



**Meeting of the Community Advisory Committee (CAC)
of Valley Clean Energy Alliance
Thursday, December 17, 2020
5:00 P.M.
Via Teleconference**

Pursuant to the Provisions of the Governor’s Executive Orders N-25-20 and N-29-20, which suspends certain provisions of the Brown Act and the Orders of the Public Health Officers with jurisdiction over Yolo County, to Shelter in Place and to provide for physical distancing, all members of the Community Advisory Committee and all staff will attend this meeting telephonically. Any interested member of the public who wishes to listen in may join this meeting via teleconferencing, as set forth below.

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

Members of the public who wish to listen to the CAC meeting may do so with the teleconferencing call-in number and meeting ID code. Teleconference to join meeting:

Join meeting via Zoom:

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

<https://us02web.zoom.us/j/81249069053>

Meeting ID: 812 4906 9053

- b. By phone

One tap mobile:

+16699009128,,81249069053# US

+13462487799,,81249069053# US

Dial:

+1-669-900-9128

+1-346-248-7799

Meeting ID: 812 4906 9053#

Public comments may be submitted electronically or during the meeting. Instructions on how to submit your public comments can be found in the PUBLIC PARTICIPATION note at the end of this agenda.

Committee Members:

Yvonne Hunter (Chair), Marsha Baird (Vice Chair), Gerry Braun, Christine Shewmaker, Mark Aulman, Lorenzo Kristov, David Springer, Christine Casey, Jennifer Rindahl, Peter Meyer, Cynthia Rodriguez



5:00 P.M. CALL TO ORDER

- 1. Welcome**
- 2. Approval of Agenda**
- 3. Public Comment:** This item is reserved for persons wishing to address the CAC 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 CAC are customarily limited to two minutes per speaker, electronically submitted comments should be limited to approximately 300 words. Comments that are longer than 300 words will only be read for two minutes. All electronically submitted comments, whether read in their entirety or not, will be posted to the VCE website within 24 hours of the conclusion of the meeting. See the information under **PUBLIC PARTICIPATION** at the conclusion of this agenda about how to provide your public comment.
- 4. Brief VCEA Staff and Advisory Task Group Reports (≈ 20 minutes)** - Representatives of VCE staff and active Task Groups will provide updates on on-going staff and Task Group 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.
 - A. Task Group Reports**
 - B. 12/10/2020 Board Meeting Summary**
 - C. Staff Report**

CONSENT AGENDA (≈ 5 minutes)

- 5. Approval of November 19, 2020 Meeting Minutes.**
- 6. Receive Customer Enrollment update as of December 9, 2020.**

REGULAR AGENDA

- 7. Review revised Procurement Guide and make recommendation to Board. (Action) (≈ 30 minutes)**
- 8. GHG Free attributes large hydro and/or nuclear (2021 and beyond). (Discussion/Action) (≈ 10 minutes)**
- 9. Review draft updated CAC Charge and make recommendation to Board. (Action) (≈ 10 minutes)**
- 10. Review and discuss formation of CAC Task Groups for 2021. (Discussion) (≈ 20 minutes)**
- 11. Receive and update Community Advisory Committee 2021 Long-Range Calendar. (Discussion) (≈ 5 minutes)**



12. Election of 2021 CAC Chair and Vice-Chair (Effective January 2021). (Action) (≈ 15 minutes)

13. Advisory Committee Member and Announcements. (≈ 5 minutes) Action items and reports from members of the Advisory Committee, including announcements, reports on meetings, and information which would be of interest to the Committee or the public.

14. Adjournment: The next Community Advisory Committee meeting has been scheduled for Thursday, January 28, 2021 via Zoom teleconference at 5 p.m.

The Valley Clean Energy *Board* has scheduled a regular meeting for Thursday, January 14, 2021 at 4:00 p.m. via Zoom teleconference.

