



yvonnehunterphotography.com

Valley Clean Energy Board Meeting – September 9, 2021 Via Webinar

Item 16 – Operational Budget Update



Public Comments

To Provide Public Comment on any agenda item please:

- E-mail 300 words or less to: meetings@valleycleanenergy.org

OR

Join the Public Comment Queue by

- “Raising Hand” on Zoom Meeting

OR

- Press *9 if joining by phone

Emailed comments received **before** the item has concluded will be read into the record.

Emailed comments received **after** the item has concluded but before the end of the meeting will not be read but will be included in the meeting record.

Item 16 – Overview –Operational Budget Update

Overview

Since March 2020, the overall economy and energy sector has been highly unpredictable due to COVID-19, regulatory decisions, and weather conditions driving volatility in pricing. Recent increased load demand and energy costs that have outpacing revenues.

This presentation will:

- Examine key factors influencing VCE Operating Budget Results
- Provide an update on the Operational Budgets for Fiscal years 2020/21 and 2021/22 (current)

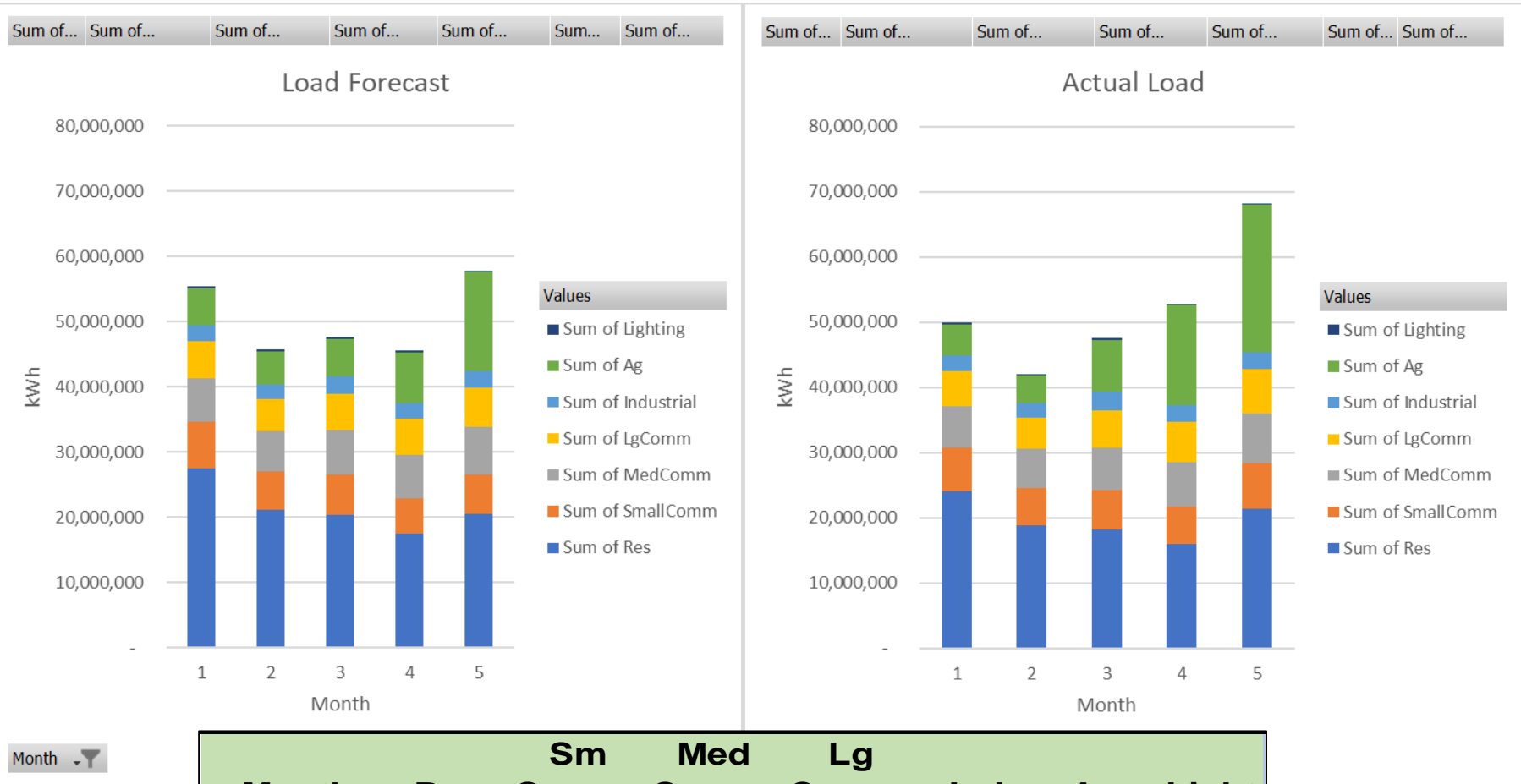
Item 16 - Background – Key Factors

Key Factors Influencing VCE Operating Budget Results

- **Load Forecast.**
 - COVID-19 Load and Revenue Impacts and anticipated recessionary factors.
 - Residential Usage – Remote work, Remote Learning, etc.
 - Commercial/Ag Usage – Droughts, TOU transition, etc.
 - Weather – Increase and changed load demand for all
- **Power Prices.** Long-term forward market prices and hourly price changes due to weather impacts.
- **Power Charge Indifference Adjustment (PCIA).** Overall, an approximately 39% increase for \$21 M for YTD 2021.
- **Resource Adequacy (RA).** Changing/increased penalties, market demand, and market supply.
- **Fiscal Year & Budget Adoption Timing.** Load updates, peak season, and hedging activities overlap with fiscal year end and budget adoption timing.
- **VCE Rates Policy.** Rates policy matches PG&E's generation rates for its default energy product (Standard Green) limits recovery of costs.
(Companion Board Item 17)



Item 16 - 2021 Load Forecast vs. Actual – Jan through May



Month	Res	Sm Comm	Med Comm	Lg Comm	Ind	Ag	Light
1	88%	92%	97%	95%	101%	83%	83%
2	89%	96%	97%	98%	101%	83%	91%
3	90%	96%	96%	102%	111%	136%	96%
4	92%	104%	102%	112%	107%	198%	102%
5	105%	114%	103%	113%	107%	149%	109%



Item 16 - Operational Budget Update

FY 2020/21 Operation Budget (Unaudited)

- May and June power expenditures grew by approximately \$2.4M for a total net loss of \$3.5M. The key factors that resulted in the \$2.4M difference include:
 - Load. Wholesale Load Requirements – May wholesale energy load increased by 15% and June by 10%.
 - Agricultural irrigation accelerated and increased due to drought
 - Residential sector continued higher demand than COVID-19 load forecast
 - Power Costs. Total Power Costs – May Increased by 8% and June increased by 48%
- Overall, FY 2020/21 \$3.5M net loss generally in line with the \$2.8M net loss budget forecast completed in October 2020 when considering COVID-19, PCIA, RA and power cost increases.

FY 2021/22 Operation Budget (Unaudited)

