



Valley Clean Energy – Special Board Meeting Item 16 – Legislative Bills

Thursday, March 12, 2020



Item 16 – Legislative Bills

- SB 947 (Dodd) – Performance Based Ratemaking
 - Recommended Position: Support
- AB 2689 (Kalra) – IOU Cost Transparency and Accountability
 - Recommended Position: Support
- AB 3014 (Muratsuchi) – Centralized Procurement: Residual RA
 - Recommended Position: Support
- SB 917 (Wiener) – Northern CA Energy Utility District
 - Recommended Position: Support in Concept



Valley Clean Energy - Special Board Meeting

Item 17 – PCIA & ERRA Update

March 12, 2020

Item 17 - Background

Following are the primary activities and timeline regarding PCIA & ERRA since December 2019:

- December 12: Staff report and presentation to Board
- January 24: CPUC issued Proposed Decision (PD)
- February 13: Staff presentation to Board
- February 20: VCE staff and regulatory counsel meet with four CPUC Commissioner's offices and staff from the CPUC Energy Division who oversee implementation of the PCIA by the CPUC
- February 27: Staff presentation to the CAC
- February 28: CPUC issued Final Decision

Item 17 - Current Status

Current PCIA Expectations:

- Current PCIA rate is approximately 2.7 cents per kWh
- PCIA will increase to the cap of approximately 3.2 cents on May 1, 2020
- PCIA will likely increase to approximately 4.6 cents (due to triggering the cap exception) later in 2020, likely to affect rates starting in Q4 2020
- The Final Decision included a \$93 million reduction proposed by CalCCA in filings and reinforced at the CPUC visit on February 20
- The \$93 million reduction will result in a slight reduction to the forecast 4.6 cent PCIA rate and slightly higher revenue; these impacts are being analyzed but aren't expected to be material to the forecast

Item 17 - 2021 Fiscal Year PCIA Impact

Notes:

- Impacts to FY 2021 are significant and result in a negative margin and decline in cash flow
- Staff is focusing on FY 2021 due to substantial PCIA uncertainty in future years

	FY 2021 w/ PCIA Cap Trigger
Assumptions	
PCIA - 2020	4.6 cents
2020 PG&E Generation Rate	-4%
2021 PG&E Generation Rate	+2%
Key Financial Measures	
Customer Payments - Gen Rates	\$78,760
Less PCIA	(\$29,533)
Revenue to VCE	\$49,227
Power Cost	\$50,941
Operating Expense	\$4,797
Net Margin	(\$6,433)
Cash (Unrestricted)	\$6,609
Days Cash	25

NOTE: All data is preliminary and will be solidified as firmer data and regulatory decisions arise.

Item 17 - Potential Mitigation Strategies

Following are mitigations identified for Board consideration. Although these scenarios are not preferred, it is important to begin considering a variety of options to mitigate PCIA impacts

- Increase VCE combined generation rate above PG&E's generation rates
- Temporarily lower VCE goals for renewable and/or carbon free portfolio resource mix, while still maintaining compliance with State standards
- Accept the GHG-free large hydro and nuclear allocations from PG&E
- Adjust energy hedging strategies to reduce cost at a higher risk
- Consider joint ventures and merger with other CCA(s)
- Look for additional reductions in operating expense beyond those already captured

Item 17 - Conclusions

- Staff has clarity about FY 2021, but due to PCIA volatility it is difficult to forecast beyond 2021
- Fiscal year 2021 will result in a negative impact on our net position and cash reserves. However, due to prudent financial planning and decisions by the Board, VCE has adequate reserves to navigate FY 2021 without using its line of credit and maintaining a positive cash balance
- If PCIA rates stabilize in calendar year 2021 and beyond, returning to closer to historical PCIA rates, then future years become more financially manageable if other major cost drivers remain relatively stable (i.e. market power costs)
- If, however, PCIA continues at the extremely high post-cap trigger rates, this will significantly impact VCE's business model