PUBLIC PARTICIPATION INSTRUCTIONS FOR UPCOMING VALLEY CLEAN ENERGY COMMUNITY ADVISORY COMMITTEE MEETING ON THURSDAY, DECEMBER 17, 2020 AT 5:00 P.M.:

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

Public participation via e-mail: If you have anything that you wish to be distributed to the CAC and included in the official record, please e-mail it to VCE staff at Meetings@ValleyCleanEnergy.org. If information is received by 3:00 p.m. on the day of the CAC meeting it will be e-mailed to the CAC members and other staff prior to the meeting. If it is received after 3:00 p.m. the information will be distributed after the meeting, but within 24 hours of the conclusion of the meeting.

Verbal public participation during the meeting: If participating during the meeting, there are two (2) ways for the public to provide verbal comments:

- 1) If you are attending by computer, activate the “participants” icon at the bottom of your screen, then raise your hand (hand clap icon) under “reactions”.
- 2) If you are attending by phone only, you will need to press *9 to raise your hand.

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

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

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

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report - Item 5

TO: Community Advisory Committee
FROM: Alisa Lembke, Board Clerk/Administrative Analyst
SUBJECT: CAC November 19, 2020 Meeting Minutes
DATE: December 17, 2020

Recommendation

Receive, review and approve the attached November 19, 2020 meeting minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE
MEETING
THURSDAY, NOVEMBER 19, 2020
VIA TELECONFERENCE**

Chair Hunter opened the Community Advisory Committee of the Valley Clean Energy Alliance in a special meeting on Thursday, November 19, 2020 beginning at 5:01 p.m. via teleconference pursuant to the Provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspends certain provisions of the Brown Act and the Orders of the Public Health Officers with jurisdiction over Yolo County, to shelter in place and to provide for physical distancing.

Welcome and Roll Call

Committee Members Present: Yvonne Hunter (Chair), Marsha Baird (Vice Chair), Gerry Braun, Christine Shewmaker, Mark Aulman, Lorenzo Kristov, David Springer, Christine Casey, Cynthia Rodriguez (arrived at 5:05 p.m.), Jennifer Rindahl (arrived at 5:59 p.m.)

Committee Members Absent: Peter Meyer

Approval of Agenda Christine Shewmaker made a motion to approve the November 19, 2020 meeting Agenda, seconded by Christine Casey. Motion passed with Rodriguez, Rindahl and Meyer absent.

Public Comment / Introductions Cynthia Rodriguez arrived at 5:05 p.m.

There were no written or verbal public comments.

Brief task Group and VCE staff Reports **Task Group Reports** – There were no updates from the Task Groups, since updates will be discussed in Item 8 – Year End Review.

11/10/2020 Board meeting summary: Interim General Manager Mitch Sears informed those present that the Board ratified the Strategic Plan and Environmental Justice Statement both with minor additions/changes. The Board approved two (2) power purchase agreements (PPA's) as the result of the local request for offers for long term renewable powers: 1) Putah Creek Solar Farms, located west side of Winters and 2) Gibson Renewables, located near Madison and Esparto. In addition, the Board received an update on short and long range COVID financial impacts, approved the 2020 net margin allocation, and received an update from VCE Staff on Winters enrollment and engagement activities.



CAC Members and Staff briefly discussed outreach efforts on social media to answer questions and respond to comments made about Winters enrollment.

Staff Report: Mr. Sears informed those present that VCE Staff and Board Chair Don Saylor met via teleconference with California Energy Commission's Commissioner offices to discuss VCE and CCA's role with state policy. Other teleconference meetings are to be scheduled. On the regulatory side, Power Charge Indifference Assessment (PCIA) settlement negotiations continue with the IOUs centering around the under collection of PCIA last year and settling on collecting over the next couple of years. Collecting it over the next couple of years will have a less of an impact. Staff are continuing to work on the Strategic Plan calendar which will most likely be presented to the Board and CAC at the January 2021 meetings. Staff will provide an update on the revised Procurement Plan to the Board in December with a draft revised Procurement Plan to the CAC for their review and input in December; and, to the Board in January 2021.

There were no written or verbal public comments.