- FY 2021/22 (July 2021) approximately \$350K better than forecast.

Item 16 - Operational Budget Update

Additional Factors

- **Resource Adequacy (RA).** Rising RA costs result in additional negative fiscal impacts. CY 2022 prices have exceeded budget by approximately \$1.6M.
 - ~10% of VCE's open RA positions of CY 2022 still need to be filled
- **Long-term power contracts (PPAs).** Full delivery of VCE's PPAs in 2023 for ~60% of VCE's load will met with lower cost energy and RA.
- **Current Reserves.** VCE's current net position is approximately \$13M; \$8M in unrestricted cash reserves. VCE Cash reserves are used to manage monthly cash flow requirements for peak season and unanticipated events such as COVID-19 and heat storms.

Updated Multi-Year Forecast		Actuals		ACTUALS UNAUDITED	ACTUAL YTD July 31 (1 MO) + FORECAST (11 MO)	Forecasted	
		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Description							
Revenue	51,035	55,249	55,080	51,887	59,100	59,600	
Power Cost	38,540	41,538	54,318	53,563	53,800	49,600	
Other Expenses	3,850	4,346	4,267	4,771	5,100	5,200	
Net Income	8,646	9,365	(3,505)	(6,447)	200	4,700	

Note: The table does not account for forward power market price fluctuation and resource adequacy costs



Item 16 - Operational Budget Update – Conclusions

Next Steps

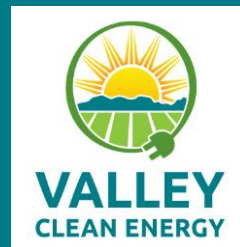
- Continue Quarterly financial updates to the Board and CAC
 - Monitor Operating Budget
 - Monitor financial cash reserves
- Continue to refine multi-year forecast updates
- Fiscal Impacts Mitigation - VCE Rates Strategies (Companion Board Item 17)



yvonnehunterphotography.com

Valley Clean Energy Board Meeting – September 9, 2021 Via Webinar

Item 17 – Customer Rate Structure Policy



Public Comments – via Zoom this should be the second slide to every item.

To Provide Public Comment on any agenda item please:

- E-mail 300 words or less to: meetings@valleycleanenergy.org

OR

Join the Public Comment Queue by

- “Raising Hand” on Zoom Meeting

OR

- Press *9 if joining by phone

Emailed comments received **before** the item has concluded will be read into the record.

Emailed comments received **after** the item has concluded but before the end of the meeting will not be read but will be included in the meeting record.

Item 17 - Overview – Customer Rate Structure Policy

I. Background

- VCE Strategic Plan – Financial Goals/Objectives

II. VCE Financial Context

- Market (Forward Market Prices, Resource Adequacy, Demand)
- Regulatory (Power Charge Indifference Adjustment, RA Market Structure)
- CCA Business Model (Different than Utilities - no automatic cost recovery)

III. VCE Financial Mitigation Strategies To Date

IV. Customer Rate Structure Option

V. Direction Request/Next Steps

Item 17 - Customer Rate Structure Policy

I. Background

Item 17 - Background

- VCE Strategic Plan
 - Finance Goal 1: Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health.
 - Finance Objective 1.4: Manage customer rates to optimize VCE's financial health while maintaining rate competitiveness with PG&E.
- Challenge: Achieve long-term financial stability to deliver choice and local benefits to customers and communities served by VCE.