Item 17 - Additional Materials

- Customer Impacts for Potential Rate Increase:
 - Residential
 - Small Commercial
 - Medium Commercial

Item 17 - Customer Impacts for Potential Rate Increase

Staff analyzed the impact on total customer bills that would result from VCE raising rates above PG&E generation rates. Key assumptions and findings are:

- Four rate classes were assessed (Residential, Small Commercial, Medium Commercial, Agricultural)
- Average bills for these classes were analyzed for summer and winter
- Other Assumptions:
 - PCIA rates were assumed to go to 4.6 cents per kWh
 - Staff modeled various VCE rate increases above PG&E generation rates, from 1% to 5%
 - PG&E T&D rates are assumed to remain the same in each scenario; the only portion of the bill to change are VCE generation rates and PG&E generation rates

Item 17 - Residential Rate Impact

Following is the bill impact to an average Residential customer assuming PCIA rises to 4.6 cents and VCE were to raise rates to 5% above PG&E generation rates.

- Every 1% change to gen rate results in \$0.88 per month impact on summer bill and \$0.62 per month impact to winter bill

Residential (E-1)			
Summer Bill		Winter Bill	
Current Average Bill		Current Average Bill	
Total Electric Bill	\$ 175.33	Total Electric Bill	\$ 116.86
Recalculated Average Bill		Recalculated Average Bill	
Total Electric Bill	\$ 179.72	Total Electric Bill	\$ 119.94
Difference		Difference	
VCE Generation	\$ (3.64)	VCE Generation	\$ (2.56) (1)
PG&E Generation (incl. PCIA/FFS)	\$ 8.02	PG&E Generation (incl. PCIA/FFS)	\$ 5.65 (2)
Total Electric Bill	\$ 4.39	Total Electric Bill	\$ 3.09 (3)
Percentage Increase on Total Bill	2.5%	Percentage Increase on Total Bill	2.6%

(1) VCE Revenue reduction (PCIA impact, partially offset by customer rate increase)

(2) Revenue increase for PG&E due to PCIA increase

(3) Total impact to the customer, in dollars and percentage

Item 17 - Small Commercial Rate Impact

Following is the bill impact to an average Small Commercial customer assuming PCIA rises to 4.6 cents and VCE were to raise rates to 5% above PG&E gen rates.

- Every 1% change to gen rate results in \$1.97 per month impact on summer bill and \$1.43 per month impact to winter bill

Small Commercial (A1X)			
Summer Bill		Winter Bill	
Current Average Bill		Current Average Bill	
Total Electric Bill	\$ 416.04	Total Electric Bill	\$ 296.07
Recalculated Average Bill		Recalculated Average Bill	
Total Electric Bill	\$ 425.91	Total Electric Bill	\$ 303.23
Difference		Difference	
VCE Generation	\$ (9.14)	VCE Generation	\$ (6.50) (1)
PG&E Generation (incl. PCIA/FFS)	\$ 19.00	PG&E Generation (incl. PCIA/FFS)	\$ 13.66 (2)
Total Electric Bill	\$ 9.87	Total Electric Bill	\$ 7.16 (3)
Percentage Increase on Total Bill	2.4%	Percentage Increase on Total Bill	2.4%

- (1) VCE Revenue reduction (PCIA impact, partially offset by customer rate increase)
 (2) Revenue increase for PG&E due to PCIA increase
 (3) Total impact to the customer, in dollars and percentage

Item 17 - Medium Commercial Rate Impact

Following is the bill impact to a Medium Commercial customer assuming PCIA rises to 4.6 cents and VCE were to raise rates to 5% above PG&E gen rates.

