



**Special Meeting of the Valley Clean Energy Alliance  
Board of Directors  
Thursday, January 19, 2023 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 have 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/86592689521>

**Meeting ID: 865 9268 9521**

- b. By phone**

One tap mobile:

+1-669-900-9128,, 86592689521# US

+1-669-444-9171,, 86592689521# US

Dial:

+1-669-900-9128 US

+1-669-444-9171 US

**Meeting ID: 865 9268 9521**

**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 (City of Winters), Tom Stallard (City of Woodland), Gary Sandy (Yolo County), Will Arnold (City of Davis), Richard Casavecchia (City of Winters), Mayra Vega (City of Woodland), Lucas Frerichs (Yolo County), Babu Vaitla (City of Davis)

## 5:00 p.m. Call to Order

1. **Welcome - Board Clerk to administer Oaths of Office to new Board Members (Government Code § 1362)**
2. **Elections of Officers for 2023**
3. **Public Comment:** This item is reserved for persons wishing to address the Board on any VCE-related matters that are not otherwise on this meeting agenda or are listed on the Consent portion of the agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to two minutes per speaker, electronically submitted comments should be limited to approximately 300 words. Comments that are longer than 300 words will only be read for two minutes. All electronically submitted comments, whether read in their entirety or not, will be posted to the VCE website within 24 hours of the conclusion of the meeting. See below under **PUBLIC PARTICIPATION** on how to provide your public comment.

### **CONSENT AGENDA**

4. **Authorization to continue remote public meetings as authorized by Assembly Bill 361.**
5. **Approve December 8, 2022 Board meeting Minutes.**
6. **Receive 2023 Long Range Calendar.**
7. **Receive Financial Updates November 30, 2022 financials (unaudited) financial statements.**
8. **Receive Legislative update provided by Pacific Policy Group.**
9. **Receive January 11, 2023 Regulatory update provided by Keyes & Fox.**
10. **Receive Community Advisory Committee December 15, 2022 meeting summary.**
11. **Receive quarterly Customer Participation update.**
12. **Support proposed 2023 legislation to remove Assembly Bill 843 Sunset Limit for Bioenergy Market Adjusting Tariff (BIOMAT) program. (Action)**

### **REGULAR AGENDA**

13. **Update on VCE's Long-Term Power Portfolio. (Information)**
14. **Receive 2022 Customer year-end review presentation. (Information)**
15. **Discuss Board meetings and Brown Act / Assembly Bill 2449 rules regarding teleconferencing meetings. (Discussion/Action)**
16. **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.
17. **Adjournment/Announcement:** The next regular meeting is scheduled for Thursday, February 9, 2023 at 5 p.m.

### **PUBLIC PARTICIPATION INSTRUCTIONS FOR VALLEY CLEAN ENERGY BOARD OF DIRECTORS SPECIAL MEETING ON THURSDAY, JANUARY 19, 2023 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](mailto:Meetings@ValleyCleanEnergy.org). If information is received by 3:00 p.m. on the day of the Board meeting it will be e-mailed to the Board members and other staff prior to the meeting. If it is received after 3:00 p.m. the information will be distributed after the meeting, but within 24 hours of the conclusion of the meeting.

**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](mailto: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](mailto:Alisa.Lembke@ValleyCleanEnergy.org). The Valley Clean Energy website is located at: <https://valleycleanenergy.org/board-meetings/>.

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

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report - Item 4**

---

**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:** January 19, 2023

---

**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 5**

---

**TO:** Board of Directors  
**FROM:** Alisa Lembke, Board Clerk / Administrative Analyst  
**SUBJECT:** Approval of Minutes from December 8, 2022 meeting  
**DATE:** January 19, 2022

---

**RECOMMENDATION**

Receive, review and approve the attached December 8, 2022 meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS REGULAR MEETING  
THURSDAY, DECEMBER 8, 2022**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, December 8, 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 5:01 p.m.

Board Members Present: Jesse Loren, Tom Stallard, Don Saylor, Wade Cowan, Lucas Frerichs, \*Gary Sandy, \*Dan Carson, \*Mayra Vega (\*arrived at 5:04 p.m.)

Members Absent:

Welcome Chair Loren welcomed all.

Public Comment – General and Consent The Board Clerk informed those present that there are both verbal and written public comments on general and/or consent items.

Verbal Public Comment:

Christine Shewmaker summarized the written public comment letter dated December 7, 2022 she sent to the Board on the importance of setting aggressive RPS targets now for VCE.

(Gary Sandy, Dan Carson, and Mayra Vega arrived at 5:04 p.m.)

Cynthia Rodriguez provided a verbal public comment that last year she was the CAC's Vice Chair when these goals were requested and was the Chair of the Carbon Neutral Task Group. She would like this item to return to a schedule where the Board addresses aggressive RPS targets now. She thinks that stretching that goal out to be discussed in Quarter 3 of 2023 would undermine the purpose that the CAC had in writing it as soon as possible. She recognizes how important it is to show the County and our constituents that we are striving to make these goals as swiftly as possible.

Board Clerk announced that a written public comment was received by Christine Shewmaker. It was distributed to the Board Members and will not be read into the record tonight since Ms. Shewmaker summarized her letter verbally during Public Comment. In addition, the written comment will be posted to VCE's website tomorrow.



Approval of  
Consent Agenda /  
Resolutions 2022-  
032 through 2022-  
037

Director Carson had a question on Item 16: REACH Strategies (marketing, website and social media services) about how Staff reached their selection. Executive Officer Mitch Sears informed those present that several proposals were received in response to VCE's request for proposals (RFP). Proposals received were evaluated by Staff and a few CAC Members. Based on the proposer's proposal and overall experience working with CCA's, as well as the cost associated with their service, REACH Strategies was selected. Director of Customer Care and Marketing Rebecca Boyles informed those present that REACH Strategies had glowing references including a local CCA and larger utilities, and bringing new ideas forward seems to be a key strength while maintaining existing guidelines and style.

Motion made by Director Carson to approve the consent agenda items, seconded by Vice Chair Stallard. Motion passed. The following items were:

3. Authorized to continue remote public meetings as authorized by Assembly Bill 361;
4. Approved November 10, 2022 Board meeting Minutes;
5. Received 2022 Long Range Calendar;
6. Received financial updates October 31, 2022 (unaudited) financial statement;
7. Received November 2022 Regulatory update dated November 30, 2022 provided by Keyes & Fox;
8. Received Community Advisory Committee November 17, 2022 meeting summary;
9. Received Community Advisory Committee 2022 Year-end Task Group reports;
10. Received Net Energy Metering (NEM) update;
11. Received information on rotation of jurisdictions for Board Chair and Vice Chair;
12. Ratified Third Amendment to Green Ideals Consultant Agreement as Resolution 2022-032;
13. Approved agreement with Don Dame for energy consulting services as Resolution 2022-033;
14. Approved agreement with Jim Parks for key account, program and grant activity services as Resolution 2022-034;
15. Approved agreement with Pacific Policy Group for lobbying services as Resolution 2022-035;
16. Approved agreement with REACH Strategies for marketing, website and social media services as Resolution 2022-036; and,
17. Approved Greenhouse gas (GHG) Free Attributes for 2023 accepting large hydro and rejecting nuclear as Resolution 2022-037.





Item 18: Approve agreement with The Energy Authority for wholesale energy services. (Action) / Resolution 2022-038

Mr. Sears introduced this item, and VCE Staff Gordon Samuel introduced Jeff Fuller and Jaclyn Harr of The Energy Authority (TEA). Mr. Samuel provided a summary of the agreement. There were no verbal or written public comments.

Director Frerichs made a motion to approve the wholesale energy services (WES) agreement with The Energy Authority, seconded by Director Saylor. Motion passed as Resolution 2022-038 by the following vote:

AYES: Loren, Stallard, Saylor, Carson, Cowan, Sandy, Frerichs, Vega

NOES: None

ABSENT: None

ABSTAIN: None

Item 19: Approve 2023 Operating Budget and 2023 Customer Rates. (Action) / Resolution 2022-039

Mr. Sears introduced this item and VCE Staff Edward Burnham summarized the 2023 operating budget and 2023 customer rates.

A few questions were asked by the Board on multi-year forecasting, the effects of Power Charge Indifference Adjustment (PCIA), and dividend and reserves. There were no verbal or written public comments.

Director Carson made a motion to approve 2023 Operating Budget and 2023 Customer Rates, seconded by Director Cowan. Motion passed as Resolution 2022-039 by the following vote:

AYES: Loren, Stallard, Saylor, Carson, Cowan, Sandy, Frerichs, Vega

NOES: None

ABSENT: None

ABSTAIN: None

Item 20: Approve VCE Rate Adjustment Policy. (Action) / Resolution 2022-040

Mr. Sears introduced this item. Mr. Burnham introduced Don Dame, VCE's consultant, and summarized the proposed Rate Adjustment Policy being presented to the Board for approval.

Mr. Sears reminded the Board that the Rate Adjustment Policy is a tool to be used by Staff if circumstances warrant. The Board discussed: customer notification about rate adjustment(s) and how other CCAs notify their customers; Board rate and adjustment review process; the need for flexibility in how much the rates may be adjusted; the purpose and parameters of the policy; responding to market conditions; rate increase amortization; concerns of rate increase every few months; and, oversight of the Board on rate adjustments in accordance with this policy. There were no verbal or written public comments.



