



**Regular Meeting of the Valley Clean Energy Alliance
Board of Directors
Thursday, September 12, 2024 at 5:30 p.m.
City of Woodland Council Chambers
300 First Street, Woodland, California 95695**

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

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.

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

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

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

Join meeting via Zoom:

- a. From a PC, Mac, iPad, iPhone, or Android device with high-speed internet.
(If your device does not have audio, please also join by phone.)**

<https://us02web.zoom.us/j/83062392607>

Meeting ID: 830 6239 2607

- b. By phone:**

One tap mobile:

+1-669-444-9171,, 83062392607# US

+1-669-900-9128,, 83062392607# US

Or Dial:

+1-669-444-9171 US

+1-669-900-9128 US

Meeting ID: 830 6239 2607

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: Lucas Frerichs (Yolo County, Chair), Bapu Vaitla (City of Davis, Vice Chair), Tom Stallard (City of Woodland), Jesse Loren (City of Winters), Jim Provenza (Yolo County), Will Arnold (City of Davis), Tania Garcia-Cadena (City of Woodland), Richard Casavecchia (City of Winters)

Alternate Board Members: Angel Barajas (Yolo County), Donna Neville (City of Davis), Mayra Vega (City of Woodland), Albert Vallecillo (City of Winters)

5:30 p.m. Call to Order

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

CONSENT AGENDA

- 3. Approve July 11, 2024 Board meeting Minutes.**
- 4. Receive 2024 Long Range Calendar.**
- 5. Receive Treasurer's Report: a) June 30, 2024 and b) July 31, 2024. (Information)**
- 6. Receive Legislative update provided by Pacific Policy Group.**
- 7. Receive September 4, 2024 Regulatory update provided by Keyes & Fox.**
- 8. Receive Community Advisory Committee June 27, 2024 and August 22, 2024 meeting summaries.**
- 9. Accept and attest the accuracy of Valley Clean Energy's 2023 Power Content Label.**
- 10. Receive Enterprise Risk Management update (Bi-annual).**
- 11. Receive prepay transaction update and approve the execution of a joint powers agreement providing VCE membership to the California Community Choice Financing Authority. (Action)**

12. Approve Amendment Two (2) to the Tumbleweed Long Duration Storage agreement (CC Power PPA). (Action)
13. Approve VCE participation as a partner in the Rural Electrification and Charging Technology (REACT) Pilot Program. (Action)

REGULAR AGENDA

14. Introduction to and presentation on Virtual Power Plants (VPPs). (Information)
15. Review and provide feedback on the draft Valley Clean Energy 2024-2026 Outreach and Marketing Plan Outline. (Information/Discussion)
16. Receive financial outlook update. (Information)
17. **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.
18. **Adjournment/Announcement:** The Board will adjourn their regular meeting to Thursday, October 10, 2024 at 4 p.m. at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616.

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

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

Verbal public participation during the meeting:

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

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

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

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 3

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from July 11, 2024 meeting
DATE: September 12, 2024

RECOMMENDATION

Receive, review and approve the attached July 11, 2024 meeting Minutes.

Attachment: July 11, 2024 meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, JULY 11, 2024**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, July 11, 2024 at 5:30 p.m. to be held at UC Davis – California Lighting and Technology Center, located at 633 Pena Drive, Davis, California 95618. Board Director Tom Stallard informed those present that we were waiting for one more Board member for a quorum. Director Stallard started the meeting at 5:43 p.m.

Board Members Present: Tom Stallard, Will Arnold, Jesse Loren, Richard Casavecchia, Bapu Vaitla (attending remotely per section Government Code Section 54953), Jim Provenza (arrived at 6:02 p.m.)

Members Absent: Lucas Frerichs, Tania Garcia-Cadena

Welcome Director Stallard welcomed the Board members. Vice Chair Vaitla announced, in accordance with Government Code Section 54953, that he is attending remotely; there was nobody else in the room; he will keep both his audio and visual on; his cause for attending remotely is that he has a contagious illness that prevents him from attending in person; and, this is his first time invoking remote attendance.

Director Stallard announced that he will chair the meeting since Chair Lucas Frerichs is absent and Vice Chair Bapu Vaitla is attending remotely. Director Stallard announced that we are waiting for a 5th Board Member to arrive in order to have the presence of a quorum of members in one location. Per VCE’s legal counsel and Government Code Section 54953, Vice Chair Bapu Vaitla does not have voting rights until a 5th Board Member is present at this meeting location to reach a quorum. Director Stallard mentioned that no action can be taken at this meeting until we have a quorum. He moved on to the public comment period thereafter Regular Agenda Item 14 – CAISO summer preparedness presentation which is an informational item only.

Public Comment – General and Consent Director Stallard asked if any Board Members present wished to move items off the Consent Agenda to the Regular Agenda for further discussion. There were none. Director Stallard asked if there were any written or verbal general public comments. There were none.



Regular Agenda
Item 14: Receive
CAISO summer
preparedness
presentation.
(Information)

VCE Executive Officer Mitch Sears introduced this information item. VCE Chief Operating Officer Gordon Samuel reminded those present that there is no staff report for this item, only slides. He introduced Jaclyn Harr of The Energy Authority (TEA), VCE's wholesale energy consultant, who proceeded to provide information on CAISO and VCE Summer readiness; reviewed July, August and September weather forecasts; CAISO's Quarter 3 estimated load impacts; California's seasonal water storage; CAISO's 2024 September supply and demand peak analysis; and, VCE's Summer energy position. There were no verbal or written public comments.

Quorum Present

Director Jim Provenza arrived at 6:02 p.m. during Item 14 establishing a quorum of Board Members. Director Stallard informed those present that there was now a quorum of members with Director Jim Provenza arriving at 6:02 p.m. Director Stallard asked Director Provenza if he would like to pull anything from the Consent Agenda for further discussion. Director Provenza did not. Director Stallard reminded those present that we have already asked for public comment, which there was none.

Approval of
Consent Agenda /
Resolutions 2024-
008 thru 2024-010

There being no items pulled from the Consent Agenda, a motion was made by Director Loren to approve the Consent Agenda items, seconded by Director Arnold. Motion passed with Directors Frerichs and Garcia-Cadena absent. The following items were:

3. approved June 13, 2024 Board meeting Minutes;
4. received 2024 long range calendar;
5. received financial update May 31, 2024 (unaudited) financial statement;
6. received legislative update provided by Pacific Policy Group;
7. received June 2024 regulatory update dated July 2, 2024 provided by Keyes & Fox;
8. received SACOG – Electrify Yolo Project update;
9. received Customer participation update (2nd Quarter 2024);
10. approved Amendment One (1) of the Energy Authority Consulting Agreement extending the term of the agreement via Resolution 2024-008;
11. authorized Executive Officer to approve Lockbox Agreement with River City Bank and The Energy Authority as Resolution 2024-009;
12. authorized Executive Officer to approve Power Purchase Agreements Legal and Prepay County Party Agreements as Resolution 2024-010; and



13. approved Memorandum of Understanding with Cool Davis.

Item 15: Discuss and provided direction on VCE Renewable Energy Credits Optimization. (Information /Action)

Ms. Harr (TEA) provided an overview of renewable resources and targets, compliance requirements, interim and long-term procurement requirements, excess megawatts produced from VCE’s power projects, retired units of energy called REC’s and the different categories, and the purchase and sale of REC’s. Staff reviewed VCE’s goal of reaching 100% renewable by 2030, the tradeoffs of having additional energy with VCE’s financial responsibilities, and reviewed several examples of selling REC’s while maintaining compliance. She noted that the examples have built in “buffers” for potential resource outages, curtailment, and higher than expected load. Staff reviewed the recommendation to optimize the REC portfolio in 2025 and it was mentioned that whatever the Board decides, may lead to a Board policy.

The Board and Staff discussed: renewable portfolio standard (RPS); database for tracking purchases, hedging and selling; penalties for having a shortfall of REC’s; VCE’s renewable goal and the Power Content Label; financial standing and other options for revenue; and, meeting compliance requirements.

Verbal Public Comment: Christine Shewmaker commented that it is hard to predict the future of what other things may happen since historically, there have been ups and downs and that she would like to see VCE target RPS closer to 100% over the long term.

There were no written public comment.

Vice Chair Vaitla made a motion that based on current market conditions, authorize Staff to optimize VCE’s portfolio by selling REC’s that are at or above state RPS compliance levels, maintains or exceeds Base Green and Standard Green commitments for year 2025, and does not jeopardize VCE’s long-term goals. This motion was seconded by Director Provenza. Motion passed by the following vote:

AYES: Arnold, Loren, Provenza, Casavecchia, Vaitla, Stallard

NOES: None

ABSENT: Frerichs, Garcia-Cadena

ABSTAIN: None



Item 16: Board
Member and Staff
Announcements

Director Provenza reminded those present that Yolo County's Climate Action Plan is accepting comments.

Mr. Sears informed those present that he attended a CEC meeting where the electrify tractor grant was approved. VCE partnered with Gridtractor on this grant. Mr. Sears provided an update on VCE to the Yolo County Board of Supervisors on Tuesday and he is scheduling updates with other jurisdictions. VCE has submitted a few other grant proposals and he will keep the Board apprised of the application status.

Announcement /
Adjournment

Director Stallard announced that the Board will not convene into Closed Session. *The Board's August 8, 2024 regular meeting has been cancelled.* The Board's next regular meeting is scheduled for Thursday, September 12, 2024 at 5:30 p.m. to be held at the City of Davis Community Chambers, located at 23 Russell Boulevard, Davis, California 95616. There being no further business to discuss the meeting was adjourned at 7:20 p.m.

Alisa M. Lembke
VCEA Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 4

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Board and Community Advisory Committee 2024 Long-Range Calendar

DATE: September 12, 2024

Recommendation

Receive and file the 2024 Board and Community Advisory Committee long-range calendar listing proposed meeting topics.

Please note that the Board's October 10, 2024 regular meeting is scheduled to begin at **4 p.m.**, which will be held at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California.

Attachment: 2024 Board and CAC long range calendar

VALLEY CLEAN ENERGY
2024 Meeting Dates and Proposed Topics
Board and Community Advisory Committee (CAC)
(Note: Meeting locations and Topics are subject to change)

MEETING DATE		TOPICS	ACTION
January 11, 2024	Board (Woodland)	<ul style="list-style-type: none"> Oaths of Office for Board Members [new Members(s) only] Election of Officers for 2024 (Annual) 2023 Year End Review: Customer Care and Marketing Customer Participation Update 	<ul style="list-style-type: none"> Action Nominations Information Information
January 25, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> Customer Participation Update Brown Act & Social Media Platforms Review CAC Task Group “Charges” AgFIT (Agriculture Flexible Irrigation Technology) Pilot Program – How it works 2024 Budgets and Rates 	<ul style="list-style-type: none"> Information Information Discussion/Action Information Information
February 8, 2024 CANCELLED	Board (Davis)	<ul style="list-style-type: none"> MEETING CANCELLED 	
February 22, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> Strategic Plan Update (Annual) Electrification Retrofit Rebate Outreach (ERRO) / Concierge Service (received public comment, tabled item) Resource Adequacy – Slice of Day 	<ul style="list-style-type: none"> Information Discussion/Action Information
March 14, 2024 CANCELLED	Board (Woodland)	<ul style="list-style-type: none"> Cancelled due to a lack of quorum 	
March 28, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> Electrification Retrofit Rebate Outreach (ERRO) / Concierge Service 2023 Net Margin Allocation BioMAT Program 	<ul style="list-style-type: none"> Discussion/Action Discussion Information
April 11, 2024	Board (Davis)	<ul style="list-style-type: none"> Strategic Plan Update (Annual) Receive Enterprise Risk Management Report (Bi-Annual) Customer Participation update (1st Quarter 2024) Update to VCE Conflict of Interest Code 	<ul style="list-style-type: none"> Information Information Information Action

		<ul style="list-style-type: none"> • Calendar Year 2023 Audited Financial Statements (James Marta & Co.) • 2023 Net Margin Allocation • ERRO/Concierge Service 	<ul style="list-style-type: none"> • Action • Discussion/Action • Discussion/Action
April 16 – 18, 2024	CalCCA Annual Conference San Jose	VCE Staff and some Board and CAC members attending	
April 25, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> • NO MEETING 	<ul style="list-style-type: none"> •
May 9, 2024	Board (Woodland)	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • Resource Adequacy “Slice-of-Day” • Load Management Standards Plan • Recap of CalCCA April 2024 Annual Conference 	<ul style="list-style-type: none"> • Information • Information • Discussion/Action • Information
May 23, 2024	Advisory Committee (Yolo County Community Services Dept., Cache Creek Room, Woodland)	<ul style="list-style-type: none"> • Load Management Standards • Customer Participation update (1st Quarter 2024) • Reserves Policy / Dividend Program update • BioMAT Program 	<ul style="list-style-type: none"> • Information • Information • Discussion/Action • Discussion/Action
June 13, 2024	Board (Davis)	<ul style="list-style-type: none"> • Re/Appointment of Members to Community Advisory Committee (Annual) • Mid-Year 2024 Financial Update • Legislative update provided by Pacific Policy Group 	<ul style="list-style-type: none"> • Action • Information • Information
June 27, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> • Power Procurement / Renewable Portfolio Standard Update 	<ul style="list-style-type: none"> • Information
July 11, 2024	Board UC Davis – CA Lighting Technology Center, Davis	<ul style="list-style-type: none"> • Status of SACOG Grant – Electrify Yolo • Customer Participation Update (2nd Quarter 2024) • Resource Adequacy “Slice of Day” update • Updated VCE Financial Reserve Policy and Dividend Program Guidelines 	<ul style="list-style-type: none"> • Information/Discussion/Action • Information • Information/Discussion • Action
July 25, 2024	Advisory Committee	<ul style="list-style-type: none"> • NO MEETING* 	

*No meeting unless an urgent matter needs to be addressed

	(Woodland)		
August 8, 2024	Board (Davis)	<ul style="list-style-type: none"> • NO MEETING* 	
August 22, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> • Customer Participation Update (2nd Quarter 2024) • Outreach and Marketing Plan update 	<ul style="list-style-type: none"> • Information • Discussion/Action
September 12, 2024	Board (Woodland)	<ul style="list-style-type: none"> • Certification of 2023 Power Content Label (Annual) • Enterprise Risk Management Update (Bi-annual) • Treasurer’s report • Outreach and Marketing Plan update 	<ul style="list-style-type: none"> • Action • Information • Information • Discussion/Action
September 26, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> • Receive Board Staff Report on 2023 Power Content Label Certification 	<ul style="list-style-type: none"> • Information
October 10, 2024 Scheduled to begin at 4 p.m.	Board (Davis)	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • 2024 Operating Budget Update and 2025 preliminary Operating Budget • Customer Participation Update (3rd Quarter 2024) • Progress Update on Programs Plan and 2025 program concepts • Legislative End of Session Update 	<ul style="list-style-type: none"> • Information • Information • Information • Discussion/Action • Information
October 24, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> • 2023 Power Content Label outreach • Customer Participation Update (3rd Quarter 2024) • Legislative End of Session Update • Draft 2025 Legislative Platform • Electric Vehicle Rebate Program (Phase 2) (placeholder) 	<ul style="list-style-type: none"> • Information • Information • Information • Discussion/Action • Discussion/Action
November 14, 2024	Board (Woodland)	<ul style="list-style-type: none"> • 2025 Operating Budget Update • 2023 Power Content Label outreach • 2025 Legislative Platform • Electric Vehicle Rebate Program (Phase 2) (placeholder) 	<ul style="list-style-type: none"> • Information/Discussion • Information • Discussion/Action • Discussion/Action
November 28, 2024 November 21, 2024 (rescheduled to November 21 due to Thanksgiving holiday on Nov. 28 th)	Advisory Committee (Woodland)	<ul style="list-style-type: none"> • GHG Free Attributes • 2025 Budget Update/Preview • Review and finalize CAC Task Group Year-end Reports 	<ul style="list-style-type: none"> • Information • Information • Discussion
December 12, 2024	Board (Davis)	<ul style="list-style-type: none"> • Approve 2025 Operating Budget (Annual) and 2025 Customer Rates • GHG Free Attributes 	<ul style="list-style-type: none"> • Discussion/Action • Action

*No meeting unless an urgent matter needs to be addressed

		<ul style="list-style-type: none"> • Receive VCE Grant/Program activity summary • Receive CAC Year-end Task Group Reports 	<ul style="list-style-type: none"> • Information • Information
<p>December 26, 2023 December 19, 2024 (rescheduled to December 19 due to Christmas holiday on Dec. 25th)</p>	<p>Advisory Committee (Davis)</p>	<ul style="list-style-type: none"> • 2025 CAC Task Group(s) formation (Annual) • Power Procurement / Renewable Portfolio Standard Update • Election of Officers for 2025 (Annual) 	<ul style="list-style-type: none"> • Discussion/Action • Information • Nominations
<p>January 9, 2025</p>	<p>Board (Woodland)</p>	<ul style="list-style-type: none"> • Oaths of Office for Board Members (Annual - new Members only) • Election of Officers for 2025 (Annual) • Customer Participation Update (4th Quarter 2024) • 2024 Year in review: Customer Care & Marketing 	<ul style="list-style-type: none"> • Action • Nominations • Information • Information
<p>January 23, 2025</p>	<p>Advisory Committee (Woodland)</p>	<ul style="list-style-type: none"> • Rates/Budget 2025 Update • Customer Participation Update (4th Quarter 2024) • Review 2025 Task Group “Charges” 	<ul style="list-style-type: none"> • Information • Information • Discuss/Action

PLEASE NOTE: April 28-30, 2025: CalCCA Annual Conference in Irvine, California/More information will be provided as received

CAC PROPOSED FUTURE TOPICS Topics and Discussion dates may change as needed	<u>ESTIMATED</u> MEETING DATE(S)
Electric Vehicle Rebate Program – Phase 2	Oct. 2024 (Board in Nov. 2024) placeholders
Inflation Reduction Act (IRA) opportunities	TBD
Regionalization (Information)	TBD
Self Generation Incentive Program (SGIP)	TBD
Agri-voltaics (for information only)	TBD
Status of Net Billing Tariff (NBT)/Solar Billing Plan (SBP) (as needed)	
Legislative Items (as needed)	

*No meeting unless an urgent matter needs to be addressed

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 5 (a)**

TO: Board of Directors

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

SUBJECT: Monthly Treasurer’s Report (Information Item) – June 30, 2024

DATE: September 12, 2024

RECOMMENDATION:

Accept the Treasurer’s report on VCE’s cash, investments, debt, and unaudited financial statements (with comparative year to date information) and Actual vs. Budget year to date for the month ending June 30, 2024.

BACKGROUND & DISCUSSION:

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

The Financial Statements include the following reports:

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

In addition, Staff is reporting the Actual vs. Budget variances year to date ending June 30, 2024.

Financial Statements for the period June 1, 2024 – June 30, 2024

In the Statement of Net Position, VCE, as of June 30, 2024, has a total of \$37,225,668 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On June 30, 2024, VCE’s net position was \$47,536,911.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$9,118,333 of revenue (net of allowance for doubtful accounts), of which \$8,924,087 was billed in June, and \$3,182,777 represents estimated unbilled revenue. The cost of electricity for the June revenue totaled \$5,588,394. For June, VCE’s gross margin was approximately 48% and the net income totaled \$3,978,033. The year-to-date change in net position was \$11,113,736.

In the Statement of Cash Flows, VCE cash flows from operations were \$1,915,228 due to June cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 6/30/2024):

Operating Account:	\$	18,689,673
Insured Cash Sweep Account:	\$	19,930,101
Debt Service Account:	\$	1,100,000
<u>CAISO Operational Account:</u>	<u>\$</u>	<u>2,720,792</u>
Total Cash on Deposit	\$	42,440,566

Note: VCE receives 4.45% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. June 2024 earnings were \$67,970.

VCE's Outstanding Loan Balances (as of 6/30/2024):

Valley Clean Energy Alliance has available at the financial institution a line of credit totaling \$11,000,000 with \$7,000,000 withdrawal limit, which expires on April 15, 2026. The related debt outstanding at the close of business on June 30, 2024 was \$0. VCE has issued, but undrawn, letters of credit for a total of \$3,897,000 for regulatory and power purchase requirements.

Actual vs. Budget Variances for the year to date ending June 30, 2024

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

- Electric Revenue – (\$8,709,186) and -18% – Unfavorable variance due to retail load variance lower than forecasted due to mild and wet winter and lower spring temperatures reducing agriculture and residential revenues compared to forecast.
- Purchased Power – \$717,268 and 3% – Favorable mainly due to budgeted renewable energy certificates not procured, lower load due to mild and wet winter, lower energy prices, and lower spring temperatures reducing agriculture and residential usage compared to forecast.
- Reimbursable Revenues \$610,000 (AgFIT) – Unfavorable Variance - Reimbursable AgFIT revenues and associated program costs are expected later this year resulting in budget timing differences.
- General Programs Costs \$313,373 – Favorable Variance – Budgeted program costs are amortized for the year resulting in timing differences.
- AgFIT Programs Costs \$438,248 (AgFIT) – Favorable Variance – Program costs are expected later this year resulting in budget timing differences.

