



**Valley Clean Energy Alliance (VCEA)  
Community Advisory Committee Meeting  
Monday, October 29, 2018 at 5:30 p.m.  
Yolo County Dept. of Community Services, Cache Creek Room,  
292 W. Beamer St., Woodland, CA 95695**

Meetings are accessible to people 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, VCEA Board Clerk/Administrative Analyst, at least two (2) working days before the meeting at (530) 446-2754 or [Alisa.Lembke@valleycleanenergy.org](mailto:Alisa.Lembke@valleycleanenergy.org).

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

**Committee Members:** Gerry Braun (Chair), Christine Shewmaker (Vice-Chair), Marsha Baird (Secretary), Mark Aulman, Yvonne Hunter, Lorenzo Kristov, and David Springer.

**5:30 PM CALL TO ORDER**

- 1. Welcome and Roll Call**
- 2. Approval of Agenda**
- 3. Public Comment** - This item is reserved for persons wishing to address the Advisory Committee on any VCEA-related matters that are not otherwise on this meeting 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 Committee are customarily limited to two minutes per speaker, but an extension can be provided at the discretion of the Chair.
- 4. Brief VCEA Staff and Advisory Task Group Reports** - Representatives of VCEA staff and active Task Groups will provide updates on on-going work. Task Group recommendations requiring Committee attention require a regular agenda item. Summaries of written reports received by the Committee in advance of the meeting will receive a time allocation of up to ten minutes. Otherwise, the time allocation will be five minutes, including questions and answers. The Committee may decide to allocate additional time at the end of the regular agenda.

**CONSENT AGENDA**

- 5. Approval of draft October 1, 2018 Committee Meeting Minutes**



## REGULAR AGENDA

6. **Approve final draft revised Community Advisory Committee Charge (5 minutes)**
7. **Approve final draft Community Advisory Committee's First Year Progress Report (15 minutes)**
8. **Update on Power Charge Indifference Adjustment (PCIA) and passage of SB 237**
9. **VCEA Staff Report on Quarterly Procurement Update**
10. **Review and discuss Board and CAC Long Range Calendars and Work Plans (10 minutes)**
  - A. **Local Resource Development Update**
  - B. **Progress on Integrated Resource Plan (IRP) Action Steps**
11. **Terms of Service for Current Members (10 minutes)**
12. **Advisory Committee Member and Staff Announcements:** Action items and reports from members of the Advisory Committee, including announcements, future agenda items, and reports on meetings and information which would be of interest to the Committee or the public.

The next Community Advisory Committee meeting is scheduled for Monday, December 3, 2018 at 5:30 p.m. at the Davis Senior Center, 646 A Street, Davis, CA 95616.

Valley Clean Energy has scheduled a *Special Board* meeting / Power Charge Indifference Adjustment workshop for Thursday, November 1, 2018, at 5:30 p.m. at the Yolo County Board of Supervisors Chambers, 625 Court Street, Room 206, Woodland, CA 95695. The regularly scheduled Board meeting of November 8, 2018 has been cancelled and a Special Board meeting has been scheduled for Thursday, November 15, 2018 at 5:30 p.m. at the Yolo County Board of Supervisors Chambers, 625 Court Street, Room 206, Woodland, CA 95695.

13. **Adjournment (Approximately 7:30 p.m.):** Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. VCEA public records are available for inspection by contacting Board Clerk Alisa Lembke at (530) 446-2750 or [Alisa.Lembke@ValleyCleanEnergy.org](mailto:Alisa.Lembke@ValleyCleanEnergy.org). Agendas and Board meeting materials can be inspected at VCEA's offices located at 604 2<sup>nd</sup> Street, Davis, California 95616; those interested in inspecting these materials are asked to call (530) 446-2750 to make arrangements. Documents are also available on the Valley Clean Energy website located at: [www.valleycleanenergy.org/meetings](http://www.valleycleanenergy.org/meetings).

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report Item - 5**

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**TO:** VCEA Community Advisory Committee  
**FROM:** Alisa Lembke, Board Clerk/Administrative Analyst  
**SUBJECT:** CAC Draft October 1, 2018 Meeting Minutes  
**DATE:** October 29, 2018

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**Recommendation**

Receive, review and approve the attached draft October 1, 2018 CAC meeting Minutes.

**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE**

**COMMUNITY ADVISORY COMMITTEE MEETING**

**Monday, October 1, 2018**

Chairperson Gerry Braun opened the Community Advisory Committee of the Valley Clean Energy Alliance in regular session beginning at 5:32 p.m. at the Davis Senior Center, located at 646 A Street, Davis, California.

**Welcome and Roll Call**

Committee Members Present: Gerry Braun (Chair), Christine Shewmaker [Vice-Chair (\*departed at 7:32 p.m.)] Yvonne Hunter, David Springer, Lorenzo Kristov, and Marsha Baird

Committee Members Absent: Mark Aulman

**Approval of Agenda**

Ms. Baird made a motion to approve the October 1, 2018 CAC Agenda, seconded by Ms. Shewmaker. Motion passed unanimously by the following vote:

AYES: Braun, Shewmaker, Hunter, Springer, Kristov, Baird

NOES: None

ABSENT: Aulman

ABSTAIN: None

**Public Comment**

Chairperson Braun opened up the floor to public comment. There being none, he closed the comment period.

**VCEA Staff and Advisory Task Group Reports**

Chairperson Braun reminded the CAC Members that if a Task Group is providing information and suggesting that the CAC take action on an item, that the item be presented in a written report. This report then would be added to the Agenda, where appropriate, and provided in the packet.

Mr. Sears informed those present that the CPUC postponed their September 27, 2018 PCIA decision meeting to Thursday, October 11<sup>th</sup>, to be held in San Francisco. He expects that a revised alternate proposed decision (APD), somewhere in between the proposed decision (PD) and APD, will be made. Individual citizens can share their support or non-support to the CPUC via the California Alliance for Community Energy website.

Mr. Sears continued by informing those present that the Long-Term Renewable solicitation was issued, and responses have been received. VCEA Staff Gary Lawson performed an initial screening by looking at what is needed (15- MW in generation, 10 years long term contracts) with 700 MW proposed. Several passed the initial screening wherein it mostly solar, some small hydro, wind, and small battery storage all within California. Chairperson Braun asked how long are the proposals good for? Mr. Sears announced that contracts would be entered into in early 2019. Ms. Sears thinks that the proposals are valid for approximately 6 months, long enough to enter into contracts in early 2019. Ms. Shewmaker asked if Mr. Sears knew what the update was on Senate Bill 237 and CalCCA's involvement. Mr. Sears announced that CalCCA has put a work group together and are to meet this week; Lisa Limcaco will be on that work group. They will discuss issues revolving around Senate Bill 237.

**Outreach Task Group:** Ms. Baird provided a brief update that the Task Group has been working with Jim Parks on reviewing the Customer Outreach and Marketing RFPs received, there were eight (8) submitted. It has been narrowed down to four (4) to interview.

**Regulatory/Legislative Task Group:** Ms. Hunter reminded those present that the 2018 legislature has ended. She will be initiating a telephone conference call with the Task Group Members and Mr. Sears to discuss how to enhance and improve the process.

**Energy Task Group:** None.

**Consent Agenda –  
Approval of  
August 29, 2018  
Committee  
Meeting Minutes**

Ms. Baird made a motion to approve the Consent Agenda, there being only one item, approval of the draft August 29, 2018 meeting minutes, seconded by Mr. Springer. Motion passed unanimously by the following vote:

AYES: Braun, Shewmaker, Hunter, Springer, Kristov, Baird

NOES: None

ABSENT: Aulman

ABSTAIN: None

**Draft Revised  
CAC First Year  
Progress Report**

Chairperson Braun suggested that the Members limit themselves to a small amount of time to comment on the draft First Year Progress Report.

Ms. Baird prepared two (2) draft first year progress reports. The first draft shows all input verbatim provided by Members and the second draft consolidates comments. She requested that the Members review the consolidated draft for additions and/or deletions.

Ms. Hunter asked if the report will be presented to the Board after this CAC meeting. Ms. Baird would like to present another draft to the CAC at their next meeting scheduled for the end of October, then submit it in final form to the Board in November.

**Year One:** The Members discussed that this section should be more specific on policy issues, rates, budgets and risk management. Under the itemization of Task Group Summaries, it was requested that “see attached” be added and keep the attachments listed at the bottom of the report. Mr. Sears reminded those present that Task Groups are to address specific topics when requested, are to complete those tasks within in a specified time period; and, to keep the Brown Act requirements in mind when conducting these informal discussions. He reminded those present that the task assignment requests should be coming from the CAC. Lastly, the Task Groups should include in their summary reports what specific task they were assigned.

**Year Two:** A thorough discussion of Year Two (2) goals occurred. There was general consensus that the items listed should be agendaized and discussed at future CAC meetings. It was agreed that this list of subject matter/goals be finalized then presented to the Board for direction.

**Lessons Learned:** Ms. Baird stated that this section is very raw and needs review and refinement. The content, verbiage, and thoughts being presented in this section were thoroughly discussed amongst Staff and Members. Although a valuable and insightful discussion of the topics listed in this section occurred, it was agreed by the CAC Members that this section should be deleted from the draft First Year Report as it serves no purpose for the Board. It was requested that the final draft be presented at the next CAC meeting scheduled for October 29<sup>th</sup>.

Ms. Baird will incorporate all of the suggested revisions and additions discussed tonight into another draft. Staff was asked to send it out to the CAC Members for final review. Any revisions will be forwarded by Staff to Ms. Baird for incorporation into a final draft.

**Draft Revised  
CAC Charge**

Chairperson Braun asked Staff if any comments were received on the draft. Staff reported that minor revisions were received by Mr. Kristov which had already been incorporated into the draft presented in the packet and that revisions/comments were received by Ms. Hunter. Those revisions/comments were presented to those present during the meeting. After review and discussion, Staff was asked to incorporate the changes into one draft revised “charge”, then present it to the CAC as a Consent item at their next meeting.