Director Saylor made a motion to approve the Rate Adjustment Policy with the added phrase “generally” to the monthly increase/decrease percentage within the policy to allow staff flexibility to administer the policy, seconded by Vice Chair Stallard. Motion passed as Resolution 2022-040 by the following vote:

AYES: Loren, Stallard, Saylor, Carson, Cowan, Sandy, Frerichs, Vega

NOES: None

ABSENT: None

ABSTAIN: None

Item 22: Board Member and Staff Announcements

There were no Board announcements. Mr. Sears recognized the work and contributions of the Community Advisory Committee (CAC) to VCE and Staff, including the work done by the CAC’s Task Groups. The CAC has been a valuable resource of insight and outreach within our communities. Staff have had end-of-year meetings with some of VCE’s larger customers and discussed: their future goals and how VCE could possibly assist them in reaching their goals; energy use and efficiency; and, innovate ideas about energy production. Staff look forward to continuing these discussions and developing partnerships. Mr. Sears provided brief highlights of VCE’s activities in 2022.

Chair Loren thanked the Board for their hard work and commitment to VCE this past year.

Item 21: Recognition of Board Members for their service on the Valley Clean Energy Board of Directors

Chair Loren acknowledged and thanked the outgoing VCE Board Members by reading off portions of each proclamation about the service provided by Don Saylor, Dan Carson and Wade Cowan.

Announcement and Adjournment

Chair Loren announced that the Board has scheduled a special meeting for Thursday, January 19, 2023 at 5 p.m.

Chair Loren adjourned the regular Board meeting at 6:48 p.m.

Alisa M. Lembke  
VCE Board Secretary

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 6

---

**TO:** Board of Directors

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

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

**DATE:** January 19, 2023

---

#### **Recommendation**

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

**VALLEY CLEAN ENERGY**  
**2023 Meeting Dates and *Proposed* Topics**  
**Board and Community Advisory Committee (CAC)**  
**(CAC: Topics and Discussion Dates may change as needed)**

MEETING DATE		TOPICS	ACTION
<del>January 12, 2023</del> <b>Special Meeting scheduled for January 19, 2023 (3<sup>rd</sup> Thursday) (REMOTE)</b>	<b>Board</b>	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members (Annual - new Members only)</li> <li>• Election of Officers for 2023 (Annual)</li> <li>• Brown Act / AB 2449 – New Legislation on Teleconferencing Meetings</li> <li>• 2022 Year End Review: Customer Care and Marketing</li> <li>• Support Legislation to extend sunset (BioMAT program)</li> <li>• Long-term Power Portfolio Update</li> <li>• Quarterly Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Discussion/Action</li> <li>• Information</li> <li>• Action</li> <li>• Information</li> <li>• Information</li> </ul>
January 26, 2023 <b>(In Person or Remote)</b>	<b>Advisory Committee</b>	<ul style="list-style-type: none"> <li>• Legislative Summary/Update (Pacific Policy Group)</li> <li>• 2023 Customer Rate update</li> <li>• Forecasting Customer Ag Energy using hydrological conditions (research results) presentation</li> <li>• Task Group Formation</li> <li>• Quarterly Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>
<b>February 9, 2023 (In person)</b>	<b>Board</b>	<ul style="list-style-type: none"> <li>• Legislative Summary/Update (Pacific Policy Group)</li> <li>• Update on 2023 PCIA and Rates</li> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• Strategic Plan Update (Annual)</li> <li>• Enterprise Risk Oversight Committee (EROC) proposed modifications</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
February 23, 2023 <b>(In person or Remote)</b>	<b>Advisory Committee</b>	<ul style="list-style-type: none"> <li>• Power Procurement / Renewable Portfolio Standard Update</li> <li>• Strategic Plan update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> </ul>
<b>March 9, 2023</b>	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Receive Enterprise Risk Management Report (Bi-Annual)</li> <li>• Update on customer programs development</li> <li>• SMUD: Amendment to update Agreement (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Action</li> </ul>

March 23, 2023	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Overview of VCE Forecasting</li> <li>• Time of Use (TOU) and Bill Protection</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Discussion/Action</li> </ul>
April 13, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• Calendar Year 2023 Audited Financial Statements (James Marta &amp; Co.)</li> <li>• Time of Use (TOU) Bill Protection</li> <li>• SMUD: Amendment to update Agreement (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Action</li> <li>• Discussion/Action</li> <li>• Action</li> </ul>
April 27, 2023	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Update on Customer Dividend and Programs Allocation</li> <li>• Forecasting – load and power costs</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> </ul>
May 11, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Update on Customer Dividend and Programs Allocation</li> <li>• Appointment of At-Large Members to the CAC</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Action</li> </ul>
May 25, 2023	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Forecasting – financial modeling</li> <li>• Net Energy Metering (NEM) 3.0 Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> </ul>
June 8, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Opt-Out Fees</li> <li>• Update on 3-Year Programs Plan</li> <li>• Forecasting</li> <li>• Net Energy Metering (NEM) 3.0 Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
June 22, 2023	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Update 3-Year Programs Plan</li> <li>• Review CAC Charge (Annual)</li> <li>• Power Portfolio Renewable Content (<i>placeholder</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Discussion</li> <li>• Information/Discussion</li> </ul>
July 13, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Re/Appointment of Members to Community Advisory Committee (Annual)</li> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• Quarterly Customer Enrollment Update</li> <li>• Power Portfolio Renewable Content (<i>placeholder</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> <li>• Information</li> <li>• Information/Discussion</li> </ul>
July 27, 2023	<b>Advisory Committee (IN PERSON)</b>		
August 10, 2023	<b>Board (IN PERSON)</b>		

August 24, 2023	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Power Procurement / Renewable Portfolio Standard update</li> <li>• Mid-year 2023 rates update</li> <li>• Quarterly Customer Enrollment Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
September 14, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Certification of Standard and UltraGreen Products / 2022 Power Content Label (Annual)</li> <li>• Enterprise Risk Management Report (Bi-Annual)</li> <li>• Mid-year 2023 Customer rates review</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> <li>• Information/Discussion</li> </ul>
September 28, 2023	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Legislative End of Session update</li> <li>• 2023 Integrated Resource Plan (IRP <i>update due early Nov. 2023</i>)</li> <li>• Update on Programs Plan and 2024 program concepts</li> <li>• Introduction to Rate Adjustment System concept</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information/Discussion</li> <li>• Information/Discussion</li> <li>• Information/Discussion</li> </ul>
October 12, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• Update on 2024 draft Operating Budget</li> <li>• Quarterly Customer Participation Update</li> <li>• Strategic Plan update</li> <li>• 2023 Integrated Resource Plan (IRP <i>update due early Nov. 2023</i>)</li> <li>• Update on Programs Plan and 2024 program concepts</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Information/Discussion</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>
October 26, 2023	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Update on Power Content Label Customer Mailer</li> <li>• SACOG Update</li> <li>• Quarterly Customer Participation Update</li> <li>• Review CAC Task Group Year-end Reports</li> <li>• Draft 2024 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion</li> <li>• Discussion/Action</li> </ul>
November 9, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• 2024 Operating Budget Update</li> <li>• 2024 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Discussion/Action</li> </ul>
November 23, 2023 (reschedule to November 16 <sup>th</sup> due to the Thanksgiving holiday on Nov. 23 <sup>rd</sup> .)	<b>Advisory Committee (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• GHG Free Attributes</li> <li>• Power Procurement / Renewable Portfolio Standard Update</li> <li>• Rate Adjustment System</li> <li>• Carbon Neutral by 2030</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> </ul>
December 14, 2023	<b>Board (IN PERSON)</b>	<ul style="list-style-type: none"> <li>• Approve 2024 Operating Budget (Annual) and 2024 Customer Rates</li> <li>• GHG Free Attributes</li> <li>• Carbon Neutral by 2030</li> <li>• Receive CAC Year-end Task Group Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Action</li> <li>• Discussion</li> <li>• Information</li> </ul>

		<ul style="list-style-type: none"> <li>Election of Officers for 2024 (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>Nominations</li> </ul>
December 28, 2023 [reschedule?]	Advisory Committee (IN PERSON)	<ul style="list-style-type: none"> <li>2024 CAC Task Group(s) formation (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> </ul>
January 11, 2024	Board (IN PERSON)	<ul style="list-style-type: none"> <li>Oaths of Office for Board Members (Annual - new Members only)</li> <li>Election of Officers for 2024 (Annual)</li> <li>Update on SACOG Grant – Electrify Yolo</li> <li>Strategic Plan update (Annual)</li> <li>Quarterly Customer Participation Update</li> <li>2023 Year End Review: Customer Care and Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Nominations</li> <li>Information</li> <li>Discussion/Action</li> <li>Information</li> <li>Information</li> </ul>
January 25, 2024	Advisory Committee (IN PERSON)	<ul style="list-style-type: none"> <li>Quarterly Customer Participation Update</li> <li>Legislative Summary/Update (Pacific Policy Group)</li> <li>2024 Customer Rate update</li> <li>Strategic Plan update</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Information</li> <li>Information</li> </ul>

- Notes:**
1. CalCCA Annual Meeting scheduled (tentatively) for May 17 - 19, 2023 (San Diego).
  2. Starting in March 2023 all meetings will be held in person.