Attachments:

- 1) Financial Statements (Unaudited) June 1, 2024 to June 30, 2024 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending June 30, 2024



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2024

PREPARED ON SEPTEMBER 4, 2024

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
June 30, 2024
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	\$ 37,225,668
Accounts receivable, net of allowance	12,257,344
Accrued revenue	3,679,842
Prepaid expenses	2,034,490
Inventory - Renewable Energy Credits	-
Other current assets and deposits	4,527,675
Total current assets	59,725,020

Restricted assets:

Debt service reserve fund	1,100,000
Total restricted assets	1,100,000
TOTAL ASSETS	\$ 60,825,020

LIABILITIES

Current liabilities:

Accounts payable	\$ 392,208
Accrued payroll	158,441
Interest payable	-
Due to member agencies	(1,723)
Accrued cost of electricity	8,832,768
Other accrued liabilities	2,079,772
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	26,644
TOTAL LIABILITIES	\$ 13,288,109

NET POSITION

Net position:

Local Programs Reserve	\$ 840,000
Restricted	1,100,000
Unrestricted	45,596,911
TOTAL NET POSITION	\$ 47,536,911

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
June 30, 2024
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING June 30, 2024	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	\$ 9,118,333	\$ 41,686,284
Other revenue	-	-
TOTAL OPERATING REVENUES	9,118,333	41,686,284
OPERATING EXPENSES		
Cost of electricity	4,761,206	27,949,732
Contract services	220,435	1,182,142
Staff compensation	129,835	843,951
General, administration, and other	96,793	953,202
TOTAL OPERATING EXPENSES	5,208,269	30,929,026
TOTAL OPERATING INCOME (LOSS)	3,910,064	10,757,258
NONOPERATING REVENUES (EXPENSES)		
Interest income	67,970	356,478
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	67,970	356,478
CHANGE IN NET POSITION	3,978,033	11,113,736
Net position at beginning of period	5,714,148	36,423,176
Net position at end of period	\$ 9,692,181	\$ 47,536,911

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
June 30, 2024
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE	
	PERIOD ENDING	YEAR TO DATE
	June 30, 2024	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 9,118,333	\$ 41,686,284
Payments received from other revenue sources	-	-
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(6,756,041)	
Payments for contract services, general, and administration	(317,229)	(2,135,343)
Payments for member agency services	-	-
Payments for staff compensation	(129,835)	(843,951)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	1,915,228	38,706,990
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	67,970	356,478
Net cash provided (used) by investing activities	67,970	356,478
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,983,198	39,063,467
Cash and cash equivalents at beginning of period	36,342,470	28,579,933
Cash and cash equivalents at end of period	38,325,668	67,643,401
Cash and cash equivalents included in:		
Cash and cash equivalents	37,225,668	66,543,401
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	\$ 38,325,668	\$ 67,643,401

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
June 30, 2024
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE PERIOD ENDING June 30, 2024</u>	<u>YEAR TO DATE</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 3,910,064	\$ 5,613,073
Adjustments to reconcile operating income to net cash provided (used) by		
Depreciation expense		
Revenue reduced for uncollectible accounts		
(Increase) decrease in net accounts receivable	2,534,162	(593,095.56)
(Increase) decrease in accrued revenue	(353,308)	313,839.15
(Increase) decrease in prepaid expenses	(2,054,732)	(5,880.34)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	1,948,353	15,756.69
Increase (decrease) in accounts payable	(3,068,763)	(54,547.41)
Increase (decrease) in accrued payroll	(16,463)	(25,888.91)
Increase (decrease) in due to member agencies	-	5,855.40
Increase (decrease) in accrued cost of electricity	(1,795,262)	(1,645,382.32)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	827,188	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	(16,008)	16,094.60
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	<u>\$ 1,915,229</u>	<u>\$ 3,639,825</u>

VALLEY CLEAN ENERGY
2024 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 06/30/2024

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	\$ 42,042,291	\$ 51,260,000	\$ (9,217,709)	-18%
Electric Revenue	\$ 41,685,814	\$ 50,395,000	\$ (8,709,186)	-17%
Interest Revenues	\$ 356,478	\$ 255,000	\$ 101,478	40%
Reimbursable Revenues	\$ -	\$ 610,000	\$ (610,000)	-100%
Purchased Power	\$ 27,949,732	\$ 30,101,000	\$ (2,151,268)	-7%
Purchased Power Base	\$ 27,949,732	\$ 28,667,000	\$ (717,268)	-3%
Purchased Power Contingency 5%	\$ -	\$ 1,434,000	\$ (1,434,000)	-100%
Labor & Benefits	\$ 825,976	\$ 816,000	\$ 9,976	1%
Salaries & Wages	\$ 690,500	\$ 672,000	\$ 18,500	3%
Benefits	\$ 63,227	\$ 102,000	\$ (38,773)	-38%
Human Resources & Payroll	\$ 72,250	\$ 42,000	\$ 30,250	72%
Office Supplies & Other Expenses	\$ 145,875	\$ 167,700	\$ (21,825)	-13%
Technology Costs	\$ 43,057	\$ 19,200	\$ 23,857	124%
Office Supplies	\$ 6,911	\$ 6,000	\$ 911	15%
Travel	\$ 20,501	\$ 22,500	\$ (1,999)	-9%
CalCCA Dues	\$ 73,416	\$ 72,000	\$ 1,416	2%
CC Power	\$ -	\$ 45,000	\$ (45,000)	-100%
Memberships	\$ 1,990	\$ 3,000	\$ (1,010)	-34%
Contractual Services	\$ 1,045,689	\$ 1,141,900	\$ (96,211)	-8%
Other Contract Services (e.g. IRP)	\$ -	\$ 16,000	\$ (16,000)	-100%
Don Dame	\$ 2,186	\$ 10,800	\$ (8,614)	-80%
Wholesale Energy Services (TEA)	\$ 409,043	\$ 409,500	\$ (457)	0%
2030 100% Renewable & Storage	\$ -	\$ 15,000	\$ (15,000)	-100%
Customer Support Call Center	\$ 371,301	\$ 402,000	\$ (30,699)	-8%
Operating Services	\$ 44,128	\$ 30,000	\$ 14,128	47%
Commercial Legal Support	\$ 2,564	\$ 12,000	\$ (9,437)	-79%
Legal General Counsel	\$ 22,974	\$ 42,000	\$ (19,026)	-45%
Regulatory Counsel	\$ 69,238	\$ 102,000	\$ (32,762)	-32%
Joint CCA Regulatory counsel	\$ 45,471	\$ 9,600	\$ 35,871	374%
Legislative - (Lobbyist)	\$ 38,500	\$ 34,500	\$ 4,000	12%
Accounting Services	\$ (5,855)	\$ 1,500	\$ (7,355)	-490%
Financial Consultant	\$ -	\$ 12,000	\$ (12,000)	-100%
Audit Fees	\$ 46,140	\$ 45,000	\$ 1,140	3%
Marketing	\$ 109,534	\$ 150,000	\$ (40,467)	-27%
Marketing Collateral	\$ 109,534	\$ 144,000	\$ (34,467)	-24%
Community Engagement Activities & Sponsorships	\$ -	\$ 6,000	\$ (6,000)	-100%
Programs	\$ 408,379	\$ 1,169,000	\$ (760,621)	-65%
Program Costs (Rebates, Incentives, etc.)	\$ 86,627	\$ 400,000	\$ (313,373)	-78%
AG Fit	\$ 321,752	\$ 760,000	\$ (438,248)	-58%
PIPP Program	\$ -	\$ 9,000	\$ (9,000)	-100%
Rents & Leases	\$ 23,790	\$ 24,600	\$ (810)	-3%
Hunt Boyer Mansion	\$ 23,790	\$ 12,600	\$ 11,190	89%
Lease Improvement	\$ -	\$ 12,000	\$ (12,000)	-100%
Other A&G	\$ 295,810	\$ 301,800	\$ (5,990)	-2%
Development - New Members	\$ -	\$ 12,600	\$ (12,600)	-100%
Strategic Plan Implementation	\$ -	\$ 38,400	\$ (38,400)	-100%
PG&E Data Fees	\$ 132,972	\$ 144,000	\$ (11,028)	-8%
Insurance	\$ 24,807	\$ 24,000	\$ 807	3%
Banking Fees	\$ 138,032	\$ 82,800	\$ 55,232	67%
Miscellaneous Operating Expenses	\$ 754	\$ 6,000	\$ (5,246)	-87%
Contingency	\$ -	\$ 120,000	\$ (120,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	\$ 30,805,539	\$ 33,998,000	\$ (3,192,461)	-9%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
Interest Expense - Bridge Loan \ Line of Credit	\$ -	\$ -	\$ -	100%
NET INCOME	\$ 11,236,752	\$ 17,262,000	\$ (6,025,248)	

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5 (b)

TO: Board of Directors

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

SUBJECT: Monthly Treasurer’s Report (Information Item) – July 31, 2024

DATE: September 12, 2024

RECOMMENDATION:

Accept the Treasurer’s report on VCE’s cash, investments, debt, and unaudited financial statements (with comparative year to date information) and Actual vs. Budget year to date for month ending July 31, 2024.

BACKGROUND & DISCUSSION:

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

The Financial Statements include the following reports:

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

In addition, Staff is reporting the Actual vs. Budget variances year to date ending July 31, 2024.

Financial Statements for the period July 1, 2024 – July 31, 2024

In the Statement of Net Position, VCE, as of July 31, 2024, has a total of \$34,826,681 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On July 31, 2024, VCE’s net position was \$49,307,638.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$18,804,693 of revenue (net of allowance for doubtful accounts), of which \$16,106,207 was billed in July, and \$6,543,544 represents estimated unbilled revenue. The cost of electricity for the July revenue totaled \$16,515,883. For July, VCE’s gross margin was approximately 13% and the net income totaled \$1,770,727. The year-to-date change in net position was \$12,884,462.

In the Statement of Cash Flows, VCE cash flows from operations were (\$497,670) due to July cash receipts of revenues being less than the monthly cash operating expenses.

Bank Account Balances (as of 7/31/2024):

Operating Account:	\$	23,228,205
Insured Cash Sweep Account:	\$	20,261,982
Debt Service Account:	\$	1,100,000
<u>CAISO Operational Account:</u>	<u>\$</u>	<u>2,922,635</u>
Total Cash on Deposit	\$	47,512,822

Note: VCE receives 4.45% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. July 2024 earnings were \$81,881.

VCE's Outstanding Loan Balances (as of 7/31/2024):

Valley Clean Energy Alliance has available at the financial institution a line of credit totaling \$11,000,000 with a \$7,000,000 withdrawal limit, which expires on April 15, 2026. The related debt outstanding at the close of business on July 31, 2024 was \$0. VCE has issued, but undrawn, letters of credit for a total of \$3,897,000 for regulatory and power purchase requirements.

Actual vs. Budget Variances for the year to date ending July 31, 2024

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

- Electric Revenue – (\$2,857,493) and -5% – Unfavorable variance due to retail load variance lower than forecasted due to mild and wet winter and lower spring temperatures reducing agriculture and residential revenues compared to forecast.
- Purchased Power – \$5,133,615 and 13% – Unfavorable mainly due to budgeted renewable energy certificates not procured, lower load due to mild and wet winter, lower energy prices, and lower spring temperatures reducing agriculture and residential usage compared to forecast.
- Reimbursable Revenues \$611,500 (AgFIT) – Unfavorable Variance - Reimbursable AgFIT revenues and associated program costs are expected later this year resulting in budget timing differences.
- General Programs Costs \$413,373 – Favorable Variance – Budgeted program costs are amortized for the year resulting in timing differences.
- AgFIT Programs Costs \$281,743 (AgFIT) – Favorable Variance – Program costs are expected later this year resulting in budget timing differences.

Attachments:

- 3) Financial Statements (Unaudited) July 1, 2024 to July 31, 2024 (with comparative year to date information.)
- 4) Actual vs. Budget for the year to date ending July 31, 2024



VALLEY CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF JULY 1 TO JULY 31, 2024

PREPARED ON SEPTEMBER 4, 2024

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
July 31, 2024
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	\$ 34,826,681
Accounts receivable, net of allowance	17,697,547
Accrued revenue	6,543,544
Prepaid expenses	2,089,081
Inventory - Renewable Energy Credits	-
Other current assets and deposits	4,729,518
Total current assets	<u>65,886,372</u>

Restricted assets:

Debt service reserve fund	<u>1,100,000</u>
Total restricted assets	<u>1,100,000</u>
TOTAL ASSETS	<u><u>\$ 66,986,372</u></u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 360,030
Accrued payroll	93,374
Interest payable	-
Due to member agencies	(1,723)
Accrued cost of electricity	13,321,241
Other accrued liabilities	2,050,988
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	54,825
TOTAL LIABILITIES	<u><u>\$ 17,678,734</u></u>

NET POSITION

Net position:

Local Programs Reserve	\$ 840,000
Restricted	1,100,000
Unrestricted	47,367,638
TOTAL NET POSITION	<u><u>\$ 49,307,638</u></u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
July 31, 2024
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING July 31, 2024	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	\$ 18,804,693	\$ 60,490,977
Other revenue	-	-
TOTAL OPERATING REVENUES	18,804,693	60,490,977
OPERATING EXPENSES		
Cost of electricity	16,515,883	44,465,615
Contract services	223,090	1,405,231
Staff compensation	134,966	978,917
General, administration, and other	241,909	1,195,111
TOTAL OPERATING EXPENSES	17,115,847	48,044,874
TOTAL OPERATING INCOME (LOSS)	1,688,846	12,446,103
NONOPERATING REVENUES (EXPENSES)		
Interest income	81,881	438,359
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	81,881	438,359
CHANGE IN NET POSITION		
Net position at beginning of period	1,770,727	12,884,462
Net position at end of period	\$ 7,484,875	\$ 36,423,176
		\$ 49,307,638

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
July 31, 2024
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE	
	PERIOD ENDING	YEAR TO DATE
	July 31, 2024	
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 18,804,693	\$ 60,490,977
Payments received from other revenue sources	-	-
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(18,702,398)	
Payments for contract services, general, and administration	(464,999)	(2,600,342)
Payments for member agency services	-	-
Payments for staff compensation	(134,966)	(978,917)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	<u>(497,670)</u>	<u>56,911,718</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	81,881	438,359
Net cash provided (used) by investing activities	<u>81,881</u>	<u>438,359</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(415,789)	57,350,077
Cash and cash equivalents at beginning of period	36,342,470	28,579,933
Cash and cash equivalents at end of period	<u>35,926,681</u>	<u>85,930,010</u>
Cash and cash equivalents included in:		
Cash and cash equivalents	34,826,681	84,830,010
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	<u>\$ 35,926,681</u>	<u>\$ 85,930,010</u>

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
July 31, 2024
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	<u>FOR THE PERIOD ENDING July 31, 2024</u>	<u>YEAR TO DATE</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 1,688,846	\$ 5,613,073
Adjustments to reconcile operating income to net cash provided (used) by		
Depreciation expense		
Revenue reduced for uncollectible accounts		
(Increase) decrease in net accounts receivable	5,468,986	(593,095.56)
(Increase) decrease in accrued revenue	2,863,703	313,839.15
(Increase) decrease in prepaid expenses	68,311	(5,880.34)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	(13,720)	15,756.69
Increase (decrease) in accounts payable	(6,324,051)	(54,547.41)
Increase (decrease) in accrued payroll	65,067	(25,888.91)
Increase (decrease) in due to member agencies	-	5,855.40
Increase (decrease) in accrued cost of electricity	(4,488,473)	(1,645,382.32)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	201,843	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	(28,181)	16,094.60
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	<u>\$ (497,670)</u>	<u>\$ 3,639,825</u>

VALLEY CLEAN ENERGY
2024 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 07/31/2024

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	\$ 60,928,865	\$ 64,262,000	\$ (3,333,135)	-5%
Electric Revenue	\$ 60,490,507	\$ 63,348,000	\$ (2,857,493)	-5%
Interest Revenues	\$ 438,359	\$ 302,500	\$ 135,859	45%
Reimbursable Revenues	\$ -	\$ 611,500	\$ (611,500)	-100%
Purchased Power	\$ 44,465,615	\$ 41,299,000	\$ 3,166,615	8%
Purchased Power Base	\$ 44,465,615	\$ 39,332,000	\$ 5,133,615	13%
Purchased Power Contingency 5%	\$ -	\$ 1,967,000	\$ (1,967,000)	-100%
Labor & Benefits	\$ 960,942	\$ 952,000	\$ 8,942	1%
Salaries & Wages/Benefits	\$ 799,701	\$ 784,000	\$ 15,701	2%
Contract Labor	\$ 72,348	\$ 119,000	\$ (46,652)	-39%
Human Resources & Payroll	\$ 88,893	\$ 49,000	\$ 39,893	81%
Office Supplies & Other Expenses	\$ 170,201	\$ 192,400	\$ (22,199)	-12%
Technology Costs	\$ 48,204	\$ 22,400	\$ 25,804	115%
Office Supplies	\$ 7,370	\$ 7,000	\$ 370	5%
Travel	\$ 20,501	\$ 23,000	\$ (2,499)	-11%
CalCCA Dues	\$ 87,136	\$ 84,000	\$ 3,136	4%
CC Power	\$ 5,000	\$ 52,500	\$ (47,500)	-90%
Memberships	\$ 1,990	\$ 3,500	\$ (1,510)	-43%
Contractual Services	\$ 1,242,960	\$ 1,325,050	\$ (82,090)	-6%
Other Contract Services (e.g. IRP)	\$ -	\$ 19,000	\$ (19,000)	-100%
Don Dame	\$ 2,419	\$ 12,600	\$ (10,181)	-81%
Wholesale Energy Services (TEA)	\$ 493,302	\$ 477,750	\$ 15,552	3%
2030 100% Renewable & Storage	\$ -	\$ 17,500	\$ (17,500)	-100%
Customer Support Call Center	\$ 447,565	\$ 469,000	\$ (21,435)	-5%
Operating Services	\$ 50,424	\$ 35,000	\$ 15,424	44%
Commercial Legal Support	\$ 2,564	\$ 14,000	\$ (11,437)	-82%
Legal General Counsel	\$ 32,724	\$ 49,000	\$ (16,276)	-33%
Regulatory Counsel	\$ 84,206	\$ 119,000	\$ (34,794)	-29%
Joint CCA Regulatory counsel	\$ 45,471	\$ 11,200	\$ 34,271	306%
Legislative - (Lobbyist)	\$ 44,000	\$ 40,250	\$ 3,750	9%
Accounting Services	\$ (5,855)	\$ 1,750	\$ (7,605)	-435%
Financial Consultant	\$ -	\$ 14,000	\$ (14,000)	-100%
Audit Fees	\$ 46,140	\$ 45,000	\$ 1,140	3%
Marketing	\$ 123,000	\$ 175,000	\$ (52,000)	-30%
Marketing Collateral	\$ 123,000	\$ 168,000	\$ (45,000)	-27%
Community Engagement Activities & Sponsorships	\$ -	\$ 7,000	\$ (7,000)	-100%
Programs	\$ 604,884	\$ 1,310,500	\$ (705,616)	-54%
Program Costs (Rebates, Incentives, etc.)	\$ 86,627	\$ 500,000	\$ (413,373)	-83%
AG Fit	\$ 518,257	\$ 800,000	\$ (281,743)	-35%
PIPP Program	\$ -	\$ 10,500	\$ (10,500)	-100%
Rents & Leases	\$ 25,740	\$ 28,700	\$ (2,960)	-10%
Hunt Boyer Mansion	\$ 25,740	\$ 14,700	\$ 11,040	75%
Lease Improvement	\$ -	\$ 14,000	\$ (14,000)	-100%
Other A&G	\$ 322,354	\$ 338,500	\$ (16,146)	-5%
Development - New Members	\$ -	\$ 14,700	\$ (14,700)	-100%
Strategic Plan Implementation	\$ -	\$ 44,800	\$ (44,800)	-100%
PG&E Data Fees	\$ 154,783	\$ 168,000	\$ (13,217)	-8%
Insurance	\$ 29,539	\$ 28,000	\$ 1,539	5%
Banking Fees	\$ 138,032	\$ 83,000	\$ 55,032	66%
Miscellaneous Operating Expenses	\$ 4,191	\$ 7,000	\$ (2,809)	-40%
Contingency	\$ -	\$ 140,000	\$ (140,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	\$ 47,919,887	\$ 45,768,150	\$ 2,151,737	5%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
Interest Expense - Bridge Loan \ Line of Credit	\$ -	\$ -	\$ -	100%
NET INCOME	\$ 13,008,979	\$ 18,493,850	\$ (5,484,871)	

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: September 12, 2024

Pacific Policy Group, VCE’s lobby services consultant, continues to work with Staff and the Community Advisory Committee’s Legislative - Regulatory Task Group (LRTG) continues to meet and discuss legislative matters. Below is a summary of recent activity.

Each year the Legislature concludes its business with a flurry of activity, maneuvering, and deal making that can make one’s head spin. This year’s end of the legislative session was more likely to make one’s head explode. A number of late-breaking gut-and-amend bills were considered, and passed, so late in the evening of August 31st that Assembly Democrats, with their comfortable supermajority, altered the rules in the final hour of the day to limit debate to just 30 seconds per side. The second year of each two-year session must cease considering bills once the clock strikes midnight on August 31st, and a number of bills were not passed simply because they ran out of time for a vote. Although Governor Newsom called for a special session to consider a proposed bill requiring oil refineries to keep additional supply in reserve, the Senate declined to approve the special session, adding to the chaos on the final night. Advocates left the Capitol in the early hours of September 1 wondering what exactly just happened.

Rumors had been plentiful over the past month for a package of energy bills to emerge with a goal of reducing rates. In the end, only one piece of legislation pertaining to energy policy passed the Legislature. Assembly Utilities & Energy Committee Chair Cottie Petrie-Norris put AB 3121 and AB 3264 into print on August 28, the final day to amend bills in order to comply with the rule that bills must be in final form 72 hours before a floor vote. But, she ended up only moving ahead with AB 3264.

