.

A.1.2.1 As mutually agreed to in writing by the Parties, TEA will provide trading services pursuant to this Agreement by trading as agent for VCE utilizing trading agreements between VCE and its counterparties. VCE agrees that effecting a change from TEA trading as principal to TEA trading as agent under transactions made on VCE's behalf does not release VCE from its obligations to TEA resulting from obligations incurred by TEA under transactions made while trading as principal.

A.1.3 Allocation of Trading Products

A.1.3.1 VCE recognizes that from time to time the Trading Products (as defined in Section A.1.1.1 of this Agreement) that TEA purchases or sells for VCE and other entities may require allocation of amounts available among all such entities including VCE. Decisions by TEA to transact VCE's Trading Products in the market will be made on a non-discriminatory basis and will be based on the same methods and procedures used to purchase or sell Trading Products on behalf of TEA's other clients that hold agreements similar to this Agreement.

Section A.2 Portfolio Management

A.2.1 Power Purchases

Subject to Section A.1 of the Agreement, TEA shall provide trading services on behalf of VCE with TEA acting as principal or agent in the transaction utilizing trading agreements between TEA and its counterparties, including but not limited to transacting with third parties or with CAISO for electricity products, including energy, resource adequacy capacity, ancillary services, and environmental attributes. As part of this effort TEA shall develop, maintain, and manage relationships with qualified market participants on behalf of VCE.

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A.2.2 Long-Term Power Procurement

TEA shall assist VCE with (i) issuing RFPs for power supplies, (ii) evaluating bids and developing short-lists and (iii) negotiating the business terms of agreements for long-term power with the prevailing candidates. As part of this effort TEA shall develop, maintain, and manage relationships with qualified market participants on behalf of VCE.

A.2.3 Financial and Portfolio Modeling

For the purposes of ongoing risk analysis, budgeting, financial planning, portfolio optimization, and other applications, TEA shall maintain a financial/portfolio model of VCE's financial projections, which typically include load, rates design, resources with associated costs, market prices, various fixed costs and CAISO fees, executed short-term market transactions, program goals and compliance requirements, and any other variables, as necessary, to inform a complete cost and power portfolio picture for VCE, including hedges, RA, and environmental procurement. TEA shall coordinate with VCE staff on all necessary inputs required to derive an accurate financial and power portfolio projection. The financial model shall be updated daily with the most recent market price information and hedge transactions. VCE shall have on-demand access to the most recent model runs through a web portal.

A.2.4 Risk Modeling

For the purposes of ongoing risk analysis, portfolio optimization, and other applications, TEA shall apply its modeling framework for VCE. The risk model generates scenarios by using inputs for several variables that may include market implied heat rates, natural gas prices, power prices, load variables, and other relevant inputs. The risk model will be used as an important component to the entire risk management function, including calculating potential variability in VCE's cash flows to inform the analysis and recommendation of hedging transactions.

A.2.5 Advisement on Portfolio Optimization

TEA shall provide advice to VCE staff regarding long-, medium, and short-term resource optimization, including recommended procurement strategies, solicitation structure and timing, preferred products to meet VCE's defined goals and targets, and trade-offs among these, taking into account all power procurement policies and risk management guidelines as well as TEA's ongoing market fundamentals and technical analyses.

A.2.6 Congestion Revenue Rights ("CRR") Bid Strategy Development and Implementation

TEA shall manage the annual and monthly CRR nomination and allocation process on behalf of VCE. Annually and monthly, TEA shall provide VCE with an estimate of the dollar value of the potential CRRs based upon historic and forecasted Locational Marginal Prices for the source and sink pricing nodes associated with the applicable source and load pricing nodes, and TEA shall consult with VCE to select the CRRs to nominate. Selection of any CRRs to nominate shall be at VCE's sole discretion. TEA shall nominate any CRRs selected by VCE and TEA shall notify VCE of the CRRs awarded for VCE's account. TEA shall review the settlement statement and invoices associated with the CRRs for accuracy. Unless otherwise agreed by the Parties, VCE shall be responsible for any required collateral support due to the CAISO to support the CRR auction process.

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A.2.7 Undertaking Continual Risk Management

TEA shall assist VCE in maintaining its formal framework for performing continual risk management as memorialized through VCE's approved risk management policy and procedures documents. TEA will also assist VCE in developing and maintaining these prudent power procurement policies, risk management policies, credit policies, and long-term hedging guidelines. This effort will be overtaken jointly by TEA's Portfolio Management team and its Credit & Risk team, which shall perform mid-office functions on VCE's behalf, such as counterparty credit evaluation and limit monitoring.

TEA shall be available on a monthly basis for a meeting with members of VCE's enterprise risk oversight committee (EROC) meetings. TEA shall compile all risk-related information related to its Operational Services into a single document or presentation that can be reviewed and discussed at the monthly meeting. Upon approval by VCE, the results of the monthly meeting shall serve as the approved strategy guide for TEA market activities on behalf of VCE for the prompt month. This agreed upon strategy shall be consistent with VCE's program goals, risk policies, and compliance requirements. The strategy will incorporate TEA's current market outlook and discussion of expected VCE loads and resources. The Parties agree no strategy shall be adopted which violates the risk policies of VCE or TEA.

At VCE's direction, a TEA representative shall be available on a quarterly basis to help prepare and present to the VCE Board of Directors on risk management, financial, and procurement-related issues.

A.2.8 Regulatory and Legal Compliance

TEA shall perform the following compliance related activities:

- Prepare and submit monthly and annual Resource Adequacy ("RA") showings to the California Public Utilities Commission ("CPUC") and CAISO and otherwise act as a point of contact with regulatory agencies regarding RA requirements and compliance;
- Prepare and submit historical load, monthly, and annual load forecasts to the CPUC and California Energy Commission ("CEC"), and separately to PG&E as part of the Electric Resource Recovery Application Meet and Confer process;
- Prepare and submit annual filing and verification documentation for the CA Air Resources Board's ("CARB") Mandatory Reporting Requirement, and, in the event that VCE is a first importer of power, support the efforts of a third-party verification body on behalf of VCE;
- Assist VCE with preparing its annual RPS Procurement Plan and RPS Compliance Report;
- Assist VCE with preparing annual Power Source Disclosure and Power Content Label;
- Support or review of portfolio-related quantitative data for VCE's IRP and review of all narrative text as requested; and
- Assist VCE with preparing responses to CPUC data requests, as needed

TEA's contractual obligations under this section shall be limited to performing the activities outlined above and preparing the required load and/or generation data in a format consistent with that established by the applicable regulatory agency and/or VCE. Certain compliance filings may require VCE or VCE's legal counsel to assist with preparing written documentation and providing submittals to the appropriate service list.

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TEA shall monitor regulatory and compliance obligations and requirements associated with operating in the CAISO market and under the various regulatory agencies applicable to VCE and the Operational Services provided by TEA, e.g. TEA shall report on changes to the RA processes or market rules by the CAISO, CPUC, CEC, or other regulatory bodies and discuss potential impacts to VCE with VCE staff.