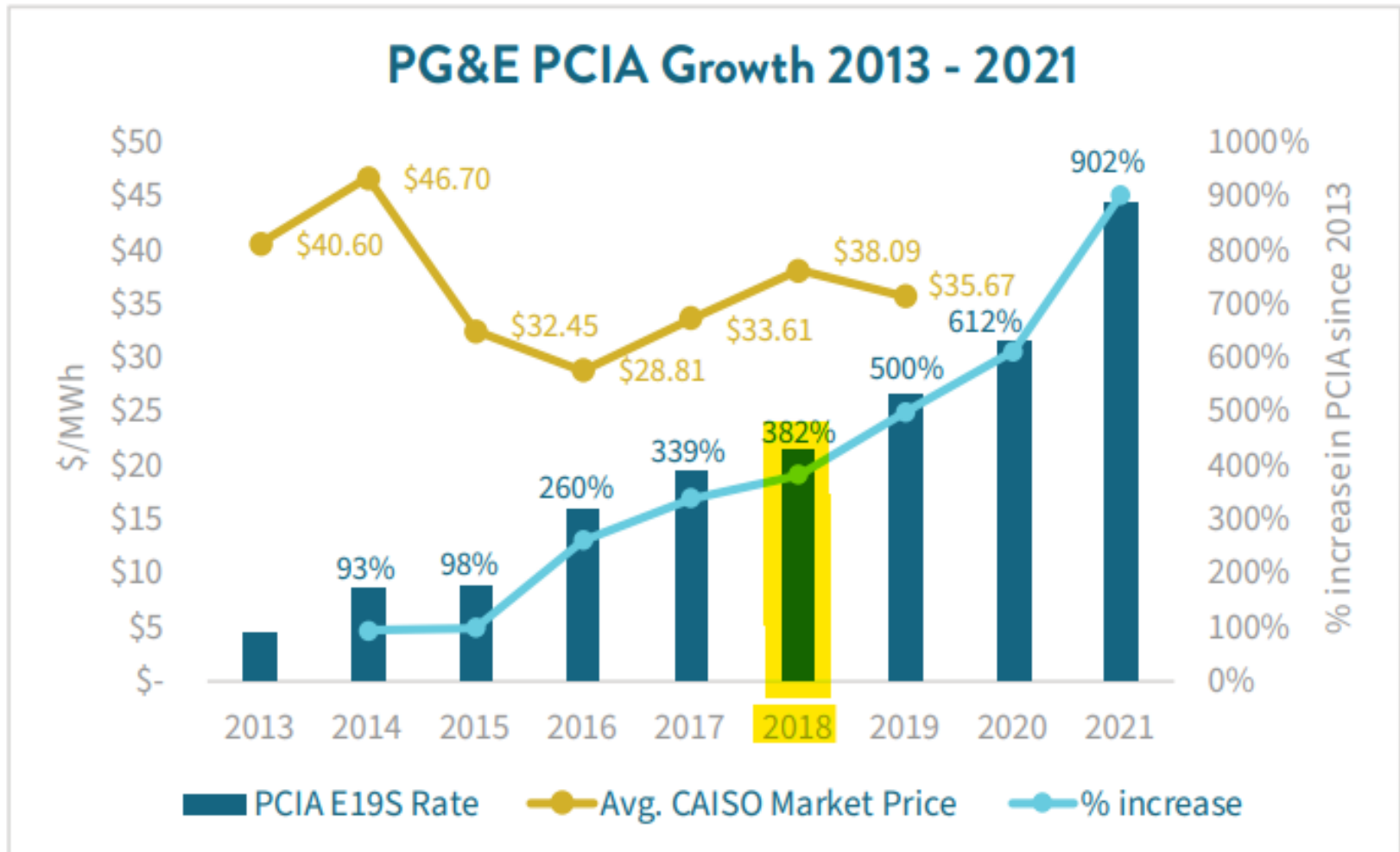
Item 17 - Customer Rate Structure Policy

II. VCE Financial Context

Item 17 - VCE Financial Context

- Current Rate Policy
 - Match + Customer Dividend Program (since 2019)
- PCIA Trends: structural (+900% since 2013; +136% since 2018) \$21M YTD in 2021
- RA Trends: structural (+100% since launch: ~\$10M/yr v. \$20M/yr)
- Market Pricing Trends: <5% increases for 2021 and 2022
- Other Factors
 - Western Community Energy Bankruptcy (2021)
 - Business Transactions – More Favorable Terms with Power Contract Counterparties, Financial Institutions
 - Program Implementation

Item 17 - Financial Context – Cont.