AB 3121 sought to revert unspent funds from several demand-side programs (the School Energy Efficiency Stimulus Program, the Self-Generation Incentive Program, and the Solar on Multifamily Affordable-Housing Program) as a bill credit to ratepayers. The proposal would have resulted in a one-time credit worth about \$30 at the cost of ending programs that help promote equity. The proposal was met with opposition from environmental and energy groups and ultimately the author did not present the bill in a Senate Energy, Utilities, & Communications hearing that took place on the second-to-last day of the session.

AB 3264 proposes a more deliberate approach by requiring the CPUC, in consultation with the CEC, to develop a framework for assessing, tracking, and analyzing total annual energy costs paid by residential households in California, by December 31, 2026. The bill also broadens a triennial report required of the CPUC on energy efficiency and conservation programs to also include all demand-side management programs it oversees or that are paid for by ratepayers of CCAs, electric IOUs, or gas IOUs. The latter provision drew concern from CCAs and CalCCA who immediately engaged the author to ensure that a CCA's self-funded program could not be changed by the CPUC or the Legislature and usurp the CCA's rate-making authority. The author stated in the Senate Energy committee hearing that she would be working with Load Serving Entities, (including IOUs and CCAs) on how to aggregate and report on the information required by the bill. Ultimately, CalCCA and individual CCAs, including VCE, decided to not take a position on AB 3264 but instead continue to work with the author over the Fall.

VCE staff, the LRTG and PPG examined the following bills throughout the Legislative session.

1. AB 3264 (Petrie-Norris) Demand-Side Management Program

Summary: Would require the Public Utilities Commission (PUC), in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to develop a framework for assessing, tracking, and analyzing total annual energy costs paid by residential households in California, as specified. The bill would authorize the PUC to use the framework for purposes of evaluating any request by an electrical corporation and gas corporation to track new spending eligible for recovery or to adjust a revenue requirement. The bill would require the PUC to submit a report to the Legislature containing the framework and certain information. The bill would require large electrical corporations, as defined, and large gas corporations, as defined, by January 1, 2026, and each year thereafter, to publish on their internet websites and provide to the PUC a visual representation of certain cost categories included in residential electric or gas rates for the succeeding calendar year.

Additional Information

- Next Hearing: The bill passed the Legislature and is awaiting Governor Newsom's signature or veto.
- VCE Position: Watch
- Bill language: [AB 3264](#)

2. AB 3121 (Petrie-Norris) Public utilities: incentive programs

Summary: Current law establishes the Multifamily Affordable Housing Solar Roofs Program. Current law requires the Public Utilities Commission (PUC), as part of the program, to authorize the award of monetary incentives for qualifying solar energy systems, as defined, that are installed on multifamily residential properties of at least 5 rental housing units that are operated to provide deed-restricted low-income residential housing, as defined, and that meet one or more specified requirements, as provided. Current law requires the PUC to annually authorize the allocation of \$100,000,000 or 66.67% of available funds, whichever is less, beginning with the fiscal year commencing July 1, 2016, and ending with the fiscal year ending June 30, 2020, to the program from certain greenhouse gas allowance revenues received by electrical corporations and set aside for clean energy and energy efficiency projects, as

provided. Current law requires the PUC to continue authorizing the allocation of these funds through June 30, 2026, if the PUC determines that revenues are available after 2020 and that there is adequate interest and participation in the program. Current law requires the PUC to evaluate the program every 3 years and requires the PUC to make necessary adjustments to the program to ensure that the goals of the program are being met, as specified. Current law authorizes the PUC to credit uncommitted funds back to ratepayers if the PUC, upon review, finds that there is insufficient participation in the program. This bill would require the PUC to credit no more than 1/2 of the program funds that are unencumbered as of January 1, 2025, back to the residential retail customers of electrical corporations, as specified.

Additional Information

- Next Hearing: The bill failed to pass the Legislature and is dead.
- VCE Position: Watch
- Bill language: [AB 3121](#)

3. AB 2368 (Petrie-Norris) Reliability

Summary: Existing law requires the Independent System Operator to ensure the efficient use and reliable operation of the transmission grid, as provided. This bill would authorize the PUC, in coordination with the Independent System Operator, to establish resource adequacy requirements that is sufficient to maintain a one-day-in-10-year loss of load expectation. The bill also directs the CAISO to evaluate outages for insufficient generation procurement and report the findings and procurement recommendations to the PUC, CEC, and Legislature.

Additional Information

- Next Hearing: The bill passed the Legislature and is awaiting Governor Newsom's signature or veto.
- VCE Position: Watch.
- Bill language: [AB 2368](#)

4. AB 1999 (Irwin) Income Graduated Fix Charge (IGFC)

Summary: Current law requires the CPUC, no later than July 1, 2024, to authorize a fixed charge for default residential rates that are to be established on an income-graduated basis, with no fewer than 3 income thresholds, so that low-income ratepayers in each baseline territory would realize a lower average monthly bill without making any changes in usage. This bill would repeal the provisions described in the preceding sentence and would instead permit the commission to authorize fixed charges that, as of January 1, 2015, do not exceed \$5 per residential customer account per month for low-income customers enrolled in the California Alternate Rates for Energy (CARE) program and that do not exceed \$10 per residential customer account per month for customers not enrolled in the CARE program. The bill would authorize these maximum allowable fixed charges to be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year, beginning January 1, 2016.

In 2021, the Legislature passed AB 205, a budget trailer bill that enacted a number of energy related policies including the California Arrearage Payment Program, a new site certification process at the CEC, creation of the Strategic Reliability Reserve, an authorization to extend several once-through cooling plants, and an authorization for the CPUC to adopt new fixed

charges on an income-graduated scale. The outcry from the public has emerged regarding an income-graduated fix charge as the CPUC has been working through its proceeding, and state legislators have been hearing from their constituents. AB 1999 is in response to the uproar, but it's a challenging position for legislators as many, including the author and many of the coauthors, voted for AB 205 back in 2021. The impact of the proposed IGFC on residential customers is that it appears to impact medium and low-income customers at a higher rate than anticipated, thus having the potential to impose a significant financial and affordability burden.

The bill had been in the possession of the Assembly Utilities & Energy Committee but was then pulled back to the Rules Committee, which is a move by the Assembly leadership to sit on the bill. However, Assembly leadership allowed the author to amend the bill to impose a five-year sunset on the IGFC. The bill passed the Assembly U&E Committee but was then held by Assembly Appropriations and the bill is now dead. The PUC's announced proposed decision to align the IGFC with one SMUD imposes took the wind out of the sails with IGFC related bills.

Additional Information

- Next Hearing: The bill was held by the Assembly Appropriations Committee and is now dead.
- VCE Position: Watch
- Bill language: [AB 1999](#)

5. AB 2666 (Boerner) Public Utilities Rate of Return

Summary: Current law authorizes the Public Utilities Commission to fix the rates and charges for every public utility, including electrical and gas corporations, and requires those rates and charges to be just and reasonable. This bill would require the commission, following each general rate case, to review which costs, if any, each electrical corporation or gas corporation was able to reduce to achieve profits and to adjust the authorized revenue requirement in the attrition years or in the subsequent general rate case, as appropriate, based on the actual past costs the corporation records. The bill would require the commission to establish guidelines for electrical corporations and gas corporations to calculate and report annually their actual rates of return to the commission.

The original version of this bill required investor-owned utilities (IOUs) to return to ratepayers any revenue received by the IOUs above their authorized rate of return. The bill now requires the CPUC to evaluate how IOUs are achieving cost savings against their projected costs provided in a General Rate Case (GRC) and authorizes the CPUC to either reduce the rate of return in a subsequent GRC.

Additional Information

- Next Hearing: The bill will be heard next in Senate Appropriations.
- VCE Position: Watch
- Bill language: [AB 2666](#)

6. AB 817 (Pacheco) Brown Act Exemption for Subsidiary Bodies

Summary: This bill, until January 1, 2026, would authorize a subsidiary, defined as a legislative body that serves exclusively in an advisory capacity and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, to meet remotely and be exempt from the Brown Act requirements for notice, agenda, and public participation. In order to use the exemption, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to authorize, majority vote, the subsidiary body to use remote meetings before for the first time and every 12 months thereafter.

Additional Information

- Next Hearing: The bill was held in Senate Local Government and is dead.
- VCE Position: Watch
- CalCCA Position: Support
- Bill Language: [AB 817](#)

7. SB 1305 (Stern) Virtual Power Plant Procurement Mandate

Summary: The bill would require the PUC to adopt virtual power plant (VPP) procurement targets applicable to the IOUs, which would beginning January 30, 2028 and each year thereafter, be required to file a report with the PUC on its progress toward complying with the virtual power plant procurement targets.

CalCCA had some initial conversations with the author's office and the sponsor, OhmConnect, to discuss the potential for amendments to remove the procurement mandate that had applied to CCAs. The amended version of the bill no longer applies to CCAs but remained one to watch until the author decided to not proceed with the bill being heard in the Senate Energy, Utilities & Communications Committee. The bill is now dead for the session.

Additional Information

- Next Hearing: The bill was pulled by the author from the Senate Energy, Utilities & Communications Committee and is now dead.
- VCE Position: Watch
- Bill language: [SB 1305](#)

8. SB 1508 (Stern) Storage Mandate

Summary: Existing law requires the CPUC to adopt a process for each load-serving entity to file an integrated resource plan and a schedule for periodic updates to the plan and to ensure that load-serving entities, among other things, ensure system and local reliability on a near-term, mid-term, and long-term basis and maintain a diverse portfolio of energy resources. This bill would require the commission to ensure that diverse energy storage duration classes are modeled and that energy storage technology that meets an energy storage class's minimum duration requirement is modeled within that class to ensure technology neutrality.

This bill was heavily amended coming out of the Senate Energy, Utilities, & Communications Committee as the original bill that went before the committee included a procurement mandate for long duration energy storage and multiday energy storage systems. The

procurement mandate caused some concern but now that the mandate provision has been removed the bill is of less consequence.

Additional Information

- Next Hearing: The bill will be heard Appropriations.
- VCE Position: Watch
- Bill language: [SB 1508](#)

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: September 12, 2024

Please find attached Keyes & Fox’s August 2024 Regulatory Memorandum dated September 4, 2024 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 September 4, 2024

Valley Clean Energy Alliance

Regulatory Monitoring Report

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

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

Subject: Monthly Regulatory Update

Date: September 4, 2024

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

RPS Rulemaking

Background: This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, including legislative mandates, and other matters related to the purchase of renewable energy. This proceeding will be the forum for review of VCE's next RPS Procurement Plan and RPS Compliance reports.

Recent Developments: On July 22 through July 24, Retail Sellers, including VCE, filed their Draft 2024 RPS Procurement Plans. On July 22, PG&E submitted [AL 7332-E](#) on Modifications to PG&E's Renewable Market Adjusting Tariff (ReMAT) Program tariff Pursuant to CPUC Resolution E-5323. Comments on the Draft 2024 RPS Procurement Plans were filed on August 22.

Analysis: N/A

Next Steps: Motions to update Draft RPS Plans and reply comments are due September 5. A proposed decision on 2024 RPS Procurement Plans is expected in Q4 2024.

Additional Information: VCE [Draft 2024 RPS Procurement Plan](#) (Jul. 22, 2024); PG&E [AL 7332-E](#) (Jul. 22, 2024); Resolution [E-5323](#) on ReMAT rates (Jun. 24, 2024); [Assigned Commissioner's Ruling](#) on 2024 RPS Procurement Plans (May 17, 2024); [Scoping Memo and Ruling](#) (May 9, 2024); ALJ [Ruling](#) (Mar. 7, 2024); [OIR](#) (Feb. 1, 2024); Docket No. [R.24-01-017](#).

RA Rulemaking (2025-2026)

Background: This proceeding considers resource adequacy (RA) requirements for LSEs and will address the 2025 and 2026 RA compliance years, local RA procurement obligations for the 2025-2028 compliance years, and further development of the 24-hour Slice-of-Day (SOD) framework. Track 1 was focused on priority issues including RA capacity requirements, SOD framework implementation, and RA compliance and penalties. Track 2 is focused on Central Procurement Entity (CPE) framework issues, including potential structural modifications, and Track 3 will be focused on remaining RA capacity issues. The Commission issued a decision (D.24-06-004) on Track 1 on June 26, 2024.

Recent Developments: On July 22, the ALJ issued a [Ruling](#) providing the Energy Division's Loss of Load Expectation (LOLE) Study. Opening comments on Track 2 proposals were filed August 9, and reply comments were filed August 23. VCE's Motion for party status was granted on June 28.

Analysis: N/A

Next Steps: The Commission recently published revisions to the SOD reserve margin calculation tool and translation into a monthly reserve margin. Parties may comment on those revised tools by September 9. Reply Comments are due by September 16. The first year-ahead SOD showing is due in November 2024. A proposed decision in Track 2 is expected in November 2024.

Additional Information: ALJ [Ruling](#) (Jul. 22, 2024); ALJ [Ruling](#) (Jun. 26, 2024); [D.24-06-004](#) (Jun. 26, 2024); [Scoping Memo and Ruling](#) (Dec. 18, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

Demand Flexibility

Background: This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and the proceeding may also modify, consolidate, or eliminate existing dynamic rate pilots. Phase 1-Track A established an income-graduated fixed charge (IGFC) for residential rates for all investor-owned electric utilities

in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B first adopted rate design and demand flexibility principles and then expanded VCE's AgFIT Pilot throughout PG&E distribution territory.

Recent Developments: On August 13, PG&E submitted [AL 7351-E](#) on Implementation of PG&E's Fixed Charge Pursuant to D.24-05-028. On August 13, PG&E submitted Second Supplemental [AL 7223-E-B](#) on Dual Participation in PG&E's Agricultural Pilot and Expanded Pilot 2, which was approved effective as of August 20. On August 22, the assigned commissioner issued a [Ruling](#) expanding the scope of issues in Phase 1 Track B to include consideration of specific rates for large commercial and industrial customers including, but not limited to, hydrogen and industrial heat producers. On September 3, VCE's AL 17-E was approved effective as of August 28.

Analysis: PG&E's Supplemental Advice Letter 7223-E-B adds language regarding working with CCAs and provides additional detail on assessment of load impacts.

Next Steps: The expanded AgFIT pilot is expected to go live in November. A proposed decision on Track B Working Group 1 proposals regarding rate design for marginal generation capacity costs is expected by the end of this year.

Additional Information: [Disposition Letter](#) on VCE AL 17-E (Sep. 3, 2024); Assigned Commissioner [Ruling](#) (Aug. 22, 2024); PG&E [AL 7223-E-B](#) (Aug. 13, 2024); PG&E [AL 7351-E](#) (Aug. 13, 2024); [Letter](#) granting PG&E dynamic rate pilot enrollment extension (May 31, 2024); PG&E [Request](#) for dynamic rate pilot enrollment extension (May 24, 2024); [D.24-05-028](#) (May 15, 2024); VCE [Substitute Sheet](#) AL 17-E (Apr. 18, 2024); PG&E [AL 7222-E-A](#) (Apr. 17, 2024); [D.24-01-032](#) (Jan. 26, 2024); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

EV Rates & Infrastructure

Background: This rulemaking is the successor to [R.18-12-006](#) and will focus on issues related to 1) timely energization of electric vehicle (EV) charging, 2) transportation electrification grid planning to support charging infrastructure deployment, 3) deployment of behind-the-meter (BTM) charging infrastructure to support state goals, 4) vehicle-grid integration (VGI), and 5) ongoing transportation electrification policy development and collaboration.

Recent Developments: Resolution [E-5326](#) was issued on July 17. Opening comments on the June 3 Ruling initiating Track 1 were filed on July 2 and reply comments were filed on July 18.

Analysis: PG&E's VGI pilots approved in Resolution E-5192 are programs to enable bi-directional EV connections to the power grid for residential, commercial, and microgrid customers. Resolution E-5326 addresses rate design for these pilot programs, including avoiding double compensation, and will inform future efforts to integrate EVs with the power grid as both a charging load and a resource supply.

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

Additional Information: [Resolution E-5326](#) (Jul. 17, 2024); [Letter](#) granting extension (Jun. 5, 2024); ALJ [Ruling](#) (Jun. 3, 2024); [Vehicle-Grid Integration Forum Report](#) (May 21, 2024); [Resolution E-5314](#) (Apr. 19, 2024); [Scoping Memo and Ruling](#) (Apr. 12, 2024); [Draft Resolution E-5314](#) (Mar. 8, 2024); ALJ [Ruling](#) (Dec. 27, 2023); [OIR](#) (Dec. 20, 2023); Docket No. [R.23-12-008](#).

IRP Rulemaking

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

Recent Developments: On August 9, the CPUC issued a [Proposed Decision](#) allowing the use of short-term bridge resources for temporary, alternative compliance with the Diablo Canyon replacement resource category procurement requirement in D.21-06-035. On August 29, the CPUC issued [D.24-08-064](#) that makes an initial need determination pursuant to AB 1373 (Stats. 2023, Ch.367) for procurement by the Department of Water Resources (DWR) of electricity from diverse long lead-time (LLT) resources on behalf of customers of all LSEs. The initial need determination in [D.24-08-064](#) totals up to 10.6 gigawatts (GW) of *nameplate capacity* (prior orders used NQC rather than nameplate capacity) of the following emerging technologies: up to 7.6 GW of offshore wind, up to 1 GW of geothermal systems, up to 1 GW of multi-day long-duration energy storage (LDES), and up to 1 GW of LDES with a discharge period of at least 12 hours.

Analysis: The Proposed Decision would permit the use of short-term contracts for zero greenhouse gas or RPS-eligible resources for up to three years beyond the D.21-06-035 compliance deadline of June 1, 2025. D.24-08-064 constitutes the CPUC's determination of need for centralized procurement by DWR pursuant to AB 1373. LSEs may not opt out of their share of such centralized procurement and the costs and benefits of such procurement shall be allocated to LSEs by the CPUC.

Next Steps: The Proposed Decision on the use of bridge resources may be heard as soon as the September 12 Commission meeting. By March 1, 2025, the CPUC may request that DWR exercise the centralized procurement mechanism. VCE's next IRP filing is due November 1, 2025.

Additional Information: [D.24-08-064](#) on central procurement of LLT resources (Aug. 29, 2024); [Proposed Decision](#) on bridge resources (Aug. 9, 2024); ALJ [Ruling](#) (May 21, 2024); [Amended Scoping Memo and Ruling](#)

([Correction/Clarification](#)) (Apr. 18, 2024); [D.24-02-047](#) (Feb. 20, 2024); [D.23-12-014](#) (Dec. 19, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); Docket No. [R.20-05-003](#).

Diablo Canyon Cost Recovery

Background: This proceeding will establish rates effective January 1, 2025 to recover the forecast costs associated with extended operations of the Diablo Canyon Power Plant (DCPP) during the September 2023-December 2025 time period. Customers across the state – including CCA customers - will pay for the costs of extended operations at DCPP, and will be allocated the resource adequacy (RA) and greenhouse gas (GHG)-free benefits associated with those operations. PG&E proposes, in its application, certain changes to the allocation of RA and GHG-free benefits to load serving entities (LSEs). It also proposes specific uses for the volumetric performance fee revenue it will collect from customers in 2025.

Recent Developments: The August 15 ALJ [Ruling](#) scheduling evidentiary hearings was modified by an August 27 email [Ruling](#) scheduling evidentiary hearings for September 11 and 12. On August 30, PG&E submitted supplemental [AL 7295-E-A](#) on the allocation of GHG-free attributes from Diablo Canyon's extended operations to LSEs.

Analysis: PG&E is proposing changes to the RA and GHG-free attribute allocation methodologies established by D.23-12-036. CalCCA and other parties have objected to PG&E's proposal. Allocation of RA and GHG-free attributes will begin once Diablo Canyon Power Plant enters extended operations.

Next Steps: Evidentiary hearings are scheduled for September 11-12, opening briefs are due October 1, market price benchmarks will be issued on October 1, reply briefs are due October 21, and a proposed decision is expected in November 2024.

Additional Information: PG&E [AL 7295-E-A](#) (Aug. 30, 2024); ALJ [Ruling](#) (Aug. 27, 2024); ALJ [Ruling](#) (Aug. 15, 2024); [Scoping Memo and Ruling](#) (Jun. 18, 2024); PG&E [AL 7295-E](#) (Jun. 12, 2024); ALJ [Ruling](#) (May 15, 2024); [Amended Application](#) (Apr. 8, 2024); [Application](#) (Mar. 29, 2024); Docket No. [A.24-03-018](#).

Microgrids

Background: This proceeding was opened to implement the requirements of SB 1339 (Stern, 2018), requiring 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 (MIP), 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: No recent developments.

Analysis: N/A

Next Steps: A proposed decision on Track 5 Microgrid Multi-Property Tariffs is expected soon.

Additional Information: PG&E [AL 7042-E-B](#) (Jul. 23, 2024); CALSSA [PFM](#) (Jun. 11, 2024); [Order](#) denying Joint Application for Rehearing (Apr. 19, 2024); ALJ [Ruling](#) (Mar. 27, 2024); Microgrid Resources Coalition [proposal](#), Green Power Institute [proposal](#), Clean Coalition [proposal](#) (Dec. 15, 2023); PG&E [MIP Handbook](#) (Oct. 12, 2023); [Scoping Memo and Ruling](#) (Jul. 18, 2023); [D.23-04-034](#) on Microgrid Incentive Program Implementation (Apr. 14, 2023); Docket No. [R.19-09-009](#).

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 service area). 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 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 July 17, CalCCA submitted the joint CCA [Advice Letter](#) on new CCA registration requirements. An August 6 ALJ [Ruling](#) scheduled the prehearing conference for August 23 to discuss the scope and schedule of Phase 2.