**Community  
Advisory  
Committee  
Administration:  
Member  
Reappointments,  
New Member  
Recruitment and  
Task Group  
Assistance**

**A. Discuss Member Reappointments:** It was reiterated that the Board is who appoints members to the Community Advisory Committee including the terms or length of appointment. It was agreed that the jurisdiction (City of Woodland, City of Davis, and/or Yolo County) should request from the Board a “reappointment” of a member when the members’ term expires.

Ms. Shewmaker departed the meeting at 7:32 p.m.

**B. Request to Develop new Member Recruitment and Selection Process:** Staff will draft a description, an application and solicitation process for the Board’s review and consideration at their next scheduled meeting of October 11<sup>th</sup>.

**C. Discuss Request for Task Group and Non-CAC Member(s) Assistance:** This subject was briefly discussed and Staff was asked that the review of Task Groups be added to the January 2019 agenda.

**Review and  
discuss Board and  
CAC Long Range  
Calendars, Work  
Plans, Local  
Resource  
Development  
Update and  
Progress on IRP  
Action Steps**

**A. CAC Long Range Calendars and Work Plans:** It was requested that the review of the long-range calendar continue to be a standing item on the CAC’s agenda. Several items were asked to be added to the long-term calendar for the CAC: in January 2019 add “review of Task Groups”; in December 2018 election of officers; and for the October 29<sup>th</sup> meeting, add review of draft First Year Report and CAC Charge and terms (length) of appointment.

**B. Local Resource Development Update:** Mr. Sears provided a brief update on the solicitation of long term renewables in an earlier item on this Agenda.

**C. Progress Report on Integrated Resource Plan Action Steps:** This item was not directly discussed.

**Advisory  
Committee  
Member and Staff  
Announcements**

Mr. Kristov announced that a list serve was available on the California Alliance for Community Energy (CACE) website. There has been interesting dialogue on the Power Charge Indifference Adjustment (PCIA) issue and the passage of Senate Bill 237 (Direct Access). Mr. Kristov stated that he thought there was a statewide momentum of voice and lobbying presence at the legislature. He stated that he felt it was worth following the dialogue on these issues. He commended City of Davis Council Member Lucas Frerichs for writing a letter regarding these issues and asked if Staff could provide a copy of this letter to the CAC. Mr. Sears will send out a copy of the letter. He also commented on how important it was that elected officials express the need and outline the goals of CCAs. Ms. Hunter offered to provide input and assistance with engaging the League of California Cities and CSAC (California State Association of Counties).

Mr. Sears added to Mr. Kristov’s comment about CCA’s by stating that local officials signing on to the CalCCA position on PCIA, thereby recognizes an emerging CCA alignment. He continued that this is especially important to those entities that are thinking about joining or creating CCAs.

Mr. Sears informed those present that the City of Winters Council will be meeting to discuss the possibility of joining VCEA at their meeting scheduled for Tuesday, October 16<sup>th</sup>.

**Next Meeting**

The next CAC meeting is scheduled for Monday, October 29, 2018 at 5:30 p.m. at Yolo County Dept. of Community Services, Cache Creek Room, located at 292 W. Beamer Street, Woodland, California 95695.

**Adjournment**

Ms. Hunter made a motion to adjourn the meeting, seconded by Ms. Baird. Motion passed unanimously by the following vote:

AYES: Braun, Baird, Kristov, Hunter, Springer

NOES: None

ABSENT: Aulman, Shewmaker

ABSTAIN: None

Meeting was adjourned at 7:51 p.m.

Alisa Lembke  
Board Clerk/Administrative Analyst

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report - Agenda Item 6**

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**TO:** VCE Community Advisory Committee (CAC)

**FROM:** Mitch Sears, Interim General Manager  
Alisa Lembke, Board Clerk/Administrative Analyst

**SUBJECT:** Final Draft Update to CAC Charge

**DATE:** October 29, 2018

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**Recommendation:**

That the CAC recommend that the VCE Board approve the final draft updated Community Advisory Committee Charge.

**Background:**

At the October 1<sup>st</sup> meeting, the Committee discussed recommended updates to the CAC Charge to reflect the transition from pre-launch to post-launch activities. This memorandum transmits the final draft updates of the CAC Charge for consideration by the Committee.

For your reference, attached is the CAC Charge adopted by the Board of Directors on September 20, 2017.

Attachments:

1. Final Draft updated CAC Charge
2. CAC Charge adopted on September 20, 2017



## Valley Clean Energy Alliance Community Advisory Committee

### Proposed Draft *Revised* Charge

Consistent with the policy adopted by the Valley Clean Energy Alliance (VCEA) Board of Directors, the VCEA Community Advisory Committee (CAC) adopts the Charge to:

- Advise the VCEA Board of Directors on VCEA's general policy and operational objectives, including portfolio mix and objectives, technical, market, program and policy areas, strategic objectives and strategies to reduce carbon emissions, accelerate development of local resources and promote energy resilience.
- Assist in the development of public information materials related to customer energy investments and choices offered by VCEA, PG&E and third parties.
- Collaborate with VCEA staff and consultants on community outreach to and liaison with member communities;
- Collaborate with VCEA staff on monitoring legislative and regulatory activities related to Community Choice Energy issues.

In order to achieve the goals and mission of VCEA, the CAC will develop, periodically review and update a workplan for the short and longer terms. The Committee will monitor organizational performance toward fulfillment of the VCEA Board of Director's Vision Statement and may recommend policy changes to further the VCEA vision. The CAC will also engage with VCEA, Staff and consultants through its task groups, and evaluate, and make recommendations on select items at the request of the Board or Interim General Manager's request or in consultation with the Interim General Manager.

The Community Advisory Committee will periodically review this charge and make recommendations for changes to the Board of Directors in order to reflect new issues, opportunities and challenges impacting the VCEA.

Updated Oct. 2018

Valley Clean Energy Alliance Advisory Committee

**Advisory Committee “Charge”**

**Adopted 9-20-2017**

Consistent with the policy adopted by the Valley Clean Energy (VCEA) Board of Directors, the VCEA Advisory Committee adopts the Charge to:

- Advise the VCEA Board of Directors on VCEA’s general policy and operational objectives, including portfolio mix and objectives, as well as technical, market, program and policy areas;
- Collaborate with VCEA staff and consultants with community outreach to and liaison with member communities;
- Provide a public forum to inform, advise and consult through community discussions on energy related issues and a wide variety of strategies to reduce carbon emissions;
- Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.

In order to achieve the goals and mission of VCEA, the Advisory Committee will develop, periodically review and update a workplan for the short and longer terms. The Committee will assist in the development of a Vision Statement to recommend to the VCEA Board of Directors. The Advisory Committee will also engage, evaluate, and make recommendations on select items to the VCEA Board, Staff and consultants, and engage with VCEA member jurisdictions and others, as directed by the Board or initiated by the Advisory Committee.

The Advisory Committee will periodically review this charge and make recommendations for changes to the Board of Directors in order to reflect new issues, opportunities and challenges impacting the VCEA.

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report – Agenda Item 7**

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**TO:** VCE Community Advisory Committee

**FROM:** Mitch Sears, Interim General Manager  
Alisa Lembke, Board Clerk/Administrative Analyst

**SUBJECT:** Final Draft Community Advisory Committee First Year Progress Report

**DATE:** October 29, 2018

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**Recommendation**

Approve final draft Community Advisory Committee First Year Progress Report and direct Staff to submit it to the Board of Directors for their receipt and review.

**Background/Analysis**

At the October 1<sup>st</sup> meeting, CAC Members discussed the content of the draft CAC first year progress report. From that meeting, input provided was incorporated into a second draft of the progress report, which was then circulated to the CAC Members for additional revisions and comments. A few additional revisions and suggestions were received.

Attached is the final draft first year progress report with attachments as follows:

1. VCE Vision Statement Adopted November 16, 2017
2. A Summary of CAC Recommendations made to the Board
3. Task Group Activities Reports
  - Energy
  - Legislative/Regulatory
  - Outreach

**Attachments:**

1. Final Draft Progress Report: First Year, Launch Phase
2. VCE Vision Statement
3. Task Group Activities Reports
  - Energy
  - Legislative/Regulatory
  - Outreach
4. A Summary of CAC Recommendations made to the Board

**Valley Clean Energy Alliance  
Community Advisory Committee  
Progress Report: First Year, Launch Phase  
September 2017 – August 2018**

Introduction

The Community Advisory Committee (CAC) of the Valley Clean Energy Alliance (VCEA) held its first meeting on August 22, 2017. This report summarizes the main activities and issues addressed during its first year. Further, the report makes suggestions for the Board of Directors to consider regarding topics the CAC thinks appropriate to address in the coming year.

During the first year (September 2017-August 2018), the CAC Members were:

*Davis:* Gerry Braun, Yvonne Hunter, Lorenzo Kristov

*Woodland:* Mark Aulman, Tom Flynn, Christine Shewmaker

*Yolo County:* Marsha Baird, Amanda Beck (September-December 2017), David Springer

Board Charge to the CAC

- Advise the VCEA Board of Directors on VCEA's general policy and operational objectives, including portfolio mix and objectives, as well as technical, market, program and policy areas;
- Collaborate with VCEA staff and consultants with community outreach to and liaison with member communities;
- Provide a public forum to inform, advise and consult through community discussions on energy related issues and a wide variety of strategies to reduce carbon emissions; and
- Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.

Year One (Launch Phase) - Main Activities and Issues Addressed

1. Provided input and recommendations to the Board on critical issues facing VCEA during the launch phase, including:
  - a. Power mix targets and rates;
  - b. Greenhouse gas (GHG) emissions, carbon footprint, renewable content of the portfolio;
  - c. Definition of supply categories, e.g. local supply;
  - d. Procurement policies and options;
  - e. Integrated Resource Plan;
  - f. Net Energy Metering (NEM) enrollment and net generation valuation policy (initial and revised);
  - g. Staffing plan;
  - h. Reserve Policy, Customer and Data Policies, Enterprise Risk Policy, and
  - i. Marketing and Communications Plan.
2. Developed a near and long-term Vision Statement for VCE which was adopted by the Board.
3. Created three task groups to consider relevant launch phase topics in detail and make recommendations to the full CAC. These were: Outreach/Marketing, Legislative/Regulatory and Energy. Summary reports from each task group are provided in the Appendix.
4. Supported Staff efforts in the area of public communication and outreach by staffing booths, giving presentations, facilitating public forums, and reviewing website and outbound communications.
5. Provided recommendations to the Board on positions on legislation in the 2018 legislative year.
6. Developed and implemented a process to inform the Board of the Committee's recommendations through a written summary included in each Board packet.

