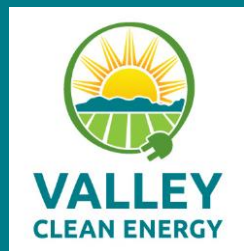




# Valley Clean Energy CAC Meeting – January 28, 2021 via Webinar

## Item 7 – Strategic Planning Update





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# Item 7 - Contents

The goal of this presentation is to provide a brief status update to the CAC on the Three-Year Strategic Plan.

## Topics:

- Timeline
- Progress to Date
- Monday.com Display
- Next Steps

# Item 7 - Timeline

## Timeline:

- October 2020: the VCE Board unanimously approved the Three-Year Strategic Plan
- October 2020: Staff communicated that it would work to develop specific goals & actions, along with a calendar – and share these with the Board and CAC
- November 2020: Staff begun work on breaking the Strategic Plan objectives into more granular actions and due dates
- December 2020: Staff procured Monday.com, a work management software to manage, track and report progress against the Strategic Plan

# Item 7 - Progress to Date

Key actions taken to support the Strategic Plan:

Financial:

- Finalized RLOC renewal, thus mitigating short-term cash risk for VCE
- Starting 2022 budget process, which will include fiscal efficiencies
- Conducted review of investment policy and option

Procurement/Power Supply:

- Execution of PPA's are in line with several stated objectives to bring us closer to a carbon-free future
- Beginning to have discussions with outside consultants to assist with creating the Roadmap for Carbon Neutral/Free by 2030

# Item 7 - Progress to Date

Key actions taken to support the Strategic Plan:

Customer & Community:

- Environmental Justice statement approved by board after feedback from CAC, board and staff
- Held and publicized public meetings with Winters Rotary, 2 Winters Webinars, Winters Hispanic Heritage Committee, Cool Davis. Posted Winters Webinars recordings on Facebook to be more accessible

# Item 7 - Progress to Date

Key actions taken to support the Strategic Plan:

## Regulatory & Legislative Affairs:

- Meeting with member jurisdictions on key priorities on energy sector related GHG reduction actions in their climate action plans
- Scheduling presentations to City Councils and Board of Supervisors on VCE strategic plan
- Developing list of key stakeholders in the agricultural sector for outreach on programs, rates, and incentives
- Engaging with other CCA's in PG&E service territory regarding potential for shared services on regulatory matters
- Review regulatory filing calendar to ID opportunities to streamline VCE regulatory activities

# Item 7 - Progress to Date

Key actions taken to support the Strategic Plan:


Organization, Workforce & Technology:

- Initiated contract review with SMUD and began development of long-term approach to SMUD relationship
- Began research of other CCA processes related to service territory expansion
- Using Monday.com to organize, plan, track and report on Strategic Plan, as well as the Marketing Plan and Programs Plan
- Hired Director of Finance & Internal Operations to guide progress on the Strategic Plan



# Item 7 - Monday.com Display

## Sample Download from Monday.com

Strategic Planning Tracker 2021-2023		Powered by  <a href="#">Click here to start your free trial</a>		
Strategic Plan Actions & Measures				
Goal 1: Financial Strength				
Name	Objective #	Objectives	Q1 2021	Timeline - Start
Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health	1.1	Maintain consistently healthy cash reserves to fund VCE's mission, vision, and goals	Track to minimize cash balance and report out and consider mitigations if < required balance	2021-01-01
Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health	1.2	Achieve an investment grade credit rating by end of 2024	Begin roadmap and action list towards achieving IGCR.	2021-01-01
Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health	1.3	Commit to fiscal efficiencies to build a program foundation from which to deliver customer and community value	Analyze our budget results to establish a baseline for spending - and determine what the appropriate efficiency metric should be - could be savings, or even just maintaining budget	2021-01-01
Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health	1.4	Manage customer rates to optimize VCE's financial health while maintaining rate competitiveness with PG&E	Market research - especially with other CCA's that have done this	2021-01-01
				2021-01-01
Goal 2: Procurement & Power Supply				
Name	Objective #	Objectives	Q1 2021	Timeline - Start
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	2.1	Continue to identify and pursue cost effective local renewable energy resources	Manage executed Local PPAs to ensure timely delivery of power	
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	2.2	Acquire sufficient bundled energy and renewable resources to achieve VCE's greenhouse gas reduction targets	Manage executed large-scale PPAs to ensure timely delivery of power	
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	2.3	Deploy storage and other strategies to achieve renewable, carbon neutral, resource adequacy, and resiliency objectives		
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	2.4	Identify and pursue cost effective, local distributed energy (e.g., behind the meter rooftop solar+storage) resources to help meet reliability needs		
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	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	Initiate roadmap	
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	2.6	Optimize the hedging strategy to mitigate risk in accordance with the energy risk guidelines and procurement plan		