Analysis: The Joint CCA Advice Letter describes CalCCA's proposal for registration of new CCAs, in part to assist the Commission with anticipating potential POLR needs. Under the proposal, new CCAs' implementation plans should include annual assumptions of energy needs and costs, including RPS costs, the amount of leak demand to be served to determine resource adequacy costs and other operating costs. The proposal also identifies best practice milestones for successful implementation of a new CCA including a schedule for key actions, coordination with CAISO, and customer enrollment-related activities.

Next Steps: The first revised FSR posting under this Decision is due March 1, 2025, and subsequent FSR postings are due July 1 and January 1 of each year.

Additional Information: ALJ [Ruling](#) (Aug. 6, 2024); Joint CCA [Advice Letter](#) on new registration (Jul. 17, 2024); [Joint CCA Advice Letter](#) on financial modeling and reporting guidelines (Jul. 1, 2024); [D.24-04-009 / Appendix](#) (Apr. 22, 2024); [Amended Scoping Ruling and Memo](#) (Jun. 19, 2023); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

PG&E 2023 Phase 1 GRC

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

Recent Developments: On July 16, the CPUC issued [D.24-07-008](#) authorizing a ratemaking mechanism for energization projects pursuant to Senate Bill 410. The proceeding remains open to provide further guidance on metrics relevant to auditor reports, to consider revisions to this energization cost recovery mechanism, and to establish reporting requirements for reviewing the reasonableness of PG&E's interim rate recovery in its next GRC.

Analysis: The Decision authorizes PG&E to record and track costs for energization projects (e.g., connecting new customers to the electrical distribution grid, upgrading electrical distribution capacity to existing customers, and building adequate electrical distribution and transmission capacity to accommodate future load) placed in service after January 1, 2024 that exceed the energization costs included in PG&E's annual revenue requirement authorized in Phase I of this proceeding. The maximum incremental revenue requirement associated with such capacity projects is capped at \$144.310 million in 2024, \$91.568 million in 2025, and \$99.071 million in 2026, corresponding to capital of \$975 million in 2024, \$618 million in 2025, and \$669 million in 2026, or \$2,262 million total (which is 45% or \$1,814 million less than the cumulative capital expenditures cap of \$4,076 million that PG&E requested). The authorized sums equate to an increase in electric distribution revenue requirement of 1.98% for 2024, 1.18% for 2025, 1.19% for 2026, and 4.03% cumulatively.

Next Steps: PG&E's Phase 2 GRC is expected to be filed September 30 ([letter ruling](#)).

Additional Information: [D.24-07-008](#) (Jul. 16, 2024); [Case Management Statement](#) (Feb. 26, 2024); [Third Amended Scoping Memo and Ruling](#) (Dec. 22, 2023); [D.23-11-069 / Appendices](#) (Nov. 17, 2023); [Second Amended Scoping Memo and Ruling](#) (Oct. 10, 2023); [Illustrative rates](#) (Sep. 27, 2023); [Scoping Memo and Ruling](#) (Sep. 5, 2023); PG&E's [Amended Application](#) (Mar. 10, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

PG&E 2024 ERRA Forecast

Background: The annual Energy Resource and Recovery Account (ERRA) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other nonbypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates. The April 2 [Scoping Memo and Ruling](#) consolidated all three major IOUs' ERRA forecast proceedings for the sole purpose of addressing issues related to the definition of and accounting for "fixed generation costs" in a Track 2.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: Intervenor testimony in Track 2 is due October 8, rebuttal testimony is due November 22, a status conference is set for December 3, and evidentiary hearings may be held, if needed, in January 2025. A proposed decision is expected in March 2025.

Additional Information: ALJ [Ruling](#) on Track 2 schedule (May 1, 2024); Joint CCA [Motion](#) (Apr. 26, 2024); IOU [Motion](#) (Apr. 25, 2024); [Scoping Memo and Ruling](#) (Apr. 2, 2024); [Joint Prehearing Conference Statement](#) (Mar. 26, 2024); PG&E [AL 7180-E](#) (Feb. 15, 2024); [D.23-12-022](#) (Dec. 19, 2023); ALJ [Ruling](#) (Dec. 18, 2023); ALJ [Ruling](#) (Nov. 20, 2023); [Market Price Benchmarks](#) (Oct. 2, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERRA Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERRA Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

PG&E 2025 ERRA Forecast

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

Recent Developments: On August 1, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) which excluded PG&E's proposal to freeze the Resource Adequacy Market Price Benchmark (RA MPB) for 2025 ratesetting purposes for bundled customers from the scope of this proceeding and encouraged PG&E to submit a Petition for Rulemaking to address its RA MPB concerns.

Analysis: CalCCA and other intervenors filed direct testimony on September 3. The testimony did not address PG&E's RA MPB proposal as that proposal is no longer in the scope of this proceeding. CalCCA's testimony did, however, address PG&E's proposal to change its common cost allocation methodology and its treatment of RPS volumes for PCIA ratemaking purposes among other subjects.

Next Steps: A status conference is scheduled for September 27, evidentiary hearings are scheduled for October 2 - 3, and opening briefs are due October 21. PG&E expects to file its fall update on October 16.

Additional Information: [Scoping Memo and Ruling](#) (Aug. 1, 2024); ALJ [Ruling](#) (Jun. 13, 2024); PG&E's [Amended Application](#) (May 24, 2024); PG&E 2025 ERRR Forecast [Application](#) (May 15, 2024); Docket No. [A.24-05-009](#).

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: No recent developments.

Analysis: N/A

Next Steps: A proposed decision was expected in early 2024 but is delayed.

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

PG&E 2022 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: Following June 6 briefs on the issue of whether the Commission addresses or should address PG&E's sales or attempts to sell Resource Adequacy during the Summer of 2022 in a forum other than PG&E's ERRR Compliance proceeding, a July 26 ALJ [Ruling](#) authorized CalCCA to pursue discovery on these issues. On September 3, an ALJ [Ruling](#) established the remaining procedural dates in this proceeding.

Analysis: N/A

Next Steps: Parties' motions for the admission of exhibits and testimonies are due September 6. Parties' motions to strike or exclude evidence are due September 13. Parties' responses to motions for the admission of exhibits and testimonies are due September 20. Opening briefs are due October 4. Reply briefs are due October 11.

Additional Information: ALJ [Ruling](#) (Sep. 3, 2024); ALJ [Ruling](#) (Jul. 26, 2024); ALJ [Ruling](#) (May 22, 2024); ALJ [Ruling](#) (May 16, 2024); ALJ [Ruling](#) (Apr. 16, 2024); PG&E and CalAdvocates' [Joint Motion](#) for Settlement (Mar. 7, 2024); CalCCA [Motion](#) (Mar. 1, 2024); ALJ [Ruling](#) (Feb. 15, 2024); ALJ [Ruling](#) (Sep. 25, 2023); [Scoping Memo and Ruling](#) (Jun. 2, 2023); PG&E 2022 ERRR Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

PG&E 2023 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: No recent developments.

Analysis: N/A

Next Steps: Intervenor testimony is due September 20, a status conference is scheduled for November 1, opening briefs are due December 19, and a proposed decision is expected by mid-March 2025.

Additional Information: [Scoping Memo and Ruling](#) (Jun. 12, 2024); [Joint Prehearing Conference Statement](#) (Apr. 15, 2024); CalCCA's [Protest](#) (Apr. 5, 2024); PG&E 2023 ERRR Compliance [Application](#) (Feb. 28, 2024); Docket No. [A.24-02-012](#).

Building Decarbonization

Background: This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. The current Phase 4 will consider whether modifications to electric line extension rules would assist under-resourced customers, electric baseline allowance modifications to encourage building decarbonization, and new programmatic approaches to building decarbonization.

Recent Developments: On July 18, the ALJ issued a [Ruling](#) requesting party comment on the attached Phase 4 Track A [Staff Proposal](#). Comments on the Phase 4A Staff Proposal and on the Amended Scoping Memo and Ruling were filed on August 7 and replies were filed on August 19.

Analysis: The Phase 4A Staff Proposal provides Energy Division’s recommendations for preventing unnecessary main electric panel and service line upsizing.

Next Steps: A proposed decision on Phase 4, Track A considerations is expected in Q3 2024 and a Phase 4, Track B staff proposals is expected in Q4 2024, followed by proposed decisions in Q2 2025.

Additional Information: ALJ [Ruling](#) and Track A [Staff Proposal](#) (Jul. 18, 2024); [Scoping Memo and Ruling](#) (Jul. 1, 2024); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

Utility Safety Culture Assessments

Background: This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC’s Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054, and an independent third-party evaluator will conduct safety culture assessments every five years per SB 901. Phase 1 of this proceeding is focused on developing safety culture assessments for the large investor-owned electric and natural gas corporations, and Phase 2 of this proceeding will be focused on developing safety culture assessments for the small multi-jurisdiction utilities and the gas storage operators.

Recent Developments: Parties filed comments on safety culture assessment reporting and the compliance process on July 12 and reply comments on July 25. In comments, the [IOUs](#) supported an advice letter process for submission and review of safety culture assessments and suggested a publicly noticed meeting to discuss the findings of the third-party evaluator’s assessment is unnecessary, while [CalAdvocates](#) recommended against the advice letter process in favor of a process more similar to the Annual Safety Performance Metrics Report to provide parties more opportunity for engagement with the safety culture assessments and supported a public meeting for presentation of the third-party evaluator’s assessment.

Analysis: N/A

Next Steps: A proposed decision on Phase 1 is expected later this year.

Additional Information: ALJ [Ruling](#) (Jun. 10, 2024); ALJ [Ruling](#) (May 8, 2023); [Scoping Ruling](#) with procedural schedule (Apr. 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

Other Dockets

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

Docket	Name	Status
R.23-03-007	Wildfire Fund NBC 2024-2026	The next 90-day Notice for the 2025 Wildfire NBC is expected in September 2024.
R.17-06-026	PCIA Rulemaking	The proceeding was closed by D.23-06-006 . D.24-08-004 (issued Aug. 2, 2024) denied SCE’s Petition for Modification of D.23-06-006 and re-closed the proceeding.
A.22-05-002	Demand Response Programs (2023-2027)	D.24-04-006 , issued April 24, 2024, ended the Demand Response Auction Mechanism (DRAM) pilot programs of PG&E, SCE, and SDG&E and closed the proceeding. The proceeding was re-opened to address the June 27 Petition for Modification filed by Leapfrog Power.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summaries of Community Advisory Committee June 27, 2024 and August 22, 2024 meetings

DATE: September 12, 2024

This report summarizes the Community Advisory Committee’s meetings held in person and via Zoom webinar on Thursday, June 27, 2024 and on Thursday, August 22, 2024.

Thursday, June 27, 2024 Meeting:

- A. Review, provide feedback and approve draft 2024 CAC Bioenergy Task Group Charge.** VCE Staff Gordon Samuel informed those present that he is proposing that the Task Group be called Bioenergy, to broaden the scope, rather than Biomass. Staff and the CAC discussed: conversion methods, initiating sites, different fuel sources with different emissions, benefits and liabilities of different sources, and whether there is an economic benefit to farmers. There were a few suggestions made to the draft. The CAC approved the Bioenergy Task Group Charge as amended. (7-0-0)
- B. Received 2024 Summer preparedness presentation.** Jaclyn Harr of The Energy Authority (TEA) provided a summary of CAISO and VCE Summer readiness by highlighting average to above average temperatures, power needs, including imports, meeting hedging procurement requirements and load, and weather forecasts. The CAC discussed: liquidated damages as a supply resource, hedging, load shifting and education, and demand response.
- C. Received an update on Power Procurement / Renewable Portfolio Standard.** Mr. Samuel provided update on VCE’s projects, how those projects are performing, and VCE’s Renewable Portfolio Standard (RPS) position. The CAC and Staff discussed: options for other “filler” resources rather than gas generation, prices, distribution of energy between commercial and residential, load, and curtailment.
- D. Discuss and provided feedback on VCE Renewable Energy Credits.** Ms. Harr informed those present that VCE is contemplating the selling of some of VCE’s excess renewable energy RECs with VCE retaining the renewable resources towards VCE’s portfolio. The CAC and Staff discussed: REC buyers; market price, penalties, and longevity; surplus and retirement; load shift; revenue and financial benefits; the effects of resources coming online; and VCE’s renewable resource targets for the upcoming years. The CAC supports an approach that monetizes RECs as long as VCE remains at or above RPS compliance requirements.

- E. Reviewed, provided feedback and support the concept of a collaborative effort with Cool Davis.** The CAC provided some comments and support the idea of a more formal relationship with Cool Davis. The CAC encourages the collaboration to support outreach and resources for low income and disadvantaged communities within VCE's territory. It was requested that the draft MOU be provided to the Outreach and Programs Task Group for their information. The CAC support the idea of a more formal relationship and recommend to the Board that they support Staff proceeding with the effort. (7-0-0)

Thursday, August 22, 2024 Meeting:

- A. Received presentation on Virtual Power Plants:** VCE Staff Sierra Huffman introduced VCE Intern Catherine Rowan. Ms. Rowan provided an introduction to Virtual Power Plants (VPPs) emphasizing how VPPs can help meet the demand during peak periods and modify load on a large scale; the work she has been doing, including preparing two surveys; and her end goal of preparing a final report for VCE. CAC and Staff had a brief discussion on programs and using thermostats and other technology like bidirectional electric vehicle charging. The CAC requested more information on flexibility markets.
- B. Reviewed and provided feedback on VCE's 2024-2026 Outreach and Marketing Plan Outline.** VCE Staff Rebecca Kuczynski provided highlights of the updated Outreach and Marketing Plan outline. Ms. Kuczynski requested that feedback be provided to her or Board Clerk Alisa Lembke via email.
- C. Received update on VCE's programs and grants.** Ms. Kuczynski provided a summary and status of VCE's programs and grants. The CAC asked a few questions and made a few suggestions.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 10

TO: Board of Directors

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

SUBJECT: Bi-annual Enterprise Risk Management Report

DATE: September 12, 2024

RECOMMENDATION

Accept the Bi-annual Enterprise Risk Management Report – September 2024.

BACKGROUND & DISCUSSION

In 2018, the Board approved VCE's Enterprise Risk Management (ERM) Policy. The policy is centered on risk management best practices and policies for the energy sector. In summary, the VCE ERM policy contains the following sections:

- **Introduction:** This section introduces the value of ERM as a structured approach to managing risk and uncertainty. It lays out the objectives of VCEA's ERM function, providing the framework for evaluating and managing risk in the organization's decision-making process.
- **ERM Roles and Responsibilities:** The ERM roles are consistent with the Board-approved Wholesale Power Procurement & Risk Management Policy. The Enterprise Risk Oversight Committee (EROC) has primary responsibility for the implementation of ERM. The policy lays out the scope of the EROC's risk management authority.
- **Business Practices:** This section identifies the steps of risk management and the basic process associated with each step. The intent is to provide a high-level framework. Specific tools and techniques for implementing enterprise risk management will be recommended by the portfolio manager following approval of the policy.
- **Management Reporting and Metrics:** The policy defines an enterprise risk report that will be provided bi-annually to the Board.

Staff has used the consistent framework described in the ERM policy to identify various risks and related mitigations, and to ensure effective mitigation and communication across all levels of the

organization. The attached ERM bi-annual report describes the activities that have taken place since March 2024 and the actions VCE is and will be taking to manage the top risks that have been identified.

Prior to this report, staff most recently presented the bi-annual update to the Board in March 2024, describing progress on the ERM plan since inception. Bi-annual updates are provided in March and September of each year.

ATTACHMENT

1. Bi-annual Enterprise Risk Management Report – September 2024

Valley Clean Energy

Enterprise Risk Management Report

September 2024

Executive Summary

Introduction and Background

In 2018, the Valley Clean Energy (VCE) Board adopted an Enterprise Risk Management (ERM) framework. The objective was to provide the Board with insight into risks that could impact the ability to execute VCE's mission and build credibility and sustain confidence in VCE's governance. In addition, the framework and reports are designed to enhance the understanding of significant risks to VCE, develop the capacity for continuous monitoring, provide for periodic reporting of risks, and establish a platform for responding to changing risk circumstances. This report is the 1st of VCE's biannual risk reports for 2024; the prior ERM biannual Report was issued in March 2024.

ERM is a strategic approach to risk management that supports the achievement of organizational objectives through the management of integrated impacts of risks as an interrelated risk portfolio. ERM is a coordinated effort by management to treat all risks effectively, thereby reducing the overall cost of risk to the organization. The Executive Officer has charged functional leaders to oversee the treatment of known major risk categories and provide a risk overview to the Enterprise Risk Oversight Committee (EROC).

ERM Philosophy

VCE's ERM philosophy includes the following principles:

1. Identify, assess, prudently manage, monitor, and report on a variety of business-critical risks;
2. Provide enterprise risk context and linkage to existing core business processes to improve the allocation of limited resources;

ERM Approach

Staff has applied a multi-perspective approach to evaluate and estimate the trade-off between risk and cost of mitigation across VCE business functions. This approach addresses the following issues:

- Roles and responsibilities

- Definitions and language
- Risk heat map and risk exposure inventory
- Risk exposure monitoring, updating, and reporting
- Integration of ERM with key business processes
- Integration of risk awareness within corporate culture
- This framework supports the Board in exercising its overall responsibility to:
 - Regulate opportunities and risks for VCE;
 - Develop a better understanding of appropriate opportunities and risks for VCE;
 - Promote active management of risk exposure down to acceptable levels; and
 - Assist VCE in its achievement of business plan objectives and operational performance.

Summary of Activities through September of 2024

From an implementation perspective, progress continues on multiple fronts. Significant effort has been invested in creating an enterprise risk register. Risks to VCE have been identified, categorized, and rated. Existing risk controls and risk treatment measures implemented/proposed have also been identified. The risk register provides VCE's management with a consolidated view of risks being faced by VCE, the potential impact of those risks, mitigation actions, and assessment of short-term risk trends (i.e., higher/lower/steady).

Staff is using a consistent framework to identify various risks and related mitigations, and to ensure effective communication across all levels of the organization. In doing so, staff has completed the following developmental tasks:

1. Established the Executive Officer as Chief Risk Officer and Director of Finance & Internal Operations as risk process owner, focusing on day-to-day monitoring and coordination.
2. Developed ERM framework and tools
3. Conducted a risk survey
4. Developed VCE's top risk portfolio
5. Surveyed staff and management for ongoing risk input
6. Held monthly EROC meetings

Key Steps Taken Since the Last Biannual Update

Some actionable steps that VCE has taken since the last Board update in March 2024 include:

1. Have actively engaged from a regulatory and legislative standpoint, supporting regulatory statewide proceedings and settlements, meeting with key CPUC staff, and continuing progress on the annual VCE legislative platform.
2. Increased 2024 VCE Rate Credits starting July 1 for Standard green providing additional rate credits to all customers.
3. Awarded Energy Prepayment Counsel and Energy Prepayment Counter Party Agreements for power cost savings to further stabilize VCE's financial standing, building reserves, and support establishing a credit rating.
4. Adopted a Strategic Plan guidelines and update including increasing the 80% renewable goal to 100% renewable by 2030 and substituted the 25% renewable local component goal with a goal of 25% of future storage amounts to be from local installations.
5. Approved Renewable Energy Credit Optimization approach for 2025 to balance emission reduction with cost competitive customer rates.

Key Risks

Key risks are those risks that, given VCE's current position, could negatively impact VCE's business model, future performance or prospects, solvency, liquidity, reputation, or prevent it from delivering on its local control commitment. These key risks are updated on an ongoing basis and look forward over a 5-year horizon to identify the:

- Nature and extent of risks facing VCE
- Likelihood and velocity of the risks and potential impacts
- VCE's ability to reduce or control such risks

Key Priorities for Risk Management in 2024:

1. Maintain the operational risk management process
2. Provide regular updates to the Board
3. Continue to take specific actions to mitigate risks as outlined in this document
4. Begin to develop contingency plans for unexpected and emergent events









Risk Portfolio

















Top 5 Risks for VCE:





1. Commodity procurement
2. Regulatory & Policy risk
3. Resource Adequacy (Slice of Day)
4. Rate Stabilization
5. 2025 PCIA Increases

The following tables outline current risks (Table 1) and summarize VCE's response plan for it's top identified risks (Table 2).

Table 1: Risk Description/Level

Risk	Description	Current Residual Risk	Target Residual Risk
PCIA	The PCIA rate for 2024 increased slightly. The lower energy costs and usage are forecasted to be under collected and lower energy price forwards are expected to increase 2025 PCIA. Forecast will be updated in November.		
Resource Adequacy	The supply of RA in the western US is tightening, and the regulatory slice of day framework is evolving. A combination of these two elements has resulted in an increased cost of RA and in some cases no available supply. Due to battery permitting and testing requirements, the willy chap 9 project was partially delayed thus causing VCE to procure short-term RA.		
Commodity Procurement	The 2024/2025 market is experiencing fluctuations associated with commodity prices, including energy prices, resource adequacy, and other components of the energy portfolio.		
Regulatory & Policy risk	Risk of additional regulatory requirements increasing complexity and cost of operations.		

Risk	Description	Current Residual Risk	Target Residual Risk
Capital availability/cashflow	Capital / Cashflow Risk has been reduced through the adoption of the new cost recovery rate policy, lower 2023/2024 PCIA, auto rate adjustment policy, and liquidity lines of credit with River City Bank. VCE has met its current Reserve Policy of 90 days. Staff will be proposing revisions to increase reserve to meet current targets associated with the initial investment grade credit rating to targets +180 operating days.		
Economic Uncertainty	The risk from the ongoing geopolitical climate increases the chances of impacting gas prices, the economy, and associated cost forecasts.		
Rate structure	The risk of rate design for cost of service has been reduced with an updated rate policy and additional implementation of the "Base Green" rate option. VCE will continue to develop rate-setting options to minimize risks further.		
Cyber security & data privacy	Risk of a data breach as a result of a cyber breach or physical attack.		
Financial Markets Volatility	Swings in global energy markets, financial markets, and currencies due to current geopolitical events (e.g. Middle East) have created challenges that impact VCE's power costs.		
Changing customer expectations	Risk that customer's changing expectations as a result of innovation may result in reduced customer revenue and loyalty.		
Opt-out rate	The risk of higher than expected opt-out has normalized despite PG&E's increases in both electricity transmission and distribution and gas rates. VCE implementation of "Base Green" product option should minimize opt-outs.		
Business model	Ability to quickly identify and respond to business risks that have the potential to impact the ability to achieve VCE goals.		