Section A.3 Scheduling Coordinator

TEA shall be the Scheduling Coordinator (“SC”) in the CAISO market on VCE’s behalf and shall provide a comprehensive suite of SC and related services to fulfill the requirements of a SC, including meeting all FERC and CAISO-related requirement for an SC. TEA shall conduct the following activities while performing its duties and responsibilities as SC on VCE’s behalf:

- **Maintain credit facilities with CAISO.** Subject to Section A.5 contained herein, TEA shall maintain credit with the CAISO sufficient to make payments to, and receive payments from, the CAISO on VCE’s behalf.
- **Provide daily forecast of VCE hourly loads.** Each business day TEA shall generate an hourly forecast of loads for the next 7 days for VCE. TEA shall periodically reconcile the short-term load forecast with VCE’s long-term load forecast to reduce forecasting errors.
- **Submit demand bids to Day Ahead (“DA”) market.** TEA shall submit Demand Bids to the CAISO Day Ahead Market to meet VCE’s forecasted load requirements. TEA shall monitor and compare Demand Bid information resident in the CAISO portal with submitted information and use commercially reasonable efforts to validate Day Ahead Market data submissions.
- **Submit supply bids to DA and Real-Time market (both economic and self-schedule).** To the extent that TEA enters into agreements on behalf of VCE or VCE directly enters into agreements with generators to acquire the output of a specific generating resource, TEA shall provide the scheduling, optimization, and settlement activities required to schedule VCE’s supply agreements with CAISO, including outage coordination. For any supply agreements linked to a specific generation source, VCE shall require its counterparty to provide TEA with a forecast of expected hourly generation levels that TEA will use in submitting day-ahead supply offers to CAISO.
- **Develop resource optimization strategies.** TEA shall monitor resource performance on behalf of VCE and provide recommendations for resource scheduling and dispatch to support portfolio optimization strategies. This includes the use of TEA’s priority STORA software for battery storage (co-located, hybrid, or standalone) dispatch optimization, which will be customized for each applicable VCE resource. TEA shall also analyze and monitor contract requirements for each resource and provide recommendations and strategies to utilize contractual provisions to VCE’s benefit.
- **Support on-boarding of new resources into VCE portfolio.** TEA shall provide pre-commercial online date support, including but not limited to modeling and support during resource testing, incorporating resources into existing systems, typing Scheduling Coordinator Identification Number (SCID) to resources, determining objectives and constraints for optimizing resources, developing bidding strategies, and providing metrics for performance.
- **Settlement validation and allocation of costs.** TEA shall use reasonable efforts to validate CAISO invoices. Should TEA and VCE elect to dispute a CAISO invoice amount, TEA shall file a dispute with CAISO pursuant to the CAISO tariff. Once a dispute determination has been made

by CAISO, further appeals or action from TEA on VCE's behalf would be provided as requested and paid for by VCE on a time and materials basis using the billing rates provided in Exhibit C herein.

- **Act as VCE's UAA.** TEA shall provide all necessary functions as VCE's UAA, including coordinating with VCE, counterparties, and the CAISO for data & documentation needs, as well as providing access to the relevant CAISO Market Participant Portal tools.
- **Maintain appropriate back-office and mid-office functions to support SC efforts.** TEA shall maintain a robust back-office and mid-office in support of its SC work for VCE, including operating a deal capture system that meets all FERC requirements, performing month-end checkouts and settlements for physical and financial energy, energy related product transactions, inter-SC trades (ISTs) and initiate and process related disputes, and providing other contract management functions as Parties mutually agreed
- **Perform Additional Tasks.** In addition to the above, TEA shall provide the following:
 - Import schedule, as required, including preparing e-tags.
 - Coordinating with generation operators to forecast generation.
 - Coordination of unit outages with generation operators and CAISO
 - IST for system power transactions
 - Coordinate with VCE's third-party meter data management provider to obtain settlement quality meter data as necessary
 - Provide data and data analysis as needed to support VCE compliance reporting.
 - Act as VCE's WREGIS Agent and provide REC compliance coordination and reporting
 - Develop, maintain, and provide regular daily and monthly reports regarding the above activities performed as SC, including engagement in VCE's monthly EROC meetings or weekly operational briefings

Section A.4 Long Range Load Forecast

TEA shall develop and maintain a long-term (10-year) load forecast model by customer load class for use by VCE and TEA staff in portfolio planning and financial planning. TEA's load forecast will be developed via appropriate AI and machine-learning modeling techniques. The long-term load forecast will incorporate, as appropriate:

- Historical load data and customer counts
- Historical economic data
- Quantitative & qualitative impacts from prevailing conditions and forecasted developments (e.g. increased distributed energy resource penetration)
- Scenario analysis as requested, including building electrification, EV adoption, etc.

TEA shall update VCE's long-term load forecast in Q1 of each year to meet various compliance requirements, and will revise as needed in the remainder of the year.

Section A.5 Credit Support

TEA shall provide credit support services to VCE by acting as principal (as described in Section A.1.1) on all wholesale market and bilateral transactions going out 24 months, contingent on VCE meeting TEA creditworthiness and credit assurance standards, as determined via a review of two years of audited financials and/or an assigned investment-grade credit rating. Credit assurance standards may include a

requirement of cash or letter of credit posting by VCE for transactions undertaken by TEA as principal above a set credit support limit.

Upon both Parties' written agreement, TEA shall act as agent (as described in Section A.1.2) for transactions beyond 24 months in term.

Exhibit B
Schedule of Performance

TEA shall begin Program Operations on behalf of VCE as described in the table below. Both parties acknowledge that several months of start-up effort will be required to transition the full scope of services as described in Exhibit A to TEA due to logistical constraints, prudent risk management practices, and regulatory/compliance requirements.

As described in Section 1, TEA's services may be renewed for up to two additional two-year terms upon written agreement by both parties.

This schedule may be modified with the written approval of VCE.

Task	Begin	Complete
1. Section A.2 Portfolio Management	01/01/2023	12/31/2025
2. Section A.3 Scheduling Coordinator	01/01/2023	12/31/2025
3. Section A.4 Long Range Load Forecasting	01/01/2023	12/31/2025
4. Section A.5 Credit Support Services	01/01/2023	12/31/2025

Exhibit C
Compensation, Settlement, Billing, and Payment Terms

Section C.1 Compensation

VCE shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the fixed monthly fee for each year of the three-year Initial Term as set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit “A” and reimbursable expenses shall not exceed a total of two million four hundred seventy-six thousand nine hundred Dollars (\$2,476,900), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to VCE unless previously approved in writing by VCE.

Section C.1.1 Monthly Fixed Fee

Task	Year 1 Monthly Service Fee (\$/Month)	Year 2 Monthly Service Fee (\$/Month)	Year 3 Monthly Service Fee (\$/Month)
Section A.2 Portfolio Management	██████████	██████████	██████████
Section A.3 Scheduling Coordinator	██████████	██████████	██████████
Section A.4 Long Range Load Forecasting	██████████	██████████	██████████
Section A.5 Credit Support Services	██████████	██████████	██████████
Total	██████████	██████████	██████████

As described in Section 1, Consultant’s services may be renewed for up to two additional two-year terms upon written agreement by both parties. If the Agreement were extended for one or more Renewal Term(s), the Monthly Service Fee would be escalated annually at the greater of CPI or 3%,

Section C.1.2 Hourly Billing Rates

For additional services not provided for in Exhibit A and requested by VCE, VCE shall pay TEA on a time and materials basis using the hourly billing rates provided in the table below. TEA’s billable hourly fees, if any, will be tracked and itemized for each month in which additional TEA services are performed.

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TEA 2023 Billing Rates⁽¹⁾	
Job Group	Billing Rate (\$/hour)
Principal Consultant	\$357
Senior Consultant / Project Manager	\$305
Consultant	\$221
Analyst	\$173
Clerical	\$110
<i>⁽¹⁾Billing rates subject to change after December 31, 2023.</i>	

Section C.1.3 Invoices

C.1.3.1 Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to VCE for the applicable Monthly Service Fee describing the services performed and the applicable charges. Any additional fees associated with billable hourly fees or reimbursable expenses will include an itemization of any costs, charges, or expenses incurred which are reimbursable to Consultant (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). VCE shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. Payments shall be made via electronic transfer as either an Automated Clearing House or wire transfer in United States Dollars. Payments owed pursuant to this Agreement and not received when due shall be considered overdue. Consultant reserves the right to charge interest on any unpaid amounts at a rate equal to the prime interest rate as established by PNC Bank, N.A. plus 300 basis points.

Independent of fees paid for services under this Agreement, VCE shall reimburse Consultant for all reasonable actual costs and charges assessed against Consultant incurred in the performance of services, which are approved in writing in advance. Any such obligations that are incurred prior to termination of this Agreement shall survive the termination of this Agreement.