Source: San Jose Clean Energy, Feb 2021

Item 17 - Customer Rate Structure Policy

III. VCE Financial Mitigation Strategies To Date

Item 17 - Financial Mitigation Efforts to Date

Actions taken to address financial stability:

- Customer Rates (Fall 2018)
- Renewable portfolio content (Summer 2020) - \$3.8M
- Long-term Power Purchase Agreements (PPAs) (Initiated Fall 2019) - \$4.0M/yr beginning 2023/24
- Joint Procurement (Spring 2019) – shared transaction costs
- Pre-payment of debt (Fall 2019) – interest savings
- Cost containment (Summer 2018). >10%/yr overhead since launch

Remaining primary policy lever – rate setting for cost recovery

Item 17 - Customer Rate Structure Policy

IV. Customer Rate Structure Option

Item 17 - Rate Related Fiscal Strategies

- Early 2020 – Investigation of rate related strategies employed by other CCA's to address on-going financial pressures outside of a CCA's control (e.g. PCIA, RA).
- May/June 2020 - Staff outlined a possible customer rate structure employed by other CCA's to increase choice while helping stabilize finances. Board approved the following in June 2020:

Direct Staff and the Community Advisory Committee to study additional customer rate choices for future Board consideration.

- Fall 2020/Spring 2021 – Staff & CAC Task Group researched expanded and cost-recovery based customer rate structures by other CCA's.
 - 5 CCA's in PG&E service territory have implemented expanded and/or higher generation rates than PG&E (two additional CCA;s in SCE territory)

Expanded/cost-recovery based customer rate structures

CCA	IOU Territory	Customer Accounts	% Difference to IOU Gen Rate (default product)	Renewable Content Target (default product)
Valley Clean Energy	PG&E	63,509	0% (match)	42%
Clean Power SF	PG&E	311,777	+2%	50%
East Bay Community Energy	PG&E	546,707	0%	60%
MCE Clean Energy	PG&E	473,826	+7%	60%
Peninsula Clean Energy	PG&E	287,987	-3%	50%
Pioneer Community Energy	PG&E	87,704	+6%	33%
San Jose Clean Energy	PG&E	350,000	+8%	55%
Silicon Valley Clean Energy	PG&E	225,973	0%	42%
Sonoma Clean Power	PG&E	243,436	+5%	50%
Clean Power Alliance (Los Angeles area)	SCE	1,000,000	+8%	50%
Desert Clean Energy	SCE	37,375	+20%	100%

Item 17 - Expanded/cost-recovery based customer rate structures

Notes on previous slide Table:

- CCA programs with additional customer rate options and/or cost-recovery based rates have not seen significant “opt-out” or “opt down” activity in either the residential or commercial/industrial sectors.
- CCA sample includes:
 - Large and moderate sized CCA’s
 - Several with years of implementation with rates above their respective investor-owned utilities.
 - Information gathered from CCA’s in various parts of the State: Southern California, Northern California, inland and coastal.

Item 17 - Expanded/cost-recovery based customer rate structures

San Jose Clean Energy – Example (3 Customer Rate Options)

SAMPLE RESIDENTIAL COST COMPARISON*

GreenValue	GreenSource	TotalGreen
36% Renewable Energy	55% Renewable Energy	100% Renewable Energy
Electric Generation \$29.93	Electric Generation \$32.32	Electric Generation \$36.97
PG&E Added Fees \$22.10	PG&E Added Fees \$22.10	PG&E Added Fees \$22.10
PG&E Electric Delivery \$80.31	PG&E Electric Delivery \$80.31	PG&E Electric Delivery \$80.31
Average Total Cost \$132.35	Average Total Cost \$134.74	Average Total Cost \$139.39

*Based on a typical residential usage of 465 kWh under the E-TOU-C rate schedule at SJCE rates effective May 15, 2021. Actual costs will vary depending on usage and other factors.

This estimate is an average of seasonal rates.