# Item 7 - Next Steps

## Next Steps:

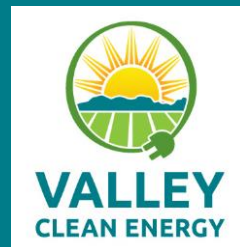
- Finalize the specific annual and three-year actions and calendar to support the Strategic Plan Objectives
- Develop metrics and reporting format to communicate results against the Strategic Plan:
  - Quarterly reporting to the VCE General Manager
  - Annual reporting to the CAC and Board
- Share the actions, calendar and metrics with the Board
- Start the cadence of goal-setting, actions and metrics reporting





**Valley Clean Energy CAC Meeting – January 28, 2021  
via Webinar**

**Item 9 – 2021 Strategic Marketing Plan**





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# Item 9 – 2021 Strategic Marketing Plan

- Complementary to Strategic Plan
- Guides Marketing Team's day-to-day work and decision-making
- Internal document; duration January-December 2021
- Bridges the gap between Staff Work Plan (on Monday.com) and VCE's Strategic Plan
- Updated annually
- Review conducted and feedback provided by Outreach Task Group, Green Ideals; will incorporate CAC feedback.

# Item 9 – 2021 Strategic Marketing Plan

## Goals:

- Goal 1: Establish VCE as a Trusted Community Resource
- Goal 2: Increase Customer Satisfaction and Retention
- Goal 3: Support VCE's Programs Plan and Decarbonization Roadmap

# Item 9 – 2021 Strategic Marketing Plan

Add board description

Default / 2 ▾

New Item ▾

Search Person Filter ▾ Sort

Goal 1: Establish VCE as a Trusted Community... subitems

subitems	Owner	Status	Date	Note & Examples	Metrics
Revamp Website					Increase website hit...
Objective 3.4: Build awareness and trust of the ...		Working on it			
Add educational material		In progress		EE infographic	
Make it accessible to all customers		In progress			
Website improvements 2021					
NEM page edits		Done			
+ Add					
Demonstrate partnerships with allies that are trusted ...					
Demonstrate thought leadership within the industry					
Events and presentations (1/quarter)					
Improve collateral					

# Item 9 – 2021 Strategic Marketing Plan

2021 Strategic Marketing Plan					
Goal 1: Establish VCE as a Trusted Community Resource					
Name	Subitems	Strategic Plan Objective	Status	Metrics	Goal de
Revamp Website	Add educational material, Make it accessible to all customers, Website improvements 2021, NEM page edits	Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.	Working on it	Increase website hits by 25% in 2021	
Subitems	<b>Name</b>	<b>Owner</b>	<b>Status</b>	<b>Date</b>	<b>Note &amp;</b>
	Add educational material		In progress		EE info
	Make it accessible to all customers		In progress		
	Website improvements 2021	Rebecca Boyles, Tessa Tobar			
	NEM page edits	Rebecca Boyles	Done		
Demonstrate partnerships with allies that are trusted by the community	Green Ideals Outreach Plan 2020, 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.			
Subitems	<b>Name</b>	<b>Owner</b>	<b>Status</b>	<b>Date</b>	<b>Note &amp;</b>
	Green Ideals Outreach Plan 2020				
	Donations to community-based orgs				
	Build relationships on social media				
Demonstrate thought leadership within the industry	Guest posts (1/quarter), Board and CAC pieces (1/quarter), Leadership within CalCCA committees, Host webinars (1 in 2021; 2 in 2022)	Objective 3.4: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.			
Subitems	<b>Name</b>	<b>Owner</b>	<b>Status</b>	<b>Date</b>	<b>Note &amp;</b>
	Guest posts (1/quarter)				
	Board and CAC pieces (1/quarter)				
	Leadership within CalCCA committees				
	Host webinars (1 in 2021; 2 in 2022)				
Events and presentations (1/quarter)	Ag Customers (through Farm Bureau or farming assns), Business customers (Chambers of Commerce, industry orgs), Customers active	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			