In the event that any portion of an invoice for Consultant’s compensation is in dispute, the undisputed amount shall be paid when due and payment may be withheld on the disputed amount. VCE shall notify Consultant as soon as practical of the reason for the dispute, and the Parties shall cooperate to resolve the dispute.

C.1.3.2 Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by VCE. Actual out-of-pocket expenses for travel and participation in on-site meetings are in addition to the compensation for Services as outlined above. Travel costs such as airfare, hotel, ground transportation, per diem or meals (hereinafter, “Expenses”) shall be billed in the amount incurred by Consultant for actual out-of-pocket cost, without any additional mark-up by Consultant. Any Expenses incurred shall be billed for the month in which the Expenses are incurred. Air travel shall be purchased

at coach class fares, with advance purchase discounted tickets used when scheduling permits. Expense reports detailing all Expenses, along with receipts, shall be presented to VCE for reimbursement.

C.1.3.3 Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from VCE Representative prior to commencement of any additional services. Consultant shall submit, at the VCE Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

Section C.2 CAISO Settlement, Billing, and Payments

TEA shall provide services as Scheduling Coordinator ("SC") representing VCE in CAISO. TEA shall provide VCE with a statement of CAISO settlement activities on a regular basis in coordination with CAISO's settlement calendar (i.e., currently weekly). Additionally, each month TEA shall provide VCE with an aggregate or estimate of VCE Transactions based on available information from CAISO. For Transactions executed by TEA as principal in the Transaction for VCE's account within CAISO, VCE shall owe TEA for the Transactions, and TEA shall make weekly payments to CAISO in a timely manner. Any amounts received from CAISO on behalf of VCE shall serve as a credit to the respective weekly payment by TEA to CAISO for Transactions made on behalf of VCE and due by VCE.

TEA shall use reasonable effort to validate CAISO invoices based on a review of actual CAISO charges. Should TEA and VCE elect to dispute a CAISO invoice amount, such dispute shall be in accordance with Section A.3 of this Agreement.

Section C.3 Physical Bilateral Power Transactions with TEA as Principal in the Transactions

For Transactions executed by TEA as principal in the Transaction for VCE's account with counterparties other than CAISO (such as non-CAISO counterparties referred to herein as "Bilateral Counterparties"), VCE shall owe TEA for the Transactions, and TEA shall make monthly payments to such Bilateral Counterparties, in a timely manner, contingent on the following:

On or before the 5th business day of each month, TEA shall provide VCE with an invoice or statement of TEA's monthly payment to Bilateral Counterparties (the "Monthly Payment") owed, including immediately preceding month's activities and settlement due related to Transactions with Bilateral Counterparties during the monthly billing period. Monthly Payments owed shall include any related penalty, interest, payments, or credits. If an amount is due VCE, considering all amounts owed between the Parties under this Agreement, then TEA shall make a payment to VCE. If an amount is due TEA, VCE shall make a payment to TEA by the 10th of each month. Payments shall be made by electronic transfer as either an Automated Clearing House ("ACH") or wire transfer in United States Dollars.

Notwithstanding the above provision of this Exhibit, billing and payment provisions for these Transactions are dependent upon the market rules or contracts governing the specific transactions. If said billing and payment provisions require earlier payments than the provisions of this Section, then billing and payment shall be in accordance with the earlier payment provisions of such contracts or market rules.

Section C.4 Other Products

For any other products which are not covered in Sections C.2 through C.3, and which are procured or transacted by TEA on behalf of VCE, VCE shall make payments to TEA at least one (1) business day in advance of the date payment is due.

Exhibit D
Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

(1) **Workers' Compensation:**

Statutory coverage as required by the State of California.

(2) **Liability:**

Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.

(3) **Automotive:**

Comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.

(4) **Professional Liability**

Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION 2022-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
APPROVING AN AGREEMENT WITH THE ENERGY AUTHORITY, INC.
FOR PORTFOLIO MANAGEMENT, SCHEDULING COORDINATOR, LOAD FORECASTING,
AND CREDIT SUPPORT SERVICES AND AUTHORIZING THE EXECUTIVE OFFICER IN
CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE AGREEMENT**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, the existing wholesale energy services agreement with Sacramento Municipal Utility District (SMUD) will expire in 2023; and,

WHEREAS, on September 26, 2022, a Request for Proposal (RFP) was released by VCE seeking proposals from qualified wholesale energy services company to provide portfolio management, scheduling coordinator (SC) services, load forecasting and credit support services on VCE’s behalf; and,

WHEREAS, VCE staff reviewed and evaluated the RFP responses and conducted interviews; and,

WHEREAS, staff recommend that VCE enter into an agreement with The Energy Authority, Inc. to provide portfolio management, scheduling coordinator, load forecasting, and credit support services.

NOW, THEREFORE, the Board of Directors of Valley Clean Energy Alliance resolves as follows:

1. The VCE Executive Officer, in consultation with VCE Legal General Counsel, is authorized to finalize, approve, execute, and extend on behalf of VCE the agreement with The Energy Authority, Inc. for portfolio management, scheduling coordinator, load forecasting, and credit support services attached hereto for a not to exceed amount of \$2,476,900 for a term of three (3) years ending December 31, 2025, with two optional extensions of two years each.
2. The VCE Executive Officer, in consultation with VCE Legal General Counsel, is authorized to approve minor changes to the agreement so long as the term and price are not changed.

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PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the _____ day of December 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Board Chair

ATTEST: _____
Alisa M. Lembke, VCE Board Secretary

Attachment: The Energy Authority Agreement

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 19

TO: Board of Directors

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

SUBJECT: 2023 Operating Budget & Customer Rates

DATE: December 8, 2022

RECOMMENDATIONS

1. Approve 2023 VCE Customer Rates:
 - a. Standard Green Rates for 2023 to match PG&E 2023 generation rates.
 - b. Base Green Rate discount of 2.5% to PG&E 2023 generation rates
 - i. Automatically provide CARE and FERA customers Base Green Rate
2. Approve 2023 Budget with \$109.5M of operating revenues and \$78M of operating expenses for a net income of \$31.4M.

OVERVIEW

The purpose of this staff report is to: (1) Update 2022 update actuals (10-Months) ending December 31, 2022, (2) present analysis of 2023 customer rates, and (3) the recommended 2023 Budget for Board consideration.

As detailed in the body of this report, the 2022 Budget is estimated to have a net positive income of \$6M, which is \$11M below the adopted Budget for reasons outlined in the analysis section below. The 2023 budget forecasts a positive net income of \$31M, allowing VCE to reach its primary financial objectives of building reserves while maintaining competitive rates and executing local programs.

VCE's short-term outlook (2023-24) indicates continued volatility in power market prices and PCIA, which requires rate-setting to ensure cost recovery and the building of reserves. The longer-term outlook (2024+) indicates increased stability and cost certainty. VCE's long-term PPA's coming on-line combined with a cost-based rate structure will allow VCE to rebuild reserves and achieve positive margins.

BACKGROUND

Since early 2020, VCE has seen high volatility in the energy sector and overall economy. VCE's fiscal impacts were primarily driven by uncertainty associated with the COVID-19 pandemic, 2021 Power Charge Indifference Adjustment (PCIA) increases, resource adequacy and power market cost increases. This combination of factors have required VCE to draw against reserves in the past two years to stabilize customer rates and maintain its rate policy to be competitive with PG&E generation rates. Over this turbulent time period, VCE has taken the following actions to ensure financial and customer rate sustainability as part of the annual budget

adoption and monitoring process.