**Valley Clean Energy Alliance  
Community Advisory Committee  
Progress Report: First Year, Launch Phase  
September 2017 – August 2018**

Year Two (Operational Phase) - Suggested Activities and Topics (not in order of priority)

1. Continue to provide advice to Board and support to Staff on key issues in the areas of Energy (portfolio mix and procurement), Legislative/Regulatory, and Outreach/Marketing.
2. Review and revise CAC Charge and Workplan to address long term vision elements. Consider having a Strategic Planning Retreat for Board, Staff and CAC.
3. Continue to ensure that CAC votes and recommendation are shared with the Board through summaries in the Board meeting packets. Increase the involvement in planning CAC agendas.
4. Improve process for reviewing legislation and providing recommendations to Staff and Board. Determine appropriate level of engagement with CalCCA and work to implement. Evaluate what is the appropriate role of the CAC related to regulatory issues.
5. Support development of goals and plans for outreach, marketing and communications with customers, including where appropriate, collaborating with the marketing and outreach consulting agency. Consider holding one or more workshops during Year Two to gather community input, provide responses to questions and explain VCEA programs to the broader community.
6. Encourage and inform public discourse regarding the need and urgency to address climate concerns.
7. Topics that CAC expects to have capacity to agendaize and address, subject to Staff agreement and Board direction:
  - a. Staffing to address near and long-term vision elements.
  - b. Advice regarding organizational strengths, weaknesses, opportunities and threats.
  - c. Strategies to address Vision Statement goals.
  - d. Review of business plans, planning information and financial pro formas.
  - e. Expansion of current Integrated Resource Plan to address local resource development targets and programs.
  - f. Adjustments in strategic targets related to GHG emissions, carbon footprint and renewable supply portfolio mix consistent with providing “Cost Competitive Clean Energy”.
  - g. Strategies for increased customer loyalty through locally important options and programs PG&E does not offer.
  - h. More integrative and comprehensive NEM policy that recognizes customer generation as a local resource.
  - i. Robust strategies that account for a range of business environment scenarios and supply cost contingencies.
  - j. The importance of VCEA’s climate action role.

Appendix

1. VCE Vision Statement
2. Task Group Summaries
  - a. Energy
  - b. Legislative/Regulatory
  - c. Outreach/Marketing
3. CAC Recommendations (motions) to the Board

## Valley Clean Energy Alliance

### Integrated Vision for Community Choice Energy

Valley Clean Energy Alliance (VCEA) is a joint-powers authority working to implement a state-authorized Community Choice Energy (CCE) program. Participating VCEA governments include the City of Davis, the City of Woodland and County of Yolo. The purpose of the VCEA is to enable the participating jurisdictions to determine the sources, modes of production and costs of the electricity they procure for the residential, commercial, agricultural and industrial users in their areas. PG&E would continue to deliver the electricity procured by VCEA and perform billing, metering, and other electric distribution utility functions and services. Customers within the participating jurisdictions would have the choice not to participate in the VCEA program.

#### Near-Term<sup>i</sup> Vision

The near-term vision for VCEA is to provide electricity users with greater choice over the sources and prices of the electricity they use, by:

- Offering basic electricity service with higher renewable electricity content, at a rate competitive with PG&E;
- Developing and offering additional low-carbon or local generation options at modest price premiums;
- Establishing an energy planning framework for developing local energy efficiency programs and local energy resources and infrastructure; and
- Accomplishing the goals enumerated above while accumulating reserve funds for future VCEA energy programs and mitigation of future energy costs and risks.

#### Long -Term Vision

The future vision for VCEA is to continuously improve the electricity choices available to VCEA customers, while expanding local energy-related economic opportunities, by:

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

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<sup>i</sup> Launch Phase and First Year

## **VCE COMMUNITY ADVISORY GROUP ENERGY TASK GROUP YEAR 1 REPORT AND OUTLOOK**

**Task Group Members:** Gerald Braun, Tom Flynn, Lorenzo Kristov, David Springer

**Charge:** The charge to the VCEA Community Advisory Committee (CAC) from the VCEA board states that the CAC should “advise the VCEA Board of Directors on VCEA’s general policy and operational objectives, including portfolio mix and objectives, technical, market, program and policy areas.”

### **Highlights of Accomplishments:**

- Recommended portfolio mix and objectives for CAC consideration, including: 1) 42% RPS qualifying default option, 2) an all renewables option, 3) early introduction of an all-local renewables option, and 4) targets to increase the percentage of locally produced power.
- Recommended action steps toward development and integration of local clean energy resources and technologies.
- At the request of staff convened to review/advise regarding: 1) criteria for long term procurement, 2) IRP action steps, and 3) Defenders of Wildlife supply project standards.
- One or more task group members provided technical review of foundational documents including: 1) technical/operations consultant task orders, 2) staffing plan, 4) NEM policy, 5) risk management policy, and 6) power procurement guide.

### **Lessons Learned – Challenges and Opportunities**

#### **Challenges:**

- Financial contingencies and staffing delays tend to focus staff/consultant/CAC engagement on operational concerns vs. planning.
- The task group does not have a chair. The CAC attempts to spread its work across its membership. This means seeking task group chair volunteers who do not have other coordination responsibilities. Coordination challenges and member interest in the work of other task groups also limits member willingness to serve as task group chair.
- Some current task group members lack flexibility to meet during work days, while staff and consultants (understandably) prefer day-time meetings.
- The goal for the CAC to have equal numbers of appointees from each member jurisdiction limits the pool of potential advisors from within the VCE service area and further limits the pool of unconflicted energy experts.

#### **Opportunities**

- VCE’s current organizational focus is narrow (two rate options, no customer-facing programs, and deferral of NEM customer enrollment). Only a narrow portion of the CAC’s broad energy-related charge needs to be addressed.
- Rethink criteria for Energy Task Group membership, e.g. consider recruiting/adding well qualified non-voting members having energy technical and market experience.
- Consider budgeting for action steps toward local clean energy programs and integration.

## **VCE COMMUNITY ADVISORY COMMITTEE LEGISLATIVE/REGULATORY TASK GROUP ACTIVITIES REPORT FOR 2018**

**2017-2018 Task Group Members:** Yvonne Hunter (chair), Tom Flynn (not continuing after August 2018), Lorenzo Kristov, Christine Shewmaker

**Task Group Charge:** The charge to the VCEA Community Advisory Committee (CAC) from the VCEA board states that the CAC should “Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.” The Leg/Reg Task Group activities were consistent with this charge and the Task Group reported its recommendations to the CAC for consideration.

### **Highlights of Accomplishments in 2017-2018:**

- Developed a procedure for the Task Group, the CAC, staff and the VCE board to use for reviewing legislation introduced in the 2017-2018 Legislative session and proposed regulations so that VCE can adopt positions and engage in the legislative and regulatory process. Key to that process is to consider bills that CalCCA is following and has taken positions on.
- Considered eight bills before the Legislature in 2018 and recommended positions to the VCE board, through the CAC, on positions for VCE. With a few exceptions, the positions recommended reflected the positions adopted by CalCCA. Where the positions differed, the Task Group provided information on why a different position was recommended.
- Over time and with experience, the Task Group developed an effective and collaborative working process among its members that enables each member to weigh in with her or his perspective, learn from each other, prepare reports that reflect the members’ individual and collective ideas and forward well thought-out recommendations to the CAC for consideration.

### **Lessons Learned – Challenges and Opportunities**

#### **Challenges:**

- Identifying bills being tracked by CalCCA and the basis of CalCCA’s positions on those bills.
- Identifying bills and issues that CalCCA is not tracking, but which may be important to VCE.
- Refining the process by which VCE engages in the legislative process in a timely manner.

#### **Opportunities**

- Rethink the process by which the Task Group works with staff to identify bills CalCCA is tracking and for which CalCCA has adopted positions.
- Develop a process for the VCE to follow (and possibly engage in) other key issues not followed by CalCCA.
- Work with staff to refine the process by which VCE sends letters to the author and Legislature on bills so that VCE’s positions are communicated early and throughout the Legislative session.
- Consider ways to make VCEA’s positions on legislation and regulatory actions available to the public, for example through the website.



- Up to now the Task Group has concentrated on legislative matters and not followed regulatory activities closely. Work with staff to consider what are the appropriate role and procedures for the Leg/Reg Task Group's tracking of or engagement in regulatory issues.
- Revisit the Leg/Reg Task Group procedures adopted in 2017 and refine as appropriate given the experience in 2018; propose revisions to be considered for subsequent 2019 Task Group to use.