Item 17 - Customer Rate Structure Policy

V. Direction Request/Next Steps

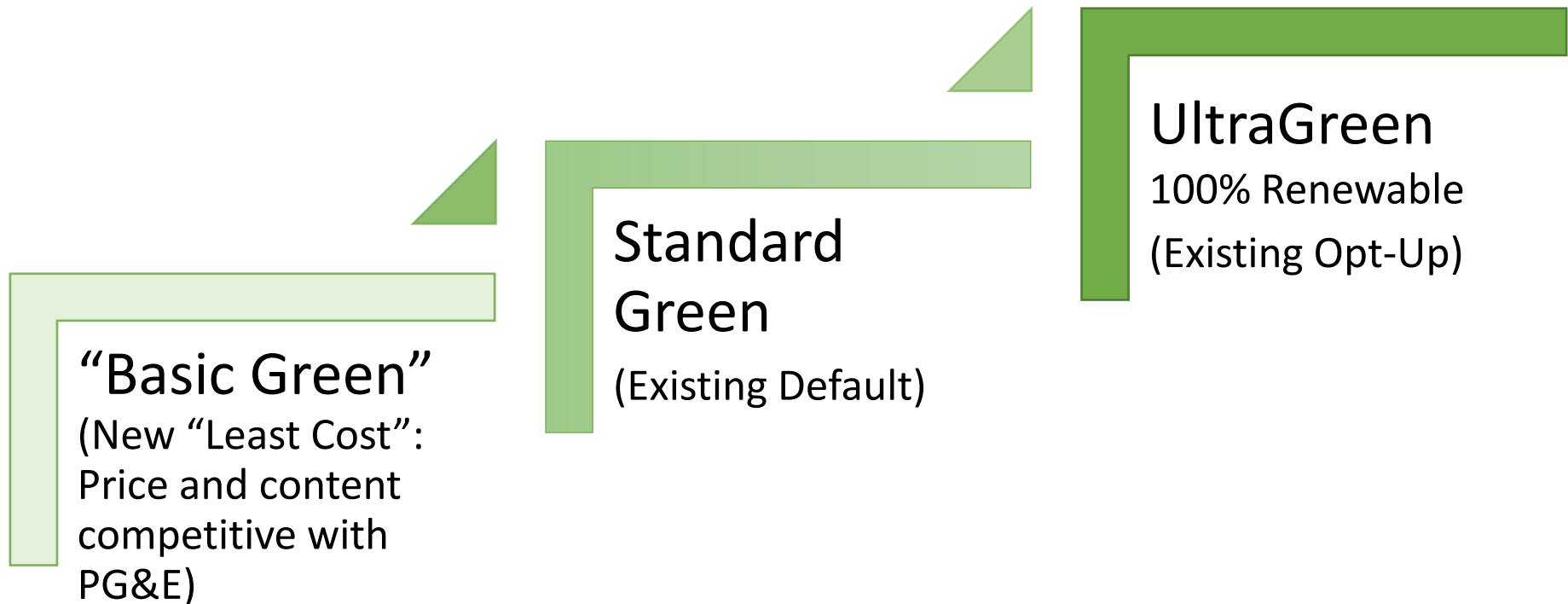
Item 17 - Board Direction

Staff is seeking Board direction on development of a proposal for an expanded and cost-recovery based customer rate structure similar to other CCA's with the following elements:

- Expand to 3 customer rate options: (1) “Least Cost” (new), (2) Standard Green (existing default), (3) UltraGreen (existing 100% renewable)
- “Least Cost” option price competitive with PG&E Generation Rates
- Standard Green (default) and UltraGreen cost-recovery based rates
- Auto “opt-down” for CARE/FERA and medical baseline customers while retaining default renewable portfolio
- Retain customer Dividend program
- Engage SMUD to conduct financial impact sensitivity analysis

Item 17 - Expanded/cost-recovery based customer rate structures

Possible Structure Example (3 Customer Rate Options)



Notes: Proposed name of new rate option and pricing and portfolio content of each option to be analyzed/presented to Board and CAC at next step.

Item 17 - Board Direction – Cont.

If Board direction is given – the following timeline is recommended:

- **Sept (current):** Board direction; Based on Board direction, staff + CAC Task Group finalize draft rate policy and expanded and cost-recovery based customer rate structure.
- **Sept:** CAC examination/feedback on draft rate policy and expanded and cost-recovery based customer rate structure; input on customer outreach strategy.
- **October:** Board update/direction; finalize SMUD analysis and final draft policy/rate structure.
- **October:** CAC consideration/recommendation on final draft policy/rate structure.
- **Nov:** Board consideration/action on final draft policy/rate structure.
- **Nov-Jan 2022:** Execute customer outreach strategy.
- **Jan 2022:** Update report to Board/CAC.
- **Feb 2022:** Implement expanded and cost-recovery based customer rate structure.
- **Post-implementation:** Monitoring/reporting customer opt-out/opt-down activity.





Discussion



yvonnehunterphotography.com

Valley Clean Energy Board Meeting – September 9, 2021 Via Webinar

Item 18 – Carbon Neutrality Study Update



Public Comments

To Provide Public Comment on any agenda item please:

- E-mail 300 words or less to: meetings@valleycleanenergy.org

OR

Join the Public Comment Queue by

- “Raising Hand” on Zoom Meeting

OR

- Press *9 if joining by phone

Emailed comments received **before** the item has concluded will be read into the record.

Emailed comments received **after** the item has concluded but before the end of the meeting will not be read but will be included in the meeting record.



Item 18 - Carbon Neutrality Study Update: Background

- VCE's strategic plan Goal 2: Manage power supply resources to consistently exceed California's Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is 100% carbon neutral by 2030.
 - Objective 2.5: Study and present options for achieving a 100% carbon neutral resource portfolio as well as 100% carbon free resource portfolio (carbon free hour by hour) by 2030.¹
- CAC Programs Task Group has been formed to assist with this effort.²
- Request for proposals (RFP) was issued in April '21 for consulting services to perform the study.³

1) Carbon neutral electricity is net zero carbon electricity that may include the use of carbon credits and/or higher production of carbon free electricity that averages out to provide a carbon free portfolio over a period of time whereas carbon free hour-by-hour means all electricity consumed by VCE customers will be from carbon free and/or renewable resources.

2) Task Group meets bi-weekly, provided input to the RFP, and provided update to CAC in August.

3) RFP resulted in a contract w/ Energeia that was approved by the Board in July '21.