# Item 9 – 2021 Strategic Marketing Plan

## Staff Requests that:

- The CAC review the 2021 Strategic Marketing Plan; and
- Make a recommendation to the board to adopt the plan





# Valley Clean Energy CAC Meeting– January 28, 2021 via Webinar

## Item 10 – 2020 Power Content Update





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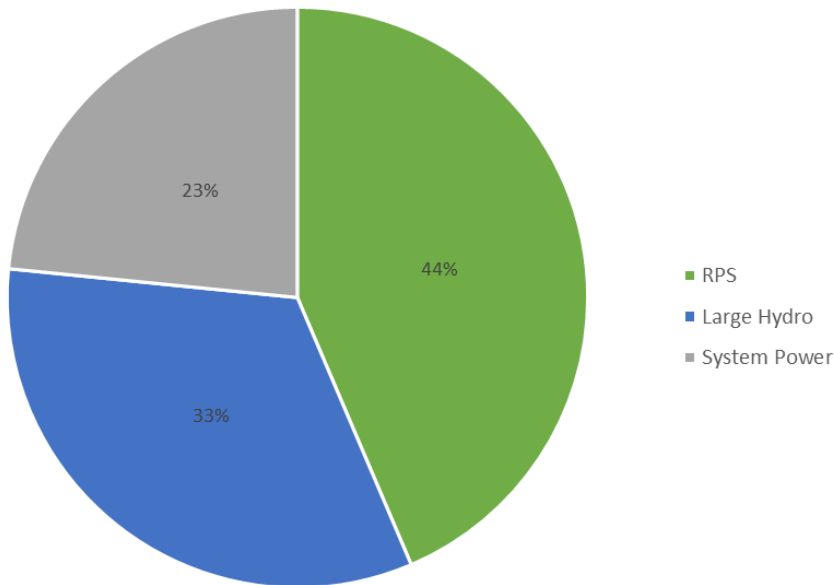
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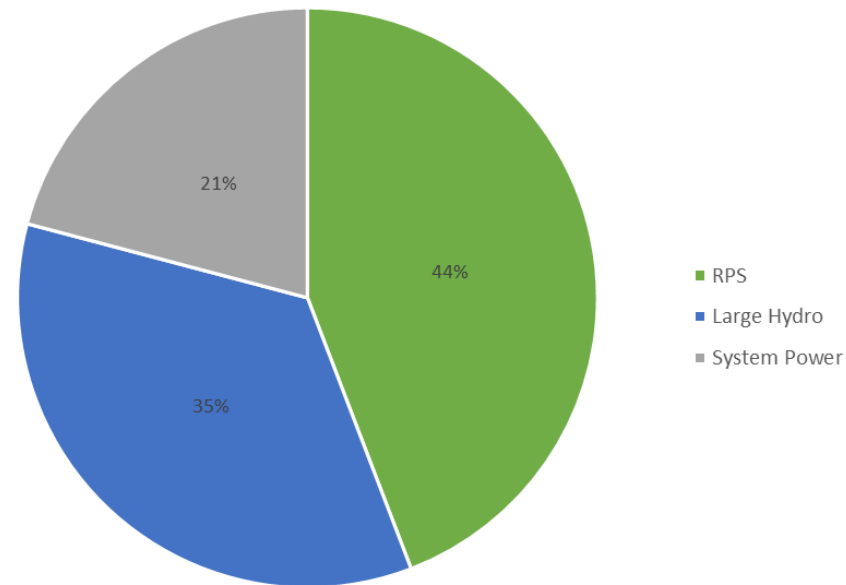
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# Item 10 - 2020 Power Content Update Targets vs Forecast