<b>CAC PROPOSED FUTURE TOPICS</b> Topics and Discussion dates may change as needed	<b>ESTIMATED MEETING DATE(S)</b>
Net Energy Metering (NEM) 3.0 (Information/Discussion/Action)	As needed
Self Generation Incentive Program (SGIP)	TBD
2023 Customer Rates update (Information)	January 2023 / TBD
Improving Resiliency through Power Outages	
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 7**

---

**TO:** Board of Directors

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

**SUBJECT:** Financial Update – November 30, 2022 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending November 30, 2022

**DATE:** January 19, 2023

---

**RECOMMENDATION:**

Accept the following Financial Statements (unaudited) for the period of November 1, 2022 to November 30, 2022 (with comparative year to date information) and Actual vs. Budget year to date ending November 30, 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 November 30, 2022.

**Financial Statements for the period November 1, 2022 – November 30, 2022**

In the Statement of Net Position, VCEA, as of November 30, 2022, has a total of \$2,970,725 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 \$2,704,794 restricted assets for the Power Purchases Reserve account.



The term loan with River City Bank includes a current portion of \$755,672. The line of credit with the County of Yolo has an outstanding balance of \$2,000,000. On November 30, 2022, VCE's net position is \$14,151,088.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCEA recorded \$5,836,607 of revenue (net of allowance for doubtful accounts), of which \$5,894,360 was billed in November, and \$4,232,606 represent estimated unbilled revenue. The cost of electricity for the November revenue amount totaled \$4,370,125. For November, VCEA's gross margin was approximately 25% and net income totaled \$1,098,721. The year-to-date change in net position was \$5,515,561.

In the Statement of Cash Flows, VCEA cash flows from operations were \$4,520,296 due to November cash receipts of revenues being more than the monthly cash operating expenses.

Actual vs. Budget Variances for the year to date ending November 30, 2022

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

- Electric Revenue – (\$3,985,898) 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 – (\$7,774,272) and -13% – Unfavorable variance due to warmer weather than forecast during the winter months, heat storms in June and November, and gas prices driving short-term power market increases.
- Marketing Collateral – 66,271 and -30% – favorable variance related to the delay of engagement activities related normalization post COVID-19.
- Contingency – (\$220,000) and (100%) – favorable variance to budget is due to not having a need yet to utilize the contingency funds set aside in the budget.

**Attachments:**

- 1) Financial Statements (Unaudited) November 1, 2022 to November 30, 2022 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending November 30, 2022



**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF NOVEMBER 1 TO NOVEMBER 30, 2022**

**PREPARED ON JANUARY 11, 2023**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
**NOVEMBER 30, 2022**  
(UNAUDITED)

November 30, 2022

**ASSETS**

Current assets:

Cash and cash equivalents	\$	2,970,725
Accounts receivable, net of allowance		11,421,932
Accrued revenue		4,232,606
Prepaid expenses		32,082
Other current assets and deposits		2,139,195
Total current assets		20,796,540

Restricted assets:

Debt service reserve fund		1,100,000
Power purchase reserve fund		2,704,794
Total restricted assets		3,804,794

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>24,601,334</b>
---------------------	-----------	-------------------

**LIABILITIES**

Current liabilities:

Accounts payable	\$	570,264
Accrued payroll		90,920
Interest payable		4,193
Due to member agencies		(28)
Accrued cost of electricity		2,880,824
Other accrued liabilities		1,025,621
Security deposits - energy supplies		1,980,000
User taxes and energy surcharges		44,058
Limited Term Loan		755,672
Loan - County of Yolo		2,000,000
Total current liabilities		9,351,524

Total noncurrent liabilities		-
------------------------------	--	---

<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>9,351,524</b>
--------------------------	-----------	------------------

**NET POSITION**

Restricted		
Local Programs Reserve		224,500
Restricted		3,804,794
Unrestricted		11,220,515
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>15,249,809</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION**  
**FOR THE PERIOD OF NOVEMBER 1, 2022 TO NOVEMBER 30, 2022**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING NOVEMBER 30, 2022</u>	<u>YEAR TO DATE</u>
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 5,836,607	\$ 79,617,401
Other revenue	691	1,158,974
<b>TOTAL OPERATING REVENUES</b>	<u>5,837,298</u>	<u>80,776,375</u>
<b>OPERATING EXPENSES</b>		
Cost of electricity	4,370,125	69,820,972
Contract services	239,417	2,486,387
Staff compensation	109,723	1,162,221
General, administration, and other	25,335	1,790,400
<b>TOTAL OPERATING EXPENSES</b>	<u>4,744,600</u>	<u>75,259,980</u>
<b>TOTAL OPERATING INCOME (LOSS)</b>	1,092,697	5,516,395
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	8,431	35,250
Interest and related expenses	(2,407)	(36,084)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>6,024</u>	<u>(834)</u>
<b>CHANGE IN NET POSITION</b>	1,098,721	5,515,561
Net position at beginning of period	14,151,088	9,734,249
Net position at end of period	<u>\$ 15,249,809</u>	<u>\$ 15,249,810</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF NOVEMBER 1 TO NOVEMBER 30, 2022**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING NOVEMBER 30, 2022</u>	<u>YEAR TO DATE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 8,717,199	\$ 64,247,297
Payments received from other revenue sources	691	1,158,283
Payments to purchase electricity	(4,839,880)	(67,348,242)
Payments for contract services, general, and administration	733,167	(3,493,881)
Payments for staff compensation	(90,881)	(1,044,329)
<b>Net cash provided (used) by operating activities</b>	<b>4,520,296</b>	<b>(6,480,872)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	(1,043,210)	2,645,856
Interest and related expenses	(2,456)	(32,221)
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(1,045,666)</b>	<b>2,613,635</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	8,431	26,819
<b>Net cash provided (used) by investing activities</b>	<b>8,431</b>	<b>26,819</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	3,483,061	(3,981,337)
Cash and cash equivalents at beginning of period	3,292,458	5,882,555
<b>Cash and cash equivalents at end of period</b>	<b>\$ 6,775,519</b>	<b>\$ 6,088,653</b>
Cash and cash equivalents included in:		
Cash and cash equivalents	2,970,725	2,970,725
Restricted assets	3,804,794	3,804,794
<b>Cash and cash equivalents at end of period</b>	<b>\$ 6,775,519</b>	<b>\$ 6,775,519</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF NOVEMBER 1 TO NOVEMBER 30, 2022**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING NOVEMBER 30, 2022</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,092,697	\$ 4,423,697
(Increase) decrease in net accounts receivable	3,339,315.94	(4,114,087.47)
(Increase) decrease in accrued revenue	(400,270)	(2,464,412.74)
(Increase) decrease in prepaid expenses	9,317	853,148.00
Increase (decrease) in accounts payable	31,399	125,522.43
Increase (decrease) in accrued payroll	18,842	27,011.00
Increase (decrease) in due to member agencies	(868)	(117,973.00)
Increase (decrease) in accrued cost of electricity	(469,755)	(2,451,345.00)
Increase (decrease) in other accrued liabilities	958,071	739,870.78
Increase (decrease) in user taxes and energy surcharges	(58,454)	(74,704.90)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 4,520,296</u>	<u>\$ 2,322,202</u>