- Every 1% change to gen rate results in \$34 per month impact on summer bill and \$17 per month impact to winter bill

Medium Commercial (A10SX)			
Summer Bill		Winter Bill	
Current Average Bill		Current Average Bill	
Total Electric Bill	\$ 5,696.34	Total Electric Bill	\$ 3,048.70
Recalculated Average Bill		Recalculated Average Bill	
Total Electric Bill	\$ 5,863.90	Total Electric Bill	\$ 3,135.15
Difference		Difference	
VCE Generation	\$ (94.56)	VCE Generation	\$ (112.61) (1)
PG&E Generation (incl. PCIA/FFS)	\$ 262.12	PG&E Generation (incl. PCIA/FFS)	\$ 199.06 (2)
Total Electric Bill	\$ 167.56	Total Electric Bill	\$ 86.46 (3)
Percentage Increase on Total Bill	2.9%	Percentage Increase on Total Bill	2.8%

- (1) VCE Revenue reduction (PCIA impact, partially offset by customer rate increase)
 (2) Revenue increase for PG&E due to PCIA increase
 (3) Total impact to the customer, in dollars and percentage

Item 17 - Agricultural Rate Impact

Following is the bill impact to a Agricultural customer assuming PCIA rises to 4.6 cents and VCE were to raise rates to 5% above PG&E gen rates.

- Every 1% change to gen rate results in \$10.15 per month impact on summer bill and \$2.19 per month impact to winter bill

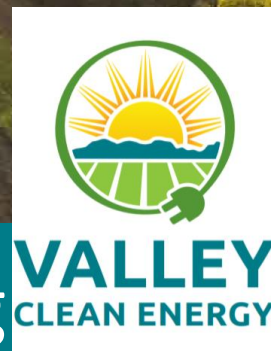
Agricultural (AG4A)			
Summer Bill		Winter Bill	
Current Average Bill		Current Average Bill	
Total Electric Bill	\$ 2,614.88	Total Electric Bill	\$ 532.36
Recalculated Average Bill		Recalculated Average Bill	
Total Electric Bill	\$ 2,665.63	Total Electric Bill	\$ 543.33
Difference		Difference	
VCE Generation	\$ (33.69)	VCE Generation	\$ (15.42) (1)
PG&E Generation (incl. PCIA/FFS)	\$ 84.44	PG&E Generation (incl. PCIA/FFS)	\$ 26.39 (2)
Total Electric Bill	\$ 50.75	Total Electric Bill	\$ 10.97 (3)
Percentage Increase on Total Bill	1.9%	Percentage Increase on Total Bill	2.1%

(1) VCE Revenue reduction (PCIA impact, partially offset by customer rate increase)

(2) Revenue increase for PG&E due to PCIA increase

(3) Total impact to the customer, in dollars and percentage





Valley Clean Energy – Special Board Meeting

Item 18 – Preliminary Operating Budget FY 20/21

March 12, 2020

Item 18 - Background – Operating Budget FY 2019-20

Operating Budget FY 2019-2020

- In June 2019, the Board approved the Operating Budget of \$46.4 M for fiscal year 2019-2020. The operating budget was based on the following:
 - VCEA rates set to match PGE&E's generation rates, net of PCIA and Franchise Fees
 - Power Mix of 42% renewable, 75% GHG-free for the default product
 - Contingency of 5% of other operating expenses due to uncertainty surrounding an entity in the second year of operations

Item 18 - Background – FY 2019-20 Actual + Forecast

YTD Actual plus Forecast FY 2019-2020

The YTD actual financial position for the 7 months ending January 31, 2020 plus the forecast for the remaining part of the fiscal year 2019-2020 are slightly below the approved budget mainly due to the following:

Negative Impacts:

- Reduction of Wholesale and Retail Load due to lower Customer KWh usage, down from forecasted load
- Power costs increased slightly due to changing market prices
- Costs related to potential acquisition of PG&E assets

Positive Impacts:

- Contingency in the budget offsets the PG&E-related expenditures
- Labor below budget due to leaner staffing model

Item 18 - Preliminary Operating Budget FY 2020-21

Preliminary Operating Budget FY 2020-2021

The preliminary operating budget for FY 2020-2021 reflects a negative Net Income of \$6.4 million due primarily due to two major factors that are both largely outside of VCE's direct control.