Original Targets



Current Forecast



- Renewable procurement target included 42% for Standard Green load plus a margin for the 100% renewable UltraGreen load
- 33% large hydro procurement target to meet 75% carbon-free portfolio
- Procurement is based on Retail Load, which has been tracking below original forecast
- Increase in carbon free content due to PG&E allocation
- Load is estimated for November and December
- UltraGreen currently 0.3% of VCE load



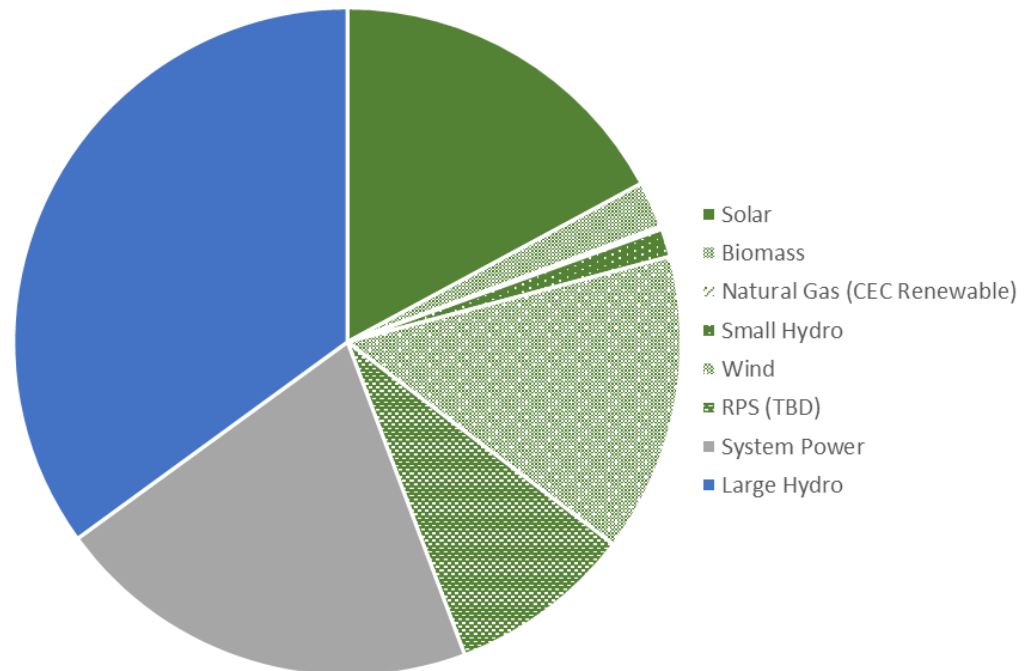
# Item 10 - 2020 Power Content Update

## Year to Date Snapshot

- Contracts delivery timing drives year to date power content
- Technology has been reported for 80% of RPS deliveries to date

Renewable Deliveries by Technology	
Solar	39%
Biomass	5%
Natural Gas (CEC Renewable)	0.3%
Small Hydro	3%
Wind	33%
RPS (TBD)	20%

Year to Date Deliveries

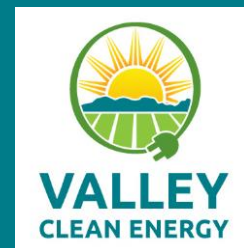






# Valley Clean Energy CAC Meeting – January 28, 2021 via Webinar

## Item 11 – New Building Electrification





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# Item 11 – New Building Electrification

## Background & Purpose

- Programs Task Group researched programs for the VCE territory that would encourage electrification of homes and businesses.
- The task group reviewed new building electrification policies and actions that can be taken by cities and counties<sup>1</sup>.
- New building electrification is consistent with VCE's strategic plan goal of decarbonization.
- Proposing to gather input from the CAC and discuss potential options to take to the VCE Board at a future meeting.