**VALLEY CLEAN ENERGY**  
**2022 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 11/30/22**

Description	YTD Actuals	YTD Budget	YTD Variance	% over/-under
Electric Revenue	\$ 79,617,402	\$ 83,603,300	\$ (3,985,898)	-5%
Other Revenues - Programs	\$ 1,158,974	\$ -	\$ 1,158,974	100%
Interest Revenues	\$ 35,575	\$ 16,500	\$ 19,075	116%
<b>Purchased Power</b>	<b>\$ 69,820,972</b>	<b>\$ 62,046,700</b>	<b>\$ (7,774,272)</b>	<b>-13%</b>
Purchased Power Base	\$ 69,820,972	\$ 60,974,800	\$ (8,846,172)	-15%
Purchased Power Contingency 2%	\$ -	\$ 1,071,900	\$ 1,071,900	100%
<b>Labor &amp; Benefits</b>	<b>\$ 1,162,221</b>	<b>\$ 1,192,900</b>	<b>\$ 30,679</b>	<b>3%</b>
Salaries & Wages/Benefits	\$ 966,538	\$ 998,800	\$ 32,262	3%
Contract Labor (SMUD Staff Aug)	\$ -	\$ 37,900	\$ 37,900	100%
Human Resources & Payroll	\$ 195,683	\$ 156,200	\$ (39,483)	-25%
<b>Office Supplies &amp; Other Expenses</b>	<b>\$ 200,638</b>	<b>\$ 185,000</b>	<b>\$ (15,638)</b>	<b>-8%</b>
Technology Costs	\$ 56,468	\$ 36,500	\$ (19,968)	-55%
Office Supplies	\$ 9,682	\$ 2,200	\$ (7,482)	-340%
Travel	\$ 2,183	\$ 5,500	\$ 3,317	60%
CalCCA Dues	\$ 104,415	\$ 116,600	\$ 12,185	10%
CC Power	\$ 26,891	\$ 22,000	\$ (4,891)	-22%
Memberships	\$ 1,000	\$ 2,200	\$ 1,200	55%
<b>Contractual Services</b>	<b>\$ 2,289,243</b>	<b>\$ 2,420,200</b>	<b>\$ 130,957</b>	<b>5%</b>
Other Contract Services	\$ -	\$ 23,100	\$ 23,100	100%
Don Dame	\$ 9,097	\$ 9,300	\$ 203	2%
SMUD - Credit Support	\$ 495,806	\$ 524,700	\$ 28,894	6%
SMUD - Wholesale Energy Services	\$ 551,982	\$ 543,300	\$ (8,682)	-2%
SMUD - Call Center	\$ 737,853	\$ 731,700	\$ (6,153)	-1%
SMUD - Operating Services	\$ 69,647	\$ 55,500	\$ (14,147)	-25%
Commercial Legal Support	\$ 7,848	\$ -	\$ (7,848)	100%
Legal General Counsel	\$ 99,730	\$ 141,900	\$ 42,170	30%
Regulatory Counsel	\$ 178,279	\$ 182,600	\$ 4,321	2%
Joint CCA Regulatory counsel	\$ 30,581	\$ 29,700	\$ (881)	-3%
Legislative - (Lobbyist)	\$ 55,000	\$ 55,500	\$ 500	1%
Accounting Services	\$ 8,053	\$ 24,200	\$ 16,147	67%
Financial Consultant	\$ -	\$ 23,100	\$ 23,100	100%
Audit Fees	\$ 45,368	\$ 75,600	\$ 30,232	40%
<b>Marketing</b>	<b>\$ 153,929</b>	<b>\$ 225,500</b>	<b>\$ 71,571</b>	<b>32%</b>
Marketing Collateral	\$ 153,729	\$ 220,000	\$ 66,271	30%
Community Engagement Activities & Sponsorships	\$ 200	\$ 5,500	\$ 5,300	96%
<b>Programs</b>	<b>\$ 1,215,492</b>	<b>\$ 159,500</b>	<b>\$ (1,055,992)</b>	<b>-662%</b>
Program Costs	\$ 124,727	\$ 159,500	\$ 34,773	22%
Programs - AgFIT	\$ 1,090,765	\$ -	\$ (1,090,765)	100%
<b>Rents &amp; Leases</b>	<b>\$ 17,600</b>	<b>\$ 19,800</b>	<b>\$ 2,200</b>	<b>11%</b>
Hunt Boyer Mansion	\$ 17,600	\$ 19,800	\$ 2,200	11%
<b>Other A&amp;G</b>	<b>\$ 400,034</b>	<b>\$ 336,900</b>	<b>\$ (63,134)</b>	<b>-19%</b>
Development - New Members	\$ -	\$ 23,100	\$ 23,100	100%
Strategic Plan Implementation	\$ 5,684	\$ 44,600	\$ 38,916	87%
PG&E Data Fees	\$ 238,509	\$ 253,000	\$ 14,491	6%
Insurance	\$ 12,249	\$ 7,700	\$ (4,549)	-59%
Banking Fees	\$ 143,592	\$ 8,500	\$ (135,092)	-1589%
<b>Miscellaneous Operating Expenses</b>	<b>\$ 176</b>	<b>\$ 600</b>	<b>\$ 424</b>	<b>71%</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>100%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 75,260,306</b>	<b>\$ 66,607,100</b>	<b>\$ (8,653,206)</b>	<b>-13%</b>
Interest on RCB loan	\$ 33,588	\$ 31,300	\$ 2,288	7%
Interest Expense - Bridge Loan	\$ 2,496	\$ 70,800	\$ (68,304)	-96%
<b>NET INCOME</b>	<b>\$ 5,515,561</b>	<b>\$ 16,910,600</b>	<b>\$ (11,395,039)</b>	<b>-67%</b>

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 8**

---

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: January 19, 2023

---

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

The curtain is up, and the opening act of the two-year 2023-24 legislative session is already in mid-scene. With the worst of the COVID-19 pandemic seemingly behind us, the Legislature appears set to return to normal with legislators and staff all back in their offices in Sacramento and taking meetings in person. The session officially started on December 5, 2022, as that was the day the Legislature convened its organizing session to swear in newly elected members, and there are many new legislators.

The Senate has nine freshman and one Assemblymember turned Senator. The 40-member house will be 31 Democrats and 9 Republicans. In the other statehouse, the 80-member Assembly hosts 24 new members on the roster and will be dominated by Democrats as they have an advantage of 62 members to just 18 for the Republicans. VCE's legislative delegation of Senator Dodd and Assemblymember Aguiar-Curry remains the same, but this will be the final two-year session for Senator Dodd.

The 24 new Assemblymembers is not the only shakeup we will see this session as the dynamics of the Assembly leadership are in flux with Speaker Rendon terming out in 2 years. Assemblymember Robert Rivas launched a bid last summer to replace Mr. Rendon as Speaker. Although Mr. Rivas failed at that time, he continued to press the issue and a compromise at the Democratic Caucus meeting in November. Assemblymember Rendon will remain as Speaker until June 30 and on July 1 Mr. Rivas will become Speaker. This arrangement was ratified on December 5 in House Resolution 1.

Swearing in new members and settling leadership fights wasn't the only activity to occur on December 5, as roughly 100 bills were introduced between the two houses. Most of the legislation introduced so far have been spot bills or intent bills, marking areas of interest but lacking substantive policy proposals. Several bills touch on topics of interest to VCE, such as legislation to address the need for safety at battery storage facilities (SB 38 (Laird)) and a



mandate that each load-serving entities' Integrated Resource Plan include a balanced and diverse portfolio of resources that provides an optimal integration of renewable resources in a cost-effective manner that meets GHG reduction targets (SB 56 (Skinner)). The deadline for legislators to introduce bills is February 17 and numerous more energy related bills will undoubtedly emerge between now and then.

Every new legislative session brings the prospect of new committee chairs and committee members and coming into 2023 our eyes were fixed on who would fill the open Senate Energy, Utilities, and Communications Committee. Senator Steven Bradford will take the gavel for this important committee with topics critical to CCA interests. Interestingly, the Committee was also expanded from 14 members to 18 members (14 Democrats and 4 Republicans) and it appears that 12 of the 18 members of the committee have CCAs in their districts.

In addition to all of the Legislature's activity, Governor Newsom and his Administration are also at full stride. January 10 was the deadline for the Governor to release a proposed budget for the 2023-2024 fiscal year and that proposal has just hit the streets. For several months, reports and analysis showed state tax revenues coming in below projections. The proposed budget does indeed reflect a deficit of \$22.5 billion in the fiscal year, necessitating some cuts, deferrals, and shifting of funds from the General Fund to other sources. While the state has prudently socked money away into a Rainy Day Fund, to a tune of \$36.5 billion, the proposed budget does not plan to tap into the Rainy Day Fund as the Administration's analysis does not show California heading into a deficit.

Funding programs of interest that are proposed to be reduced include zero-emission vehicles, the California Arrearages Payment Program helping ratepayers pay past due electric bills, a newly created program to decarbonize buildings, and transmission financing. One funding commitment that held true is an appropriation of \$100 million to the Clean Energy Reliability Investment Plan funds for reliability and enabling investments that will accelerate the clean energy transition, which was part of SB 846 (Dodd) to extend Diablo Canyon.

The Governor's proposed budget is just the first step of a process that more and more takes the entire session to complete so these proposed cuts are just that for now, proposed. We will wait until May for the Governor's annual revision to the budget, the "May Revise", to see how the January budget has evolved.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 9

---

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: January 19, 2023

---

Please find attached Keyes & Fox's December 2022 Regulatory Memorandum dated January 11, 2023, an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

**Attachment:** Keyes & Fox Regulatory Memorandum dated January 11, 2023.

## 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: January 11, 2023

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:** On December 7, the CPUC issued [Draft Comment Resolution E-5239](#) on PG&E [AL 6654-E](#) and [AL 6654-E-A](#) Plan to Implement the Modified Cost Allocation Mechanism (MCAM) established in D.19-11-016 and D.21-06-035 that would approve PG&E's plans for recovery of costs, estimated between \$3.5 and \$5 million, associated with MCAM procurement. This matter is scheduled to be heard at the January 12 Commission meeting. On December 12, comments were filed on the Staff Options Paper regarding changes to reliability procurement. On December 13, the CPUC issued [Draft Comment Resolution E-5252](#) on the Transmission Project Review Process effective January 1, 2024, and on January 6 an email ruling extended to deadline for comments on Draft Resolution E-5252 by 30 days until February 13.

**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:** IRP procurement compliance filings for D.19-11-016 and D.21-06-035 are due on February 1, 2023. Comments on Draft Resolution E-5252 are due on February 13, 2023.

**Additional Information:** [Draft Comment Resolution E-5252](#) on the Transmission Project Review Process (Dec. 13, 2022); [Draft Comment Resolution E-5239](#) on PG&E [AL 6654-E](#) and [AL 6654-E-A](#) (Dec. 7, 2023); 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 December 5, the CPUC provided Notice of the availability of draft Compliance Report Templates and supporting documents for the 2017-2020 Compliance Period on the [RPS compliance website](#). On December 6, the CPUC issued a disposition letter approving [PG&E AL 6754-E](#), effective November 7, on Energy Price Updates for November 2022 Eligible to Qualifying Facilities of 20 MW or less. On December 19, the CPUC issued [D.22-12-030](#) adopting Retail Sellers' draft 2022 RPS Procurement Plans, including VCE's.