- June 2020 - FY20-21 Budget adoption with fiscal mitigation policy
- November 2020 - FY20-21 Budget update to monitor Pandemic Impacts
- May 2021 – FY21-22 Budget update with load update.
- June 2021 – FY21-22 Budget adoption with extended fiscal mitigation
- October 2021 – Board adopted rate increase to preserve cash reserves
- November 2021 – Adopted change from fiscal year to calendar year
- February 2022 –Budget/Rates adoption with CARES/FERA discount
- March 2022 – Expanded RCB line of credit and term loan for liquidity
- July 2022 – Mid-Year Financials Update
- July 2022 – Adopted Base Green “least cost” options
- September 2022 – Mid-Year Customer Rates Review

With adoption of the 2023 Customer Rates and Budget, VCE is poised to continue to grow its financial strength (as envisioned in the Strategic Plan). The proposed budget incorporates key financial objectives driven by VCE’s Budget Policy, Financial Reserve Policy, Rate Policy, and the 2021-2023 Strategic plan. Key objectives considered by staff in developing the draft 2023 budget included:

- Recovery of 2022 Net Income variance - The decrease in net forecasted 2022 income of \$11M would be recovered by the end of 2023 through a reduced PCIA and matching PG&E rates.
- Debt Repayments – Repayment of the line of credit with the county of Yolo in 2022 and term loan with River City Bank in early 2024. Possible early repayment in 2023.
- Power Cost Contingencies – Due to the inherent volatility in power costs, Staff included an increased power cost contingency in the 2023 budget, up from 2.5% in 2022 to 5% in 2023. The primary drivers of this increase are recent droughts, heat storms, and forward power market cost increases.
- Power Purchase Agreement (PPA) Covenants – VCE will maintain the required PPA covenants without relying on letters of credit for operational PPAs.
- Investment Grade Credit Rating – VCE and the Financial Advisor, PFM, will begin to establish VCE’s initial investment grade credit rating. An investment grade credit rating will reduce risks for member agency support requests, banking institution lines of credit, CPUC provider of last resort financial requirements (POLR), and overall capital costs for VCE.
- Rate Adjustment Policy (Companion Board Item 20) – VCE will implement a rate adjustment system to time rate adjustments with significant cost impacts (e.g. Heat Storms, Regulatory requirements, PG&E rate adjustments).
- Operating Days Cash – increase targeted operating days cash from 80+ days to 180 days as recommended by financial advisors for the credit rating.
- Customer Programs and Dividends – VCE will be able to continue to grow its customer programs in 2023. Additionally, VCE will monitor results for possible customer dividends for Q1 of 2024.

The primary driver of VCE’s ability to include the key objectives listed above is the current

proposed decision on PG&E bundled rates. VCE’s long-term fixed PPAs will bring long-term financial stability for VCE in the 2024-2026 long-term outlook.

2022 CPUC ERRRA Proceeding (PG&E Rate setting - PCIA and Bundled Rates)

On November 28, 2022, the CPUC issued the proposed decision (PD) for 2023 bundled rates, inclusive of setting PCIA and generation rates for PG&E. Based on information from VCE and CalCCA’s analysts, VCE has incorporated the following assumptions in its updated financial forecasts for 2023, including the assumption that 2023 PG&E rates/PCIA will be implemented on January 1, 2023:

Summary of CPUC ERRRA Forecasts for January 2023

- PCIA: 88% reduction over 2022 PCIA (net zero charge) - Approximately \$17M in additional net revenue compared to 2022
- PG&E Bundled rates (PCIA & Generation): 3% increase – Approximately \$2M in additional revenue

Long-term Fixed Price Power Purchase Agreements

Renewable power and storage resource deliveries resulting from VCE’s contracted long-term power purchase agreements (PPAs) began in 2021 and increased marginally in 2022. In the next two years these renewable resources are forecasted to increase by approximately 140% in 2023 and 114% in 2024. These additional fixed price long-term renewable contracts strengthen VCE’s financial standing by providing cost stability and reducing exposure to short-term power market volatility.

As shown in Figure 1 below, the PPAs are projected to cover over 80% of VCE’s annual load by 2024, reducing VCE costs compared to current RPS and RA market costs. The undesirable delay in acquiring higher levels of renewable resources during the during 2020-2022 time period and utilization of cash reserves have helped VCE stabilize customer rates and partially bridge the gap until the long-term PPAs begin full delivery in 2024.

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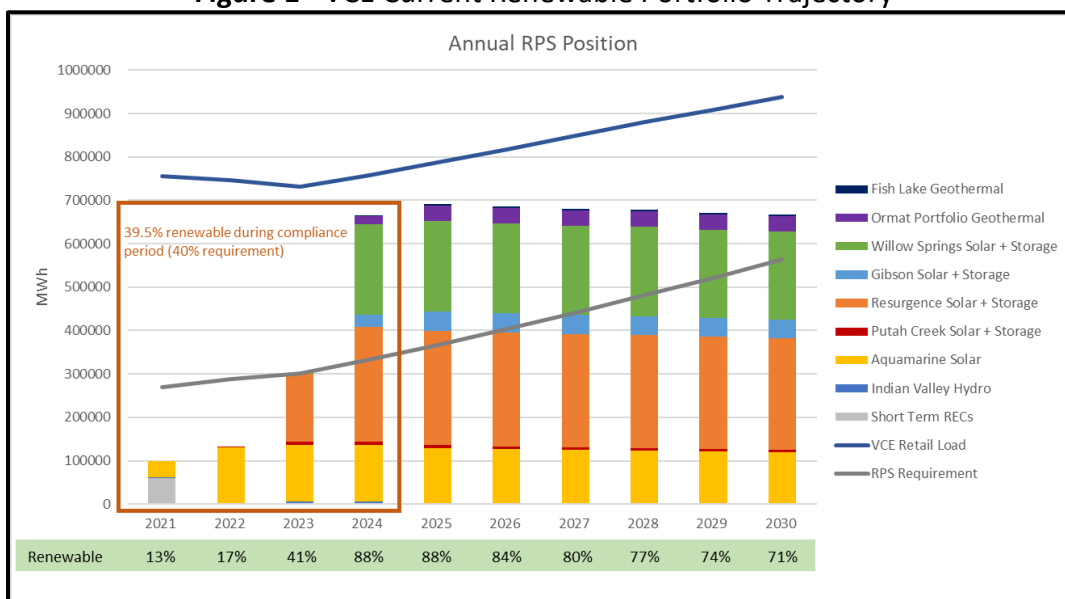
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Figure 1 - VCE Current Renewable Portfolio Trajectory



The addition of these long-term renewable resources help mitigate financial volatility for VCE going forward. The proposed 2023 Rates, 2023 Budget, and multi-year outlook shown below are inclusive of the above factors.

ANALYSIS

This report updates the information provided to the Board on November 10, 2022 and provides the basis for the budget Analysis in Section 3 below. The sections below provide updates on: (1) the 2022 Operating Budget, (2) an overview of key factors influencing the operating budgets, and (3) analysis of the recommended 2023 budget.

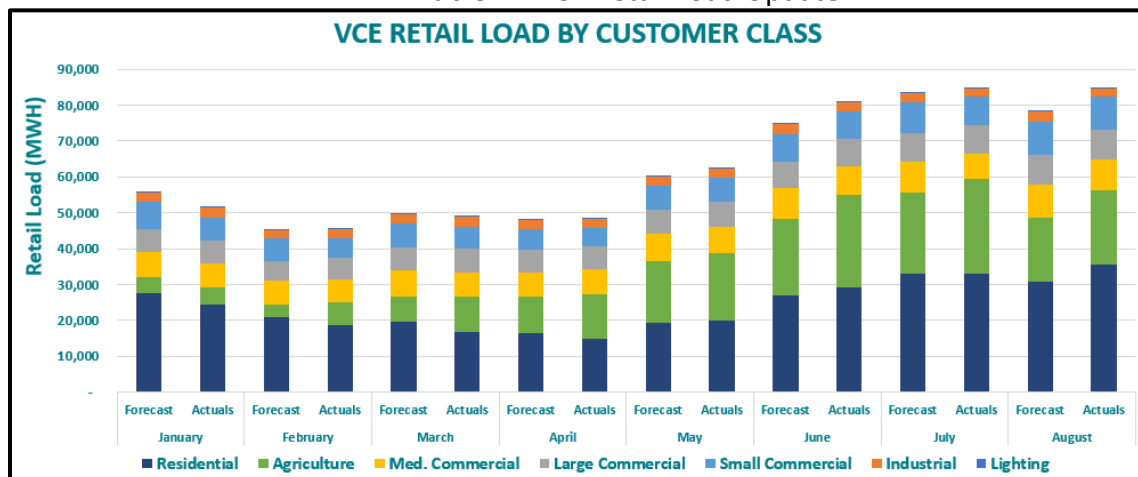
1. 2022 Operating Budget Update

As noted in the November Board staff report, the utility sector, including VCE, has experienced significant volatility during 2020-2022 in power market prices due to the COVID-19 pandemic, climate change impacts, and global events. These events have created financial challenges to maintain reserves and competitive customer rates. Most recently we outlined the impacts of September’s historic 10-day heat storm. As a result of this combination of factors, VCE’s short-term net income is approximately \$11M lower than originally forecast for 2022.