Consent Items

No items were pulled from Consent; however, the CAC briefly discussed with VCE Staff NEM enrollment participation rate drop and PG&E's renewable rates compared to VCE's rates. VCE Staff Rebecca Boyles informed those present that PG&E has a renewable program that is offered, but only about 1% of their customers are eligible, so it is limited, and their program is not 100% renewable like VCE's UltraGreen program.

There were no written or verbal public comments.

Motion made by Shewmaker to approve the November 19, 2020 Consent Agenda items, seconded by Braun. Motion passed unanimously with Rindahl and Meyer absent. The following items were:

1. approved October 22, 2020 meeting Minutes;
2. received customer enrollment update as of November 12, 2020; and,
3. received update on Power Content Label Customer mailer.

Item 8: 2020 Year End Review – Review Committee draft report to the Board

Vice Chair Baird provided a brief recap of the draft CAC summary report highlighting activities over the past calendar year. Task Group reports and a copy of the CAC charge will be attached to the summary report. Shewmaker made a motion to finalize the year-end report with attachments of the Task Group reports and a copy of the CAC's charge to be provided to the



Board for their December 10, 2020 meeting, seconded by Braun. There were no written or verbal public comments.

Motion passed by the following vote:

AYES: Hunter, Baird, Braun, Shewmaker, Aulman, Kristov, Springer, Casey, Rodriguez

NOES: None

ABSENT: Rindahl, Meyer

ABSTAIN: None

Item 9: Review and update CAC Charge

Chair Hunter drafted some suggested edits to the CAC Charge adopted in 2018 to start the discussion of revising and updating the Charge. Those suggested edits have been placed into 3 slides.

After a brief discussion, the CAC formed a subcommittee to work on a draft updated Charge to be provided for the CAC's review at their December 17th meeting. Chair Hunter, Vice Chair Baird and Mr. Braun will be on the subcommittee.

There were no written or verbal public comments.

Item 10 – Receive update on short and long range COVID impacted financial forecast, load, revenue, power costs and Dividend Program (Informational)

VCE Staff George Vaughn reviewed modified and updated set of forecasts due to COVID, specifically addressing two topics related to the fiscal outlook for VCE: (1) updated electricity demand forecast for COVID/recessionary period and beyond (calendar year 2020 to 2022); and (2) updated high-level look at the profitability and cash outlooks for fiscal years ending June 30, 2021 and June 30, 2022. Mr. Vaughn also reviewed the Board's decision to allocate net margin for fiscal year ending 2020 (FY2020) between cash reserves, dividends, and local program reserve (LPR) as follows:

- \$138,000 to the Local Programs Reserve (LPR)
- \$0 to dividends, given the current cash reserve forecast
- The balance (\$6,180,000) to cash reserves to help stabilize customer rates over the next two fiscal years.

Mr. Vaughn provided a very brief review of the Dividend Program Guidelines.

Ms. Baird asked if VCE was able to sell the greenhouse gas (GHG) attributes (large hydro) to offset PCIA. VCE Staff Gordon Samuel informed those present that VCE has not, and VCE does not know what volume we are receiving yet.

There were no written or verbal comments.



**Item 11 – Review
draft updated
Legislative
Platform**

Mr. Sears introduced this item informing those present that the CAC’s Legislative/Regulatory Task Group and Mark Fenstermaker of Pacific Policy Group, VCE’s lobbyist consultant, worked on updating the Legislative Platform. Mr. Fenstermaker reviewed the background, those areas that were updated and new areas added.

Jennifer Rindahl arrived at 5:59 p.m.

After a discussion several suggested additions/revisions were made:

- #4 Power Cost Indifference Adjustment (PCIA) – not ambitious enough and would like to see verbiage that VCE would support phasing out or sunseting PCIA.
- #6 COVID 19 Response – too broad with language of “support legislation or budget appropriations to alleviate residential and commercial hardship caused by...”. An impact to our utility customers? Find language that balances too broad and too narrow with utility costs and impacts to strengthen #6.
- #9a Environmental Justice – again too broad, should be related to direct and indirect “utility” impacts to underserved communities within VCE service territory.
- Add Strategic Plan and Environmental Justice Statement references in introduction of Leg. Platform since it refers to VCE’s mission and vision.