**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:** Final 2022 RPS Procurement Plans are due January 18, 2023.

**Additional Information:** [D.22-12-030](#) (Dec. 19, 2022); PG&E [AL 6794-E](#) (Dec. 19, 2022); [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 December 15, PG&E submitted [substitute sheets](#) for [AL 6501-E](#) requesting a waiver of penalties for failure to meet April 2022 Local Resource Adequacy procurement obligations. On December 19, the CPUC issued [D.22-12-028](#) denying CalCCA's [Petition for Modification](#) (filed September 30) of D.22-03-034 on system RA procurement requirements for 2023. On December 21, the CPUC issued the second revised [disposition notice](#) for PG&E's supplemental [Advice Letter 6706-E-A](#) regarding the CPE's failure to fulfill its 2023 Local RA procurement obligations. On January 6, the CPUC released the updated Demand Response Load Impact Protocols ([LIP](#)) [Filing Guide V3.0](#) on the [CPUC Demand Response webpage](#).

**Analysis:** The decision on CalCCA's [Petition](#) provides no immediate relief from LSE RA procurement obligations aside from that already provided in [D.22-03-034](#), but does encourage LSEs to raise such issues in the next phase of the Implementation Track. 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:** A proposed decision on Reform Track Phase 2 is expected in Q1 2023. Proposals on Implementation Track Phase 3 are due January 20, and a workshop on proposals is expected in early February 2023 followed by comments on the workshop proposals due February 17, 2023. The CAISO draft 2024 Local Capacity Requirements report is expected in April 2023.

**Additional Information:** ([LIP](#)) [Filing Guide V3.0](#) (Jan. 6, 2023); [D.22-12-028](#) (Dec. 19, 2022); PG&E [AL 6501-E](#) and [substitute sheets](#) (Dec. 15, 2022); [Notice of Availability](#) for final Report on RA Reform Workshop Proposals (Nov. 15, 2022); [Proposed Decision](#) on CalCCA Petition (Nov. 9, 2022); PG&E [Advice Letter 6706-E-A](#) ([disposition letter](#)) (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.

**Recent Developments:** On December 23, the CPUC issued a [Proposed Decision](#) that would allocate \$50 million statewide to the Technology and Equipment for Clean Heating Initiative, including a 40% low-income carve-out, per AB 179.

**Analysis:** The Proposed Decision would add additional funding to the clean heating program, as required by statute.

**Next Steps:** Comments on the Proposed Decision are due January 12, 2023, reply comments are due January 17, 2023, and the Proposed Decision may be heard at the February 2 Commission meeting.

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

**Recent Developments:** On December 5, PG&E submitted [AL 6778-E](#) on its EV submetering Implementation Plan. On December 14, the Rural County Representatives of California and several local governments and CCAs [submitted a letter](#) to CPUC President Reynolds requesting additional Commission action on PG&E's fast-trip power shutoffs. On December 16, the CPUC issued [Resolution E-5247](#) modifying the IOUs' proposed service energization timeline to align with OP 8 of Resolutions E-5167 and E-5168 by adopting a temporary average of 125-business days for all projects that go through the IOUs' EV Infrastructure Rule. On December 21, PG&E issued [AL 6797-E](#) providing

updated rate and bill impacts for the rebate program that proposes an annual revenue requirement of \$84.61 million during the years 2025-2029.

**Analysis:** The EV submetering and grid-integration efforts are proceeding as PG&E provides additional technical detail and program clarifications. These programs may be available for CCA customers, and as additional aspects of the metering and interconnection protocols become available CCAs have the opportunity to establish the foundation for customers' enhanced use of grid-integrated EVs in anticipation of future incentive programs.

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

**Additional Information:** PG&E [AL 6797-E](#) (Dec. 21, 2022); [Resolution E-5247](#) (Dec. 16, 2022); PG&E [AL 6778-E](#) (Dec. 5, 2022); [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:** No recent developments in the past month.

**Analysis:** N/A

**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. Phase 1-Track A will establish an income-graduated fixed charge for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B will first adopt demand flexibility principles and consider expansion of the AgFIT Pilot.

**Recent Developments:** Opening comments on the Phase 1 scope, including comments by CalCCA, PG&E and other parties supporting the expansion of AgFIT, were filed December 2. On December 9, the ALJ issued [Ruling Requesting Briefs](#) on statutory interpretation in Track A of the Demand Flexibility proceedings.

**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. Expansion of the AgFIT Pilot capacity cap and application to other LSE territories was supported and opposed by several parties. Such expansion would likely unlock more load shifting in the agricultural sector, building upon the initial strong success of AgFIT.

**Next Steps:** Track A opening briefs are due February 13. A Track B proposed decision on electric rate design principles and demand flexibility design principles is expected in March 2023. A workshop on expanding existing pilots, including AgFIT, and an opportunity for the filing of post-workshop comments is expected in Q2 2023.

**Additional Information:** [Ruling Requesting Briefs](#) (Dec. 9, 2022); [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 December 6, the CPUC issued [D.22-12-009](#) approving the IOU's demand response (DR) programs, pilots, and budgets for the 2023 Bridge Year. On December 9, the CPUC issued a [Proposed Decision](#) that would approve the demand response auction mechanism (DRAM) pilot for pilot year 2024 deliveries, would approve and fund continued demand response research, and delay consideration of changes to the DRAM program until Phase 2. On December 19, the CPUC issued a [Scoping Memo and Ruling](#) defining the issues and schedule for Phase 2 of this proceeding. Phase 2 will address the 2024-2027 DR program proposals as well as the DRAM's future beyond 2024.

**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. The proposed decision would provide continuity in the DR programs while maintaining research funding without making substantive changes.

**Next Steps:** In the DRAM portion of the proceeding, the Proposed Decision on DRAM pilots may be approved at the January 12 Commission meeting. Opening testimony is due May 31, opening briefs are due September 30, and a

proposed decision is expected in January 2024. In Phase 2, testimony is due between February 3 and April 28, opening briefs on Phase 2 are due July 21, and a proposed decision is expected in October 2023 for the 2024-2027 DR Program.

**Additional Information:** [Scoping Memo and Ruling](#) (Dec. 19, 2022); [Proposed Decision](#) (Dec. 9, 2022); [D.22-12-009](#) (Dec. 6, 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:** On December 9, PG&E filed a [statement](#) explaining the Commission decisions that may potentially be modified by a final decision in this proceeding (including the decisions that impose regulatory obligations on PG&E that, if the transaction is approved, will be jointly fulfilled by PG&E and Pacific Generation or transferred to Pacific Generation). On December 14, PG&E submitted a notice regarding two filings it submitted to FERC: an application seeking approval of the transfer of hydro licenses under Section 8 of the Federal Power Act, and an application seeking authorization for part of the proposed transaction under Section 203 of the Federal Power Act.

**Analysis:** PG&E's Section 203 Application at FERC will consider whether the transaction is consistent with the public interest. FERC's consideration of this question under Federal Power Act Section 203 is more circumscribed than the CPUC's scope of review in A.22-09-018, but this FERC docket is still a potential additional avenue for opponents to exert pressure on PG&E. On January 10, CalCCA moved to intervene and protest this Application at FERC, asking FERC to defer its analysis of the transaction until PG&E can provide all the requisite information regarding the second step of PG&E's proposed transaction: the minority interest sale.

**Next Steps:** A procedural schedule is expected to be issued soon.

**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:** On December 5, PG&E filed [AL 6779-E](#) providing its short-term market offer process, including a revised timeline and necessary changes to pro-forma agreements. On December 19, the IOUs submitted Advice Letters including a revised Market Offer Process to specify details regarding the IOUs' plans for a forthcoming market offer of long-term product later this year. The IOUs launched the short-term Market Offer to all market participants on January 9.

**Analysis:** The IOUs have not indicated the specific schedule for the long-term market offer, only that it will launch in February 2023. CalCCA filed protests on January 9 to require a specific timeline for long-term market offer completion and contract execution.

**Next Steps:** A proposed decision on long-term RPS transactions and MPB calculations and GHG-free resources is expected in early 2023.

**Additional Information:** PG&E [AL 6779-E](#) (Dec. 5, 2022); [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:** On December 9, the CPUC published a [Proposed Decision](#) ([Revised](#) January 10) that would approve the settlement regarding wildfire liability insurance coverage, establish a revenue requirement of \$400 million per year, for 2023 through 2026, for wildfire liability insurance coverage, and approve coverage which consists entirely of self-insurance for third-party wildfire claims of less than \$1 billion per year. On January 6, PG&E and the Public Advocates Office submitted a [Joint Motion](#) for approval of a Settlement of Track 2 issues.

**Analysis:** The decision on wildfire liability insurance coverage will impact electric service costs and allocate financial risks associated with wildfire events as a self-insurance liability to PG&E. With respect to the proposed Track 2 settlement, which concerns cost recovery of PG&E's recorded costs, the moving parties recommend that PG&E's total cost recovery for Track 2 memorandum and balancing accounts be established as \$183.353 million of expense recorded costs (a reduction of \$25.600 million to PG&E's total request of \$208.953 million) and \$126.666 million of capital recorded costs (a reduction of \$2.300 million to PG&E's total request of \$128.966 million).