The singular historic September heat event alone required approximately \$5.5M in additional power purchases by VCE. This amount was above the hedged amount based on historical averages. Based on the most recent financials that incorporate the energy purchased during the September heat storm, the 2022 forecast has been revised downward by an additional \$0.5 M. This revised net estimated income of \$6M for 2022. To summarize, the primary drivers of the 2022 Operating Budget results include:

- **Load Forecast.** As shown in VCE retail load update (Table 1), in the first half of 2022, energy use in several sectors out-paced forecasts. For example, two large sectors showed higher than forecast energy use: (1) residential (e.g. TOU transition, return to work/hybrid, heat storms, etc.), and (2) commercial related to agriculture operations (e.g. droughts, mild winter, heat storms, etc.). Even after accounting for these factors, the 2022 actual vs. load forecast remains within 5% of the overall forecast.

Table 1 - VCE Retail Load Update



- PG&E Rate Adjustments – PG&E's 2022 filings were delayed by the CPUC until March 1, 2022, including the 33% rate increase and PCIA reduction of 57%.
- Power Costs and September heat storm. September energy demand resulting from the historic 10-day heat storm exceeded load hedges that required additional purchases in the relatively expensive day-ahead energy market for an additional \$5.5M. Generally, rising power costs since early 2022 account for the remainder of the variance.
- Supply Chain interruptions. Covid-19 pandemic impacted manufacturing and supply chains causing delays in the construction and completion of renewable projects, including several large solar + storage projects under contract with VCE.
- Budgeted revenues. The 2022 Budget incorporated revenues associated with high temperatures and drought conditions. These revenues have not fully materialized in the actuals for 2022. The primary revenue variance is related to June, which was relatively mild when compared to expected energy usage and revenues. Staff will continue to evaluate the revenue forecasting model to normalize the accuracy of future forecasts.

The following Table 2 summarizes the 2022 Operating Budget results.

Table 2 – FY2021-22 Actuals vs. Budget

Description	APPROVED 2022 BUDGET	2022 Proforma (10 Month Actuals + 2 Month Budget)	Variance
Revenue	\$ 89,750	\$ 86,470	\$ (3,280)
Power Cost	\$ 66,990	\$ 75,010	\$ (8,020)
Other Expenses	\$ 5,292	\$ 5,400	\$ (108)
Net Income	\$ 17,468	\$ 6,060	\$ (11,408)

Note: The 2022 interim audit will begin in December 2022 and will be completed in March 2023. Adjustments, if any, will be included in the annual report.

High power market prices experienced in 2022 contributed to the zero to negative PCIA in 2023 and a slight 3% increase in PG&E generation rates in 2023. The net result is revenues that were initially forecast to occur in 2022 are pushed into 2023.

2. 2023 Customer Rates

As discussed at previous Board and Community Advisory Committee meetings, the CPUC is scheduled to adopt 2023 PG&E bundled rates at their December 15, 2022 meeting. The Commission may act then or postpone action until later, as we experienced in early 2022. The updated analysis shown below is based on the best available information as of the writing of this report, with an effective rate change date of January 1, 2023, and following our current rate policy and financial objectives.

VCE Rate Policy (Updated November 10, 2021)

Cost-Based Rate Policy: VCE will set customer rates to collect sufficient revenue from participating customers to fully fund VCE's Budget and establish sufficient operating reserve funds.

2023 Customer Rates Drivers

Based on information from VCE and CalCCA's analysts on the proposed PG&E rates decision outlined above, VCE has incorporated the following assumptions in its updated financial forecasts for 2023 (assuming PG&E rates/PCIA are implemented on January 1, 2023):

- PCIA: 88% reduction over 2022 PCIA (net zero charge)- Results in approximately \$17M revenue for 2023
- PG&E Bundled rates (PCIA & Generation): 3% increase – Results in approximately \$2M revenue for 2023

VCE Rates Recommendation

1. Standard Green Rates for 2023 to match PG&E 2023 generation rates.
2. Base Green Rate discount of 2.5% to PG&E 2023 generation rates
 - a. Automatically provide CARE and FERA customers Base Green Rate

Fiscal Effects

The rates (and budget) approach outlined in this report allows VCE to recover reserves used in the past several years to help create more stable customer rates and prepare for future PCIA and power market volatility to achieve long-term rate stability.

The fiscal effects on VCE customers are relatively small at a 3% generation rate increase for an average of \$2 per month for residential customers on VCE's default Standard Green rate. While the 2023 rate increases are less significant than in 2022 (33%), matching PG&E rates in 2023 is needed to recover the costs associated with the September heat event and overall rising power market costs. Staff recommends continuing rate credits for low income and vulnerable customers (CARE, FERA, and Medical Baseline) that makeup over 25% of VCE's residential customer base.

The VCE generation charges plus PCIA and franchise fees are approximately 40% of the total average residential electricity bill. PG&E's Transmission, Distribution, and other charges account

for the remainder 60% of the total electricity bill. Therefore, a 3% increase in VCE's portion of the electricity bill equates to an approximate 1% increase in the total electricity charges for the average residential customer.

Customer Outreach & Communications

VCE continues a measured, transparent customer outreach strategy emphasizing VCE's additional benefits, such as more choice in electricity supply, local control, and community reinvestment through energy contracts and programs.

Based on VCE matching PG&E rates and other CCAs undertaking similar rate actions, Staff does not anticipate significant opt-out customer activity in response to the rate changes. VCE will continue to monitor customer activity as the rates are implemented for possible adjustments. If approved by the Board, these customer rates would help meet VCE's strategic financial objectives. The longer-term outlook (2024+) shows increased stability and cost certainty due to VCE's fixed price long-term renewable power purchase contracts coming on-line in 2023/24 and implementation of VCE's cost-recovery based rate structure.

3. 2023 Operating Budget

Staff has updated the forecasts to incorporate additional PG&E actuals, an error by PG&E in their cost information, and the impacts of September's heat storm on PG&E's power costs as included in the December CPUC proposed decision. As shown in Table 4 below, the changes to PCIA and VCE's long-term renewable PPA contracts are forecasted to provide near/long-term financial relief, allowing the establishment of more substantial reserves and increased ability to implement programmatic objectives. VCE's long-term renewable contracts will also have rate stabilization effects while significantly increasing VCE's renewable content.

Key Assumptions included in the 2023 Budget Summary (Table 3) and Multi-year forecast (Table 4):

- 2023 PCIA decrease Forecast –The updated PCIA decreased to zero. Although current PCIA rates are forecasted to go negative, this is slightly offset by additional balancing accounts related to total PCIA.
- 2023 Customer Rates Forecast – The updated forecast for PG&E rates results in an average increase of 3% increase for 2023 as discussed above.
- 2023-2025 Power Costs Contingencies – Staff has increased power cost contingencies from 2.5% for 2022 to 5% for 2023-2025. This results in an approximately \$3.4M contingency that allows for additional buffers for impacts outside of VCE's control (e.g. power cost increases due to heat storms).