**VCE COMMUNITY ADVISORY COMMITTEE OUTREACH TASK GROUP (OTG)  
2017-18 ACTIVITIES REPORT**

**Task Group Members:** Mark Aulman (chair), Marsha Baird, Yvonne Hunter

**Highlights of Accomplishments:**

- Developed first iteration of Vision Statement (with Lorenzo)
- Worked with Mitch to define role of OTG, in support of staff
- Served as back-stop for staff to provide review content of website and draft mailing materials prepared by Circlepoint to improve quality of content
- Identified errors in web and printed materials developed by Circlepoint, specifically relating to solar and NEM policy
- Reviewed and critiqued web content throughout the VCE site
- Drafted new copy content as needed for web and printed materials
- Provided new photos for web and print collateral (Yvonne)
- Worked with Jim to review and revise NEM policy
- Worked with staff to plan and conduct two community workshops to seek input on proposed new NEM policy
- Edited letters to NEM customers
- Edited copy for web and print materials relating to NEM policy
- Conducted public outreach session for League of Women Voters
- Staffed tables at Davis Farmers' Market
- Monitored social media for VCE-related postings and replied as needed
- Worked with Jim to prepare edits to postcards
- Volunteered to assist Jim with agency review Q3 '18

**Valley Clean Energy Alliance (VCEA) Community Advisory Committee (CAC)**  
**Summary of Recommendations (Motions) made to Board**  
**September 2017 – August 2018**

- Motion to approve the creation of 3 task groups: Energy task group, Legislative/Regulatory task group, Outreach task group. Motion passed unanimously.
- Motion to give the feedback to Circlepoint that Option 2 of product logos was headed in the right general direction. Motion passed with 2 abstentions.
- Motion to recommend board approval of the Draft Strategic Marketing and Communications Plan, including Subcommittee comments and responses from Circlepoint. Motion passed unanimously.
- Motion to recommend a Draft Vision Statement (Rev 5) for Board approval. Motion passed unanimously.
- Motion to support staff recommendation on Power Mix targets and rates for 2018, with the change that the renewables percentage be increased to 42%. The CAC recommends that when VCEA is looking at 2019 and beyond, VCEA should:
  - Evaluate increasing renewable percentage in the mix
  - Beginning in year 1, lay foundation for including local renewable resources as a part of the mix.
  - Motion passed, vote 5-2-1.
- Motion to support the staff recommendation on the reserve policy. Motion passed, vote 6-1-1.
- Motion to approve the below recommendation regarding VCEA staffing plan. Motion passed with one abstention.
  - 1) The committee agrees that all the positions in the chart are needed, and that further, there is a need for depth of subject matter knowledge and experience among VCEA employees. There is also a need for more than one person on the chart to be ready to step in when gaps arise, especially in cases involving permanent VCEA staff. Therefore, the position description for the AGM should require subject matter expertise in VCEA core business topics.
  - 2) The general manager and any assistant general managers should be full time and permanent.
  - 3) It will remain important to emphasize the separation of legal and leg/reg from SMUD by ensuring these functions do not report thru a SMUD employee or SMUD contractor.
  - 4) While the initial organization chart is adequate for the short term, i.e. launch phase and first year, it is not yet ideal in terms of preparation for the longer term. it will be important to review and if needed update it, annually at a minimum, to ensure adequate staffing both for near term operations and planning related to longer term goals as outlined in the long-term portion of the vision statement.
  - 5) Therefore, the committee recommends that staff start work on a plan for building local VCEA capacity, e.g. the band-width and technical/managerial expertise to engage with local companies that are actively delivering energy services and developing energy projects.
- Motion to recommend Board approval of draft Leg/Reg policy and procedures. Motion passed unanimously.
- Motion to recommend Board approval of delegation of authority to SMUD to begin execution of Procurement plan. Motion passed unanimously. The Advisory Committee requested periodic updates of how the procurements are going.

- Motion to recommend to the Board the adoption of the Customer and Data Policies with the incorporation of comments from Y. Hunter and C. Shewmaker. Motion passed unanimously.
- Motion on NEM Policy:
  - Recommend adoption modified Option 1, with modifications to make the VCEA offering better for existing NEM customers than PG&E's NEM rates.
  - Recommend that VCEA not use rates to create incentive for solar adoption, but should consider alternative, more flexible ways to incentivize solar, such as rebates, and in the future, incentives for adoption of solar+storage and other programs consistent with VCEA's vision.
  - Recommend coordinating with solar industry, as well as ag, commercial and residential solar customers to gather input for messaging about VCEA NEM rates.
  - Motion passed, vote 5-1.
- Motion to support staff recommendation to adopt Enterprise Risk Policy with wordsmithing from L. Kristov's email. Motion passed unanimously.
- Motion to support staff recommendation regarding UltraGreen product. Motion passed unanimously.
- Motion to support the staff recommendation on program launch related to energy rates, power mix and budgets. Motion passed unanimously.
- Motion to support staff recommendation on suspension of Forward PCC-2 Renewable Procurements. Motion passed with one abstention.
- Motion to request to the VCE Board to postpone the NEM enrollment until 2019 to allow for Staff to develop/finalize a modified policy and billing systems and ask that the Board address the NEM policy at their scheduled August 9, 2018 meeting. Motion passed unanimously.
- Motion to 1) accept Staff's recommendation to approve the IRP adopting Cleaner Base as its preferred portfolio with Local being the alternative portfolio; 2) direct Staff to insert in the appropriate places that VCEA look at local renewable proactively and incorporate local renewables where feasible and cost effective; and 3) approve the IRP Action Plan. Motion passed unanimously.
- Motion to accept Legislative/Regulatory Task Group's recommendation to recommend to the VCEA Board to support SB 100 (de Leon) Renewable Portfolio Standard GHG Emissions, consistent with CalCCA's position including the topics raised in CalCCA's letter dated January 16, 2018 to Honorable Kevin DeLeon that would result in withdrawal of support. Motion passed with 2 abstentions.
- Motion to accept Task Group's recommendation to recommend to the VCEA Board to take "No Position" on AB 813 (Holden) Multi-State Regional Transmission System Organization. Motion passed with one abstention.
- Motion to support Staff's recommendation on Long Term Renewables Procurement Solicitation Criteria/Policy except with respect to energy storage. Change "with a limitation of" to "with a preference for" battery storage systems integrated with a renewable project. Motion passed unanimously.
- Motion to accept Task Group's recommendation to recommend to the VCEA Board to: 1) Watch SB 1088 (Dodd) Safety, reliability and resiliency planning, 2) Oppose AB 893 (Garcia) Renewable Portfolio Standard. Geothermal, 3) Oppose unless amended SB 1347 (Stern) Energy storage systems: procurement, 4) Oppose AB 2208 (Aguilar-Curry) Electrical Utilities. Biomass. Geothermal, 5) Watch AB 2726 (Levine) California Global Warming Solutions Act of 2006, 6) Oppose SB 237 (Hertzberg) Direct Access. Motion passed unanimously.

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 9

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**TO:** Valley Clean Energy Community Advisory Committee

**FROM:** Mitch Sears, Interim General Manager  
Gary Lawson, Sacramento Municipal Utility District (SMUD)

**SUBJECT:** Q3 2018 Wholesale Energy Procurement Report

**DATE:** October 29, 2018

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In accordance with VCE's Wholesale Energy Risk Management Policy, staff provided this quarterly report on the procurement progress for VCE's Energy Portfolio to the Board at their meeting held on October 18, 2018. The following report is being provided to the CAC for informational purposes only.

### BACKGROUND

As a Community Choice Aggregator, Valley Clean Energy is an alternative generation provider to Pacific Gas & Electric, the host utility distribution company. As a generation provider, power supply costs are the single biggest component of a CCA's annual budget. In the case of VCE, power costs are projected to be approximately 90% of VCE's total 2019 costs.

Because power costs are a significant component in any energy provider's costs, like any prudent energy provider VCE has adopted a Wholesale Energy Risk Management Policy to help guide energy procurement in a way that helps reduce the exposure to some of the volatility in the prices of various energy products. Additional directives on procurement were provided in the Procurement Plan approved by the Board in January.

### Load Forecast

Chart 1 below shows VCE's current forecast of loads for 2018 – 2020. VCE's 2018 projected energy loads are lower than for 2019 and 2020 because 2018 is VCE's launch year. 2019 loads are forecast assuming Net Energy Metered customers are phased in across 2019, per the Board's recent policy. 2020 is the first year projected for all VCE customers to be enrolled in the program, excluding those customers that have opted out. Opt-outs are just under 10% of the maximum possible energy load.

Between 2019 and 2020 the peak load increases more than the energy load because of the characteristic load of NEM customers. On a relative basis, NEM customers add more peak load than they do energy load.

**Chart 1. VCE Forecast Annual Peak and Energy Loads**

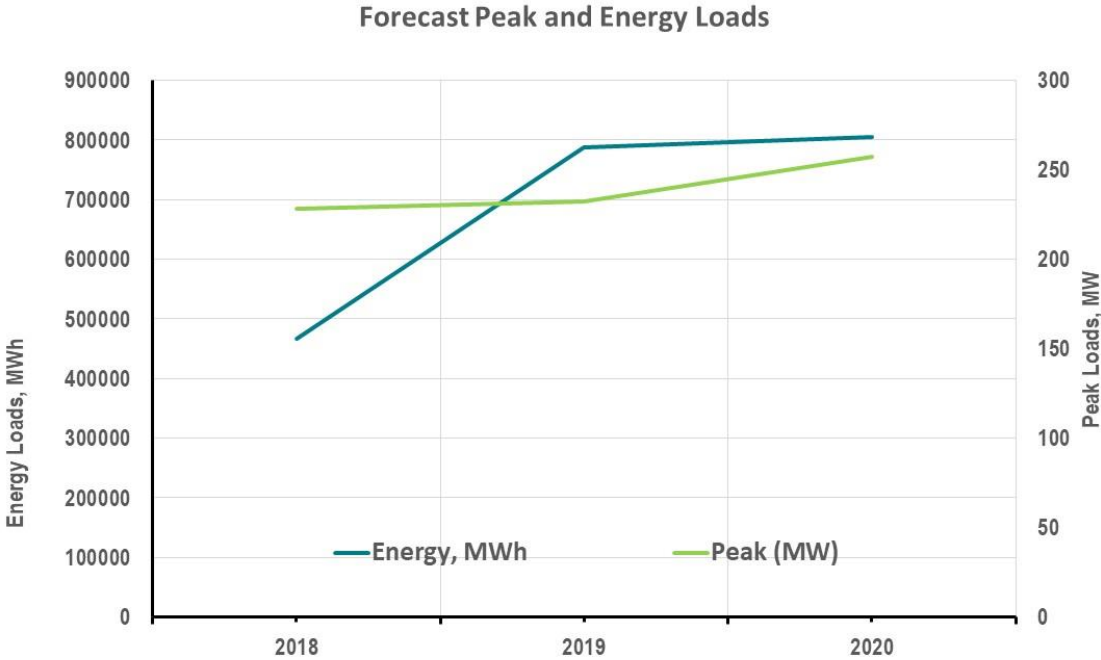
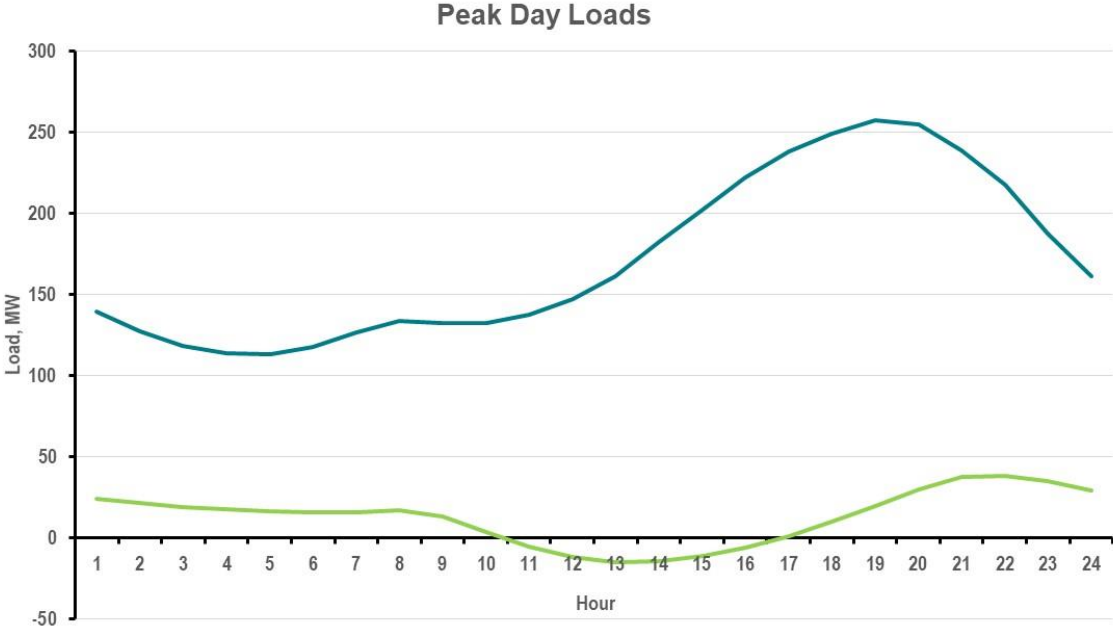