**Next Steps:** The Proposed Decision (Dec. 9) is scheduled to be heard at the January 12 Commission meeting. In Track 1, a Proposed Decision is expected in Q2 2023. The Track 2 schedule is currently held in abeyance per an email ruling issued December 13.

**Additional Information:** [Proposed Decision](#) ([Revised](#)) (Dec. 9, 2022); 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 December 19, the CPUC issued [D.22-12-044](#) adopting PG&E's 2023 ERRA forecast and closing the proceeding. The total 2023 net revenue requirement for PG&E is \$1,995,957,000, which represents an increase of 0.9% for non-CARE bundled residential customers compared to current rates, or an increase of about \$1.55 per month for an average residential customer.

**Analysis:** The Decision rejects PG&E's proposal to establish a PCIA rate "floor" and requires PG&E to continue to flow through the PCIA adjustment whether positive or negative to all bundled and departed customers.

**Next Steps:** PG&E must file an advice letter implementing D.22-12-044 by January 18, 2023. PG&E is required to host a workshop on its sales forecast methodology no later than March 31, 2023 to examine and then incorporate into its 2024 ERRA sales forecast the continued impacts of COVID-19 on electricity sales.

**Additional Information:** [D.22-12-044](#) (Dec. 19, 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:** On December 19, the CPUC issued a [Proposed Decision](#) utility-initiated PSPS events in 2019 that would prohibit the Joint Utilities from adjusting future rates to collect any revenue shortfalls, recorded as undercollections in their respective balancing accounts, caused by PSPS events in 2019 – requiring utility shareholders to fund lost revenues from PSPS events, and also close the proceeding. The Proposed Decision would also adopt a methodology to calculate the estimated unrealized revenues the Joint Utilities incurred in 2019 or will incur during future PSPS events.

**Analysis:** This Proposed Decision would impose the costs of unrealized revenue resulting from PSPS events in 2019 on utility shareholders rather than ratepayers and establish an ongoing accounting methodology applicable to future PSPS events. The result would be lower costs for customers, greater incentives for utility management of infrastructure to prevent and avoid the need for PSPS events while maintaining service to customers, and resolution regarding the backlog of ERRA Compliance proceedings and associated cost recovery.

**Next Steps:** Reply comments on the Proposed Decision are due January 16, 2023, and it may be heard as early as the February 2 Commission meeting.

**Additional Information:** [Proposed Decision](#) (Dec. 19, 2022); [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 ERRR Compliance

**Background:** The annual ERRR Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries. Phase 1 of this proceeding concluded in April 2022 with issuance of [D.22-04-041](#) approving a settlement agreement. Phase 2 issues related to unrealized sales and revenues resulting from PG&E's Public Safety Power Shutoff (PSPS) events in 2020 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 PSPS events in Phase 2 of the 2019 ERRR 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 ERRR Compliance

**Background:** The annual ERRR 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:** On January 6, the ALJ issued a Ruling determining that an evidentiary hearing is not necessary and updating the procedural schedule.

**Analysis:** N/A

**Next Steps:** The deadline for completion of settlement talks is extended to January 25. Opening Briefs are now due February 27, 2023 and a target date for a Proposed Decision is Q3 2023.

**Additional Information:** [ALJ Ruling](#) on schedule (Jan. 6, 2023); Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERRR 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:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** A Proposed Decision on the Staff Proposal (Safety Culture Concept Paper attached to the September 13, 2022 [Ruling](#)) is expected.

**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 January 6, the ALJ issued a Ruling entering the Staff Proposal addressing additional options and expanded POLR proposals for consideration in Phase 1 of this proceeding into the record and providing notice of workshops on the Staff Proposal.

**Analysis:** The Staff Proposal includes topics such as financial monitoring of CCAs, cost recovery associated with customers returning to POLR service, and the LSE deregistration process related to procurement requirements. These topics present potential financial review and monitoring standards for VCE as well as potential new costs related to providing POLR financial security.

**Next Steps:** Opening comments on the Staff Proposal and example FSR calculations are due March 21, 2023, and reply comments are due April 7, 2023. A workshop on topics covered in the Staff Proposal will be held on January 26, 2023, and a workshop for IOUs to walk-through examples of financial security requirement calculations will be held on March 7, 2023. A proposed decision is expected in Q3-Q4 2023.



**Additional Information:** [ALJ Ruling](#) and [Staff Proposal](#) (Jan. 6, 2023); 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 December 7, the CPUC issued [Draft Comment Resolution E-5242](#) on PG&E AL 6623-E for Remote Grids as a Sole Standard Service Offering for microgrids under 2 MW when certain wildfire-prevention requirements are met. On December 9, the CPUC issued [Resolution E-5230](#) on PG&E's, SCE's, and SDG&E's proposals to implement Limited Generation Profiles and allow inverters to be set using different export values at different times of the year.

**Analysis:** Resolution E-5230 provides for seasonal variation in maximum export value settings for inverters approved for non-export and limited-export use which will allow capable inverters to respond to grid conditions without triggering distribution grid upgrades.

**Next Steps:** Draft Comment Resolution E-5242 is scheduled to be heard at the January 12, 2023 Commission meeting. 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. An ALJ Ruling establishing 2023 scheduling & activities is expected in Q1 2023. Two half-day workshops on the use of limited-export inverters will be held before February 17, 2023.

**Additional Information:** [Resolution E-5230](#) (Dec.9, 2022); [Draft Comment Resolution E-5242](#) (Dec. 7, 2022); [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](#).

## Other Dockets

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

Docket	Name	Status
<a href="#">I.15-08-019</a>	Investigation into PG&E Organization, Culture, and Governance	This proceeding was opened as part of an investigation into whether PG&E's organizational culture and governance prioritize safety, and currently serves to monitor the progress of PG&E in improving its safety culture. The <a href="#">Final Report</a> from consultant NorthStar will be considered in a future decision.
<a href="#">A.20-06-011</a>	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. <a href="#">Town Hall Report Q3</a> (Oct. 28, 2022)
<a href="#">R.21-03-001</a>	Wildfire Fund NBC (2022-2023) Rulemaking	On December 6, the CPUC issued <a href="#">D.22-12-007</a> adopting a 2023 Wildfire NBC of \$5.30/MWh (\$0.00530/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.
<a href="#">R.20-11-003</a>	Ensuring Summer 2021 Reliability	D.22-06-005 closed the proceeding.
<a href="#">A.19-11-019</a>	PG&E 2020 Phase 2 GRC	<a href="#">D.22-08-002</a> closed the docket; all current activity is now covered under the Commercial EV Real-Time Pricing docket.
<a href="#">A.21-06-001</a>	PG&E 2020 ERRR Forecast	D.22-02-002 closed the proceeding, and the Rehearing Request (filed March 14, 2022) was denied by <a href="#">D.22-11-019</a> issued on November 7.
<a href="#">R.19-03-009</a>	Direct Access Rulemaking	D.21-06-033 closed the proceeding, and on December 19 the CPUC issued <a href="#">D.22-12-058</a> denying the Application for Rehearing (July 29, 2021).

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 10

---

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Community Advisory Committee December 15, 2022 Meeting Summary

DATE: January 19, 2023

---

This report summarizes the Community Advisory Committee’s meeting held via Zoom webinar on Thursday, December 15, 2022.

- A. Election of 2023 Chair and Vice-Chair.** Mark Aulman will serve as Chair and Rahul Athalye will serve as Vice Chair for 2023.
- B. Received 2023 Operating Budget and 2023 Customer Rates Update.** CAC Members received a copy of Staff’s December 8, 2022 Report to the Board providing an update on the 2023 Operating Budget and 2023 Customer Rates.
- C. Formation of 2023 Task Groups.** The CAC discussed several topics such as outreach, programs, the customer interaction with VCE, decarbonization, electrification, energy resilience, funding opportunities, and rates. The CAC discussed combining the 2022 Outreach and Programs Task Groups to form one task group that addresses the customer experience. After a brief discussion with Staff, the CAC formed the Legislative/Regulatory and Customer Experience Task Groups and those present, volunteered to serve on these Task Groups. Staff asked that the Task Groups provide a draft Charge to be reviewed at the CAC’s next meeting and reminded the CAC that draft Charges are to list goal-oriented tasks and projects that can be accomplished.
- D. Staff sought CAC recommendation to the Board to support proposed 2023 legislation to remove Assembly Bill 843 Sunset Limit for BioMAT program.** Staff and the Legislative/Regulatory Task Group brought to the CAC a request for support to delete the sunset clause in existing Assembly Bill 843 Bioenergy Market Adjusting Tariff (BioMAT) program. Concerns were expressed about VCE’s need to discuss what types of bioenergy projects might be considered by VCE before participating in the BioMAT program, VCE’s lack of a bioenergy policy, possible expansion of the BioMAT program that could encourage siting of large scale dairy and feedlot operations, and the need for more information on the BioMAT program before considering whether to support or oppose the proposed legislation. As a result, the CAC did not adopt a recommendation because no motion was made.