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Table 3 – 2023 Budget Summary

VALLEY CLEAN ENERGY 2023 DRAFT BUDGET SUMMARY			
	APPROVED 2022 BUDGET	ACTUAL (YTD) Oct. 31 2022 2022 Proforma	PROPOSED 2023 BUDGET
OPERATING REVENUE	\$ 89,750	\$ 86,470	\$ 109,458
OPERATING EXPENSES:			
Cost of Electricity	66,990	75,010	71,650
Contract Services	2,640	2,519	2,807
Outreach & Marketing	248	182	264
Programs	175	1,185	834
Staffing	1,300	1,162	1,442
General, Administration and other	840	350	1,017
TOTAL OPERATING EXPENSES	72,192	80,408	78,014
TOTAL OPERATING INCOME	17,558	6,062	31,444
NONOPERATING REVENUES (EXPENSES)			
Interest income	17	36	42
Interest expense	(107)	(38)	(66)
TOTAL NONOPERATING REV/(EXPENSES)	(90)	(2)	(24)
NET MARGIN	\$ 17,468	\$ 6,060	\$ 31,420
NET MARGIN %	19.5%	7.0%	28.7%

Table 4 – Multi-Year Forecast

Description	Actuals				2022 Proforma*	2023 Budget	Preliminary Forecast**	
	FY2019	FY2020	FY2021	FY2022	2022	2023	2024	2025
Revenue	51,035	55,249	54,657	29,366	86,470	109,500	75,500	73,500
Power Cost	38,540	41,538	54,234	30,139	75,010	71,650	54,150	57,100
Other Expenses	3,850	4,346	4,267	2,285	5,400	6,430	6,800	7,100
Net Income	8,646	9,365	(3,844)	(3,058)	6,060	31,420	14,550	9,300
						Reserve Building	Margin Policy	

*2022 Proforma includes ten months of actual financial results and 2 months of updated power cost forecasts.

** The preliminary forecast is based on analysis by CalCCA and MRW and power cost forwards.

Note: 2023, 2024, and 2025 forecasted financials are based on the most current available data and assumptions, as displayed in Table 4. These scenarios rely on future rate adjustments, reserves, or both to mitigate future power cost volatility.

Additional Considerations

Other Operating Expenses – Preliminary Budget Other operating expenses (not including power costs) are nearly flat compared to the 2022 budget, reflecting only a 5% increase – lower than 2021 CPI at ~7%. The primary factors of increased costs in this category of expenses include:

- Customer program related to AgFIT and other programs.
- Reduced interest expenses related to the use of credit lines
- Increased interest income with rising interest rates and cash deposits.
- 5% annual salary and contractor inflation rate based on the 2022 7% inflation rate.
- 5% administrative contingency rate for unanticipated expenses.
- Additional cost related to post covid operations (e.g. remote meeting technology) and Board stipends to match other local JPA stipends.

As shown in Table 4, the loss in net income during 2022 would be recovered by the end of 2023 due to PCIA decreases and matching PG&E's rates. Staff will provide additional detail in its informational presentation at the meeting, including background information associated with the projected net income for 2024 to 2025. Based on the updated information, Staff recommends that VCE establish a target of 180+ days of cash reserves by the end of 2023 to rebuild reserves and position itself to achieve an investment grade credit rating by 2024.

CONCLUSION

Consistent with the adopted Rate and Budget policy, Staff is recommending that VCE set rates and adopt a budget for 2023 at a level that will fully fund the 2023 budget, continue to build reserves to achieve a credit rating, and provide a level of financial relief to VCE's low-income and at risk customers. Staff will continue to review and report operating results and propose adjustments upwards or downwards for reasons such as changes in operational requirements or reserves reaching 180+ days.

ATTACHMENTS

1. 2023 Operational Budget
2. Resolution 2022-XXX

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022-___

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
ADOPTING THE CUSTOMER RATES AND OPERATING BUDGET FOR YEAR 2023**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, beginning in 2020, VCE faced financial constraints associated with power market and regulatory volatility driven by forces outside VCE's direct control; and

WHEREAS, on November 10, 2021, the Board adopted a cost-based rate policy via Resolution 2021-023; and,

WHEREAS, to address volatility driven by forces outside of VCE’s direct control there is a need to adopt rates and operational budgets to cover actual cost and reserve requirements.

WHEREAS, the VCE 2023 proposed Budget for the calendar year 2023 includes Operating Revenues totaling \$109.5M and purchased power and other operating expenses totaling \$78M for a net income of \$31.4M;

WHEREAS, the VCE proposed Standard Green Rates for 2023 will match PG&E 2023 generation rates, and VCE Base Green Rate discount of 2.5% to PG&E 2023 generation rates, and VCE will automatically provide CARE and FERA customers the Base Green Rate; and,

NOW, THEREFORE, the Board of Directors of Valley Clean Energy Alliance hereby adopts the 2023 proposed Budget and Customer Rates for 2023.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ___ day of December 2022, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCE Board Secretary

Attachment: 2023 Operating Budget

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 20

TO: Board of Directors

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

SUBJECT: Rate Adjustment Policy

DATE: December 8, 2022

RECOMMENDATION

Approve the attached resolution adopting a Rate Adjustment Policy.

OVERVIEW

Beginning in 2020, VCE faced financial constraints associated with power market and regulatory volatility driven by forces outside VCE's direct control. The primary drivers of volatility were steeply rising/declining Power Charge Indifference Adjustment (PCIA), power market costs for energy and resources adequacy (RA), heat waves and storms, and droughts causing VCE to draw on reserves into early 2022. VCE analyzed various policy options and strategies to stabilize customer rates, reduce/control costs, and manage reserves to address financial constraints for short-term cash and long-term sustainability impacts. As part of the evaluation, the Board adopted a cost-based rate policy in late 2021 and in mid-2022 increased the customer rate option structure to include Base Green. In September 2022, Staff introduced the rate adjustment concept to the Board and received direction to continue to evaluate Rate Adjustment Policy options and return to the Board in December.

The Community Advisory Committee considered the proposed rate adjustment policy at its November 17, 2022, meeting and recommended adoption with amendments by the Board as described below.

If adopted by the Board, this policy and structure will enable VCE to calibrate rates in a more-timely manner to reflect actual cost and reserve requirements.

The recommended Rate Adjustment Policy includes the following key elements:

1. Customer rate adjustments would be calculated no more than once per month;
2. Such monthly adjustment would not result in more than a 5% increase/decrease to VCE's weighted average total generation rate;
3. The net annual cumulative limit for within-year customer rate adjustments authorized under this policy would be a total of 15% unless modified by the Board;
4. Rates would continue to be reviewed annually by VCE Board as part of the annual budget process.

BACKGROUND

In 2017, prior to launch, VCE adopted and registered its Implementation Plan with the California Public Utilities Commission (CPUC). The Plan included a provision that program rates must collect sufficient revenue from participating customers to fully fund VCE's budget, including the need to establish sufficient operating reserve funds. Over the past four years VCE has systematically analyzed policy options and implemented strategies to stabilize customer rates, reduce cost, and manage reserves. This is in keeping with its Strategic Plan goal to maintain financial stability while continuing to offer customer choice, competitive pricing and establishment of local programs. Several of these key financial mitigation strategies have included: discontinuing a rate discount, scaling back voluntary procurement of renewable energy credits (RECs), and signing long-term contracts for fixed price renewable/battery storage projects.

Community Advisory Committee Recommendation

On November 17, 2022, the Community Advisory Committee (CAC) received the final of three presentations on the draft rate adjustment policy. The CAC considered the analysis of Staff and ultimately voted 8-0-1 to recommend adopting a rate adjustment policy with two edits, as shown in the recommendation below (redlined). Though understanding the overall need to adopt a rate adjustment policy, several Committee members expressed concern that they did not believe there was an adequate need for the monthly and cumulative limits recommended by Staff.