Item 18 - Carbon Neutrality Study Update : Timeline

Q1 2021

- Board approves Strategic Plan (10/8/2020)
- Task Group formed (1/28/21)
- Identify consultants
- Begin defining SOW

Q2 2021

- Compile inputs/assumptions
- Identify eligible technologies
- Finalize consultant selection
- Board approval, if necessary
- Metrics to consider

Q3 2021

- Kickoff analysis
- Analyze findings & prepare initial plans
- CAC & Board engagement

Q4 2021

- Finalize plans
- Develop final report
- CAC & Board engagement

NOTE: The next IRP will be due no sooner than May 1, 2022, but appears likely to be extended. The CPUC is considering a [staff proposal](#) to streamline IRP/RPS filings, which could move the next full IRP filing to 2023 (with new IRPs filed every three years thereafter).

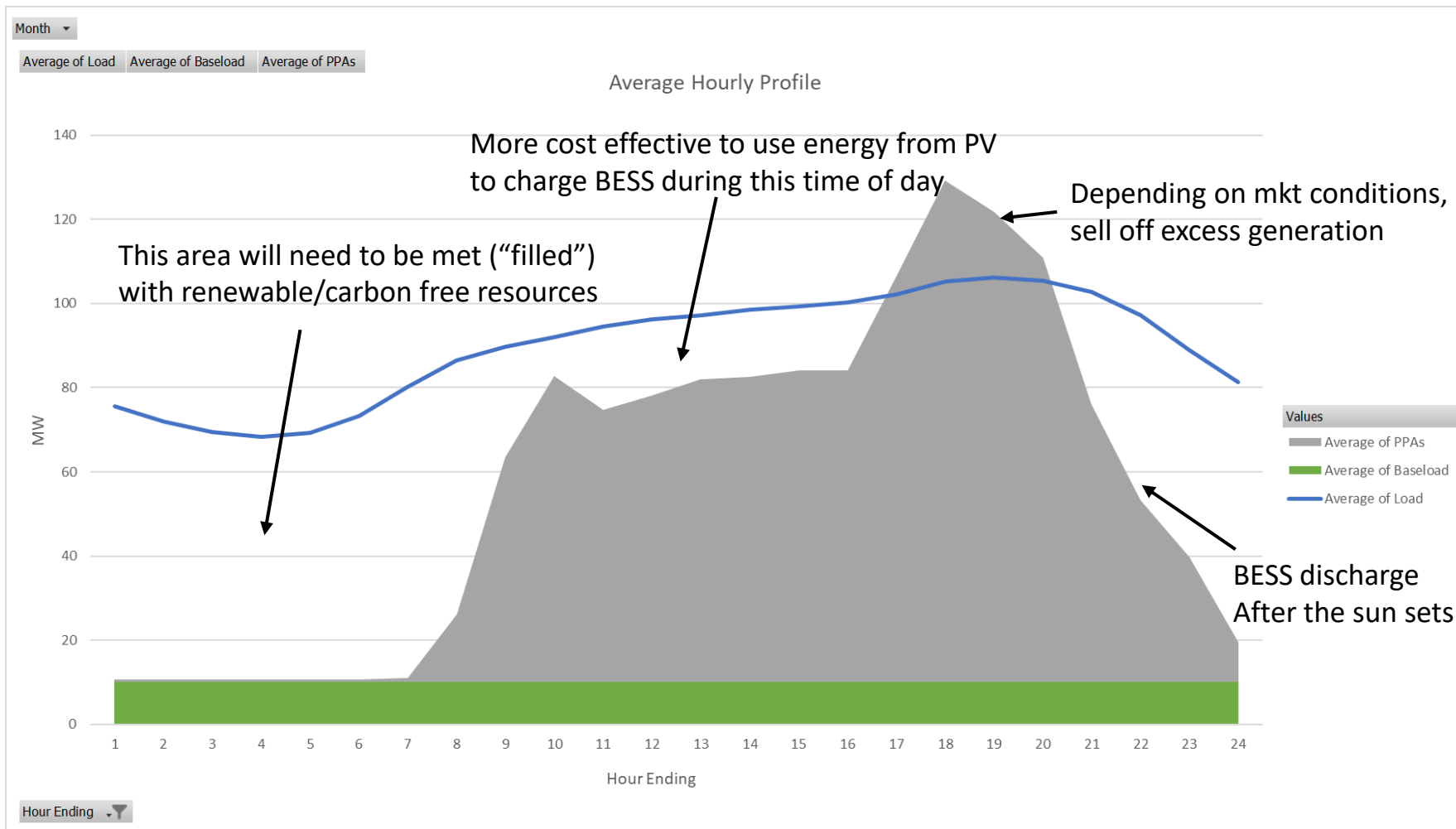
Item 18 - Carbon Neutrality Study Update: Power Source Options/Terminology

- Renewable electricity
 - Examples include: biomass, photovoltaic, wind, geothermal, small hydroelectric generation ≤ 30 megawatts, etc.
- Carbon free electricity
 - Examples include: Any electricity that meets the definition of renewable electricity above plus other sources considered zero emission such as existing large hydro (>30 MW) and existing nuclear.
- All renewable is considered carbon free BUT not all carbon free is considered renewable
- Hour by Hour (24x7) - Renewable or Carbon Free electricity each and every hour of the day. (8,760 hrs/yr)
- Carbon neutral - The net carbon content of the electricity is analyzed over a period of time (usually a year) and the net carbon content is zero¹



1) Net zero can be achieved if zero carbon electricity is overproduced at certain times and that excess zero carbon electricity is demonstrated through available data to displace carbon emitting electricity on the grid at that time.