There were no written or verbal comments.

Ms. Hunter made a motion to recommend to the Board to approve the 2021 Legislative Platform with the four (4) additions/revisions listed above incorporated in by VCE Staff, seconded by Mr. Braun. Motion passed by the following vote:

AYES: Hunter, Baird, Braun, Shewmaker, Aulman, Kristov, Springer, Casey, Rodriguez, Rindahl

NOES: None

ABSENT: Meyer

ABSTAIN: None

**Item 12: Long
Range Calendar**

VCE Board Clerk informed those present that the CAC’s review of the revised Procurement Guide will be added to the CAC’s December meeting agenda, with a final revised Procurement Guide to the Board at their January 2021 meeting.



Chair Hunter reminded those present that at the next CAC meeting, Task Groups and Chair and Vice Chair will be discussed and determined.

**Advisory
Committee
Member and
Announcements**

Ms. Shewmaker informed those present that on Tuesday this week, that a group of electric vehicle interest groups formed a lobbying group called ZETA (zero emissions) with a goal of all electric vehicles by 2030. She will forward information and article to Board Clerk for distribution.

Mr. Sears announced that VCE Staff are in the process of scheduling interviews for the Director of Finance and Internal Operations position, thereby coming to the end of the SMUD staffing structure within VCE.

**Adjournment to
Next Meeting**

Jennifer Rindahl made a motion to adjourn. The meeting adjourned at 6:53 p.m. to the next regular CAC meeting scheduled for Thursday, December 17, 2020 at 5 p.m. via teleconference.

Alisa M. Lembke
Board Clerk/Administrative Analyst

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 6

TO: Community Advisory Committee
FROM: Rebecca Boyles, Director of Marketing & Customer Care
SUBJECT: Customer Enrollment Update (Information)
DATE: December 17, 2020

RECOMMENDATION

Receive the Customer Enrollment update as of December 9, 2020.

Attachment:

1. December 9, 2020 Customer Enrollment update

Item 6 - Enrollment Update

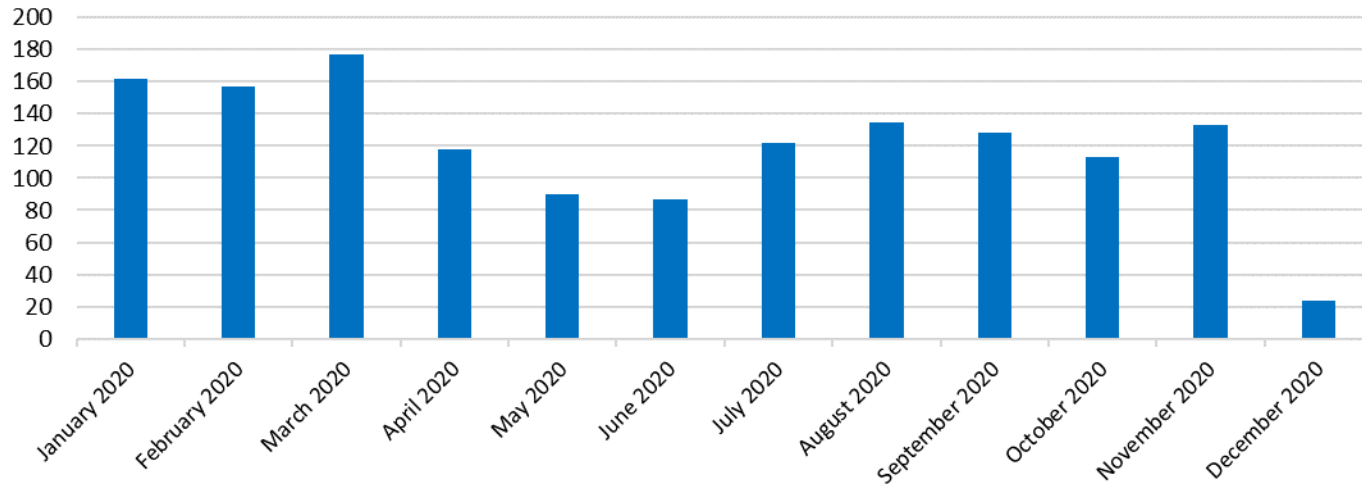
	Davis	Woodland	Yolo Co	Total	Residential	Commercial	Industrial	Ag	NEM	Non-NEM
VCEA customers	27,466	20,471	10,680	58,617	50,904	5,837	7	1,869	9,295	49,322
Eligible customers	28,757	23,347	12,181	64,285	55,775	6,377	7	2,126	10,039	54,246
Participation Rate	96%	88%	88%	91%	91%	92%	100%	88%	93%	91%