Risk	Description	Current Residual Risk	Target Residual Risk
Media & Community	Risk of unfavorable public communications or events; spillover customer dissatisfaction related to PG&E's PSPS events and continuous rate increases.		
Unknown risks	Business and utilities attempt to identify and adapt to known risks but some potential events outside of VCE's control could have a debilitating impact on utilities in general and VCE in particular.		











	High Risk
	High/Moderate Risk
	Low/Moderate Risk
	Low Risk


Table 2: Summary of VCE top risk response plan


Risk Event	Response	Trend ¹	Plan	Trigger/Control	Owner
PCIA	Monitor risk & actively engage and respond		<p>1) Continue direct involvement with CalCCA task groups to seek favorable rulings and settlements in the PCIA, ERRA, and other filings.</p> <p>2) Work towards the potential long-term goal of attaining an option for a PCIA buy-out and sunset date.</p>	<p>The 2025 PG&E PCIA forecast is expected to increase due to 2024 under collection and lower forward market prices.</p> <p>VCE will continue to monitor Energy Resource</p>	Director of Finance

¹ Current trend of risk for VCE- increasing  , no change  or decreasing

Risk Event	Response	Trend ¹	Plan	Trigger/Control	Owner
				Recovery Account (ERRA) proceedings.	
Commodity Procurement	Reduce & manage risk		<p>1) Continue to pursue long-term power purchase agreements to reduce the average cost of power in future years</p> <p>2) Pursue regulatory and legislative avenues in addressing the extreme swings in pricing.</p> <p>3) Take an active role in regulatory proceedings at the CPUC, including appeals, on various regulations that impact the cost of electricity, along with support from the CalCCA Regulatory Committee</p> <p>4) Amending VCE's Wholesale Energy Risk Manual to extend the hedging horizon to multiple years in an effort to smooth market fluctuations.</p>	<p>Execution of PPA contracts</p> <p>Regulatory rulings that affect commodity procurement cost</p> <p>Monitor impacts and market conditions resulting from slice of day resource adequacy requirements.</p>	Director of Power Procurement
Regulatory & Policy risk	Monitor risk & actively engage and respond		<p>1) Take an active role in legislative sessions (contract with lobbyist and engage Board members for support / opposition on bills) along with</p>	Weekly CalCCA Regulatory and Legislative Committee meetings	Executive Officer

Risk Event	Response	Trend ¹	Plan	Trigger/Control	Owner
			<p>support from CalCCA legislative committee</p> <p>2) Follow and continue to update the annual VCE Legislative Platform</p> <p>3) Take an active role in regulatory proceedings at the CPUC, including appeals, on various regulations that impact VCE and CC's that increase cost or bureaucracy without any significant safety or cost benefits to VCE and its customers along with support from CalCCA Regulatory Committee</p>	<p>Regulatory rulings</p> <p>Legislative actions</p>	
Capital Availability / Cash Flow	Monitor risk & actively engage and respond		<p>1) Continue towards conserving cash, reducing debt, and lowering cash requirements.</p> <p>2) Evaluate reserve policy changes.</p> <p>3) Work towards the 2024 goal of securing an investment-grade credit rating.</p>	<p>VCE Line of credit agreements & extension to 2026.</p> <p>VCE is working with Financial Advisor (PFM) to establish VCE's initial investment grade credit rating by 2028.</p> <p>Implement VCE Rate adjustment and Collections Policy</p>	Director of Finance

Risk Event	Response	Trend ¹	Plan	Trigger/Control	Owner
Resource Adequacy	Reduce & manage risk		<ol style="list-style-type: none"> 1) Take an active role in regulatory proceedings at the CPUC, including appeals, on various regulations that impact the cost of electricity along with support from the CalCCA Regulatory Committee. 2) Monitor and participate in CalCCA activities related to regional developments in RA. 3) Continue to develop portfolio of resources that satisfy various future RA program scenarios. 	<p>Execution of PPA contracts</p> <p>Regulatory rulings that affect RA cost, including non-compliance penalty structure</p> <p>Annual review of VCE PPA RA resources</p>	Director of Power Procurement

Risk Event	Response	Trend ¹	Plan	Trigger/Control	Owner
Rate Structure	Reduce & manage risk		<ol style="list-style-type: none"> 1) Monitor and update Board based on analyst forecasts for ERRA proceeding. 2) Identify and mitigate risks outside of VCE control to limit impacts and frequency of rate changes. 3) Review and update rates for rate adjustment policy. 	<p>Economic outlook and Rate forecasts</p> <p>Monitor Regulatory proceedings that impact PCIA, RA, and ERRA.</p> <p>Monitor cash short-term and long-term impacts to reserve funds, credit lines, commercial negotiations, and PPA covenants.</p>	Director of Finance

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 11

TO: Board of Directors

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

SUBJECT: Authorize the Executive Officer to approve and authorize the execution of a joint powers agreement providing VCE associate membership to the California Community Choice Financing Authority (“CCCFA”)

DATE: September 12, 2024

RECOMMENDATION

Authorize the Executive Officer to approve and authorize the execution of a joint powers agreement providing VCE associate membership to the California Community Choice Financing Authority (“CCCFA”)

BACKGROUND

At the June 13, 2024 Board meeting, the Board received a presentation ([Item 13](#)) for an overview regarding the energy prepayment transaction by VCE’s financial Advisor PFM. At the July 11, 2024 Board meeting, the Board received [Item 12](#) which presented an overview regarding the energy prepayment transaction and the conduit issuer, California Community Choice Financing Authority (“CCCFA”). In addition, the Board authorized the Executive Officer to approve Energy Prepayment Counsel and Energy Prepayment Counter Party (“Underwriter”) Agreements. Following a request for proposals process, VCE has engaged Goldman Sachs as Underwriter and Orrick, Herrington & Sutcliffe as Counsel for the prepay transaction.

DISCUSSION & ANALYSIS

As discussed in the July Board meeting, the prepay transaction requires membership in the CCCFA. Staff has concluded that joining as an associate member is most beneficial to VCE at this time. The out-of-pocket cost to VCE will be \$50,000 (“membership fee”) to join CCCFA.

Transaction Update

This initial transaction will amount to approximately \$600 million of procurement costs running through the prepay with an estimated \$2 million to \$3 million dollars in annual savings for VCE during the initial Put Bond period. It is important to note that the savings estimate is subject to market change

and is therefore deemed preliminary. The energy prepay market continues to remain strong. On August 27, 2024, CCCFA issued \$1.5B in par for an energy prepay where the southern California CCA Clean Power Alliance (“CPA”) was the sole participant. CPA was able to achieve savings above 12% for the initial Put Bond period.

Timeline

Based on the general direction provided by the Board at its July meeting, staff has begun working on the prepay transaction. The targeted timeline is to have draft documents prepared for deal execution by the end of the year to provide 2025 savings as early as possible. As presented in the July Board materials, the details of the prepay agreement will be brought to the Board for review and approval once the documents are negotiated and prepared over the coming months.

Tentative Schedule for Prepay Transaction:

- September 2024: Board Approval of Prepayment Counsel Contract and CCCFA membership (Current)
- October 2024: Estimated PPA savings incorporated into the Preliminary 2025 Budget.
- Q4 2024/ Q1 2025: Board Approval of Final Prepay Transaction.
- Q2 2025: Estimated Power Purchase Transaction Implementation.

Note: Board Updates and formal contract approvals will be brought before the Board as needed throughout the process.

CONCLUSION

Staff recognizes that resource adequacy, weather, and regulatory conditions outside VCE's direct control continue to impact financial results and create volatility for power costs. VCE's current power portfolio provides the opportunity to reduce power costs through a PPA prepayment transaction allowing VCE to more easily set rates to meet costs/build reserves. Additionally, the transaction enhances local control, customer choices, cost competitiveness, and VCE's ability to execute local programs. Authorizing the Executive Officer to approve and authorize the execution of a joint powers agreement providing VCE associate membership to the California Community Choice Financing Authority (“CCCFA”) will enable VCE to take the next step in the process of the prepay transaction.

ATTACHMENTS

1. California Community Choice Financing Authority (“CCCFA”) JPA Agreement
2. Resolution 2024-XXX

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY JOINT POWERS AGREEMENT

This Joint Powers Agreement (this "Agreement") is made by and among those public agencies who are signatories to this Agreement, and those public agencies which may hereafter become signatories to this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to herein as the "Members" and those parties initially executing this Agreement are referred to as the "Founding Members"), creating a separate joint powers agency, which is named "California Community Choice Financing Authority" ("CCCFA").

WITNESSETH

WHEREAS, each Member is a "community choice aggregator," as that term is defined in Section 331.1 of the Public Utilities Code of the State of California (the "Public Utilities Code"), having duly adopted, established and implemented a community choice aggregation program pursuant to Section 366.2 of the Public Utilities Code, with the authority to group retail electricity customers to solicit bids, broker, and contract for electricity and energy services for those customers, and to enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to study, promote, develop, conduct, operate and manage energy-related programs; and

WHEREAS, each Member is a "public agency," as that term is defined in Section 6500 of the Government Code of the State of California (the "Government Code"); and

WHEREAS, Chapter 5 of Division 7 of Title 1 of the Government Code, being Section 6500 and following (the "Act"), authorizes a joint exercise by two or more public agencies of any power which is common to each of them and the creation of an entity that is separate from the parties to the joint exercise of powers agreement; and

WHEREAS, it is to the mutual benefit of the Members and in the public interest that an agency by the name of the California Community Choice Financing Authority be created, by which the Members jointly exercise for their common benefit and for the purposes specified herein certain powers that they have in common or are otherwise provided for by applicable law, including but not limited to (i) the acquisition and operation of power supplies, resource adequacy and renewable attributes, and (ii) the provision of other energy services or programs which may be of benefit to one or more Members; and

WHEREAS, the Act conveys upon joint exercise of powers authorities certain additional powers, including but not limited to the power to issue revenue bonds and incur other evidences of indebtedness for such purposes as are specified in the Act; and

WHEREAS, CCCFA's purpose is to assist Members by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of the Members by, among other things, issuing or incurring Bonds (as such term is defined herein) and entering into related contracts with Members.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

Article I. DEFINITIONS

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified throughout this Agreement.

Section 1.01 “**Act**” means Chapter 5 of Division 7 of Title 1 of the Government Code (Section 6500 *et seq.*), as supplemented and amended from time to time, including without limitation the Marks-Roos Local Bond Pooling Act of 1985.

Section 1.02 “**Agreement**” means this Joint Powers Agreement, as it may be supplemented and amended from time to time in accordance with the terms hereof.

Section 1.03 “**Associate Member**” means any Public CCA Agency that is a signatory to this Agreement and that has met the requirements of Section 3.02 below to become an Associate Member. The term “Associate Member” shall, however, exclude any Associate Member which shall have withdrawn or been excluded from CCCFA pursuant to Section 3.04 below.

Section 1.04 “**Board**” means the Board of Directors of CCCFA as established by this Agreement.

Section 1.05 “**Bonds**” means bonds, notes, commercial paper, installment purchase, lease purchase and similar agreements and certificates of participation therein, and any other evidences of indebtedness.

Section 1.06 “**CCCFA**” means the California Community Choice Financing Authority, the Joint Powers Authority established by this Agreement.

Section 1.07 “**Director**” means each Director duly appointed and serving on the Board as provided in Article IV of this Agreement.

Section 1.08 “**Founding Member**” means each of the Public CCA Agencies initially executing this Agreement, and any Public CCA Agency that becomes a Founding Member pursuant to Section 3.01 below. The term “Founding Member” shall, however, exclude any Founding Member which shall have withdrawn or been excluded from CCCFA pursuant to Section 3.04 below. The initial Founding Members are Central Coast Community Energy, East Bay Community Energy, Marin Clean Energy, and Silicon Valley Clean Energy.

Section 1.09 “**Government Code**” means the Government Code of the State of California.

Section 1.10 “**Member**” means a Founding Member or an Associate Member.

Section 1.11 “**Prepayment Project**” means, in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations: (i) the purchase and sale of electric energy and associated capacity and environmental attributes, (ii) the design, acquisition, maintenance, or operation of any Public Capital Improvement (as defined in the Act) or other facility or improvement, or the leasing thereof, (iii) the provision of working capital, and (iv) any other project, program, public capital improvement or purpose authorized by the Act or other law to be undertaken, financed, or refinanced by CCCFA, subject to CCCFA’s approval of an application from one or more Members for support of such project, program, public capital improvement or authorized purpose and in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations.

Section 1.12 “**Prepayment Project Contract**” means a contract among any Members and CCCFA in connection with the undertaking, financing or refinancing of a Prepayment Project by such Members and CCCFA in accordance with the terms of this Agreement.

Section 1.13 “Public CCA Agency” means any community choice aggregator, as such term is defined in Section 331.1 of the Public Utilities Code, that is a public agency, as such term is defined in the Act, which has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code.

Section 1.14 “Public Utilities Code” means the Public Utilities Code of the State of California.

Article II. FORMATION OF AUTHORITY

Section 2.01 Creation of CCCFA. Pursuant to the Act, there is hereby created a public entity, to be known as the “California Community Choice Financing Authority,” which shall be a public entity separate and apart from its Members. The debts, liabilities and obligations of CCCFA shall not constitute debt, liabilities or obligations of any Member.

Section 2.02 Purpose. This Agreement is made, and CCCFA is being established, pursuant to the Act to provide for the joint exercise of powers common to the parties hereto to assist the Members in financing or refinancing energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members, including by undertaking, financing or refinancing Prepayment Projects on behalf of one or more of the Members and/or CCCFA, all as further described in Section 2.03 hereof. CCCFA will fulfill the purposes of this Agreement by, among other things, undertaking the sale and issuance or incurrence of Bonds to finance or refinance Prepayment Projects on behalf of one or more of the Members and/or CCCFA in accordance with the Act. CCCFA is not being formed for the purposes of providing municipal services within the meaning of Section 6503.6 or Section 6503.8 of the Act.

Section 2.03 Powers. CCCFA, in its own name, shall have any and all power to undertake Prepayment Projects on behalf of one or more of the Members and/or CCCFA, and to finance or refinance such Prepayment Projects through the sale and issuance or incurring of Bonds for the purposes set forth in Section 2.02 hereof. CCCFA is empowered to exercise any and all common powers of the Members, and any other powers provided to it by any applicable laws, beneficial for the issuance or incurrence from time to time of such Bonds pursuant to Article VII hereof. Without limiting the generality of the foregoing, CCCFA, in its own name, shall have the power:

- (a) to acquire, purchase, finance, operate, maintain, utilize and/or dispose of one or more Prepayment Projects and any facilities, programs or other authorized costs relating thereto;
- (b) to make and enter contracts (including without limitation interest rate, commodity, basis and similar hedging contracts intended to hedge payment, rate, cost or similar exposure);
- (c) to employ agents and employees;
- (d) to acquire, manage, maintain or operate any building, works or improvements;
- (e) to acquire, hold, lease or dispose of property;
- (f) to incur debts (including without limitation through the issuance or incurrence of Bonds), liabilities or obligations (which shall not constitute debts, liabilities, or obligations of any of the Members);
- (g) to sue and be sued in its own name;
- (h) to receive gifts, contributions and donations of real or personal property, funds, services and other forms of assistance from any source;
- (i) to receive, collect, invest and disburse moneys;
- (j) to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- (k) to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy-related programs;
- (l) to defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions;

(m) to exercise any other power and take any other action permitted by law to accomplish the purposes of this Agreement.

Such powers shall be exercised by CCCFA subject only to such restrictions upon the manner of exercising such power as are imposed upon Silicon Valley Clean Energy in the exercise of similar powers, as provided in Section 6509 of the Act, and, should Silicon Valley Clean Energy withdraw or be excluded from this Agreement pursuant to Section 3.04 hereof, the manner of exercising any power shall be subject only to the restrictions upon the manner of exercising such powers as are imposed upon Marin Clean Energy in the exercise of similar powers; *provided, however*, that nothing herein shall limit the powers of CCCFA under Article 4 of the Act.

Any Bonds issued or incurred by CCCFA shall not constitute general obligations of CCCFA, but shall be payable solely from the moneys pledged to the payment of principal of or interest on such Bonds under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which the Bonds are issued or incurred, as further described in Article VII hereof. Such Bonds shall not constitute debts, liabilities or obligations of the Members.

Any of the Prepayment Projects acquired, financed or refinanced by CCCFA shall be operated by a Member or CCCFA for and on behalf of CCCFA, either directly or pursuant to contract or agreement with a third party designated by the applicable Member or Members and approved by CCCFA. None of the Members or CCCFA shall have liability for the breach, negligence or willful misconduct of any such third party.

Article III. MEMBERSHIP

Section 3.01 Founding Members. A Public CCA Agency will be qualified to join as a Founding Member only if it possesses the power to purchase and sell electric energy and enter into related contracts for such purposes. Public CCA Agencies may be added as parties to this Agreement and become Founding Members, and existing Associate Members may be elevated to Founding Members, upon: (1) the filing by such Public CCA Agency with the Board of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such Public CCA Agency approving this Agreement and the execution and delivery hereof, and requesting to be added as a Founding Member of CCCFA; (2) the approval at a regular or special meeting of the Board by at least two-thirds (2/3) of the entire Board, and the adoption of a resolution of the Board approving the addition of such Public CCA Agency as a Founding Member; and (3) the deposit with, or the written agreement to pay to, CCCFA a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing. Upon completion of the foregoing, the Public CCA Agency shall become a Founding Member for all purposes of this Agreement.

Section 3.02 Associate Members. A Public CCA Agency will be qualified to join as an Associate Member only if it possesses the power to purchase and sell electric energy and enter into related contracts for such purposes. Public CCA Agencies may be added as Associate Members of CCCFA upon: (1) the filing by such Public CCA Agency with the Board of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such Public CCA Agency approving this Agreement and the execution and delivery hereof, and requesting to be added as an Associate Member of CCCFA; (2) the approval at a regular or special meeting of the Board by a majority vote of the Directors in attendance, provided a quorum is established and maintained, and the adoption of a resolution of the Board approving the addition of such Public CCA Agency as an Associate Member; and (3) the deposit with, or the written agreement to pay to, CCCFA a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing. Upon completion of the foregoing, the Public CCA Agency shall become an Associate Member for all purposes of this Agreement.

Section 3.03 Cost Allocations.

- (a) Unless otherwise determined by a two-thirds (2/3) vote of the entire Board, each Member shall pay an equal share of one Member one share for general and administrative costs as determined by the Board associated with all operations of CCCFA. General and administrative costs do not include any costs that relate solely to any specific Prepayment Project Contract.
- (b) The costs of each Prepayment Project shall be allocated solely to the Member or Members undertaking or participating in such Prepayment Project or on whose behalf CCCFA undertakes such Prepayment Project, which allocation shall be described in a Prepayment Project Contract relating to such Prepayment Project.

Section 3.04 Withdrawal or Exclusion of Member.

- (a) Any Member may withdraw from CCCFA upon the following conditions:
 - (i) The Member shall have filed with the Board Secretary a certified copy of a resolution of its governing body expressing its desire to so withdraw. If a Founding Member files a resolution to withdraw with the Board Secretary, that Founding Member no longer has any voting rights on the Board;
 - (ii) Members undertaking or participating in Prepayment Projects or on whose behalf CCCFA undertakes a Prepayment Project shall remain subject to the cost allocation, participation and withdrawal terms and conditions, as applicable, set forth in the applicable Prepayment Project Contract; and
 - (iii) Prior to the Board accepting the Member's filing of such resolution, any Member so terminating shall be obligated to pay its share of general and administrative costs then due. However, this obligation shall take into account any refunds due to the Member and shall not extend to debts, liabilities and obligations of CCCFA. The debts, liabilities and obligations of CCCFA shall not constitute debt, liabilities or obligations of any Member.
 - (iv) No such withdrawal shall, or shall be permitted if it would, result in (a) CCCFA having fewer than three Founding Members; or (b) the dissolution of CCCFA so long as any Bonds remain outstanding under any resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred.
- (b) Upon compliance with the conditions specified in Section 3.04(a), the Board shall accept the withdrawing Member's resolution and the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any Prepayment Project Contract or other program agreement.
- (c) Any Member which has (i) defaulted under this Agreement, a Prepayment Project Contract, or other program agreement, (ii) if such Member is a Founding Member, failed to appoint a Director to serve on the Board in accordance with Section 4.02 below, or (iii) failed to pay any required share of costs in accordance with Sections 3.01, 3.02, and 3.03 above, may have its rights under this Agreement terminated and may be excluded from participation in CCCFA by the vote (taken at a regular or special meeting of the Board) of at least two-thirds (2/3) of the entire Board (including the Director representing the defaulting Member, if such Member is a Founding Member). Prior to any vote to terminate participation of any Member, written

notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 60 days prior to the Board meeting at which such matter shall first be discussed as an agenda item. The written notice of the proposed termination shall specify the particular provisions of this Agreement or a Prepayment Project Contract or other program agreement which the Member has allegedly defaulted on, or whether the proposed termination is based on failure to appoint a Director (if such Member is a Founding Member) or pay any required share of costs. The Member subject to possible termination shall have the opportunity to cure the violation prior to the meeting at which termination will be considered. At the meeting where termination of the Member is considered, the Member shall be given the opportunity to respond to any reasons and allegations that may be cited as a basis for termination prior to a termination vote. Any excluded Member shall continue to be liable for its obligations under any Prepayment Project Contract or other program agreement and for any unpaid contribution, payment, or advance approved by the Board prior to such Member's exclusion. No such termination shall, or shall be permitted if it would, result in (a) CCCFA having fewer than three Founding Members; or (b) the dissolution of CCCFA so long as any Bonds remain outstanding under any resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred.