**VALLEY CLEAN ENERGY ALLIANCE**

**Staff Report – Item 11**

---

**TO:** Board of Directors  
**FROM:** Rebecca Boyles, Director of Customer Care & Marketing  
**SUBJECT:** Quarterly Customer Participation Update (Information)  
**DATE:** January 19, 2023

---

**RECOMMENDATION**

Receive and review the attached quarterly Customer Participation update reflecting the time period through December 31, 2022.

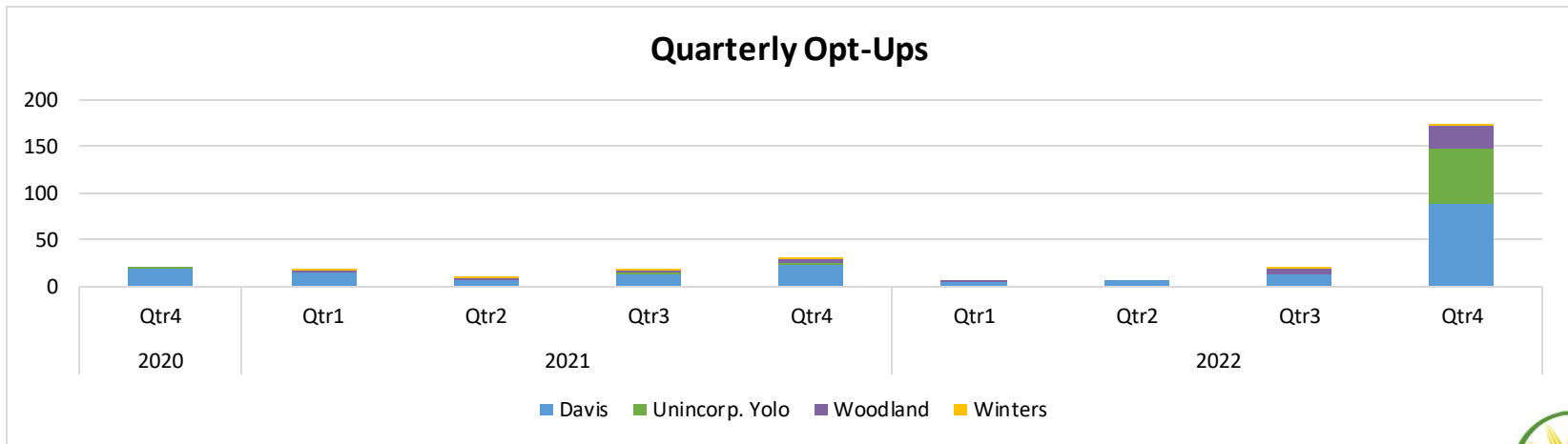
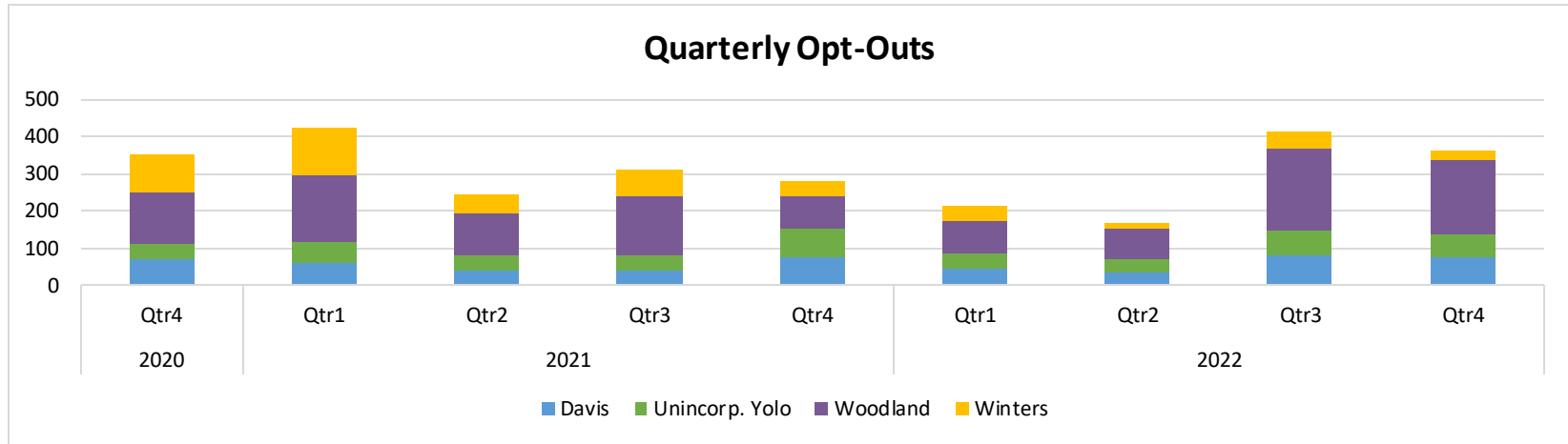
# Item 11 – Customer Participation Update

	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	NEM	Non-NEM
VCEA customers	27,792	20,010	2,434	10,554	60,790	52,923	5,978	7	1,882	11,498	49,292
Eligible customers	29,183	23,321	2,821	12,179	67,504	58,684	6,661	7	2,152	12,880	54,624
Participation Rate	95%	86%	86%	87%	90%	90%	90%	100%	87%	89%	90%

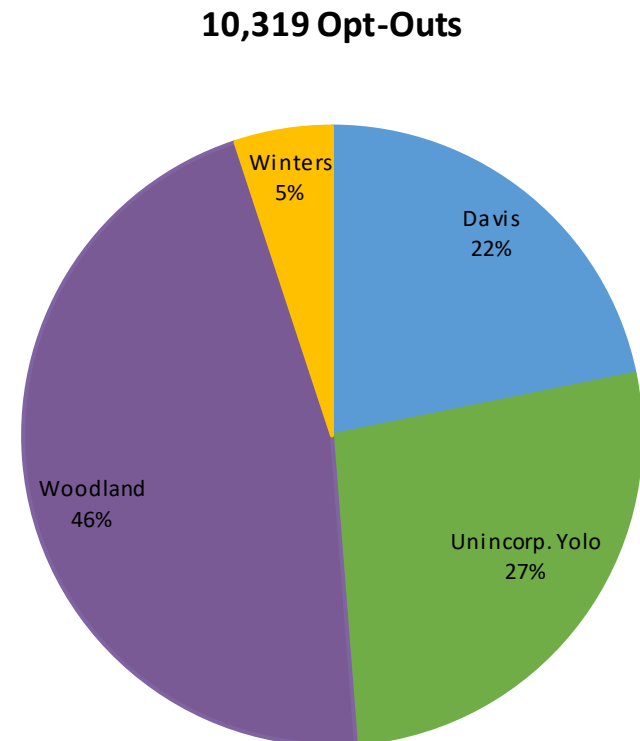
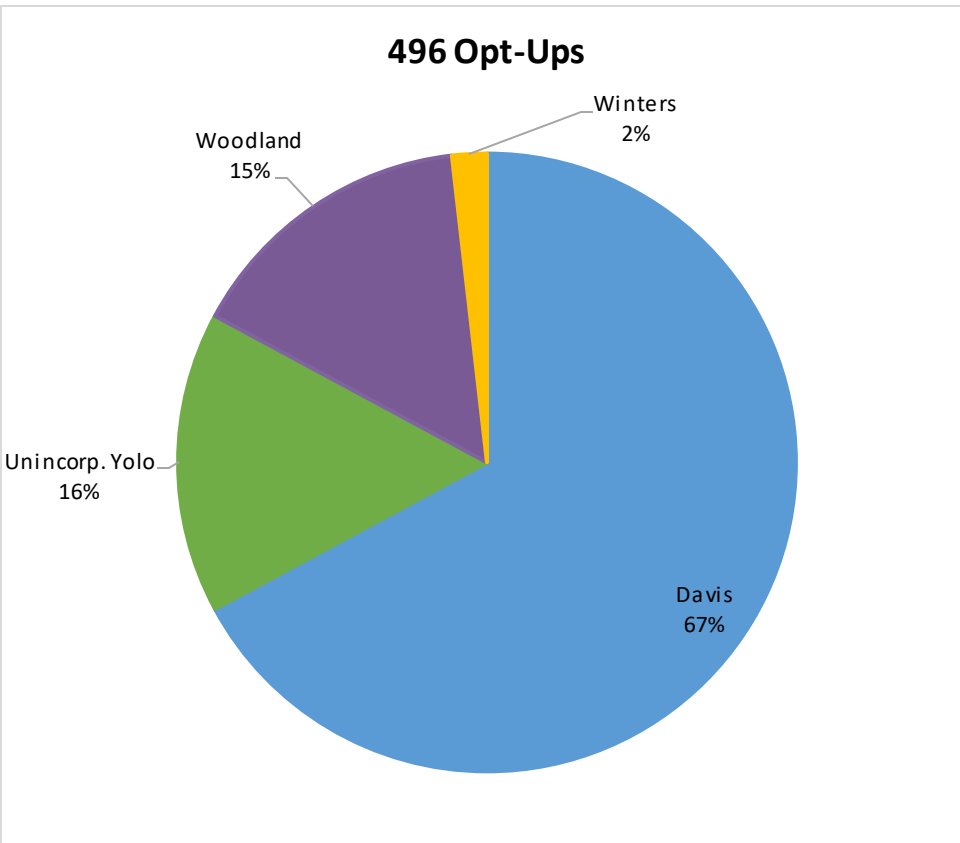
## % of Load Opted Out

	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	Total
% of Load Opted Out	5%	14%	14%	13%	10%	10%	10%	0%	13%	10%
% of Load Opted Up	1%	0%	0%	1%	1%	1%	3%	0%	0%	1%

# Item 11 – Customer Participation Update



# Item 11 – Customer Participation Update



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



**VALLEY**  
CLEAN ENERGY

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 12

**TO:** Board of Directors

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

**SUBJECT:** Proposed Legislation to Remove AB 843 Sunset Limit for BioMAT Program

**DATE:** January 19, 2023

#### RECOMMENDATION

Staff recommends support for the proposed legislation to delete the sunset date in the pending regulations.