Chart 2 compares NEM customer loads with the VCE total system load on the forecast peak day. Capacity factor for this day, which is a ratio of average energy load to the peak period load is 32.3% for NEM Customers vs 66.3% for VCE’s system

**Chart 2. Comparison of Peak Day NEM and System Loads**



## Power Mix

Last December, the Board approved the renewable/clean power mix for 2018. Table 1 shows the approved power mix. We show the power mix carried forward into 2019 and 2020, the assumption used for the power budgets we'll review. VCE has elected to have a portfolio with 42% renewable power, and 33% clean, large hydro energy, to have a 75% clean power content.

**Table 1. Approved Power Mix**

			2018	2019	2020
<b>Total Renewable Content</b>			<b>42.0%</b>	<b>42.0%</b>	<b>42.0%</b>
	PCC 1	Calculated	75%	75%	75%
	PCC 2	Calculated	25%	25%	25%
	PCC 3	Calculated	0%	0%	0%
<b>RPS Required Minimums</b>			<b>29.0%</b>	<b>31.0%</b>	<b>33.0%</b>
	PCC 1		75%	75%	75%
	PCC 2		25%	25%	25%
	PCC 3		0%	0%	0%
<b>Incremental Discretionary Renewables</b>			<b>13.0%</b>	<b>11.0%</b>	<b>9.0%</b>
	PCC 1		0%	0%	0%
	PCC 2		100%	100%	100%
	PCC 3		0%	0%	0%
<b>Non Renewable Carbon Free</b>			<b>33.0%</b>	<b>33.0%</b>	<b>33.0%</b>
<b>Total Carbon Free</b>			<b>75.0%</b>	<b>75.0%</b>	<b>75.0%</b>

## NET POSITION FOR 2018, 2019, AND 2020

For any particular power product for which VCE has a forecast need, Net Position means the percentage of that need that has been procured. Table 2 shows a summary of VCE's net position for 2018, 2019, and 2020 for its key power portfolio components.

**Table 2. Summary of VCE Net Position**

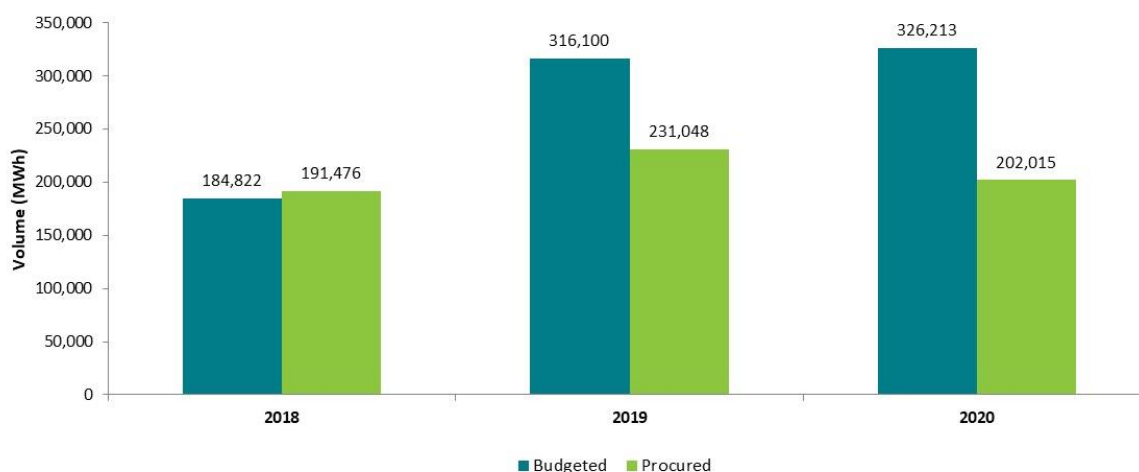
Portfolio Component	2018	2019	2020
<b>Renewable</b>	103.6%	73.1%	61.9%
<b>Large Hydro</b>	101.7%	101.9%	0.0%
<b>Resource Adequacy</b>	101.4%	79.3%	39.8%
<b>Fixed Priced Energy</b>	101.5%	98.5%	0.3%
<b>Average</b>	102.1%	88.2%	25.5%

The table shows that VCE is fully procured for expected 2018 power needs, 88.2% procured for expected 2019 power needs, and is 25% procured for expected 2020 needs. The plan was to be 100% procured for 2019 by October 1, and we'll discuss what has kept us from achieving that.

### Renewables

Chart 3 shows VCE's net position for renewable procurement. This includes planned renewable Product Content Category 1 (PCC-1) renewables and Product Content Category 2 (PCC-2) renewables that make up the 42% targeted renewable component of the portfolio.

**Chart 3. VCE Renewable Energy Position**



VCE is fully procured for PCC-1 renewable power for 2019. The short position showing is for PCC-2 renewables. You'll recall that on staff's recommendation at the June 6, 2018 Board meeting, the Board approved suspending PCC-2 procurements pending resolution by the California Energy Commission (CEC) on AB 1110 Implementation. AB 1110 requires that Power Content Labelling also show associated carbon emission intensity starting with the reporting for 2019. The CEC is deciding whether or not they will require Load Serving Entities to declare the underlying carbon emissions associated with the PCC-2 power import, rather than continuing allow the PCC-2 renewable attributes to offset those carbon emissions. Should the CEC proceed on CEC staff's recommendation, then the VCE's reported carbon footprint would increase, despite the procurement of the PCC-2 renewable energy. To further offset that carbon footprint would cost VCE up to an additional \$750,000. No decision has been made yet by the CEC.

The full amount of PCC-1 power for 2020 has been procured because of opportunities to bid into investor owned utility (IOU) multi-year renewable sale solicitations. Under the General Manager's delegation from the Board in the Wholesale Energy Risk Management Policy SMUD placed bids for delivery of PCC-1 renewable energy in 2019 and 2020 and was awarded in total the full amount of PCC-1 power.

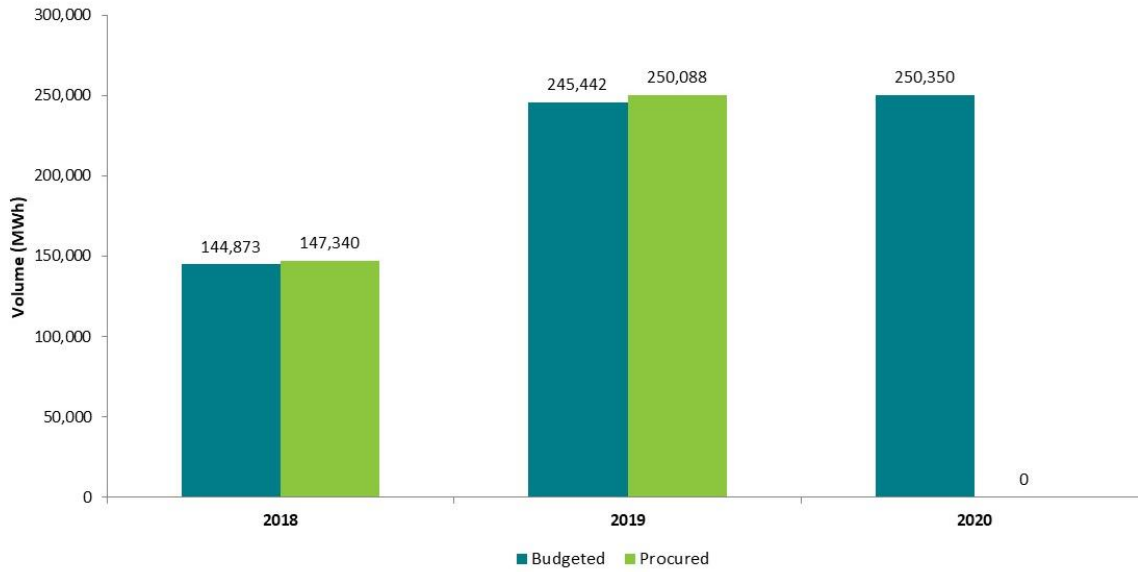
### *Large Hydro*

Chart 4 shows VEC's large hydro (clean energy) net position. Large hydro, which does not qualify as renewable under California's Renewable Portfolio Standards, is the primary supply for non-renewable, carbon free energy in VCE's portfolio. VCE is fully procured for large hydro in 2018 and 2019. No large hydro procurements have been made yet for 2020.