- (d) The withdrawal or termination of a Member shall not affect the provisions or obligations set forth in Article VIII or Section 11.04 below.

Section 3.05 Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to CCCFA by any Member for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of such purpose. Any such advance shall be made subject to repayment, and shall be repaid in the manner agreed upon by such Member and CCCFA at the time of making such advance. It is mutually understood and agreed that no Member is under any obligation to make advances or contributions to CCCFA to provide for the costs and expenses of administration of CCCFA, even though any Member, in its sole discretion, may do so. Any Founding Member may allow the use of personnel, equipment or property in lieu of other contributions or advances to CCCFA.

Article IV. POWERS OF BOARD & MANAGEMENT OF CCCFA

Section 4.01 Board. CCCFA shall be administered by a Board which shall consist of one Director representing each Founding Member. Such Board shall be the governing body of this CCCFA, and, as such, shall be vested with the powers set forth in this Agreement, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CCCFA.

Section 4.02 Appointment and Vacancies. Each Director shall be the Chief Executive Officer, General Manager, Executive Director, or designee of the Chief Executive Officer, General Manager, or Executive Director, of each Founding Member and shall be appointed by and serve at the pleasure of the Founding Member that the Director represents, and may be removed as Director by such Founding Member at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed by the Founding Member to fill the position of the previous Director in accordance with the provisions of this Article IV within 60 days of the date that such position becomes vacant or the Founding Member shall be subject to the exclusion procedures in Section 3.04(c) above. Each Director may appoint an alternate to serve in their absence.

Section 4.03 Notices. The Board shall comply with the applicable provisions of Sections 6503.5, 6503.6 and 53051 of the Government Code requiring the filing of notices and a statement with the Secretary of State and the State Controller.

Section 4.04 Committees. The Board may create committees to provide advice to the Board or conduct the business of CCCFA subject to delegation of authority from the Board as permitted in the bylaws and any applicable laws.

Section 4.05 Director Compensation. Compensation for work performed by Directors, including alternates, on behalf of CCCFA shall be borne by the Founding Member that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

Section 4.06 Board Officers. At its first meeting in every second calendar year, the Board shall elect or re-elect a Chair and a Vice-Chair, each of whom shall be selected from among the Directors and shall also appoint or re-appoint a Secretary, and a Treasurer/Controller, each of whom may, but need not, be selected from among the Directors.

- (a) **Chair and Vice-Chair.** The duties of the Chair shall be to preside over the Board meetings, sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board, and to help ensure the Board's directives and resolutions are carried out. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair.
- (b) **Treasurer/Controller.** The Board shall appoint a qualified person to act as the Treasurer/Controller, who does not need to be a Director. Where a certified public accountant has been designated as Treasurer/Controller of CCCFA, the auditor of one of the Founding Members or of a county in which one of the Founding Members is located shall be designated as auditor of CCCFA. Subject to the provisions of any resolution, indenture, trust agreement or other instrument providing for a trustee or other fiscal agent in connection with any Bonds, and, except as may otherwise be specified by resolution of CCCFA, the Treasurer/Controller shall be the depository of CCCFA to have custody of all the money of CCCFA, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Government Code. The Treasurer/Controller is hereby designated as the public officer or person who has charge of, handles, or has access to any property of CCCFA, and such officer shall file an official bond in an amount determined from time to time by the Board as required by Section 6505.1 of the Government Code. The Treasurer/Controller shall cause an independent audit to be made by a certified public accountant, or public accountants, in compliance with Section 6505 of the Government Code. The Treasurer/Controller shall also create or caused to be created a report in writing on the first day of each fiscal quarter to CCCFA and each Founding Member, which report shall describe the amount of money held by the Treasurer/Controller, the amount of receipts since the last such report, and the amount paid out since the first such report.
- (c) **Secretary.** The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of CCCFA, and responding to public records requests of the JPA.

Section 4.07 Management of CCCFA. The Board may appoint a part-time or full-time General Manager, and may appoint one or more part-time or full-time Assistant General Managers, to serve at the pleasure of the Board. If a General Manager has been appointed, the General Manager shall be responsible for the day-to-day operation and management of CCCFA. If no General Manager shall have been appointed, the Treasurer/Controller shall be responsible for the day-to-day operation and management of CCCFA. The General Manager, if any, and the Treasurer/Controller may each enter into and execute contracts in accordance with the policies established and direction provided by the Board, and shall file an official bond in the amount determined from time to time by the Board.

Section 4.08 Other Officers and Employees. The Board shall have the power to appoint such other officers, deputies, legal counsel (which may be the legal counsel to one or more of the Members) and staff as it may deem necessary who shall have such powers, duties and responsibilities as are determined by the Board, and to retain independent accountants, legal counsel, engineers and other consultants. The Founding Members may contract with CCCFA to provide staff to perform services for CCCFA, but such employees shall at all times, and for all purposes including benefits and compensation, remain employees of the Founding Member only.

Section 4.09 Budget. The budget shall be approved by the Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and expected expenses. All subsequent budgets of CCCFA shall be approved by the Board in accordance with rules as may be adopted by the Board from time to time. All expenditures must be made in accordance with the adopted budget.

Section 4.10 Fiscal Year. Unless changed by resolution of the Board, the fiscal year of CCCFA shall be the period from January 1 of each year to and including the following December 31.

Article V. MEETINGS OF THE BOARD

Section 5.01 Regular Meetings. The Board shall hold at least one regular meeting per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution of the Board. Regular meetings may be adjourned to another meeting time.

Section 5.02 Special Meetings. Special and emergency meetings of the Board may be called in accordance with the provisions of Government Code Sections 54956 and 54956.5, as amended.

Section 5.03 Brown Act Compliance. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950 *et seq.*), and as augmented by rules of the Board not inconsistent therewith. Directors may participate in meetings telephonically or by other electronic means, with full voting rights, to the extent permitted by law.

Section 5.04 Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board, both regular and special, and shall cause a copy of the minutes to be forwarded promptly to each Director.

Section 5.05 Quorum. A quorum of the Board shall consist of a majority of the Directors, except that less than a quorum may adjourn from time to time in accordance with law.

Section 5.06 Voting. Each Founding Member shall have one vote, which may be cast on any matter before the Board by each Director or alternate. Except to the extent otherwise specified in this Agreement, or by law, a vote of the majority of the Directors in attendance shall be required and sufficient to constitute action, provided a quorum is established and maintained.

(a) Special Voting Requirements as specified in this Agreement:

- (i)** Action of the Board on the matters set forth in Section 3.01 related to addition of Founding Members shall require the affirmative vote of at least two-thirds (2/3) of the Entire Board.
- (ii)** Action of the Board on the matters set forth in Section 3.04(c) related to involuntary termination of a Member shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.

- (iii) Action of the Board on the matters set forth in Section 9.01 related to termination of this Agreement shall require the affirmative vote of at least two-thirds (2/3) of the entire Board approved by resolution of each Founding Member's governing body.
- (iv) Action of the Board to amend any other provision of this Agreement shall be subject to the voting requirements set forth in Section 11.03 below.

Section 5.07 Rules and Regulations. CCCFA may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of its meetings and affairs as may be required.

Article VI. PREPAYMENT PROJECTS

Section 6.01 Prepayment Projects. The Board has the power, upon majority vote of the Directors in attendance, provided a quorum is established and maintained, to approve the application of any Member for the undertaking, financing, or refinancing of any Prepayment Projects within the purpose and power of CCCFA and to adopt guidelines for their implementation.

Section 6.02 Prepayment Project Contract. The costs and other expenses of each Prepayment Project, including without limitation applicable administrative costs of CCCFA with respect to the Prepayment Project, shall be allocated solely to the Member or Members undertaking or participating in such Prepayment Project or on whose behalf CCCFA undertakes such Prepayment Project, which allocation shall be described in a Prepayment Project Contract relating to such Prepayment Project, which will be separate and distinct from this Agreement.

Article VII. BONDS AND OTHER INDEBTEDNESS

In addition to the other powers conferred on CCCFA by this Agreement, CCCFA shall have the power to issue, incur, sell and deliver Bonds in accordance with the provisions of the Act and other applicable laws for the purpose of acquiring, undertaking, financing, or refinancing one or more Prepayment Projects. The terms and conditions of the issuance or incurrence of any such bonds or indebtedness shall be set forth in a resolution, indenture trust agreement, or other instrument pursuant to which the Bonds are issued or incurred, as required by law and as approved by the Board. CCCFA's debts, liabilities and obligations with respect to Bonds issued or incurred under this Agreement and contracts or obligations entered into to carry out the purposes for which Bonds are issued or incurred, shall not constitute a debt, liability or obligation of any of the Members.

Any Bonds issued or incurred by CCCFA shall not constitute general obligations of CCCFA, but shall be payable solely from the moneys pledged to the payment of principal of or interest on such Bonds under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which the Bonds are issued or incurred.

Article VIII. LIMITATION ON LIABILITY OF MEMBERS

Section 8.01 Pursuant to Section 6508.1 of the Government Code, no debt, liability or obligation of CCCFA shall be a debt, liability or obligation of any Member. Nothing contained in this Article VIII shall in any way diminish the liability of any Member with respect to any Prepayment Project Contract such Member enters into pursuant to this Agreement.

Section 8.02 Notwithstanding anything to the contrary in this Agreement or otherwise, CCCFA shall not have the power to and shall not enter into any retirement contract with any public retirement system (as defined in Section 6508.1 of the Government Code) for any reason. The provision in this paragraph is intended to

benefit Members and to be a confirming, irrevocable obligation of CCCFA which may be enforced by Members individually or collectively.

Article IX. TERM; TERMINATION; LIQUIDATION; DISTRIBUTION

Section 9.01 Term and Termination. This Agreement shall become effective when at least three Founding Members execute this Agreement. This Agreement shall continue in full force and effect until terminated as provided in this Article; *provided, however*, this Agreement cannot be terminated while either (a) any Bonds of CCCFA remain outstanding under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any Bonds. This Agreement may be terminated by a two-thirds (2/3) vote of the entire Board that is approved by resolution of each Founding Member's governing body; *provided, however*, that this Agreement and CCCFA shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of CCCFA. In any event, CCCFA shall cause all records regarding its formation, existence, the Prepayment Projects, any Bonds issued or incurred by it and proceedings pertaining to its termination to be retained for at least six years (or as otherwise required by law) following termination of CCCFA or final payment of any Bonds issued or incurred by CCCFA, whichever is later.

Section 9.02 Liquidation; Distribution. Upon termination of this Agreement, the Board shall liquidate the business and assets and the property of CCCFA as expeditiously as possible, and distribute any net proceeds, after the conclusions of all debts and obligations of CCCFA, to any Members in proportion to the contributions made or in such manner as otherwise provided by law. The Board is vested with all powers of CCCFA for the purpose of concluding and dissolving the business affairs of CCCFA. Notwithstanding the foregoing, no dissolution of CCCFA shall be permitted while either (a) any Bonds of CCCFA remain outstanding, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any Bonds.

ARTICLE X. ACCOUNTS AND REPORTS

Section 10.01 Establishment and Administration of Funds. CCCFA is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with every provision of law relating to the establishment and administration of funds, including without limitation Section 6505 of the Government Code. CCCFA shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of CCCFA securing its bonds or other indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of CCCFA shall be open to inspection at all reasonable times to each Member and its representatives.

Section 10.02 Annual Audits and Audit Reports. The Treasurer/Controller shall cause an annual independent audit of the accounts and records of CCCFA to be made by a certified public accountant or public accountant in accordance with all applicable laws. If permitted by applicable law and authorized by the Board, the audit(s) may be conducted at the longer interval authorized by applicable law. A report of the financial audit will be filed as a public record with each Member not later than 270 days after the close of the fiscal year or fiscal years under examination. CCCFA will pay the cost of the financial audit and charge the cost against the Members in the same manner as other administrative costs.

ARTICLE XI. GENERAL PROVISIONS

Section 11.01 Conflict of Interest Policy. CCCFA, unless otherwise exempt, shall adopt a conflict of interest policy as required under applicable laws of the State of California. Counsel to CCCFA for financing

matters, including bond counsel, shall not be considered a consultant or other designated position for purposes of the conflict of interest policy.

Section 11.02 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither a Member nor CCCFA may assign any right or obligation under this Agreement without the consent of all other Members.

Section 11.03 Amendments. Subject to any requirements of law, a two-thirds (2/3) vote of the entire Board will be required to amend Articles II, III, VIII, and IX of this Agreement, and an amendment of Section 8.02 and Section 11.03 of this Agreement shall require an affirmative vote of the entire Board. Once an amendment of Articles II, III, VIII, or IX is adopted by the Board, the amendment must be approved by two-thirds of the Founding Members pursuant to each Founding Member's applicable approval process, and an amendment of Section 8.02 and Section 11.03 of this Agreement shall require an affirmative vote of all Founding Members pursuant to each Founding Member's applicable approval process. All other provisions of this Agreement may be amended at any time or from time to time by an amendment approved by at least two-thirds (2/3) vote of the entire Board. Written notice shall be provided to all Members of proposed amendments to this Agreement, including the effective date of such amendments, at least thirty (30) days prior to the date upon which the Board votes on such amendments. Each Member hereby agrees to take any actions necessary on its part to approve any amendment adopted pursuant to this Section 11.03, and if any Member fails to perform any such actions, such Member shall be deemed to have submitted a resolution of withdrawal pursuant to the provisions of Section 3.04 hereof.

Notwithstanding the foregoing, this Agreement shall not terminate while any Bonds of CCCFA remain outstanding under the terms of the resolution, indenture, trust agreement or other instrument pursuant to which such Bonds are issued or incurred.

Section 11.04 Indemnification and Insurance. To the fullest extent permitted by law, CCCFA shall defend, indemnify, and hold harmless the Members and each Director, alternate, officer, employee and agent from any and all claims losses damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of CCCFA under this Agreement to the extent not otherwise provided under a Prepayment Project Contract. CCCFA shall acquire such insurance coverage as the Board deems is necessary and appropriate to protect the interests of CCCFA and the Members.

Section 11.05 Waiver of Personal Liability. No member, director, commissioner, officer, agent or employee of CCCFA or the Members, respectively, past, present or future, shall be individually or personally liable for the observance or performance of any terms, conditions or provisions hereof or for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of CCCFA or the actions undertaken pursuant to this Agreement; provided, however, that nothing herein shall relieve any such person from the performance of any official duty provided hereby or by applicable provision of law.

Section 11.06 Limitation of Rights. All of the covenants, agreements, terms and conditions in this Agreement to be observed or performed by or on behalf of CCCFA or the Members shall be for the sole and exclusive benefit of CCCFA and the Members, whether so expressed or not, and nothing contained herein, express or implied, is intended to or shall give any other person other than CCCFA and the Members any legal or equitable right, remedy or claim hereunder.

Section 11.07 Notices. The Board shall designate its principal office as the location at which it will receive notices, correspondence, and other communications, and shall designate one of its Directors or staff as an officer for the purpose of receiving service of process on behalf of CCCFA. Any notice given pursuant to this Agreement shall be in writing and shall be dated and signed by the Member giving such notice. Notice to each Member under this Agreement is sufficient if mailed to the Member, and separately to the Director appointed by such Founding Member, to their respective addresses on file with CCCFA.

Section 11.08 Severability. Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions, and provisions shall not be affected thereby.

Section 11.09 Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section to which they refer.

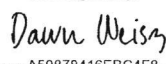
Section 11.10 Choice of Law. This Agreement will be governed and construed in accordance with the laws of the State of California.

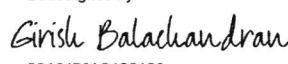
Section 11.11 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument.

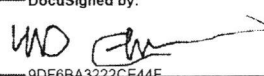
Section 11.12 Dispute Resolution. The Members shall make reasonable efforts to informally settle all disputes arising out of, or in connection with, this Agreement. Should such informal efforts to settle a dispute fail, the dispute shall be mediated in accordance with policies and procedures established by the Board. In the event such mediation fails to settle a dispute, the parties may pursue any remedies provided by law.


[Signature Page Follows]

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

DocuSigned by:
By: 
A59878416EBG4F8...
Name: Dawn Weisz
Title: CEO
CCA Name: MCE
Date: June 25, 2021

DocuSigned by:
By: 
5CA64B9AC4C24C3...
Name: Girish Balachandran
Title: CEO
CCA Name: Silicon Valley Clean Energy
Date: June 25, 2021

DocuSigned by:
By: 
9DF6BA3222CE44F...
Name: Nick Chaset
Title: CEO
CCA Name: East Bay Community Energy
Date: June 25, 2021

DocuSigned by:
By: 
69C25377448R497...
Name: Tom Habashi
Title: CEO
CCA Name: central coast community energy
Date: June 25, 2021

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

E-SIGNED by Donald Eckert

By: on 2022-09-02 12:27:33 PDT

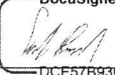
Name: Donald Eckert

Title: Executive Director

CCA Name: Pioneer Community Energy

Date: September 02, 2022

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

DocuSigned by:
By: 
DCES7B93CTDA48A...
Name: Ted Bardacke
Title: Chief Executive Officer
CCA Name: Clean Power Alliance of Southern California
Date: 9/6/2022

IN WITNESS WHEREOF, each Member hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

By: Lori Mitchell

Name: *Lori Mitchell*
Lori Mitchell (Jun 17, 2024 10:54 PDT)

Title: Director Community Energy

CCA Name: San Jose Clean Energy

Date: 06/17/2024

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2024-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE (VCE) TO APPROVE AND AUTHORIZE THE EXECUTION OF A JOINT POWERS AGREEMENT PROVIDING VCE ASSOCIATE MEMBERSHIP TO THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY TO ISSUE MUNICIPAL BONDS FOR ENERGY PREPAY TRANSACTIONS

WHEREAS, the pursuit of an energy prepayment on a tax advantaged basis enables a meaningful power procurement cost savings opportunity in which the Valley Clean Energy Alliance (“VCE”) can utilize its tax-exempt status to access the municipal bond market to prepay existing energy supply contracts at a discounted rate; and

WHEREAS, long-term power prepay transactions utilize the municipal bond market and therefore VCE requires a bond issuing entity to participate; and

WHEREAS, the California Community Choice Financing Authority (“CCCFA”) is a joint exercise of powers agency established under California Government Code section 6500 et seq. (the “JPA Law”) and a Joint Powers Agreement (the “CCCFA Joint Powers Agreement”) among various California Community Choice Aggregators (“CCAs”) for the purpose of undertaking the financing and refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of its members by, among other things, issuing or incurring bonds and entering into related contracts; and

WHEREAS, VCE is a community choice aggregator, as such term is defined in Section 331.1 of the Public Utilities Code of the State of California (the “Public Utilities Code”), that is a public agency, as such term is defined in the JPA Law, which has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes and, therefore, VCE is eligible to become a member of CCCFA under the CCCFA Joint Powers Agreement; and

WHEREAS, for CCCFA to finance or refinance energy prepayments and issue bonds on behalf of VCE, VCE must become an associate member of CCCFA; and

WHEREAS, VCE has determined that CCCFA is the best-fit least-cost option for a bond issuing entity to enable VCE to participate in one or more energy prepayment transactions and therefore VCE desires to become an associate member of CCCFA; and

WHEREAS, to become an associate member of CCCFA, the Board of Directors of VCE must file an executed counterpart of the CCCFA Joint Powers Agreement with CCCFA, together with a copy of the resolution of the Board of Directors of VCE approving the CCCFA Joint Powers Agreement and the execution and delivery thereof, and requesting to be added as an Associate Member of

CCCFA and VCE must further agree in writing to pay CCCFA a share of organization, planning and other costs and charges as determined by the Board of CCCFA to be appropriate, if any; and

WHEREAS, on March 11, 2022, the CCCFA Board established a new membership entry fee of \$50,000 for a new associate member’s portion of organization, planning, and other costs, in addition to each member’s equal share of general and administrative costs as determined by the CCCFA Board; and

WHEREAS, on December 16, 2022, the CCCFA Board established a transaction fee of \$20,000 to cover the “Prepayment Project” costs as defined in Section 1.11 of the CCCFA Joint Powers Agreement; and

WHEREAS, under the JPA Law and the CCCFA Joint Powers Agreement, CCCFA is a public entity separate and apart from the parties to the CCCFA Joint Powers Agreement, and the debts, liabilities, and obligations of the CCCFA will not constitute debts, liabilities, or obligations of VCE.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby finds, declares, and resolves as follows:

- Section 1.** The above recitals are true and correct.
- Section 2.** The CCCFA Joint Powers Agreement on file with the Secretary of the Board of Directors of VCE is hereby approved. The Executive Officer of VCE is authorized and directed, on behalf of VCE, to execute the CCCFA Joint Powers Agreement, and request that VCE become an associate member of CCCFA.
- Section 3.** VCE hereby agrees to pay CCCFA for its share of organization, planning and other costs and charges as determined by the Board of CCCFA to be appropriate.
- Section 4.** The officers, employees, and agents of VCE are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, agreements and instruments and to do any and all things which they may deem necessary or advisable to carry out, give effect to and comply with the terms and intent of the CCCFA Joint Powers Agreement and this Resolution.
- Section 5.** This Resolution shall take effect immediately upon its adoption.