Item 18 - Carbon Neutrality Study Update: Portfolio technology diversity will be needed



- 1) Baseload is an assumed future agreement to satisfy CPUC Order.
- 2) Contracted PPAs will satisfy a portion of the portfolio but gaps remain that will be addressed in this Task Group study.

Item 18 - Carbon Neutrality Study Update: Introduction to Energeia

Energeia US Team



- Offices in Davis, California and Sydney, Australia
- Ten full-time experts with renewable energy industry experience
- Backgrounds in economics, science, engineering and marketing

Energeia US Headquarters in Davis, CA



ENERGEIA

© 2021 Energeia Pty Ltd. All Rights Reserved.

Item 18 - Carbon Neutrality Study Update: Project Scope, Schedule and Status

Project Schedule and Status

Task / Sub-Task	Month					
	1	2	3	4	5	6
Project Management						
Kick-off	█					
Progress updates	█	█	█	█	█	█
Weekly project controls	█	█	█	█	█	█
Future Industry Trends						
Research future energy trends	█					
Data request	█					
Validate with VCE	█					
Load Profile Construction						
Review load and BTM resource data	█	█				
Prepare 8,760 and statistical inputs	█	█				
IRP 8,760 forecast	█	█				
Existing and planned 8,760 forecasting	█	█				
Agree key risks and sensitivities	█	█				
Validate with VCE	█	█				
Resource Cost Estimation						
Update resource cost estimates	█	█				
Capital and operating costs by technology	█	█				
Fuel and carbon mitigation costs	█	█				
Agree key risks and sensitivities	█	█				
Validate with VCE	█	█				
Resource Portfolio Construction						
Configure production cost model			█	█		
Identify least cost 8,760 100% renewables and zero carbon portfolios			█	█		
Identify least cost annual 100% renewables and zero carbon portfolios			█	█		
Minimize scenario costs			█	█		
Consider market interactions			█	█		
Agree key risks and sensitivities			█	█		
Validate with VCE			█	█		
Risk Analysis						
Identify key risks				█	█	
Develop risk mitigations				█	█	
Validate with VCE				█	█	
Documentation						
Draft portfolio study report					█	█
Develop risk report					█	█
Revise portfolio study report					█	█
Develop data pack					█	█

█ = Complete █ = In-progress █ = Not started

- Future Industry Trends research is almost completed
 - Validation with Community Advisory Committee (CAC)
 - All California Energy Commission (CEC) approved technologies being considered
- Risk assessment and modelling sensitivities under discussion with the CAC
 - EV penetration
 - Building electrification penetration
 - Rooftop solar penetration
 - Weather / climate change
- Project completion expected by end of year





yvonnehunterphotography.com

Valley Clean Energy Board Meeting – September 9, 2021 Via Webinar

Item 19 – Enterprise Risk Management (ERM) Update



Public Comments

To Provide Public Comment on any agenda item please:

- E-mail 300 words or less to: meetings@valleycleanenergy.org

OR

Join the Public Comment Queue by

- “Raising Hand” on Zoom Meeting

OR

- Press *9 if joining by phone

Emailed comments received **before** the item has concluded will be read into the record.

Emailed comments received **after** the item has concluded but before the end of the meeting will not be read but will be included in the meeting record.



Item 19 - Overview

- Background & Timing
- Summary of ERM activities
- Steps taken since last update
- Risk Matrix
- Key Risks:
 - Power Charge Indifference Adjustment (PCIA) increases
 - Commodity procurement
 - Regulatory & policy risk
 - Capital availability/cash flow
 - Rate Structure

Item 19 - Background & Timing

- In 2018, the Board approved VCE's Enterprise Risk Management (ERM) Policy
- Centered on energy best practices and modeled after SMUD's policy
- The Enterprise Risk Management (ERM) is a structured approach to managing risk that outlines a framework and processes
- The Enterprise Risk Oversight Committee (EROOC) has primary responsibility for ERM implementation
- Staff is to provide a bi-annual risk report to the Board – last update was in December 2020.

Item 19 - Summary of ERM Activities Since Adoption















1. Established Interim General Manager as Chief Risk Officer and establish Director of Finance & Internal Operations as risk process owner
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
7. Bi-annual Board Updates (September & March)

Item 19 - Steps Taken Since Last Board Update













Recent actions taken to address key risks:

1. Have actively engaged and supported regulatory statewide proceedings and settlements (SB 612 and AB 843).
2. Reduced 2020/21 RPS targets to maintain VCE's current rate policy and partially mitigate use of reserve funds.
3. One of six long-term Power Purchase agreements (5+ years) began delivery in August 2021.
4. Secured the 3rd extension on the River City Bank line of credit, with Letter of Credit capability.
5. Adopted VCE's 3-Year Programs Plan with four active programs addressing customer expectations.