The Net position is slightly above 100% because purchases were made with prior load forecasts that were slightly higher than current load forecasts. However, the additional amount procured above 100% will provide a cushion against the risk that actual VCE loads could come in higher than forecast.



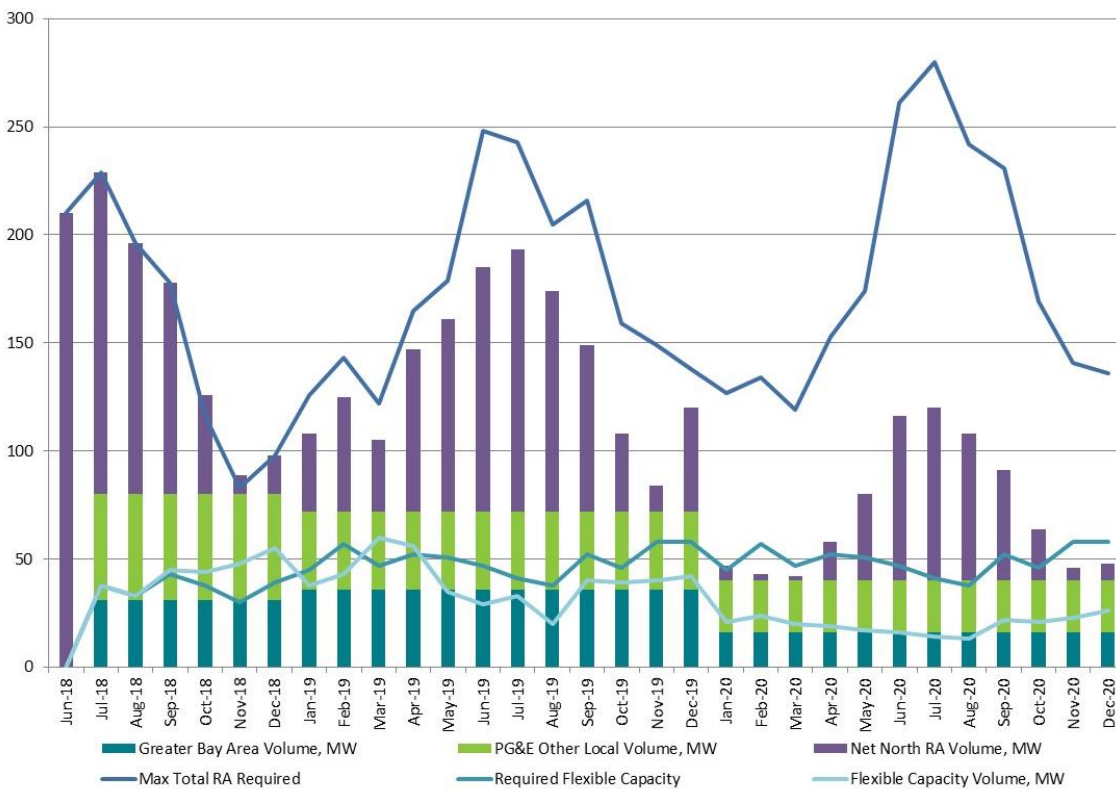
**Chart 4. VCE Large Hydro Energy Position**



*Resource Adequacy*

Resource Adequacy (RA) is the generating capacity that each LSE must have under contract (or own) to provide its share of support for the reliability of the power system to serve loads. Chart 5 below shows VCE’s RA position relative to expected requirements.

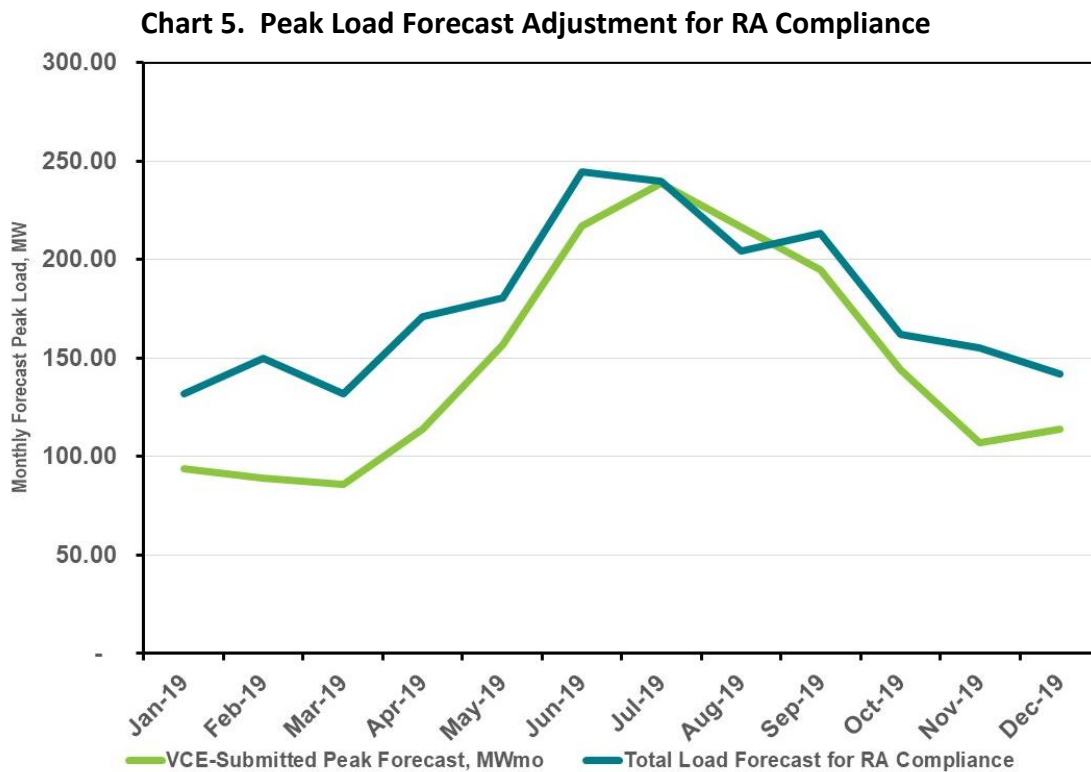
**Chart 5. VCE Resource Adequacy Position**



Resource Adequacy procurement was made challenging by two factors: 1. Adjustments made by the CEC to VCE’s load forecasts used for determining required RA quantities; and, 2. The apparent tightness of the RA market.

The CEC is tasked with determining the total RA capacity that must be provided. The CEC compiles the load forecasts of all LSEs and compares the total to its own forecast. According to CEC staff, the total forecasts provided by all LSEs were significantly lower than its own forecast of capacity need. To reconcile the differences, the CEC allocated the difference pro-rata back to all LSEs. The final RA determination was provided to VCE on September 20.

Chart 5 shows the monthly peak load forecast submitted by VCE to the CEC, and the CEC-adjusted forecast that must be used for RA compliance. The adjusted forecast has VCE supplying 25% more capacity than the VCE forecast, which was not anticipated. Fortunately, the average cost of RA procured was below the prices used to forecast 2019 RA costs, however the additional quantities required have pushed total RA costs above what was anticipated (discussed in the budget section below).



The tightness in the RA market is showing up in the procurement efforts of the last amounts of capacity needed to demonstrate 2019 RA compliance. We have seen an increase in prices for RA capacity, and RA quantities have been harder to find. We have had to procure RA in small quantities from many more suppliers than for previous RA procurement tranches.

*Fixed Priced Energy*

Fixed price power contracts are used to hedge VCE against the volatility of market prices. While VCE procures renewable and clean power for its portfolio, the underlying energy from those supplies is provided and sold into the CAISO market, while VCE keeps the clean energy attributes of those resources. At the same time, VCE purchases all of its load on a daily basis from the CAISO market.

CAISO market prices are subject to volatility and variability. Fixed priced power contracts are purchased in order to minimize the volatility of prices that VCE is exposed to for the market power purchased from the CAISO.

At the time of the writing of this report, VCE fixed price energy purchases are 98.5% hedged for 2019.

### FORECAST POWER COSTS

Tables 3 through 5 below show the projected power costs for VCE and compares with the power cost projected for VCE in December when the initial 2018 power budget was established.

2018 power cost are projected to come in as budgeted. While market power costs increased from those projected in December 2017, RA and carbon free large hydro procurements came in below budget, for the most part offsetting the increase in market power costs.

**Table 3. Projected 2018 Power Costs**

2018 Power Supply Cost	Target Budget	Current Budget	Net Savings (Costs)
Market Energy	\$ 18,452,415	\$ 19,080,790	\$ (628,375)
CAISO Variable Fees	\$ 74,915	\$ 74,525	\$ 390
REC Costs	\$ 2,120,484	\$ 2,134,666	\$ (14,182)
Resource Adequacy Cost	\$ 4,902,369	\$ 4,657,090	\$ 245,279
CAISO GMC Cost	\$ 188,622	\$ 187,676	\$ 946
Market Services Charge	\$ 39,986	\$ 39,778	\$ 208
System Operations Charge	\$ 141,637	\$ 140,899	\$ 738
SCID Fee	\$ 7,000	\$ 7,000	\$ -
Carbon Free Premium	\$ 715,004	\$ 345,842	\$ 369,162
<b>2018 Total Power Cost</b>	<b>\$ 26,453,811</b>	<b>\$ 26,480,590</b>	<b>\$ (26,779)</b>

2019 power costs are projects to be almost \$800,000 above the costs projects last December driven by higher market power costs and the cost of the additional RA procurement required. These are offset some by renewable and carbon free large hydro coming in below projections.