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PASSED, APPROVED, AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____ 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lucas Frerichs, VCE Chair

Alisa M. Lembke, VCE Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 12

TO: Board of Directors

FROM: Gordon Samuel, Chief Operating Officer

SUBJECT: CC Power Tumbleweed Long-Duration Energy Storage Project Amendment 2

DATE: September 12, 2024

Recommendation

Authorize VCE's continued participation in the Tumbleweed Energy Storage Services Agreement under the terms of the Second Amendment.

Background

In February 2022, the Board approved VCE entering a joint procurement of the Tumbleweed Long-Duration Storage (LDS) project through California Community Power (CC Power) which is a joint powers agency made up of multiple community choice aggregators (CCAs). The JPA was created for the purpose of aggregating CCA buying power and to taking advantage of economies of scale and joint action on energy related matters (e.g. joint programs). The Tumbleweed LDS project was procured in response to the California Public Utilities Commission's (CPUC) Mid-Term Reliability (MTR) procurement mandate for development of new long-lead time resources including LDS capacity, which is defined as storage that can discharge to the grid for eight or more hours. The project is 75 MW / 600 MWh and VCE's share is 4.15%, or 3.11 MW / 24.9 MWh.

Since execution of the Tumbleweed Energy Storage Services Agreement (ESSA) by CC Power and the developer, REV Renewables (REV), the agreement has been amended once to increase the capacity from 69 MW to 75 MW, which the parties agreed to (Resolution 2022-030). Since then, REV has been working to develop the project in advance of the 2026 contractual commercial operation date (COD). Earlier this year, REV came to CC Power requesting amendment of the ESSA's commercial terms under the premise that the project is no longer economic at the contracted price given increases in equipment costs and uncertainty related to tariffs on Chinese imports depending on the 2024 presidential election outcome. Since then, CC Power staff, consultants and member CCA staff have been analyzing and deliberating what is the best path forward, and under the direction of the CC Power Board of Directors, has negotiated an amendment with the counterparty. Note: CC Power retained a respected outside consultant firm to provide additional analysis of the developer's reasoning for the contract amendment request. The consultant confirmed the market conditions that are the basis for the amendment request.

Overview of Project

Project Name	Tumbleweed Energy Storage, LLC
Technology	Li-Ion Storage
Storage Capacity	75 MW / 600 MWh
Commercial Operation Date	6/1/2026
Developer	REV Renewables, a subsidiary of LS Power
Location	Kern County, CA

Summary

Staff are seeking Board approval of VCE’s continued participation in the Tumbleweed LDS contract under the terms of the Second Amendment to the ESSA, including 1) a 15-21% contract price increase that would be indexed to the import tariff rate on Chinese goods up to a cap, 2) removal of language that entitles CC Power to a share of the tax benefits from the project, 3) increase in the penalty rate if the project is unable to provide the expected amount of resource adequacy (RA) during the delivery term, and 4) opportunity to procure RA from the partially-built project for approximately a year and a half before of the contractual COD. This amendment was approved by the CC Power Board of Directors on August 21. Once the amendment is fully executed, the developer can secure supply in time for the batteries to be imported before any potential increases to the import tariff rate, which is currently 10.9% and could be increased to 60% or more. If batteries are successfully imported before the potential tariff increase goes into effect, the contract price increase would be at the low end of the range provided above.

The Tumbleweed project is the first project for CCAs to procure together through CC Power, and the first LDS project contract to be executed to meet the MTR procurement mandate. CC Power is actively negotiating another LDS project, which will satisfy the remaining MTR need and staff plans to bring that project to the CAC and Board in the future. In addition, Staff is continuously assessing other LDS opportunities as this type of resource diversifies VCE’s portfolio needs beyond regulatory compliance requirements.

Attachment

1. Second Amendment to Energy Storage Services Agreement (approval draft ESSA - redacted)
2. Resolution 2024-XXX

SECOND AMENDMENT TO ENERGY STORAGE SERVICE AGREEMENT

This SECOND AMENDMENT TO ENERGY STORAGE SERVICE AGREEMENT (“**Second Amendment**”) is entered into as of August [REDACTED], 2024 (“**Second Amendment Effective Date**”) by and between Tumbleweed Energy Storage, LLC, a Delaware limited liability company (“**Seller**”) and California Community Power, a California joint powers authority (“**Buyer**,” and, together with Seller, individually a “**Party**” and collectively, the “**Parties**”).

WHEREAS, the Parties entered into that certain Energy Storage Service Agreement, dated as of January 24, 2022 for the purchase and sale of Product from that certain 69MW/552MWh battery energy storage facility located in Kern County, California, as amended by that certain Amendment No. 1 to the Energy Storage Service Agreement, dated as of December 15, 2022 for the increase of the Guaranteed Capacity to 75MW/600MWh and to modify certain other terms (the “**Agreement**”); and

WHEREAS, the Parties desire to amend the Agreement as set forth in this Second Amendment.

NOW, THEREFORE, the Parties, in consideration of the mutual covenants contained herein and other good and valuable consideration the adequacy and receipt of which are hereby acknowledged, do hereby agree as follows:

A. Capitalized Terms. Capitalized terms used and not defined in this Second Amendment shall have the meanings assigned to such terms in the Agreement.

B. Amendments to the Agreement.

1. The Cover Sheet is hereby amended by deleting the Contract Price in its entirety and replacing it with the following:

Contract Year	Contract Price
1 – 15	The sum of (i) the product of: (a) Applicable Tariff Rate expressed as a decimal, and (b) [REDACTED]; and (ii) [REDACTED], expressed in \$/kW-mo., with such Contract Price remaining flat after such calculation with no escalation and subject to adjustments in <u>Exhibit C</u> . For avoidance of doubt, the Contract Price shall not exceed [REDACTED].

2. Section 1.1 of the Agreement is hereby amended by adding the following new defined terms:

“**Applicable Tariff Rate**” means the lesser of (i) [REDACTED] and (ii) the Tariff Rate.

“**Date of Entry**” means the date(s) the batteries to be installed as part of the Facility enter the United States.

“**Second Amendment Effective Date**” means August [REDACTED], 2024.

“**Tariff Rate**” means the weighted average of all tariffs or duties (as assessed on the Date of Entry) on the utility scale batteries comprising the Facility with a Date of Entry after the Second Amendment Effective Date, including pursuant to Section 301 of the Trade Act of 1974 or that will be imposed as a result of the May 5, 2022 United States Trade Representative (USTR) statutory 4-Year Review of the Section 301 Investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, and May 14, 2024 Presidential Memorandum for USTR. For the purposes of calculating the average of all such tariffs or duties, any such tariffs or duties assessed on any Facility batteries with a Date of Entry of April 1, 2025 or later, the percentage applied to the weighted average calculation is the lesser of (i) the actual assessed tariffs or duties on those batteries, and (ii) Ten and Nine Tenths Percent (10.9%). For the avoidance of doubt, the Tariff Rate as of the Second Amendment Effective Date is Ten and Nine Tenths Percent (10.9%). Seller shall provide Notice to Buyer of the Tariff Rate within ten (10) Business Days after each Date of Entry (or if the Tariff Rate is not available in such period, then as soon as reasonably practicable) along with documentation supporting the calculation of the Tariff Rate and other such documentation as reasonably requested by Buyer.

3. Section 3.5(b)(ii) of the Agreement is hereby amended by deleting the current provision in its entirety and replacing it with the following:

[REDACTED]

4. Exhibit C is hereby amended by deleting Section (d) in its entirety.

C. Other.

1. The provisions of this Second Amendment are severable, and if any one clause or provision is found to be invalid or unenforceable in whole or in part, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, and not any other clause or provision of this Second Amendment.

2. Other than as expressly modified herein, the Agreement remains unchanged, and this Second Amendment shall not constitute a waiver of either Party's rights or obligations under the Agreement. Except as expressly set forth in this Second Amendment, the terms and conditions set forth in the Agreement shall remain in full force and effect, and from and after the Second Amendment Effective Date all references to the Agreement shall be deemed to be references to the Agreement as amended by this Second Amendment.

3. This Second Amendment shall be governed by and construed in accordance with laws of the State of California and shall be subject to the venue provisions of the Agreement.

4. No amendment, modification, waiver or discharge of this Second Amendment or of the Agreement (as amended), or any provision hereof (including, without limitation, this sentence) or thereof shall be valid or effective unless in writing and signed by the party against whom enforcement of such amendment, modification, waiver or discharge is sought and then only to the extent set forth in such writing.

5. This Second Amendment, together with the Agreement, contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous negotiations, representations, understandings and agreements, whether written or oral, all of which are merged into the Agreement, as amended by this Second Amendment. In the event of a conflict between the Agreement and this Second Amendment, the terms of this Second Amendment shall control.

6. This Second Amendment may be executed in one or more counterparts, each of which shall constitute an original and all of which when taken together shall constitute one binding agreement.

[Signature page follows.]

APPROVAL DRAFT

IN WITNESS WHEREOF, the Parties hereto have entered into this Second Amendment as of the Second Amendment Effective Date.

**TUMBLEWEED ENERGY STORAGE,
LLC**

**CALIFORNIA COMMUNITY POWER, a
California joint powers authority**

By: _____
Name: _____
Title: _____

By: _____
Name: Alexander Morris
Title: General Manager

APPROVAL DRAFT

VALLEY CLEAN ENERGY ALLIANCE**RESOLUTION NO. 2024- _____****A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
AFFIRMING THE CONTINUED PARTICIPATION IN THE TUMBLEWEED LONG DURATION
STORAGE PROJECT AND THE TERMS OF SECOND AMENDMENT TO THE ENERGY STORAGE
SERVICES AGREEMENT.**

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

WHEREAS, VCE is a member of California Community Power (CC Power) joint powers authority; and

WHEREAS, VCE in coordination with CC Power conducted a request for offers for long duration storage (LDS) projects and engaged in negotiations for the Tumbleweed project; and

WHEREAS, CC Power executed agreements to effectuate its purchase of its storage resource from the Tumbleweed storage project based on the project’s desirable offering of products, pricing and terms; and

WHEREAS, the Tumbleweed project will contribute to the regulatory requirement to procure LDS for each of the CCAs that are participating in this project through CC Power by providing energy storage resources for a term of fifteen years starting on or about June 1, 2026; and

WHEREAS, on February 10, 2022 staff presented to the Board for its review the Energy Storage Services Agreement, Buyer Liability Pass Through Agreement and the Project Participation Share Agreement the Board approved authorization to participate; and

WHEREAS, the May 12, 2022 Resolution reaffirmed the Board’s February 10, 2022 action approving participation in the CC Power Tumbleweed project and authorizing its Executive Officer to execute Agreements and any ancillary documents associated with its action; and

WHEREAS, the November 10, 2022 Resolution reaffirmed the Tumbleweed project increased the overall size from 69 MW to 75 MW resulting in additional capacity for the participating CCAs which equates 0.25 MW for VCE.

WHEREAS, the second amendment addresses contracted price increase due to increases in equipment costs and uncertainty related to tariffs on imports depending on the 2024 presidential election outcome.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance affirms the following:

1. VCE’s continued participation in the Tumbleweed Energy Storage Services Agreement under the terms of the Second Amendment.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lucas Frerichs, VCE Chair

Alisa M. Lembke, VCE Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 13

TO: Board of Directors

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

SUBJECT: Approve Participation as a Partner in the Rural Electrification and Charging Technology (REACT) Pilot Program

DATE: September 12, 2024

RECOMMENDATION

Approve resolution authorizing the Executive Officer and/or his designee to execute and take all actions necessary to implement the contract with Gridtractor for the Rural Electrification and Charging Technology (REACT) grant.

BACKGROUND

The Rural Electrification and Charging Technology (REACT) pilot program is a partnership between VCE, Gridtractor, and Monarch Tractor, designed to offer incentives to farmers to install charging stations for on-farm electric vehicles (EVs), including tractors. Gridtractor's charger software will allow customers to take advantage of dynamic electric rates when the cost is lowest and there are more renewables on the grid. The REDWDs grant will also bring further benefit to agricultural customers by providing backup power (from the tractor battery) should a farm lose electricity during an outage, or by exporting energy back onto the grid during peak (more expensive) hours, a process often called "bidirectional charging."

[Gridtractor](#), a California-based developer of charge-management systems for electric vehicles (EVs), applied for the grant through the [CEC's Responsive, Easy Charging Products with Dynamic Signals \(REDWDS\)](#) initiative. The pilot program will be called REACT, or Rural Electrification and Charging Technology. On July 10, 2024, the California Energy Commission (CEC) approved the \$2.5 million REACT grant for the first phase of a [potential] \$27 million project to help California farmers purchase electric tractors and charging infrastructure.

Electrifying the nation's agricultural vehicles could play a key role in helping Americans reduce greenhouse gas emissions from vehicles. For example, one diesel tractor creates as much greenhouse gas and particulate pollution as 14 passenger cars¹. Electric tractors are still a relatively new technology and can be expensive compared to internal combustion models, but programs like REACT can make them accessible to growers by offering incentives to make the

¹ <https://www.smithsonianmag.com/innovation/could-electric-tractors-revolutionize-farming-180982012/>

cost of transitioning from gas to electric the same or less overall, when factoring in charging infrastructure, fuel, and ongoing maintenance. Gridtractor estimates that with its groundbreaking Vehicle to Grid (V2G) capability, farmers could earn enough in three hours of export electricity to run their tractor for the rest of the week².

ANALYSIS

Program Details

The goal of this pilot program is to develop and deploy products that enable charging load flexibility, which supports transportation electrification, grid decarbonization, and electric system reliability.

Objectives of REACT:

- Pilot partners to develop easy-to-use and interoperable EV charging products that help customers manage charging in response to customer needs and dynamic grid signals. Charging products may include charging network software, vehicle software, unidirectional Electric Vehicle Supply Equipment (EVSE), bidirectional EVSE, aggregator products, and so on.
- Expand, develop, and implement new dynamic rates programs inclusive of bidirectional EV charging in CCA service territories.
- VCE to support sister CCAs in developing and deploying similar rates and pilots.

VCE's role in REACT includes customer outreach and recruitment, implementing bidirectional-capable dynamic rates in its service territory, and working with sister agencies (primarily other CCAs) to demystify dynamic rates deployment and help to support similar endeavors in other CCA territories. The submitted and approved REACT budget for VCE is for staff time to implement the first phase of the pilot program which totals \$337,500 for the first phase of the grant.

FISCAL IMPACT

The REACT Pilot Program would have a net-neutral effect on VCE's budget, as VCE's submitted and approved budget totals \$337,500.

ATTACHMENTS

1. Program Budget
2. Resolution 2024-XXX

² <https://www.gridtractor.com/post/first-ag-v2g-demonstration>

Attachment 1: Program Budget

PROPOSAL BUDGET			
Category Budget			
Agreement Number	XXX-XX-XXX		
Name of Organization	Valley Clean Energy		
Subrecipient			
None			
Cost Category	CEC Share	Match Share	Total
Direct Labor	\$ 293,478	\$ -	\$ 293,478
Fringe Benefits	\$ 44,022	\$ -	\$ 44,022
Total Labor	\$ 337,500	\$ -	\$ 337,500
Travel	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -
Materials/Miscellaneous	\$ -	\$ -	\$ -
Subrecipients/Vendors	\$ -	\$ -	\$ -
Total Other Direct Costs	\$ -	\$ -	\$ -
Indirect Costs	\$ -	\$ -	\$ -
Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -
Total Indirect and Profit	\$ -	\$ -	\$ -
Grand Totals	\$ 337,500	\$ -	\$ 337,500
Total CEC Reimbursable Funds Spent in California or Paid to California-Based Entities (if applicable)	\$ 337,500		
Percentage of CEC Reimbursable Funds Spent in California or Paid to California-Based Entities	100.00%		

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2024 - _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE RATIFYING VCE’S PARTICIPATION IN THE RURAL ELECTRIFICATION AND CHARGING TECHNOLOGY PILOT PROJECT AS A PROJECT PARTNER, ACCEPT FUNDS AS A SUBRECIPIENT TO GRIDTRACTOR, AND NEGOTIATE AND EXECUTE ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THIS GRANT

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

WHEREAS, the California Energy Commission solicited proposals as a part of their Responsive, Easy Charging Products with Dynamic Signals efforts; and,

WHEREAS, VCE partnered with Gridtractor and Monarch Tractor to prepare and submit a proposal [the Rural Electrification and Charging Technology pilot project, or REACT] in December 2023 in response to the solicitation; and,

WHEREAS, the REACT pilot project aims to engage the agricultural sector in integrating electrified tractors into VCE’s dynamic rates system with the goal of shifting electricity load out of critical peak hours and into hours where more renewable energy is available on the grid; and,

WHEREAS, REACT is a two-and-a-half-year (2.5 year) (May 8, 2024 through December 31, 2026) project in which Gridtractor was awarded \$2,499,987 from the California Energy Commission and of that amount, VCE was awarded \$337,500 for VCE’s role in the pilot.

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

1. Ratify Valley Clean Energy’s participation in the California Energy Commission’s Responsive, Easy Charging Products with Dynamic Signals grant program as a project partner; and authorize VCE’s Executive Officer or his designee, in consultation with VCE legal counsel, to negotiate and execute any related documents necessary to participate in this grant.

///

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the _____ day of _____ 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lucas Frerichs, VCE Chair

Alisa M. Lembke, VCE Board Secretary

VALLEY CLEAN ENERGY ALLIANCE
Staff Report - Item 15

TO: Board of Directors

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

SUBJECT: Review and Provide Feedback on the Valley Clean Energy 2024-2026 Outreach & Marketing Plan Outline

DATE: September 12, 2024

RECOMMENDATION

Review the attached 2024-2026 Draft Outreach & Marketing Plan Outline

BACKGROUND

In 2020, the Valley Clean Energy Board of Directors adopted a Strategic Plan to better guide our organizational mission, vision and strategies, and was updated in September 2023. The plan was adopted and updated after significant feedback from the Community Advisory Committee, the Board of Directors, consultants and VCE staff. The Strategic Plan lays out goals and objectives meant to guide the Board, CAC, and VCE staff in planning and decision-making. The 2021 Outreach & Marketing Plan adopted in February 2021 complemented VCE's Strategic Plan and guided staff's work on marketing and outreach strategy. The 2024-2026 Outreach & Marketing Plan will build on the success, goals and objectives of the 2021 Plan, align with the Strategic Plan update, and reach further with updated outreach and marketing strategies.

The key goals in the plan for 2024-2026 include:

1. Increase customer satisfaction and retention
2. Continue to Enhance VCE's Role as a Trusted Community Resource
3. Spotlight VCE's Role in Affordability, Decarbonization and Grid Innovation

This newer iteration of the Outreach & Marketing Plan will contain more detail on analytics and progress since the 2021 plan. The goals are similar to the goals in the 2021 plan but have been updated to reflect the progress made between 2021-2024. Tactics and subitems will be updated to reflect the new goals and progress since 2021, as well as systemic and organizational shifts that may have affected plan goals and progress.

Staff has incorporated feedback from the CAC's Programs and Outreach Task Group (POTG) and the full CAC on the outline and approach for the 2024-2026 Outreach & Marketing Plan after

presenting the outline at the August CAC meeting. Feedback from the POTG and CAC was minimal, and some of the actions detailed in the plan are already underway.

Staff is seeking Board feedback on the draft Plan outline which will be incorporated into the draft plan. Staff anticipates returning to the Board for draft Plan consideration this Fall.