The CAC recommended that the Board adopt the following:

- a. Customer rate adjustments shall be calculated no more than once per month;
- b. Such monthly adjustment shall not result in more than a ~~7.5%~~ 5% increase/decrease to VCE's weighted average total generation rate;
- c. The net annual cumulative limit for within-year customer rate adjustments authorized under this policy is a total of ~~15%~~ 10% unless modified by the Board;
- d. Rates are reviewed annually by VCE Board as part of the annual budget process.

Under the Staff recommended Rate Adjustment Policy, the Board retains rate-setting authority, remains informed of all rate adjustments, and reviews rates annually as part of the annual budget process. Staff believes that the CAC's rate adjustment policy limits are appropriate in the context of significant rate changes. However, Staff is concerned that reducing the cumulative limit for rate adjustments may hinder VCE's normal course of business operations (e.g., adjusting rates to follow costs) to implement our policies and is not optimal for establishing and maintaining an investment grade credit rating. For these reasons, Staff has not incorporated all of the CAC's additional language in Staff's recommended policy shown in the Analysis section of this report.

ANALYSIS

As discussed at previous Board and CAC meetings, VCE develops forecasts of cost and revenue requirements based on informed technical estimates. These forecasts incorporate factors such as weather, load, market power prices, and other business conditions. The actual outcomes inevitably vary due to extreme instances like the heat events of August 2020, June 2021, and, most recently, September 2022. The net cost impact of the September event to VCE was approximately \$5.5M (and would have been significantly more absent VCE's risk management

and hedging practices). These events continue to "ripple" through the energy sector in the form of higher forward power market prices. As part of evaluating options to address external cost factors outside VCE's direct control related to energy cost adjustments and regulatory adjustments, VCE Staff proposes the draft Rate Adjustment Policy similar to other Load Serving Entities (LSEs). The draft policy is designed to help address factors outside VCE's control that influence reserves accumulation, rate stability, and establishment/maintenance of a credit rating.

Over the past four years, VCE has studied policy options and implemented strategies to stabilize customer rates, reduce/control costs, and manage reserves while continuing to offer customer choice, competitive pricing, and establishment of local programs. The impact of external events (e.g. Ukraine conflict, droughts, heat waves/storms) causing power cost increases have, unfortunately, outpaced VCE's cost containment efforts. These recent events and factors have reinforced the value of having a rate adjustment policy to modify rates within a budget year to adjust to external conditions. These general categories of impacts that might trigger consideration of a rate adjustment (up or down) include:

- Price shocks which are quite common in the power business (e.g. September Heat Storm presented in [Item 16](#) to the Board on October 13, 2022); ability of VCE to utilize reserves to absorb these types of impacts.
- VCE's contractual obligation to serve and to pay such added cost for heat waves/storms, drought years, system failures, etc.
- Aligning more closely the "cost event(s)" with the customer's consumption of energy.
- Unlike IOUs, VCE does not have guaranteed "cost recovery" with associated balancing accounts to deposit/collect added costs in the following year.
- PG&E rates / PCIA / regulatory mandates are generally unpredictable in magnitude and timing.
- Rate stability - the recommended Rate Adjustment System can spread out the annual rate adjustment requirements (e.g., less of a one-time price shock at a single point in the year).

As a Community Choice program, VCE's advantages include local control and the ability to develop and implement revenue structures in a timely manner to meet financial policy goals and objectives. However, the annual budget and rate setting are completed in advance of retail sales. Inevitably, actual revenues are above or below the cost to serve customers and accomplish VCE's annual objectives. This is especially true in the electric power business because of weather events and corresponding price/load volatility, as VCE has experienced heat storms, resulting in actual power costs exceeding forecasted costs. To balance revenues and costs in a timely manner, most utilities have adopted rate stabilization mechanisms to compensate for these types of cost uncertainties.

Draft Rate Adjustment Policy

As presented to the CAC, the attached draft Rate Adjustment Policy provides a framework to make within-year customer rate modifications promptly and accurately reflect external cost factors outside VCE's direct control. Expressly, within-year rate adjustments permitted under this draft policy would be limited to material financial changes related to the following:

- Market energy supply costs, and/or
- Regulatory decisions that impact VCE's costs or revenues.

Key policy features include:

- Rates are **reviewed annually** by the VCE Board as part of the annual budget Adoption.
- Board **approved parameters** set the total rate adjustments that can be implemented, including an annual limit.
- Within-Year Rate **adjustments are limited** to Energy Cost Adjustments and Regulatory Adjustments.
- Rate Adjustments are not automatic and **require approval** by VCE's Energy Risk Oversight Committee (ERO) before implementation within the Board defined parameters.
- **Accountability and reporting** to the Board describing any implemented rate adjustment would be provided at the next regularly scheduled Board meeting.

Draft Rate Adjustment Policy Authorizations include the following:

Type of Rate Adjustment	Authorized Adjustments
Energy Cost Adjustments	Energy Cost related rate adjustments under this policy may be implemented throughout the year but no more than once per month. Such individual adjustment shall not result in more than a 5% increase/decrease to VCE's weighted average total generation rate.
Regulatory Adjustments	<p>Regulatory cost related rate adjustments under this policy may be implemented throughout the year as warranted following actions by regulatory bodies and/or PG&E, which result in material changes to VCE Board authorized rate discounts/premiums or VCE revenue levels. Such individual rate adjustments shall be limited to no more than one per month. Such individual adjustment shall not result in more than a 5% increase/decrease to VCE's weighted average total generation rate.</p> <p>VCE intends to calculate and implement any such Regulatory Adjustment within 90 days following PG&E's implementation of such actions. The timing, frequency, and financial impact of regulatory body (e.g. CPUC) and PG&E actions that may affect the Regulatory Adjustments are not typically known in advance and may occur multiple times during any given year.</p>
Annual Cumulative Limit	The net annual cumulative limit for within-year customer rate adjustments authorized under this policy is a total of 15%. The Board may modify this limit.

Communications

One of the key considerations of the proposed rate adjustment policy is how it is communicated to VCE's customers, as well as to the general public. Based on feedback from other CCAs and VCE's consultants, Staff recommends a measured, transparent customer outreach strategy. This approach would also be designed to acknowledge that VCE is in the competitive energy business and that rate adjustments driven by market forces are not uncommon or unexpected.

A key focus of the communications strategy would be emphasizing VCE's success in procuring long-term power purchase agreements for less than PG&E. Communications would focus on easily understandable language (and graphics), that highlight the overriding power cost impacts and VCE's additional benefits such as more choice in electricity supply, local control, and community reinvestment through energy contracts and programs would also be emphasized. Recommended outreach actions would include listing the changes on VCE's website with an introductory message from the Board Chair and Vice-Chair. This piece would recognize the PCIA's role in rate setting and VCE's efforts to keep customer rates competitive.

Based on information gathered from other CCAs undertaking similar rate adjustment policies, Staff does not anticipate significant opt-down or opt-out customer activity in response to rate adjustments made under this policy. VCE would monitor opt-up/down/out activity related to rate adjustments to track VCE's results so corrective action could be taken if necessary.

Rate Adjustment Policy – Best Practice

Over the next two years, while VCE transitions to longer-term fixed-price renewable power contracts, it has relatively high exposure to rising market prices. Although the transition to long-term power purchase agreements and reserve building provides additional cost stability, future rate adjustments may be necessary. The business issue for CCAs (and all electric utilities) is the commitment to make real-time sales to all customers regardless of, and without knowing, the firm cost of attaining that supply and obligation to recover such costs from its customer base. Utilities and CCAs must recover all costs from customers (including financial reserves). Additionally, this type of rate adjustment system is a utility industry best practice and a recommended standard by lending institutions and credit rating agencies.

Overall, based on the best available information, staff believes its recommendation for VCE's Rate Adjustment Policy is fiscally prudent and connects key fundamentals from VCE's Budget Policy, Rates policy, Reserve policy, and 2021-2023 Strategic Plan. If adopted, the recommended draft Rate Adjustment Policy would be implemented in 2023.