1) Retrofitting existing homes/buildings from gas to electric can be a costly and complicated

# Item 11 – New Building Electrification

## Benefits

- Lower CO2 emissions.
- Lower construction and ongoing costs<sup>1,2</sup>.

Bldg Prototype	Construction Savings	Operational Savings
Single Family	<= \$5,349	\$4,416
Multifamily	<= \$2,337	\$1,864
Office	\$82,330	\$52,738
Retail	\$24,111	\$22,661
Hotel	\$1.3 million	\$1.24 million

- Better indoor air quality and improved safety.

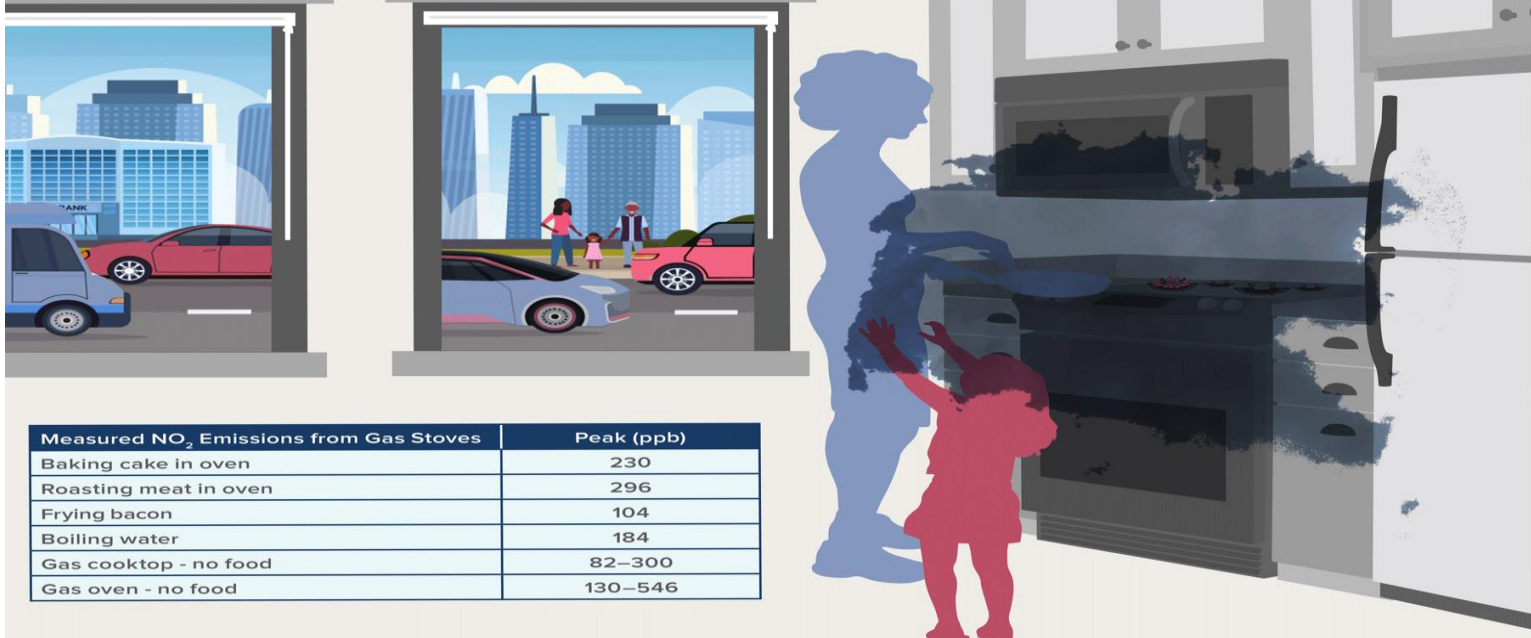


- 1) Cost studies conducted by CEC and local jurisdictions. Several industry sponsored studies suggest potential cost increases – staff report provides add'l detail.
- 2) Table from Menlo Park study