First, the budget suffers from anticipated negative revenue trends in FY 2020-21 resulting from an estimated 44% increase in PCIA costs and a 4% decrease in PG&E generation rates.

Second, VCE faces a large increase in power costs due to significant increase in resource adequacy (RA) costs and other market factors driving up the projected cost of power.

Item 18 - Preliminary Budget – Rate Impacts

Rates – The revenue decline is driven by the following rate impact factors:

- PCIA will increase by 18% to approximately 3.2 cents per kWh starting May 2020 and will increase an additional 44% to approximately 4.6 cents per kWh starting in October 2020 due to the expectation that PG&E will file a cap exception trigger in 2020
- PG&E generation rates will decrease by an overall average of 4% for calendar year 2020; this results in a VCE revenue decline as our policy is to match PG&E generation rates

Item 18 - Preliminary Budget – Power Costs/Mix

Power Costs/Mix – Power costs have increased substantially from FY 2020 budget to the preliminary FY 2021 budget. The increase of \$9.4 million is due primarily to the market cost of RA increasing substantially in the recent past. Other contributing factors include:

- Adding Winters load
- RECs cost increase
- Carbon-free energy cost increase
- Brown power market cost decrease

Rising RA costs have been a significant problem for the industry, with CCAs across the state dealing with the issue. VCE and SMUD actively monitor and manage the long-term portfolio of RA to remain compliant with requirements and as cost-effective as possible.

Item 18 - Preliminary Budget – Power Costs/Mix

The power mix reflected in the preliminary budget remains unchanged from the prior year's budget with 42% renewable and 75% clean content.

The load forecast has been updated for 2020 and 2021 using actual load data, opt-out rates and opt-up rates. The retail load forecast for the FY 2020-2021 is estimated at 722 GWh.

Energy cost includes system energy, eligible renewables and carbon free attributes which are estimated at \$37.6 million, or 73.9% of the total power costs. Resource adequacy cost is forecasted at \$13.3 million, or 26.1% of the total power costs

Item 18 - Preliminary Budget – Other Operating Expenses

Other Operating Expenses – Staff has reviewed the non-power operating expenses (labor, etc.), and proposes a preliminary budget that is lower than the FY 2020 budget due to careful consideration of costs and efficiency tactics. Overall, non-power related expenses in the preliminary budget are approximately 9% of VCE’s budget, down slightly from FY 19/20. The budget has been updated based on the following:

- Services currently under contract
- Shift of labor mix more heavily towards internal VCE staff and away from SMUD professional services augmentation, resulting in lower overall cost
- 2.5% annual inflation rate on most expenses not under contract
- 5% contingency rate for unanticipated operating expenses due to VCE still being a relatively new enterprise

Item 18 - Preliminary Budget – Mitigation Strategies

Mitigation Strategies – Staff has begun researching and analyzing potential policy levers for Board consideration to partially mitigate these financial impacts.

- Increase VCE combined generation rate beyond PG&E's generation rates
- Temporarily lower VCE goals for renewable and/or carbon free portfolio resource mix, while still maintaining compliance with minimum State standards
- Accept the GHG-free large hydro and nuclear allocations from PG&E
- Adjust energy hedging strategies (i.e., increase potential risk to reduce costs)
- Look for additional reductions in operating expense beyond those already captured