**Table 4. Projected 2019 Power Costs**

2019 Power Supply Cost	Original Forecast	Current Forecast	Net Savings (Costs)
Market Energy	\$ 29,919,046	\$ 30,492,587	\$ (573,541)
CAISO Variable Fees	\$ 133,517	\$ 132,425	\$ 1,092
REC Costs	\$ 3,918,978	\$ 3,619,312	\$ 299,666
Resource Adequacy Cost	\$ 6,262,962	\$ 6,960,485	\$ (697,524)
CAISO GMC Cost	\$ 335,696	\$ 333,049	\$ 2,648
Market Services Charge	\$ 71,265	\$ 70,682	\$ 583
System Operations Charge	\$ 252,431	\$ 250,367	\$ 2,065
SCID Fee	\$ 12,000	\$ 12,000	\$ -
Carbon Free Premium	\$ 1,274,315	\$ 1,105,514	\$ 168,800
<b>2019 Total Power Cost</b>	<b>\$ 41,844,514</b>	<b>\$ 42,643,373</b>	<b>\$ (798,859)</b>

At this time, it appears that 2020 power costs could be significantly higher than originally projected due to in the increase in forward market power prices, and due to the unanticipated increased RA requirements. However, keep in mind that much of VCE's 2020 portfolio still has to be procured, so projections of 2020 power costs are still subject to some variability.

**Table 5. Projected 2020 Power Costs**

<b>2020 Power Supply Cost</b>	<b>Original Forecast</b>	<b>Current Forecast</b>	<b>Net Savings (Costs)</b>
Market Energy	\$ 31,073,696	\$ 32,334,716	\$ (1,261,019)
CAISO Variable Fees	\$ 140,623	\$ 141,826	\$ (1,202)
REC Costs	\$ 4,050,729	\$ 3,918,653	\$ 132,076
Resource Adequacy Cost	\$ 6,250,724	\$ 7,534,976	\$ (1,284,252)
CAISO GMC Cost	\$ 352,924	\$ 355,839	\$ (2,915)
Market Services Charge	\$ 75,058	\$ 75,700	\$ (642)
System Operations Charge	\$ 265,866	\$ 268,139	\$ (2,273)
SCID Fee	\$ 12,000	\$ 12,000	\$ -
Carbon Free Premium	\$ 1,342,136	\$ 1,353,134	\$ (10,998)
<b>2020 Total Power Cost</b>	<b>\$ 43,210,833</b>	<b>\$ 45,639,144</b>	<b>\$ (2,428,311)</b>

**PROCUREMENT PROGRESS**

The first Procurement Plan, approved by the Board in January, provided specific directives for procuring power for 2018 and 2019.

*2018 Directives*

2018 power was to be procured by March in order that VCE be able to approve generation rates prior to when notices had to go out to all customers starting April 1. As discussed previously, 2018 power was procured at the initially projected costs, allowing the Board to set a 2.5% generation rate discount to PG&E rates.

*2019 Directives*

The Board provided for power for 2019 to be procured during 2018 in 3 tranches, with the final tranche having procurements completed by October 1. While good progress was made, not all procurements were completed by October 1. We discuss the reasons below.

## Renewables

As mentioned, the Board authorized suspending PCC-2 renewable power procurements until a decision is made by the CEC regarding the AB 1110 implementation. As such, staff anticipates renewable procurement for 2019 will be completed once the CEC makes its decision. In the next couple of months, staff will return with a recommendation on completion of PCC-2 procurements.

## Large Hydro

Large hydro purchases were competed mid year. Because of the concerns on pricing pressure on large hydro supply, large was procured in the first two procurement tranches.

## Resource Adequacy

As mentioned, the additional RA requirement was provided to VCE in the “final” 2019 RA determination provided on September 20. With the release of the final determination, PG&E issued a solicitation to sell its surplus RA. PG&E’s close of bids was September 26, and announced awards on October 10. Because of the timing of the final determination and the timing of PG&E solicitation, RA procurement was not completed by October 1. We ultimately were not awarded any RA from PG&E’s

solicitation but have been picking up the remaining RA from other counterparties. VCE will have to demonstrate to the CPUC that it has procured 100% of its local capacity requirements, and 90% of its total requirements by October 31.

### Fixed Price Energy

Completing the final tranche of fixed price energy purchases was complicated by the number of individual products needed to complete the hedging program. We try and shape fixed price energy blocks, to match as closely as possible the varying shape of VCE's load, and we saved the smaller remaining pieces to procure in the 3<sup>rd</sup> tranche of procurement activity. This required us to ask for 42 individual products that we conducted auctions for. A number of the auctions did not result in offers within the pricing caps proposed, so those auctions will be rerun.

### *Additional Procurements Under General Manager's Delegation*

Four procurements were made outside of the 2018/2019 Board procurement directives, within the delegations provided to the General Manager in the Wholesale Energy Risk Management Policy. 1. The two year power purchase agreement with Yolo County Flood Control and Water Conservation District for the purchase of the output of the Indian Valley Hydro Project; 2. Participation in an IOU sale solicitation for multi-year RA supply under which RA for 2019 and 2020 was procured; 3. Participation in an IOU sale solicitation for multi-year renewable energy supply under which renewable energy for 2019 and 2020 was procured; and, 4. Participation in a second IOU sale solicitation for multi-year renewable energy supply under which renewable energy for 2019 and 2020 was procured. Participation in the multi-year IOU solicitations resulted in procurements for the respective products at prices that were below budgeted prices.

### **CONCLUSION**

With the exception of PCC-2 renewable power, the remaining 2019 procurements are proceeding, and should be completed by the end of October.

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Memorandum – Agenda Item 10**

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**TO:** VCE Community Advisory Committee

**FROM:** Mitch Sears, Interim General Manager  
Alisa Lembke, Board Clerk/Administrative Analyst

**SUBJECT:** VCEA/CAC Long Range Calendars, Work Plan, Local Resource Development Update and  
IRP Action Steps

**DATE:** October 29, 2018

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The purpose of the is memorandum is to transmit the following for discussion by the Committee at the October 29, 2018 meeting and to request that the CAC’s Monday, December 31, 2018 meeting be either rescheduled or cancelled:

1. 2018 and 2019 Long Range Calendars
2. Listing of Possible Local Resource Related Action Plan Items

**VALLEY CLEAN ENERGY**  
**2018 Meeting Dates and Topics – Board and Community Advisory Committee**

MEETING DATE		TOPICS	ACTION
May 10, 2018	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>Recontracting Master Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Approve</li> </ul>
June 4, 2018	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>Integrated Resource Plan</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> </ul>
June 1, 2018 -- LAUNCH			
June 6, 2018	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>Integrated Resource Plan</li> </ul>	<ul style="list-style-type: none"> <li>Discussion</li> </ul>
July 2, 2018	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>Integrated Resource Plan</li> </ul>	<ul style="list-style-type: none"> <li>Recommend</li> </ul>
July 12, 2018	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>Integrated Resource Plan</li> <li>NEM Enrollment – Postponement</li> </ul>	<ul style="list-style-type: none"> <li>Approve</li> <li>Approve</li> </ul>
July 30, 2018	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>NEM Policy Amendment Update</li> <li>Long Term Renewables Procurement Policy</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> <li>Recommend</li> </ul>
August 9, 2018	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>NEM Policy Amendment Update</li> <li>Long Term Renewables Procurement Policy</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> <li>Approve</li> </ul>
August 29, 2018 (Wednesday)	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>NEM Policy Amendment</li> </ul>	<ul style="list-style-type: none"> <li>Recommend</li> </ul>
Sept 13, 2018	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>NEM Policy Amendment</li> </ul>	<ul style="list-style-type: none"> <li>Approve</li> </ul>
October 1, 2018	<b>Advisory Committee</b>	<ul style="list-style-type: none"> <li>New Member Solicitation Process</li> </ul>	<ul style="list-style-type: none"> <li>Discussion</li> </ul>

	DAVIS		
<del>October 11, 2018</del> October 18, 2018	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>• Financial Audit</li> <li>• New Member Solicitation</li> <li>• PCIA Update</li> <li>• Quarterly Procurement</li> </ul>	•
October 29, 2018	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>• PCIA and SB237</li> <li>• Quarterly Procurement Update</li> <li>• First Year Progress Report</li> <li>• CAC Updated Charge</li> <li>• Terms of Service</li> </ul>	•
November 1, 2018 Special/Workshop	<b>Board</b>	<ul style="list-style-type: none"> <li>• PCIA Workshop</li> </ul>	•
<del>November 8, 2018</del> November 15, 2018 (Special)	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>• Strategy of Bringing on New Members</li> <li>• PCIA</li> </ul>	•
December 3, 2018	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>• Election of Positions</li> </ul>	•
December 13, 2018	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>• Election of Positions</li> </ul>	•



**VALLEY CLEAN ENERGY**  
**2019 Meeting Dates and Topics – Board and Community Advisory Committee**

MEETING DATE		TOPICS	ACTION
December 31, 2018 HOLIDAY	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>• Need to reschedule and/or cancel</li> <li>• Review of Task Groups</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
January 10, 2019	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
February 4, 2019	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
February 14, 2019	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
March 4, 2019	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
March 14, 2019	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
April 1, 2019	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
April 11, 2019	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
April 29, 2019	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
May 9, 2019	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
June 3, 2019	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

June 13, 2019	<b>Board</b> DAVIS	•	•
July 1, 2019	<b>Advisory Committee</b> WOODLAND	•	•
July 11, 2019	<b>Board</b> WOODLAND	•	•
July 29, 2019	<b>Advisory Committee</b> DAVIS	•	•
August 8, 2019	<b>Board</b> DAVIS	•	•
September 2, 2019 HOLIDAY	<b>Advisory Committee</b> WOODLAND	• Need to reschedule	•
September 12, 2019	<b>Board</b> WOODLAND	•	•
September 30, 2019	<b>Advisory Committee</b> DAVIS	•	•
October 10, 2019	<b>Board</b> DAVIS	•	•
November 4, 2019	<b>Advisory Committee</b> WOODLAND	•	•
November 14, 2019	<b>Board</b> WOODLAND	•	•
December 2, 2019	<b>Advisory Committee</b> DAVIS	•	•
December 12, 2019	<b>Board</b> DAVIS	• Need to Reschedule or move location: City of Davis Chambers <u>not</u> available	•