# Item 11 – New Building Electrification

## Gas Stoves Can Emit Elevated Indoor Nitrogen Dioxide (NO<sub>2</sub>) Levels Often Exceeding Indoor Guidelines and Outdoor Standards

Outdoor Standards for NO <sub>2</sub>	1-hr average (ppb)
US National Standard (EPA)	100
Canadian National Standard	60
California State Standard	180
Indoor Guidelines for NO <sub>2</sub>	1-hr average (ppb)
Canada	90
World Health Organization	106



Measured NO <sub>2</sub> Emissions from Gas Stoves	Peak (ppb)
Baking cake in oven	230
Roasting meat in oven	296
Frying bacon	104
Boiling water	184
Gas cooktop - no food	82–300
Gas oven - no food	130–546

Source: <https://rmi.org/insight/gas-stoves-pollution-health>



# Item 11 – New Building Electrification

## Approaches Adopted by Local Jurisdictions

- Electric preferred reach code<sup>1</sup>
  - Builder incentives to eliminate gas through Title 24 process
- All electric required reach code<sup>1</sup>
  - All energy needs met with electricity, some exceptions
- Natural gas ban (local ordinance)
  - Gas hookups are prohibited, some exceptions
- Approx. 40 municipalities (cities and counties) have taken one of the above approaches<sup>2</sup>.



1) Local building energy code that “reaches” beyond the state minimum requirements for energy use in building design and construction – requires cost effectiveness analysis.

2) See table on pg 4 of Staff Report on this item for specific actions by several jurisdictions. 27

# Item 11 – New Building Electrification

## Actions by CCAs

- Multiple CCAs have supported and encouraged adoption by local jurisdictions.
  - e.g. Coalition of PCE, SCVE and Office of Sustainability of San Mateo County
  - <https://peninsulareachcodes.org/>
- Actions include information sharing, incentives, awards and more.

# Item 11 – New Building Electrification

## Next Steps

- After discussing and receiving feedback from the CAC, staff plans to present information and policy options to the Board on new building electrification in the 1<sup>st</sup> quarter of 2021.





**Valley Clean Energy CAC Meeting – January 28, 2021  
via Webinar**

**Item 12 – California Community Power JPA Update**





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# Item 12 – California Community Power JPA

## Background & Highlights

- Create a cost-effective, risk-minimized, CCA-controlled structure to develop/acquire resources that exceed the needs of a single CCA.
- Proposed Joint Powers Authority (JPA) Agreement creates a new public agency called California Community Power (CC Power).
- This JPA stem from last year's joint CCAs long duration storage Request for Information (RFI).
- Currently 9 other CCAs participating<sup>1</sup>





# Item 12 – California Community Power JPA

## Background & Highlights

- A JPA structure composed of CCAs including an enabling agreement with “opt-in” project participation.
- Projects will target stand-alone storage and renewable resources that exceed individual CCA demand.
  - Long Duration Energy Storage (LDES) is the first anticipated project.
- JPA to be finalized early 2021
  - Plan to present to VCE Board in February 2021.

# Item 12 – California Community Power JPA

## Business Need for CC Power

- Economies of scale.
- Enhanced negotiating power.
- Shared risk – execution, development and performance.
  - Joint procurement de-risks technology and financial risks.
- Potential for shared financing.
- Strategic value for participation.

# Item 12 – California Community Power JPA

## Key Terms of Agreement

- CC Power members not responsible for debts, liabilities and obligations of CC Power, only assumes obligations under the approved projects that a member voluntarily joins.
- VCE Board must approve and project agreements VCE joins.
- Administrative costs equally shared by members.
- Member's CEO/GM (or designee) comprise the CC Power Board.
- A member can withdraw from CC Power at any time.

# Item 12 – California Community Power JPA

## Financial Commitment

- Assuming membership is 10 CCAs: VCE's estimated annual fixed cost would be approximately \$10,000.
- Initial set-up of CC Power: VCE's estimated portion would be \$12,000.

## Next Steps

- Final review of agreement w/ General Counsel.
- Present to the VCE Board in February 2021.
  - If approved, execute agreements to join CC Power