Item 18 - Summary of FY 2020-21 Preliminary Budget

VCE PRELIMINARY OPERATING BUDGET			ACTUAL YTD	
	APPROVED BUDGET		JAN 31, 2020 (7 MO) + FORECAST (5 MO)	PRELIMINARY BUDGET
	FY 2019-2020		FY 2019-2020	FY 2020-2021
OPERATING REVENUE	\$ 55,708	\$	54,744	\$ 49,227
OPERATING EXPENSES:				
Cost of Electricity	41,575		41,689	50,941
Contract Services	2,910		2,966	2,908
Staff Compensation	1,183		1,101	1,113
General, Administration and other	728		569	776
TOTAL OPERATING EXPENSES	46,396		46,325	55,738
TOTAL OPERATING INCOME	9,312		8,419	(6,511)
NONOPERATING REVENUES (EXPENSES)				
Interest income	132		115	135
Interest expense	(155)		(130)	(57)
TOTAL NONOPERATING REV/(EXPENSES)	(23)		(15)	78
NET MARGIN	\$ 9,289	\$	8,405	\$ (6,433)
NET MARGIN %	16.7%		15.4%	-13.1%

Item 18 - Conclusions

- The preliminary operating budget reflects a -13.1% net margin which does not meet VCE's 5% minimum annual net margin goal to maintain financial stability. Staff has prepared the preliminary operating budget for FY 2020-2021 based on the best available information on PG&E generation rates and PCIA exit fees.
- Despite the negative projections for the FY 2021 budget, VCE's cash reserves allow for customer rate smoothing, allowing the Board to make measured policy adjustments to address PCIA, RA and other cost fluctuations.
- Based on the Board feedback and direction, staff will return with a final recommended Operating Budget for FY 2020-2021 for consideration in May.



Valley Clean Energy – Special Board Meeting Item 20 - 2020 Local / Regional RFO

Mar 12, 2020



Item 20 - Background

- **The local/regional solicitation (RFO) is consistent with general Board direction and VCE’s Vision statement to pursue procurement of cost effective local renewable energy.**
- **This solicitation is also identified in VCE’s 2019 Renewable Portfolio Standard (RPS), Procurement Plan submitted to the California Public Utilities Commission (CPUC).**
 - **“VCE plans to establish an open solicitation for local renewables in the first quarter of 2020 in order to supply up to 25% of its targeted 2030 renewable goal of 80%.”**
- **Staff received input from the Community Advisory Committee, Defenders of Wildlife and The Nature Conservancy.**

Item 20 - High-Level Guidance

VCE desires cost effective projects that:

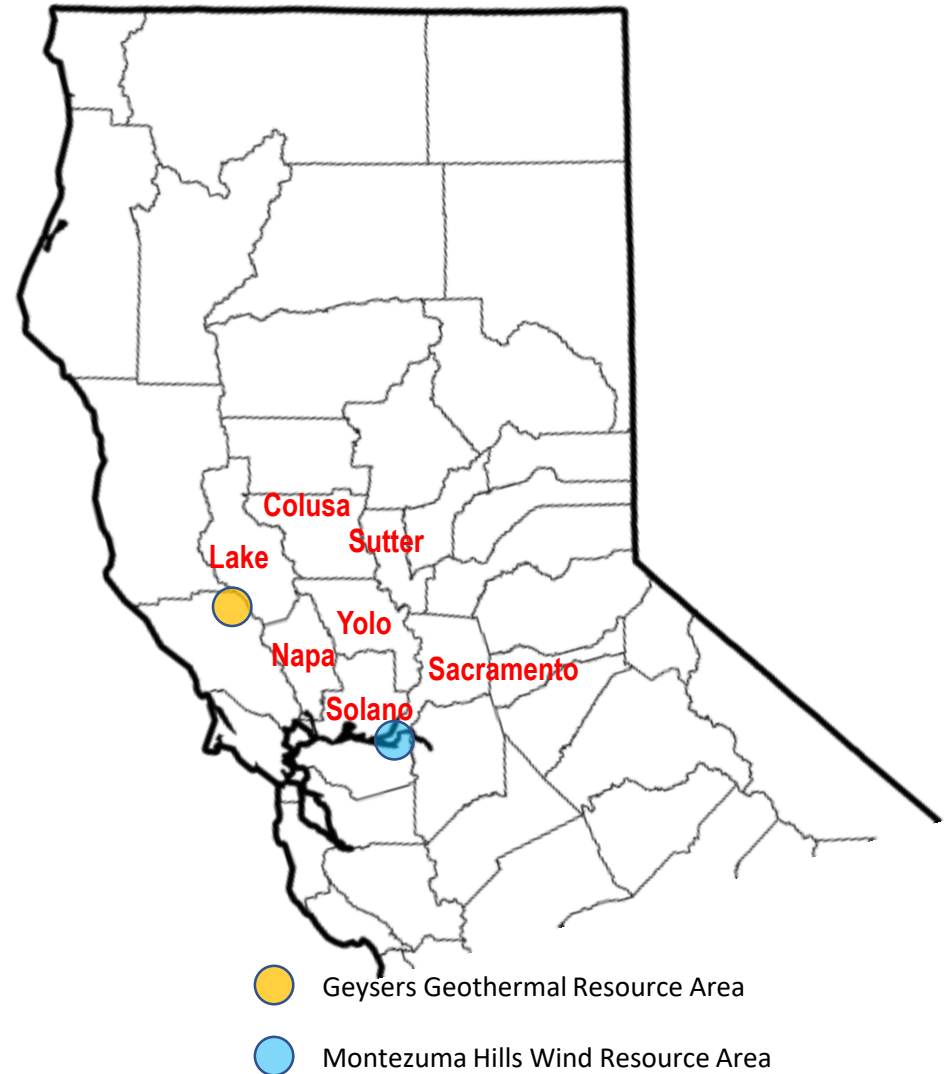
- **Provide local co-benefits;**
- **Are located in environmentally suitable locations;**
- **Are sustainably developed to avoid or minimize impacts to species, habitat, landscapes and agricultural lands.**

Item 20 - Criteria for Review

- **Local/Regional resources**
- **Prior land use**
- **Located in pre-screened energy development areas**
- **Level of completeness of permits**
- **Grid interconnection status**
- **Site control**
- **Multi-benefit renewable energy**

Item 20 - Definition of Local Resources

- There are many constraining land uses in Yolo County.
- Value to reserving local designation for Yolo County
- Recommendation:
 1. “Local” is within Yolo County or with nexus to YC.
 2. “Regional” is within the surrounding 6 counties plus Geysers GRA.



Item 20 - Prior Land Use & Energy Development Areas

- Preference for projects sited on mechanically disturbed lands (e.g. previously disturbed for industrial or residential development) or chemically or physically impaired farmland.
- The Renewable Energy Transmission Initiative (RETI), provides a high-level assessment of areas in California that are best suited to support utility scale renewable energy projects.
 - It is a useful screen that VCE used in its 2018 solicitation.
 - Supports the public process of the CEC, CPUC and CISO to identify potential transmission that could access and integrate renewable energy with the most environmental, economic, and community benefits.
 - Projects would be required to avoid RETI Category 1 or Category 2 designation.

Item 20 - Permitting and Interconnection Status

- **Status of land use permits and entitlements**
 - Including level of California Environmental Quality Act (CEQA) analysis required.
 - Projects with all permitting approved would be prioritized.
- **If located in Yolo County**
 - consistency with the Yolo County Habitat Conservation Plan / Natural Community Conservation Plan
- **The interconnection process is a long lead-time development activity**
 - Preference will be given to those projects that are enrolled in the interconnection queue.
 - Bidder has requested that the interconnection support deliverability of the full project capacity (called full capacity deliverability status).