ATTACHMENTS

1. 2024-2026 Outreach & Marketing Plan Outline
2. Progress Since 2021 Plan

VCE Outreach & Marketing Plan 2024-2026 Draft Outline

1. Executive Summary & Situational Analysis
 - a. Background & Context
 - b. Relationship to VCE's Strategic Plan
 - c. Progress since 2021 Outreach & Marketing Plan
 - i. 2021 Goals, Objectives, Subitems, Metrics and progress
 - d. Organizational and systemic shifts affecting outreach and marketing strategies
 - e. Preview of Goals & Objectives for 2024-2026
2. Mission + Values
 - a. Core Value Statements
 - i. Serving as a Trusted Community Resource
 - ii. Empowering Communities with Clean, Renewable, Affordable, Reliable Energy
 - iii. Solution-Driven Community Collaboration
3. SWOT Analysis
 - a. Industry Peer Analysis
4. Demographics/Target Audience
5. Goals & Objectives for 2024-2026, with relevant Strategic Plan Objectives and metrics for success
 - a. Increase Customer Satisfaction and Retention
 - i. Initiatives Supporting this Goal:
 1. Improvements to minimize opt-outs (Res & Non-Res)
 2. Focus groups and surveys
 3. Publicizing program benefits for historically marginalized communities
 - ii. Proposed Metrics (Res & Non-Res):
 1. "Retained" customers call disposition (SMUD began to track this metric upon VCE's request)
 2. Email open and click rates
 3. Customer programs participation and feedback (especially rebate recipients)
 4. Number of participating customers in surveys and focus groups; positive survey and focus group results
 5. Engagement rates on social media (Facebook, Instagram, and Twitter/X)
 6. Sign-ups for the newsletter email list during events
 7. Non-residential customers:
 - a. [Potential] Bespoke rates participation and feedback
 - b. [Potential] Participation in focus groups and/or surveys; positive focus group and survey results
 - b. Continue to Enhance VCE's Role as a Trusted Community Resource
 - i. Initiatives Supporting this Goal:
 1. VCE's Electric Advisor service (launching Fall 2024)
 2. Phase 2 of the Electric Vehicle Rebate Program (not yet Board-approved)
 3. Memorandum of Understanding (MOU) with Cool Davis for VCE service territory-wide engagement

4. Consideration of advertising (e.g. billboards, bus ads, podcast appearances in English and Spanish)
 - ii. Proposed Metrics (Res and Non-Res):
 1. [Residential only] Participation and feedback from the Electric Advisor service, including rebates obtained and electrification and energy efficiency initiatives undertaken (where measurable)
 2. Participation in, and feedback from, Phase 2 of the EV Rebate Program
 3. Number of events showcasing VCE (and partners') energy expertise; number of participants both in-person and virtual
 - c. Spotlight VCE's Role in Decarbonization and Grid Innovation
 - i. Initiatives supporting this goal:
 1. Continuing to work with member jurisdictions on their Climate Action Plans
 2. Electrification plans through the Electric Advisor service
 3. [Potential] VPP Grant with UC Davis, PG&E and Panasonic
 4. REACT program
 5. AgFIT Expanded Pilots
 6. V2G Pilots with PG&E
 7. Advocating for public policies to support decarbonization and grid innovation
 - ii. Proposed metrics:
 1. Number of communications about decarbonization, including press releases, op-eds, and print and digital resources
 2. Participation and feedback in various carbon-reducing programs, including rebates obtained and electrification and energy efficiency initiatives undertaken (where measurable)
 3. VCE's participation in regulatory and legislative proceedings involving decarbonization
6. Messaging
- i. Brand Voice
 1. Conversational tone, "meet customers where they're at"
 2. Trusted advisor on energy
 3. Clear, direct communication
 4. Member of community
 5. Balancing the priorities of taking action on climate change, remaining financially solvent, keeping rates steady, affordable for customers
 - ii. Spanish Translation
 1. Digital, print translated
 2. Native Spanish speaker to ensure effective, authentic tone
 3. High percentage of calls in Spanish
 - b. Content Strategy
 - i. Content Pillars
 1. Renewable & Clean Energy
 2. Energy Efficiency

- 3. Electrification
 - 4. News & Announcements
 - ii. Media Channels
 - 1. Blogs, SEO content, images, videos, op-eds, press releases, brochures, compliance mailers, quarterly newsletters, OhmConnect and other marketing emails
 - iii. Hashtag Strategy
 - 1. Powerful social media tool
- c. Methods
 - i. Website
 - 1. Website Tactics
 - a. Regular, timely, accurate updates
 - ii. Social Media
 - 1. Social Media Channels
 - a. X/Twitter, LinkedIn, Facebook, Instagram
 - 2. Social Media Objectives
 - a. Provide education, inform, build credibility
 - 3. Social Media Tactics
 - a. Consistent posting (3-5x/week)
 - b. Adhere to messaging/brand guidelines
 - c. Respond to all comments, questions within one business day where applicable
 - iii. Email
 - 1. Email Objectives
 - a. Proactively reach res & non-res audience
 - b. Remain in compliance with state agencies (CPUC & CEC)
 - 2. Email Tactics
 - a. Direct, conversational, informative
 - b. OhmConnect
 - c. Marketing emails
 - d. Compliance emails
 - iv. Focus Groups & Surveys
 - 1. Focus Groups & Surveys Objectives
 - a. Collect timely, high-quality feedback to inform strategy and tactics
 - 2. Focus Groups & Surveys Tactics
 - a. Seek feedback on survey or focus group design from sister agencies, the Community Advisory Committee, and stakeholder groups
 - b. Deploy surveys and focus groups in Yolo County, with both online and in-person participation options available
 - c. Consider compensating focus group participants and having a raffle for survey participants to encourage participation

- d. All surveys and focus groups will be available in English and Spanish
- e. Ensure adequate outreach and marketing around surveys and focus groups (website, social media, potentially other outlets)
- v. Media Relations
 - 1. Media Relations Objectives
 - a. Build rapport with reporters and journalists by drafting newsworthy content that leads to further interviews and conversations with VCE
 - b. Gain brand awareness and recognition through media placements
 - 2. Media Relations Tactics
 - a. Update contact list quarterly to ensure database is up to date with the best media list
 - b. Develop pitches in designed template
 - c. Draft newsworthy press releases
 - d. Distribute op-eds once per quarter
 - e. When possible, collaborate with partners, public figures, and industry peers when distributing press releases
- vi. Events
 - 1. Events Objectives
 - a. Engage current and potential customers
 - b. Increase brand awareness
 - c. Provide education and information about services and programs
 - d. Grow newsletter email list
 - e. Connect with influential members of the community such as elected officials
 - 2. Events Tactics
 - a. Identify key events within the community, participate
 - b. Sponsor relevant events
 - c. Adhere to event best practices including:
 - i. Be prepared with event materials on-hand.
 - ii. Deliver a professional booth setup
 - iii. Be friendly and conversational with visitors.
 - iv. Greet passersby with a smile
 - v. Engage audience by inviting them to participate in an activity at booth (i.e. spinner wheel).
 - vi. Refrain from personal conversations and excessive cell phone use during the event.
 - vii. Take well-lit photos of the booth setup and peers in action that can be used for marketing purposes.
 - viii. Be prepared with talking points to anticipate visitors' questions.

7. Communications Performance and Metrics

- a. Website
 - i. Web Tactics
 - 1. KPIs: page visits, traffic sources, most-viewed pages, location
 - a. Content adjusted as needed
- b. Social Media – goal: increase by 3%/year for next 2 years
 - i. Social Media Channels
 - 1. X/Twitter, LinkedIn, Facebook, Insta
 - ii. Social Media Objectives
 - 1. Engagement: likes, comments, shares, stories viewed, video views
- c. Email
 - i. Email Objectives
 - 1. Marketing: OhmConnect, newsletter
 - 2. Compliance: JRM, PCL
 - ii. Email Tactics
 - 1. Conversational tone
 - 2. Novel email titles
- d. Events
 - i. Events Objectives
 - 1. Engage, inform, educate, help
 - 2. 2 events/quarter
 - ii. Events Tactics
 - 1. Track participants and visitors; # of newsletter signups

Appendix A: Industry Peer Analysis

Appendix B: Messaging Matrix

Appendix C: Hashtags

2021 Outreach and Marketing Plan

Goal 1: Increase customer satisfaction and retention

Name	Subitems	Strategic Plan Objective	Status	Goal details
Better understand the needs/wants of customers and member communities	Improve customer analytics and data, Customer personas, Develop customer and marketing dashboards, Analyze data from different jurisdictions	Objective 3.1: Develop engagement strategies to increase awareness of, and participation in, local control of VCE's energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.	Done	VCE has made significant progress on this goal. We developed several engagement strategies, including for ERRO program, AgFIT Program and EV Rebate Program. We have advertised openings on the CAC to encourage local control, as well as advertising Board meetings and CAC meetings. VCE crafted an Environmental Justice Statement.
	Name		Status	Notes & Examples
	Improve customer analytics and data		Done	
	Customer personas		Not Done	VCE has not yet developed customer personas but may do so as part of the outreach for focus groups and surveys 2024-2026.
	Develop customer and marketing dashboards		Done	
	Analyze data from different jurisdictions		Done	
Increase awareness of VCE's brand	Advertising, Word-of-mouth campaigns, Swag, Co-marketing/branding with trusted		Done	VCE invested in bus ads in English and Spanish and has translated most customer-facing material into Spanish. VCE developed special swag for the 5-year anniversary and shared it with customers and
	Name		Status	Notes & Examples
	Advertising		Done	Staff engaged in successful advertising, and will look into advertising campaigns for 2024-2026, which may include bus ads and billboards, as well as podcasts.
	Word-of-mouth campaigns		Done	This goal was mostly achieved, and staff will continue to work on it. Lawn signs were deployed, and the AgFIT program was marketed successfully by word-of-mouth.
	Swag		Done	VCE developed special swag for the 5-year anniversary celebrations, including branded Bluetooth speakers, socks, and cell phone chargers. Staff also maintained current stocks of popular swag, including tote bags and bike lights, and updated the design of the tote bags.
	Co-marketing/branding with trusted community partners		Done	Co-marketing for the Electrify Yolo grant was done, in the form of signs with all jurisdiction logos beside VCE's. The MOU with Cool Davis will allow for more co-marketing.
	Newsletter: improve content and increase readership		Done	The newsletter format and design was updated, resulting in TBD% increase in readership.
	Increase awareness in Spanish-speaking communities		Done	VCE will continue this endeavor, and has increased Spanish content on the website, in collateral and on social media.
Maintain high customer participation rate	Analysis of regional customer participation rates/opportunities for increased participation, Decrease opt-outs due to misinformation, Non-res relationship building	Objective 3.6: Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.	Done	VCE finished with its analysis of regional customer participation rates/opportunities for increased participation, took actions to decrease opt-outs due to misinformation and engaged in non-res relationship building, primarily in the ag sector.

Subitems

Name	Status	Notes & Examples
Analysis of regional customer participation rates/opportunities for increased participation	Done	Woodland was determined to have the highest opt-out rate. VCE staff has discussed strategy to minimize opt outs in Woodland, and will continue to work with stakeholders to that end.
Decrease opt-outs due to misinformation	Done	VCE made the change for customers to route directly to a CSR when one is available to opt out rather than being able to opt out automatically via the IVR (during business hours). Additionally, VCE instructed SMUD to begin tracking "retained" customers (customers who called to opt out but the CSR was able to retain them). VCE changed text on the opt-out page, and also did a retention analysis and is in the midst of implementing solutions to minimize web-based opt-outs due to misinformation.
Non-res relationship building	Done	VCE has engaged in a lot of relationship-building, especially with ag customers in AgFIT and REACT programs. VCE is investigating the feasibility of providing bespoke rates to non-residential customers.
Emphasize VCE's benefits: local control, more renewables, competitive rates, programs that benefit our customers	Done	VCE added a tangible benefits tracker that details the amount of money customers saved and the amount of money brought into the community through customer programs. VCE also revamped some key pieces of collateral and added language about being cheaper and more renewable. As part of the 2024-2026 Pla, VCE will update these items as needed.

Subitems

Name	Status	Notes & Examples
Add tangible benefits to website and collateral	Done	Tracker on home page; New VCE Basics flier, new FAQs and talking points for contact center that emphasize VCE's benefits
Better understand customer wants and needs re programs by using focus groups and surveys	In progress	Survey completed March 2021 (customer programs). For 2024-2026, VCE will engage in focus groups.
Demonstrate commitment to DACs/underserved communities	Done	VCE has updated the website semi-annually and initiated a call-out campaign in which customers having trouble paying their bills were connected with resources. 13 customers were successfully enrolled in programs that helped them. VCE participated in the PIPP and the AMP programs and publicized both.

Subitems

Name	Status	Notes & Examples
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Update website annually with resources for customers having trouble paying bills
Participate in AMP program; publicize it

Call-out campaign to customers in arrears to offer assistance

Investigate feasibility of DAC/GT

Develop targeted programs outreach for DACs
Develop targeted educational outreach for DACs
Enhance Spanish communications

Done	Updated in March 2021 with new "Financial Resources" page
Done	
Done	SMUD performed this campaign in 2021.
Done	VCE determined that because of low eligibility and high complications with the program, it would not be participating at this time.
Done	
Done	
Done	Now translating everything possible into Spanish

Goal 1 Metrics

Name	Subitems	Status	Goal details
Maintain participation rate of no less than 90%		Done	
Develop and regularly update effective internal dashboards for customer care and marketing		Done	
Number of improvements made to increase retention		Done	
Increase newsletter subscriptions by 50% at the end of 2022 (note" was added after board approved the document)		In progress	Percentage increase TBD

Goal 1 Campaigns

Name	Subitems	Status	Goal details
Promote Local Control Programs promotion		Done	
Social media in Spanish		Done	

Goal 2: Establish VCE as a trusted community resource

Name	Subitems	Strategic Plan Objective	Status	Goal details
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Revamp Website	Phase 1: add educational material, ensure accessibility, Phase 2: website overhaul: integrate feedback from the CAC, Board and public; analyze structure, function, color, etc.; Analysis of website traffic pre- and post-overhaul	Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.	Done	
Subitems	<p>Name</p> <p>Phase 1: add educational material, ensure accessibility</p> <p>Phase 2: website overhaul: integrate feedback from the CAC, Board and public; analyze structure, function, color, etc.; Analysis of website traffic pre- and post-overhaul</p>		Done	
Demonstrate partnerships with allies that are trusted by the community	Donations to community-based orgs, Build relationships on social media	Objective 5.2: Develop relationships with community stakeholder organizations that foster support for VCE's mission and vision.	In progress	Full website overhaul, analysis and improvements completed in 2022-2023
Subitems	<p>Name</p> <p>Donations to community-based orgs</p> <p>Build relationships on social media</p>		Done	Staff made some progress with this but will make more in 2024-2026, including the MOU with Cool Davis to work within VCE's full service territory
Demonstrate thought leadership within the industry	Guest posts (2/year), Board and CAC pieces (2/year), Leadership within CalCCA committees, Host webinars (1 in 2021; 2 in 2022), Publicize joint PG&E initiatives, e.g. JRM and TOU, Publicize rates if alternatives are adopted	Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.	In progress	RISE, Inc., NEM Donation Program
Subitems	<p>Name</p> <p>Guest posts (2/year)</p> <p>Board and CAC pieces (2/year)</p> <p>Leadership within CalCCA committees</p> <p>Host webinars (1 in 2021; 2 in 2022)</p> <p>Publicize joint PG&E initiatives, e.g. JRM and TOU</p> <p>Publicize rates if alternatives are adopted</p>		Done	Progress was made but will continue to work on this 2024-2026
	<p>Guest posts (2/year)</p> <p>Board and CAC pieces (2/year)</p>		Not Done	VCE has not met all these goals but has made significant progress, especially in leadership in CalCCA and in statewide dynamic rates groups.
	<p>Leadership within CalCCA committees</p>		Not Done	VCE will continue to work on this.
	<p>Host webinars (1 in 2021; 2 in 2022)</p>		Done	Programs Committee (started & Co-Chairing); "Future of CCAs" panels and panel moderation and speaking on dynamic rates at numerous conferences from 2021-2024.
	<p>Publicize joint PG&E initiatives, e.g. JRM and TOU</p>		Done	Hosted 2 in 2022 on contractor electrification.
	<p>Publicize rates if alternatives are adopted</p>		Done	Done
			Done	Base Green and rates discounts publicized 2022-2024

Events and presentations (2/year)	<p>Ag Customers (through Farm Bureau or farming assns), Business customers (Chambers of Commerce, industry orgs), Customers active on climate issues: promote UltraGreen, building electrification,</p>	<p>Objectives 3.4 and 5.2: (3.4) Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory. (5.2) Develop relationships with community stakeholder organizations that foster support for VCE's mission and vision</p>	<p>Done</p>	
Subitems	Name	Status	Status	Notes & Examples
	<p>Ag Customers (through Farm Bureau or farming assns)</p>		<p>Done</p>	
	<p>Business customers (Chambers of Commerce, industry orgs)</p>		<p>Done</p>	<p>First presentation 4/12/21</p>
	<p>Customers active on climate issues: promote UltraGreen, building electrification,</p>		<p>Done</p>	
Improve collateral	<p>Net Energy Metering (NEM): UYNB video; website text update bi-annually; sample bill update annually; NEM flier in Q1 2022, Consider non-traditional collateral: yard signs, posters for local business, Programs promotional material: website and digital/print fliers; improve online signup options</p>	<p>Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.</p>	<p>In progress</p>	<p>Everything except sample bills completed; expected completion in 2024.</p>
Subitems	Name	Status	Status	Notes & Examples
	<p>Net Energy Metering (NEM): UYNB video; website text update bi-annually; sample bill update annually; NEM flier in Q1 2022</p>		<p>Done</p>	<p>Sample bills were updated; new sample bills in progress</p>
	<p>Consider non-traditional collateral: yard signs, posters for local business</p>		<p>Done</p>	<p>UltraGreen yard signs and Electrify Yolo community signs deployed 2022-2023.</p>
	<p>Programs promotional material: website and digital/print fliers; improve online signup options</p>		<p>Done</p>	

Demonstrate our commitment to Environmental Justice (EJ)

Subitems

Accessibility: Ensure all new collateral is translated within 3 months of introducing; analyze opt-out rates in Spanish, Partner with EJ orgs (3 partner events/pieces by end of 2022), social media promotion, co-authoring pieces, Analyze opt-out and opt-up trends among Spanish speaking customers by end of 2021, Increase social media posts in Spanish and set a percentage-based goal for 2022

Objective 3.7: Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE's services and programs.

In progress

Staff has completed many of these goals but is still working with EJ groups to co-author pieces and has not yet set a percentage-based goal for Spanish posts.

Name

Status

Notes & Examples

Accessibility: Ensure all new collateral is translated within 3 months of introducing; analyze opt-out rates in Spanish Partner with EJ orgs (3 partner events/pieces by end of 2022), social media promotion, co-authoring pieces

Done

In progress

Analyze opt-out and opt-up trends among Spanish speaking customers by end of 2021

Done

Increase social media posts in Spanish and set a percentage-based goal for 2022

In progress

Conduct baseline analysis of current relationships and sentiment among ag customers, Develop targeted outreach materials for C&I and ag, Add demonstrated impact to collateral (2021-2022), Key accounts outreach - avoid opt-outs, bill/rate analysis support, etc., Promote VCE as a resource in TOU transition

Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.

Done

Build closer relationships with C&I and Ag customers

Subitems

Name

Status

Notes & Examples

Conduct baseline analysis of current relationships and sentiment among ag customers
Develop targeted outreach materials for C&I and ag

Done

Done

Add demonstrated impact to collateral (2021-2022)
 Key accounts outreach - avoid opt-outs, bill/rate analysis support, etc.
 Promote VCE as a resource in TOU transition

- Done
- Done
- Done

Goal 2 Metrics

Name	Subitems	Strategic Plan Objective	Status	Goal details
Social Media Following: increase by 50% in 2021		Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.	In progress	Percentage increase TBD
Website hits and newsletter click throughs: increase by 25% in 2021		Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.	In progress	Percentage increase TBD
CARE/FERA increase of 5% by Dec 2022		Objective 3.7: Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE's services and programs.		Unable to measure

Goal 2 Campaigns

Name	Subitems	Strategic Plan Objective	Status	Goal details
Educational information	Energy Efficiency (update annually), Promote thought leadership pieces and seeking engagements, FAQ Fridays	Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.	Done	
Subitems	Name Energy Efficiency (update annually) Promote thought leadership pieces and seeking engagements FAQ Fridays		Status Done Done Done	Notes & Examples

Humanize VCE	Goal: present VCE as an org of people who "understand me" and "people I can identify with", Voluntary staff, BOard and CAC photos and personal posts (e.g. staff baking for holidays, etc.), Humor - more fully integrate into voice	Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.	Done	
Subitems	Name	Status	Notes & Examples	
	Goal: present VCE as an org of people who "understand me" and "people I can identify with"	Done	Humanizing staff and Board, CAC with photos on social media	
	Voluntary staff, BOard and CAC photos and personal posts (e.g. staff baking for holidays, etc.)	Done	Holiday pics at most major holidays on social media	
	Humor - more fully integrate into voice	Done	Dogs in costumes for Halloween, funny staff pictures	

Goal 3: Support VCE's Programs Plan and Decarbonization Roadmap

Name	Subitems	Strategic Plan Objective	Status	Goal details
Support customer programs that are working toward decarbonization, EE and DR	Education component, Action component, Impact component	Objective 3.2: Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.	Done	This work will continue 2024-2026
Subitems	Name	Status	Notes & Examples	
	Education component	Done	Made banner advertising member jurisdiction's UltraGreen participation	
	Action component	Done	Worked with member jurisdictions on CAPs and on going UltraGreen	
	Impact component	Done	Member jurisdictions were able to count gHg emissions reductions as a result of being enrolled in UltraGreen	
Promote UltraGreen: present an easy gHg mitigation solution to customers	Residential, Non-residential	Objective 4.3: Increase participation in VCE's UltraGreen 100% renewable product.	In progress	VCE has made some progress on this but it was put on hold because the organization's goal shifted to 100% renewable by 2030, and there is some uncertainty about the UltraGreen program as a result
Subitems	Name	Status	Notes & Examples	
	Residential	In progress	See above	
	Non-residential	Done	Worked closely with 2 member jurisdictions to analyze and convert accounts to UltraGreen. Conversations ongoing with other 2 member jurisdictions.	

Work with member communities on Climate Action Planning	Support member agency achievement on emissions reduction targets through outreach and relationship building, Promote UltraGreen to jurisdictions, Determine how VCE can support wider resiliency efforts	Objective 3.2: Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.	Done	ERRO Program and CAP contributions
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Subitems	Name	Status	Notes & Examples
	Support member agency achievement on emissions reduction targets through outreach and relationship building Promote UltraGreen to jurisdictions Determine how VCE can support wider resiliency efforts	Done	This work will continue 2024-2026
Partner with other organizations on UltraGreen campaigns	Non-profits, Member agencies, Develop co-branded marketing campaigns to promote UG	Done	Partnered with Davis Food Co-Op and made a banner for their UltraGreen participation; banner for Yolo County library

Subitems	Name	Status	Notes & Examples
	Non-profits Member agencies Develop co-branded marketing campaigns to promote UG	Done Done Done	

Goal 3 Metrics	Subitems	Status	Goal details
	Higher UltraGreen participation rate: increase by 5% by June 2022 Measure and increase programs participation Amount of carbon mitigated	Done Done	Difficult to measure

Goal 3 Campaigns	Subitems	Status	Goal details
	UltraGreen awareness UltraGreen Spotlight Boosting resiliency messaging (PSPS, battery storage, prep, etc.) Green Heroes Program Demonstrating partnership with other organizations (non-profits and member communities)	Done Done Done Done Done	