CONCLUSION/NEXT STEPS

Staff recommends adopting a rate adjustment policy similar to those implemented by other utilities and CCAs. Staff recognizes that the recommended approach is a shift from VCE's historic rate approval process and is driven by forces outside of VCE's direct control. Further, staff is making the recommendation because this policy supports prior Board actions regarding VCE's Budget Policy, Rates Policy, Reserves Policy, and Strategic Plan while maintaining local control, customer choice, programs, and cost competitiveness. If the Rate Adjustment Policy is adopted, Staff will begin implementation in 2023.

ATTACHMENT

1. Draft Rate Adjustment Policy
2. Resolution 2022-XXX adopting Rate Adjustment Policy



VALLEY
CLEAN ENERGY

Valley Clean Energy Alliance
Rate Adjustment Policy

DRAFT

Valley Clean Energy Alliance

A. PURPOSE

The Board of Directors of Valley Clean Energy Alliance (VCE) is responsible for setting customer rates to collect sufficient revenue from participating customers to fully fund VCE's budget and establish sufficient operating reserve funds as defined in the VCE Rate Policy. The Board typically considers customer rate setting at the beginning of each budget year. Due to volatility in energy markets and the unpredictability of regulatory actions, additional flexibility to make limited adjustments to customer rates on a more frequent basis to recover costs is a sound business practice – one adopted by many Load Serving Entities (LSEs).

The Rate Adjustment Policy provides a framework to make timely within budget year customer rate changes, within Board approved parameters, to adjust to external cost factors outside VCE's direct control. Specifically, within budget year rate adjustments made under this policy are limited to material financial changes resulting from either (1) market energy costs or (2) regulatory decisions that impact VCE's costs or revenues. Under this policy, all within budget year customer rate changes are vetted through VCE's Enterprise Risk Oversight Committee (EROC) prior to implementation and reported to the Board at the next meeting following implementation.

B. PRINCIPLES

The following principles guide customer rate adjustment decisions under this policy:

1. Link to annual budget and multi-year forecast - Customer rates shall be set to fully fund operating costs and cash reserve fund targets consistent with multi-year forecasts.
2. Regularly examine Financial Operating Results - Budget variances will be monitored throughout the fiscal year for impacts on annual budgets and multi-year forecast results.
3. Reserves - Customer Rates shall fund reserves consistent with VCE's Financial Reserve Policy and budgeted targets.

C. PROCESS

The Director of Finance and Internal Operations (Director) will monitor and review unaudited operating budget variances and decisions/proposed decisions by California Public Utilities Commission (CPUC) and other regulatory bodies for impacts to net income or cash reserves compared to the adopted budget. If a net impact to income or cash reserves is observed or forecast, the Director will initiate a within budget year rate adjustment assessment based on the following factors:

1. Unless otherwise directed by the Board, within Budget year rate adjustments will only be considered to address two categories of external cost factors outside VCE's direct control: (1) Energy Cost Adjustments and (2) Regulatory Adjustments, where:
 - a. Energy Cost Adjustments – These adjustments are intended to recover the power costs, including renewable resources, energy and energy hedges, resource adequacy and capacity products, and demand side management (DSM) costs, including revenue losses, not otherwise included in VCE's retail generation rates.

Valley Clean Energy Alliance

- b. Regulatory Adjustments – These adjustments are intended to recover and adjust VCE revenues to remain within Board authorized revenue requirements/total bundled rate discounts/ premiums when VCE’s finances are materially impacted by CPUC or other regulatory body decisions. Regulatory Adjustments typically include Power Charge Indifference Adjustment (PCIA), PG&E retail rates, balancing account charges, and/or other PG&E and/or regulatory body related actions that directly impact VCE's customer rates. These adjustments may also include other regulatory financial requirements required and approved by CPUC or other regulatory bodies that have a material effect on VCE's cost/revenue structure.
2. Customer rate adjustments shall be consistent with the Authorizations in Section D below. The cumulative within budget year customer rate adjustments approved under this Policy in any fiscal year may not exceed the Authorizations in Section D below.
 3. Any given adjustment may result in an upward or downward impact on VCE generation rates given the particular impacts of any one or combination of factors related to Energy Cost Adjustments and/or Regulatory Adjustments.
 4. Implementation of a within budget year rate adjustment will maintain the current Base Green product discount and the relative revenue requirement contributions of VCE's Standard Green and Ultra Green customer classes.
 5. CARE/FERA and other eligible VCE low-income customers subscribing to VCE's Base Green product shall be charged the lower of VCE's Standard Green or Base Green generation rate, in the instance when VCE's Standard Green generation rate may be less than VCE's Base Green generation rate following a given rate adjustment.
 6. The particulars of rate design, existing PG&E rate schedules, and customer class and consumption characteristics, actual discounts / premiums / rates experienced by any particular customer or customer class may vary from overall weighted averages.

Approval/Oversight

7. Director of Finance and Internal Operations shall provide timely reporting and analysis to the Executive Officer and EROC of all revenue and energy cost projections for accuracy, content, and compliance with the previously determined priorities and policies.
8. Within budget year customer rate adjustments shall be reviewed and approved by the EROC.
9. The Director shall prepare an informational report to the board of any within budget year rate adjustments at the next scheduled Board meeting. The cumulative within budget year customer rate adjustments shall be reported as part of the Board’s annual operating budget and rates adoption process.
10. Staff shall develop and maintain procedures for internal control and accountability of the Rate Adjustment Policy.

Valley Clean Energy Alliance

D. AUTHORIZATIONS

VCE Customer rates adopted by the Board of Directors may be amended during the budget year within the parameters listed below:

Type of Rate Adjustment	Authorized Adjustments
Energy Cost Adjustments	Energy Cost related rate adjustments under this policy may be implemented throughout the year but no more than once per month. Such individual adjustment shall not result in more than a 5% increase/decrease to VCE's weighted average total generation rate.
Regulatory Adjustments	<p>Regulatory cost related rate adjustments under this policy may be implemented throughout the year as warranted following actions by regulatory bodies and/or PG&E, which result in material changes to VCE Board authorized rate discounts/premiums or VCE revenue levels. Such individual rate adjustments shall be limited to no more than one per month. Such individual adjustment shall not result in more than a 5% increase/decrease to VCE's weighted average total generation rate.</p> <p>VCE intends to calculate and implement any such Regulatory Adjustment within 90 days following PG&E's implementation of such actions. The timing, frequency, and financial impact of regulatory body (e.g. CPUC) and PG&E actions that may affect the Regulatory Adjustments are not typically known in advance and may occur multiple times during any given year.</p>
Annual Cumulative Limit	The net annual cumulative limit for within-year customer rate adjustments authorized under this policy is a total of 15%. The Board may modify this limit.

E. CONTROL & ACCOUNTABILITY

An information report describing any implemented within budget year rate adjustment authorized under this policy will be provided to the Board at the next regularly scheduled Board Meeting following implementation of the rate adjustment.

F. POLICY ADMINISTRATION

The Board must approve amendments to this Policy.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022-___

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
ADOPTING A RATE ADJUSTMENT POLICY**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, beginning in 2020, VCE faced financial constraints associated with power market and regulatory volatility driven by forces outside VCE's direct control; and

WHEREAS, on November 10, 2021, the Board adopted a cost-based rate policy via Resolution 2021-023; and,

WHEREAS, on July 14, 2022, the Board adopted a three-tiered rate structure, via resolution 2022-024, designed to offer more customer rate options and increase VCE's ability to set rates to actual cost and reserve requirements while providing a competitive price option to PG&E; and,

WHEREAS, to address volatility driven by forces outside of VCE’s direct control there is a need to adopt a rate adjustment policy to set rates in a more timely manner that are calibrated to actual cost and reserve requirements.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

The Board of Directors hereby approves and authorizes the attached Rate Adjustment Policy.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the _____ day of December 2022, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCE Board Secretary

Attachment: Rate Adjustment Policy