Item 20 - Site Control and Multi-Benefit Projects

- **Developer has secured the underlying site (owns the land, has a lease, an option for a period of time, etc.).**
- **Renewable energy that provides additional societal, health, economic, water saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy.**
- **Potential effects on disadvantaged communities will be considered as well.**
- **Respondents will be required to elaborate on these additional benefits.**



Valley Clean Energy – Special Board Meeting Item 21 - Strategic Planning Process

March 12, 2020



Item 21 - Background/Overview

- The Board considered a process at its Feb 2020 meeting to develop a 3-5yr strategic plan to make VCE more effective in achieving its vision and mission.
- Staff has engaged Shawn Marshall with LEAN Energy to help facilitate the upcoming Board Working Session on March 23rd.
- As a lead in and to make the Working Session more productive, in this presentation staff will:
 - Walk through the internal SWOT analysis
 - Introduce the Working Session worksheet that will serve as a jumping off point for Board discussion on March 23rd; and
 - Share a draft framework for the Strategic Plan

Item 21 - 2019 SWOT Analysis

- A SWOT analysis is a compilation of strengths, weaknesses, opportunities and threats
- The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors involved in making strategic decisions
- 2019 Staff conducted an internal SWOT analysis that can serve as a jumping-off point for the strategic planning exercise

Item 21 - 2019 SWOT Analysis

STRENGTHS

Rank from A to Z (A being the strongest strength of VCE)

- Local Control - make decisions quickly, nimbleness
- Customer default into VCE
- Price Competitive
- Leveraging SMUD expertise
- Strong customer base that align with mission
- Strong alignment with jurisdictions
- Location – relative to energy usage/solar applicability (sunny/hot)
- Local expertise – legislature, CAC, energy efficiency
- Diversity of customer base (Ethnicity and Customer class)

Item 21 - 2019 SWOT Analysis

WEAKNESSES

Rank 1-6 (1 being the most dangerous to VCE's success)

- Finances:
 - Lack of Financial Reserves
 - No control over revenues – PG&E rates/PCIA exit fees
 - Difficult to obtain credit rating/financing
 - Lack of brand awareness
 - Lack of full access to our customer data
 - Lack of VCE employees
 - Limited staff
 - Thin structure – no employee/knowledge depth
 - Uncertainty in customers opt out
 - Direct Access & General
 - Steep learning curve of electric utility industry for decision makers

Item 21 - 2019 SWOT Analysis

- **OPPORTUNITIES**

- Priority 1 – 1 to 2 years (July 2019-June 2021); Priority 2 – 2 to 3 years (July 2020-June 2022)

Priority 1:

- Cost reduction of LT renewable resources
- Design Local customer programs
- Adding new member jurisdictions - Discussions/preparations - Operational (1-2)
- Build reputation and loyalty
- Regional efforts - Partner with regional organizations (i.e. SACOG grant)
- Grow electric revenues through electrification within the jurisdictions (i.e. electric vehicles, building electrification) -
- Increase understanding of electric utility industry for our stakeholders (custom board)
- Coordinate with other jurisdictions on assisting with recovery from disasters
- PG&E Bankruptcy – (prepare a separate SWOT analysis)



Item 21 - 2019 SWOT Analysis

- **OPPORTUNITIES**

Priority 2:

- Offer Local customer programs (as financial resources become available)
- Regional efforts
 - Improve regional economic vitality (i.e. Reinvest in the community – energy efficiency, EV infrastructure, job creation)
- Coordinate with other jurisdictions to obtain state/local funds for energy efficiency programs for our customers (i.e. loans/grants)
- Grow electric revenues through electrification with-in the jurisdictions (i.e. electric vehicles, building electrification) -
 - Implementation
- Obtain grants for energy efficiency programs or infrastructure

Item 21 - 2019 SWOT Analysis

- **THREATS**

- Uncertainty of annual PG&E rates/PCIA fee
- Regulatory Uncertainty - CPUC
- New legislation
- Negative publicity of CCA's
- Direct Access – SB 237
- PG&E Bankruptcy
- Other CCA's adding new member agencies in central valley