#### BACKGROUND

Last year, VCE supported AB 843 (Aguiar-Curry; Chapter 234, Statutes of 2021), which authorized CCAs to participate in the existing Bioenergy Market Adjusting Tariff (BioMAT) program. The BioMAT program was created in 2012 by SB 1122 (Rubio; Chapter 612, Statutes of 2012) to support procurement of electricity from small-scale bioenergy projects -- many of which are producers of methane, a vigorous greenhouse gas -- including wastewater treatment, dairies, agricultural bioenergy, and generation from byproducts of sustainable forest management. At the time, only one CCA existed. But, with more CCAs providing service, AB 843 was an important opportunity for interested CCAs to participate. The BioMAT program currently allows up to 250 MW of electricity statewide to be procured by Load Serving Entities like IOUs and CCAs.

Unfortunately, the CPUC has taken longer than anticipated in preparing the regulations, which are not yet finalized, that would allow CCAs to participate in the BioMAT program. As part of the regulations, the CPUC added a sunset date of 2025 for the program. Since the regulations are not expected to be completed until third quarter 2023, that leaves only a short time for CCAs to participate in the program.

The CAC's Legislative/Regulatory Task Group recommended that VCE support the legislation. (Note: One member of the Task Group was able to attend the meeting when this item was discussed.)

#### Community Advisory Committee (CAC)

The proposed legislation was presented at the CAC's December meeting. Two CAC members spoke after staff's presentation. One indicated a desire to first have a discussion and policy adopted regarding whether and what types of bioenergy projects VCE might consider before participating in the BioMAT program and supporting the proposed legislation, as well as concern that expansion of the program could encourage the siting of large-scale dairy and feedlots operations in the Sacramento Valley. A second member indicated a desire for more information about the program before considering whether to support or oppose the proposed legislation. As a result, the CAC did not adopt a recommendation because no motion was made.

If VCE ever chooses to pursue a BioMAT eligible resource, staff believes that these issues can be included in any analysis of the individual project.

**PROPOSED LEGISLATION**

The proposed legislation would allow the BioMAT program to continue until the 250 MW from small-scale bioenergy projects have been procured, thus effectively deleting the 2025 sunset date contemplated by the CPUC. Pioneer Community Energy (Placer/El Dorado CCA) is taking the lead on the proposal. To date Pioneer is working to prepare official bill language and is seeking an author. Pioneer and Central Coast Community Energy are co-sponsoring. To date, Redwood Energy Authority and CalCCA support the proposal and Pioneer is seeking support from other CCAs. While VCE has not purchased any electricity through the BioMAT program, staff believes it is prudent to maintain the option to do so in the future. VCE is in touch with Pioneer's staff regarding the proposed legislation.

**CONCLUSION**

Staff recommends that VCE support the proposed legislation described above.



## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 15

**TO:** Board of Directors

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

**SUBJECT:** Board Meetings and Brown Act/AB 2449 rules regarding Teleconferencing meetings

**DATE:** January 19, 2023

#### RECOMMENDATIONS

1. Resume in-person Board meetings beginning in February 2023;
2. Direct staff to explore options for “hybrid” public meetings to allow flexibility for remote participation by the public and agency staff/consultants and return with recommendations at a subsequent meeting.

#### BACKGROUND AND ANALYSIS

During the COVID-19 State of Emergency Assembly Bill (AB) 361 was adopted in 2021, effective until January 1, 2024, and amended the Brown Act to relax teleconferencing requirements during Governor-proclaimed emergencies. Assembly Bill 2449 was passed in late 2022, which addresses the use of teleconferencing (including videoconferencing) for meetings that are subject to the Brown Act (Government Code Sections 54950 et seq.). The provisions of AB 2449 are effective for a period of three years beginning January 1, 2023 and ending January 1, 2026. Governor Newsom plans to end California’s COVID-19 State of Emergency on February 28, 2023 which will affect public agencies ability to continue with remote public meetings, subject to the Brown Act under AB 361.

In the absence of a Governor-proclaimed state of emergency, members of legislative bodies will be able to participate in meetings remotely or by teleconference under either the traditional teleconferencing rules under the Brown Act or AB 2449. The requirements for remote participation in public meetings under Brown Act and AB 2449 are outlined below. Note: General Council has advised staff on these requirements.

#### Teleconferencing Under the Brown Act

The Brown Act requires that all public meetings of a local agency body:

- be open and public and that members of the public be permitted to attend and participate [Government Code Section 549539(a)];
- allows for meetings to occur via teleconferencing;

- the agenda must identify the teleconference location of each legislative body member that will be participating in the meeting;
- each teleconference location must be accessible to the public;
- member of the public must be allowed to address the legislative body at each teleconference location;
- the meeting agenda must be posted at each teleconference location; and,
- at least a quorum of the legislative body must participate from locations within the boundaries of the agency's jurisdiction.

AB 2449: New Alternative Teleconferencing Requirements for Limited Circumstances

Assembly Bill 2449 provides local agency legislative bodies an additional, but limited teleconferencing option starting January 1, 2023. While AB 2449 shares some similarities with AB 361, important differences include a requirement for a singular physical meeting space where at least a quorum of the body attends in person. AB 2449 provides the following:

- exempts local agencies from posting agendas at all teleconference locations;
- identifying all teleconference locations in the meeting agendas;
- making each teleconference location open to the public;
- allows teleconferencing with meeting notices and agendas must identify the means by which members of the public may access the meeting and offer public comment;
- meeting agendas must identify and include an opportunity for all person to attend and address the legislative body directly via a call-in option, via an internet-based service option, and at the in-person location at the meeting;
- at least a quorum of the legislative body must participate in person at a single physical location which must be situated within the boundaries of the agency jurisdiction;
- Members of the legislative body participating remotely must publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location;
- Members must participate through both audio and visual technology so that the pubic can remotely hear and visually observe the members and requires two way communication with a live webcasting;
- in the event of a disruption that prevents the legislative body from broadcasting, allowing public call-in options or internet-based service option, the legislative body cannot take further action on items appearing on the agenda until public access is restored;
- the legislative body cannot require public comments to be submitted in advance of the meeting, instead must provide an opportunity for the public to address the legislative body in real time;
- does not allow frequent teleconferencing under relaxed requirements, instead allows members to participate remotely from "time to time" under two specified circumstances 1) just cause or 2) emergency circumstances and limits remote participation for "just cause" to two (2) meetings per calendar year and limits the length of time participating remotely; and,
- AB 2449 does not supersede AB 361 or the Brown Act teleconference requirements.

Staff believes that, except under limited circumstances, AB 2499 does not offer practical ways for the Board or Community Advisory Committee (CAC), to increase participation in public meetings through technology utilized during the early stages of the pandemic. Therefore, staff is not recommending any changes to how VCE’s administers public meetings at this time. However, there are potential options that staff will continue to explore under the existing Brown Act requirements that may provide efficiencies (e.g. remote participation, reduced travel times, etc.). These “satellite” type meetings are being utilized by other CCA’s and state/regional agencies and may prove useful to other multi-jurisdiction agencies like VCE. If this type of approach has merit and the Board provides direction as recommended, staff will return with a proposal for consideration by the Board at a subsequent meeting.

Both the Brown Act rules, as well as AB 2449, require advance planning and communication on the part of VCE Staff, as well as Board Members, in order to ensure that all applicable requirements are met. If the Board opts to use AB 2449 teleconferencing, Staff will need to ensure that a quorum of the Board will be at a singular physical location for every meeting, as well as creating a system for Board members to submit, and for Staff to track, remote participation requests and ensure that they are within the allowable limits.

For reference, VCE member jurisdictions are currently holding their meetings as follows:

<b>Jurisdiction</b>	<b>In person or Hybrid</b>	<b>Public Comments</b>	<b>Media</b>
City of Davis	In person	Written, prerecorded or in person	Live streaming to local cable channel and recorded
Yolo County	In person (starting 1/10/2023)	Written or in person	Live streaming to local cable channels and recorded
City of Woodland	In person	Written or in person	Live streaming to local cable channel and recorded
City of Winters	Hybrid	Written, remotely via Zoom, or in person	Live streaming via Zoom and recorded

**CONCLUSION**

An agency can meet remotely under any of the three (3) frameworks (Brown Act, AB 361, AB 2449), provided the procedural and circumstantial requirements of the chosen framework are met. Local agencies may also conduct public meetings entirely in-person. Staff is recommending resumption of in-person meetings beginning in February 2023 and the study of options to improve flexibility and achieve efficiencies if possible.