## VCEA Integrated Resource Plan

### Listing of Possible Local Resource Related Action Plan Activities

Priority	Title	Description
	<b>Five-year Business Plan</b>	<ol style="list-style-type: none"> <li>1. Five year income statement, cash flow and reserve forecasts, balance sheet.</li> <li>2. Planned new product offerings and related revenue targets, e.g. EV charging product.</li> </ol>
	<b>Green Metrics</b>	<ol style="list-style-type: none"> <li>1. Review PG&amp;E Green Comms information for member jurisdictions.</li> <li>2. Summarize strategic implications of key individual jurisdiction trends.</li> <li>3. First annual report summarizing actual vs. forecasted outcomes</li> </ol>
	<b>Local Economic Impacts</b>	<ol style="list-style-type: none"> <li>1. Review San Jose area CCA economic impact analysis</li> <li>2. Determine valid methodology for evaluating economic benefits of local clean energy resource deployment in VCEA jurisdictions.</li> <li>3. Recommend targets for balancing out of service area resources and in-service area resources.</li> </ol>
	<b>Solar Plus Storage</b>	<ol style="list-style-type: none"> <li>1. Identify cost forecasts for on-site, community and utility-scale solar and battery storage.</li> <li>2. Evaluate and determine best long-term mix of storage coupled and stand-alone storage for on-site, in-service area and outside service area deployment.</li> </ol>

## VCEA Integrated Resource Plan

### Listing of Possible Local Resource Related Action Plan Activities

Priority	Title	Description
	<b>Electrification</b>	<ol style="list-style-type: none"> <li>1. Evaluate the economic implications of alternative heating end use decarbonization scenarios.</li> </ol>
	<b>Electric Vehicles</b>	<ol style="list-style-type: none"> <li>1. Determine impacts of EV deployment in the VCEA service territory.</li> <li>2. Evaluate related early related demand response uses.</li> <li>3. Evaluate future potential load leveling and energy security uses.</li> <li>4. Evaluate EV charging incentive programs offered by other CCAs, e.g. SCP.</li> </ol>
	<b>Community Solar</b>	<ol style="list-style-type: none"> <li>1. identify inventory of potential sites in the service area, including and esp. brownfield sites.</li> <li>2. Consider possible pilot program or project for Davis rental and multi-family customers.</li> <li>3. Evaluate longer term program design options.</li> </ol>
	<b>Net Zero</b>	<ol style="list-style-type: none"> <li>1. Evaluate the impacts of new housing developments under the new state standard for net zero electricity.</li> <li>2. Determine rate options consistent with equitable cost recovery and expected timing of net supply and net usage.</li> </ol>

## VCEA Integrated Resource Plan

### Listing of Possible Local Resource Related Action Plan Activities

Priority	Title	Description
	<b>Efficiency/Other Customer-facing Programs</b>	<ol style="list-style-type: none"> <li>1. Review programs offered by PG&amp;E and other CCAs.</li> <li>2. Identify best fits for VCEA jurisdictions.</li> </ol>
	<b>R&amp;D</b>	<ol style="list-style-type: none"> <li>1. Create initial list of state and Federal programs and pending grant opportunities.</li> </ol>
	<b>Local Clean Energy Businesses</b>	<ol style="list-style-type: none"> <li>1. Create a list of clean energy businesses operating in the service territory for possible use in responding to customer inquiries.</li> </ol>
	<b>Integrated Energy Analysis</b>	<ol style="list-style-type: none"> <li>1. Review (and update?) DavisFREE integrated energy analysis and main report.</li> <li>2. Determine future analysis needs for other jurisdictions.</li> </ol>
	<b>Climate Action</b>	<ol style="list-style-type: none"> <li>1. Develop an outline for energy sections of VCEA jurisdiction CAAPs</li> <li>2. Convene meeting to discuss CAAPs with jurisdictions and possibly UC Davis.</li> </ol>
	<b>PG&amp;E Coordination</b>	<ol style="list-style-type: none"> <li>1. Recommend priorities for VCEA and member jurisdiction engagement with PG&amp;E.</li> </ol>
	<b>Demand Forecasts</b>	<ol style="list-style-type: none"> <li>1. Initiate demand forecasting specific to member jurisdictions.</li> </ol>
	<b>Environmental Standards</b>	<ol style="list-style-type: none"> <li>1. Recommend environmental guidelines for projects supplying electricity to VCEA.</li> </ol>

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report – Agenda Item 11**

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**TO:** VCE Community Advisory Committee

**FROM:** Mitch Sears, Interim General Manager  
Alisa Lembke, Board Clerk/Administrative Analyst

**SUBJECT:** Community Advisory Committee Administration

**DATE:** October 29, 2018

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**Background:**

At the Board’s October 18, 2018 Special meeting, the following Staff recommendations were adopted:

1. **Terms of Service of Current CAC Members:** Staff will draw names at tonight’s meeting to determine in which Class current members will be placed. However, a CAC member can request to be included in Class 1. New Members will be appointed into the vacant City of Woodland and Yolo County positions in Class 3. Thereafter, as terms expire and/or are vacated, newly solicited Members will fill the open spots within the Classes. The Terms of Service are as follows:

**CLASS 1 – term expiring June 2019**

Davis rep  
Woodland rep  
Yolo County rep

**CLASS 2 – term expiring June 2020**

Davis rep  
Woodland rep  
Yolo County rep

**CLASS 3 – term expiring June 2021**

Davis rep  
Woodland rep  
Yolo County rep

2. **Criteria for New Member Recruitment, Solicitation and Selection:** Existing vacancies shall be noticed through VCE's e-mail list and advertised on the VCE website using the attached Community Advisory Committee description and application for appointment. Applications received would be reviewed by Staff then forwarded to the Board subcommittee for review and recommendation to the full Board. Applications received would be kept on file for a minimum of two (2) years.

Staff also encourage Board, Advisory Committee Members and Staff to continue to advertise vacant positions via word of mouth.

On Monday, October 22<sup>nd</sup> the solicitation for volunteers to fill the two vacancies was noticed using VCE's list of approximately 330 e-mails and our website was updated to advertise that we are looking for volunteers to serve on the CAC.

#### Attachments

1. Adopted Community Advisory Committee description
2. Application for appointment



## COMMUNITY ADVISORY COMMITTEE

**Purpose:** The Community Advisory Committee is appointed by and acts as an advisory body to the Valley Clean Energy Alliance Board to provide recommendations on general policy and operations objectives.

### **Roles and Responsibilities:**

- Advise the VCE Board of Directors on VCE's general policy and operational objectives, including portfolio mix and objectives, technical, market, program and policy areas, strategic objectives and strategies to reduce carbon emissions, accelerate development of local resources and promote energy resilience.
- Assist in the development of public information materials related to customer energy investments and choices offered by VCE, PG&E and third parties.
- Collaborate with VCE staff and consultants on community outreach to and liaison with member communities;
- Collaborate with VCE staff on monitoring legislative and regulatory activities related to Community Choice Energy issues.
- Make recommendations on issues, projects, and/or objectives to further VCE's fulfillment of the goals outlined in the Vision Statement.

**Membership:** 9 members, composed of 3 representatives from each VCE jurisdiction – the City of Woodland, the City of Davis, and Yolo County. A quorum shall consist of a majority of the current membership.

**Meetings:** Nine (9) days prior to, typically on a Monday, the Board's regularly scheduled meeting, which is the second Thursday of every month. Meetings start at 5:30 p.m. and alternate between the Cities of Davis and Woodland.

**Term:** appointed for a 3-year term, staggered.





Received on: \_\_\_\_\_

Return to:

Valley Clean Energy  
604 Second Street  
Davis, CA 95616

VALLEY CLEAN ENERGY  
COMMUNITY ADVISORY COMMITTEE  
APPLICATION

**PERSONAL DATA SHEET**

Name: \_\_\_\_\_ Are you at least 18 years old? \_\_\_\_\_  
Last, First Middle

Home Address: \_\_\_\_\_  
Number/Street City/State/Zip

Email Address: \_\_\_\_\_  
Daytime Phone Evening/Weekend Phone

Business Title or Occupation: \_\_\_\_\_

Company/Organization: \_\_\_\_\_

Address: \_\_\_\_\_  
Street Address City, State and Zip

Which Valley Clean Energy jurisdiction do you reside in?

- City of Davis      City of Woodland      County of Yolo (Unincorporated)

If you do not reside in Valley Clean Energy's jurisdictions, please include a separate statement to address why you are applying for this committee.

**Background Information:**

Why do you wish to serve as a member of the VCE Community Advisory Committee?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What experience/perspective would you bring to the committee?

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Please list your previous and present governmental and civic experience. Indicate when, position and duties: \_\_\_\_\_

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List any special training or experience you have that you feel would benefit your committee service:

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Do you have any interests or associations which might present a conflict of interest?  
If yes, please explain:

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What do you feel are your most important qualifications?

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What do you see as some of the significant issues facing the community in the next few years that might pertain to Valley Clean Energy's Community Advisory Committee?

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What do you hope to accomplish as a committee member?

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**I am aware of the obligations and responsibilities of this committee and am willing and able to fulfill this commitment should I be appointed: (Initial here: \_\_\_\_\_)**

**Please attach your resume or any additional information or statements which you feel would be helpful to the Valley Clean Energy Board of Directors in reviewing your qualifications.**

#### AUTHORIZATION AND RELEASE

I understand that in connection with this application for appointment, the information contained herein will be made available to the general public upon request. I further understand that if appointed, I may be required to take the oath of office and may be subject to requirements for filing financial disclosure statements.

\_\_\_\_\_  
Please Sign Here

\_\_\_\_\_  
Date

**NOTE: This document is a public record and may be disclosed/released pursuant to the California Public Records Act.**

#### FOR OFFICIAL USE ONLY

Applications will be kept on file for two years. This application will expire on: \_\_\_\_\_

Date of appointment by the Valley Clean Energy Board: \_\_\_\_\_

Length of term: \_\_\_\_\_

Is this re-appointment? \_\_\_\_\_