Item 21 - Draft Plan Framework

I. VCE Mission

I. VCE Vision

- a) Near-Term (1-2 years)
- b) Long-Term (5 years)

I. Strategic Plan Topic Areas *[discussion order may change pending Board prioritization]*

- a) Organization and Workplace
- b) Customers and Community
- c) Decarbonization and Grid Programs
- d) Finance and Fiscal Health
- e) Statewide Engagement – Regulatory/Legislative
- f) Energy and Procurement
- g) Information and Systems Technology

I. Structure Within Each Topic Area

- a) Brief description
- b) 1-4 goal statements (big targets with a 3-5 year horizon)
- c) Strategies to support each goal (3-year horizon)
- d) Proposed actions to implement strategies (1-3 year; reviewed and updated annually)

V. Appendices

Item 21 - Worksheet

Worksheet designed as a “thinking tool” to elicit Board thoughts and priorities in advance of VCE’s Board working session on March 23rd. General topics:

- **Organization/Workplace**
- **Customers and Community**
- **Decarbonization/Grid Programs**
- **Finance/Fiscal Health**
- **Energy/Procurement**
- **Statewide Issues**

Board “Homework” due Wednesday March 18th



Item 21 - Tentative Schedule

Date	Meeting/Milestone	Purpose
2/13/20	Board	Adopt development process and timeline
3/23/20	Board Working Session (Special meeting)	Establish strategic objectives to guide development of draft plan
3/26/20	CAC	Process update; Task group direction
4/9/20	Board	Process update
4/23/20	CAC	Process update; Task Group report
Early Q2 2020	Milestone	Completion of working draft plan early Q2 2020
Mid Q2 2020	Milestone	Begin collection of stakeholder feedback
5/14/20	Board	Process update; report on working draft
5/28/20	CAC	Process update; Task Group report on working draft
late Q2 2020	Milestone	Complete initial draft plan
6/11/20	Board	Review/provide direction on draft plan
6/25/20	CAC	Review/provide feedback and recommendation on final draft plan
Early Q3 2020	Milestone	Complete final draft plan
Mid Q3 2020	Board	Consider adoption of final plan

Item 21 - Direction/Next Steps

Board Direction/Next Steps

- Board “Homework” – Working Session Worksheet
 - Due Wednesday March 18th
- Board Working Session March 23rd
- Board Subcommittee update planning process calendar based on Working Session outcomes

Item 21 - REFERENCE SLIDES

REFERENCE SLIDES



VALLEY
CLEAN ENERGY

Item 21 - Mission

VCE Mission Statement Review (12/16)

Deliver cost-competitive clean electricity, product choice, price stability, energy efficiency, and greenhouse gas emission reductions



Item 21 - Vision

VCE Integrated Vision – Long term

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

- **Causing the deployment of new renewable and low carbon energy sources;**
- **Evaluating and adopting best practices of the electricity service industry for planning and operational management;**
- **Substantially increasing the renewable electricity content of basic electricity service, with the ultimate goal of achieving zero carbon emissions electricity;**
- **Developing and managing customized programs for energy efficiency, on-site electricity production and storage;**
- **Accelerating deployment of local energy resources to increase localized investment, employment, innovation and resilience;**
- **Working to achieve the climate action goals of participating jurisdictions to shape a sustainable energy future; and**
- **Saving money for ratepayers on their energy bills.**
- **Remaining open to the participation of additional jurisdictions.**

Item 21 - Vision

VCE Integrated Vision – Short term (adopted 2017)

- Provide electricity users with greater choice over the sources and prices of the electricity
 1. Offer basic electricity service with higher renewable electricity content, at a rate competitive with PG&E
 2. Develop and offer additional low-carbon or local generation options at modest price premiums
 3. Establish an energy planning framework for developing local energy programs and local energy resources and infrastructure
 4. Accomplish vision goals while accumulating reserve funds for future VCE energy programs and mitigation of future energy costs and risks