Item 19 - Risk Matrix

Risk	Description	Current Residual Risk	Target Residual Risk
PCIA	The PCIA rate for 2021 was increased as a result of CPUC decisions. 2022 PCIA rates are forecasted to be reduced from current 2021 rates.		
Commodity Procurement	Risk of extreme fluctuations associated with commodity prices, including energy prices, resource adequacy, and other components of the energy portfolio, remain.		
Regulatory & Policy risk	Risk of additional regulatory requirements increasing complexity and cost of operations		
Capital availability/cash flow low	Risk that VCE is unable to secure affordable financing as VCE uses reserves for rate stabilization under current rate policy.		
Economic Uncertainty	Risk that the ongoing Covid-19 pandemic increases chances of impacting customers, the economy, and associated revenue forecasts.		
Rate structure	Risk of rate design not following cost of service (non-time of use (TOU), PCIA, demand charges, varying generation rates)		
Cyber security & data privacy	Risk of a data breach as a result of a cyber breach or physical attack		


Item 19 - Risk Matrix

Risk	Description	Current Residual Risk	Target Residual Risk
Financial Markets Volatility	Swings in global financial markets and currencies may create significant challenges that VCE will have to address		
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	Risk of higher than expected opt-out level		
Business model	Ability to quickly identify and respond to business risks that have the potential to impact the ability to achieve VCE goals.		
Media & community	Risk of unfavorable public communications or events; spillover customer dissatisfaction related to PG&E's PSPS		
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.		


Item 19 - Key Risks

- Key Risks:
 - Power Charge Indifference Adjustment (PCIA) increases
 - Commodity procurement
 - Regulatory & policy risk
 - Capital availability/cash flow
 - Rate Structure


Item 19 - Key Risk: PCIA

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
PCIA	Monitor risk & actively engage and respond		<ol style="list-style-type: none"> 1) Continue direct involvement with CalCCA task groups to seek favorable rulings and settlements in the PCIA, ERRA, and other filings, such as SB 612. 2) Work towards the potential long-term goal of attaining an option for a PCIA buy-out. 3) Work towards stabilizations and reduction of the PCIA from a regulatory and legislative standpoint 4) Participate in CalCCA modeling groups to develop tools for PCIA, RA, and 	<p>Risk of PCIA rate does not decrease in the 2022 ERRA Forecast.</p> <p>CPUCs annual approval of PG&E's PCIA rate within the Energy Resource Recovery Account (ERRA) forecast</p>	Director of Finance

Item 19 - Key Risk: Commodity Procurement

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
Commodity Procurement	Reduce & manage risk		<ol style="list-style-type: none"> 1) Continue to pursue long-term power purchase agreements to reduce the average cost of power in future years 2) Pursue regulatory and legislative avenues in addressing the extreme swings in pricing and requirements of Resource Adequacy (RA) costs. 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>Execution of PPA contracts</p> <p>Regulatory rulings that affect commodity procurement cost and RA cost</p>	Director of Power Procurement


Item 19 - Key Risk: Regulatory & Policy Risk

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
Regulatory & policy risk	Monitor risk & actively engage and respond		<ol style="list-style-type: none"> 1) 1) Take an active role in legislative sessions (contract with lobbyist and engage Board members for support/opposition on bills) along with support from CalCCA legislative committee 2) Follow and continue to update the annual VCE Legislative Platform 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>Weekly CalCCA Regulatory and Legislative Committee meetings</p> <p>Regulatory rulings</p> <p>Legislative actions</p>	General Manager

Item 19 - Key Risk: Capital Availability/ Cash Flow

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
Capital Availability/ Cash Flow	Monitor risk & actively engage and respond	↑	<ol style="list-style-type: none"> 1) Continue to work towards conserving cash reserves by lowering costs and increasing cash revenue collection 2) Work towards a financial model update to evaluate rate and reserve policy changes. 3) Extend favorable terms with banks and contract counterparties 4) Work towards the long-term goal of securing an investment-grade credit rating. 	<p>Line of credit agreements & renewals</p> <p>Develop VCE Collections Policy</p> <p>CAAP receivables funding for COVID-19 outstanding receivables</p> <p>Develop the long-term Collections Policy.</p>	Director of Finance

Item 19 - Key Risk: Rate Structure

Risk Event	Response	Trend	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 PG&E Rate and PCIA change impacts. 2) Identify and mitigate risks outside of VCE control to limit impacts and frequency of rate changes. 3) Review and update Financial Policies for possible automatic rate triggers for financial sustainability. 4) Review and update rate policy for cost -recovery based model 	<p>Economic outlook and Rate forecasts</p> <p>Monitor Regulatory proceedings that impact PCIA, RA, and ERRRA.</p> <p>Monitor cash short-term and long-term impacts to reserve funds, credit lines, commercial negotiations, and PPA covenants.</p>	Director of Finance