- There are currently 408 NEM customers not included in this table. They will enroll throughout the remainder of December.

% of Load Opted Out

Residential	Commercial	Industrial	Ag	Total
9%	8%	0%	12%	9%

Monthly Opt Outs

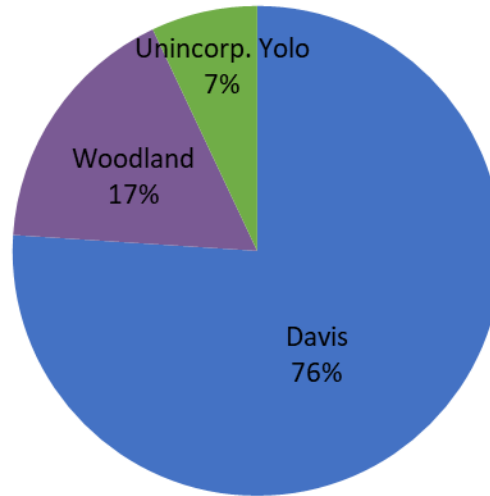


Status Date: 12/9/20

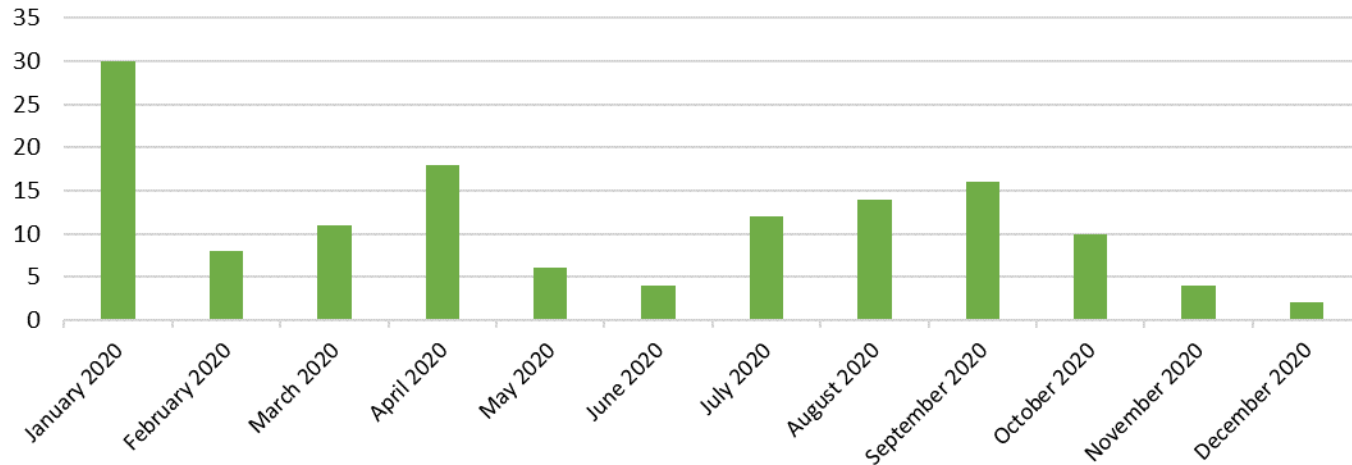


Item 6 - Enrollment Update

242 Opt Ups



Monthly Opt Ups



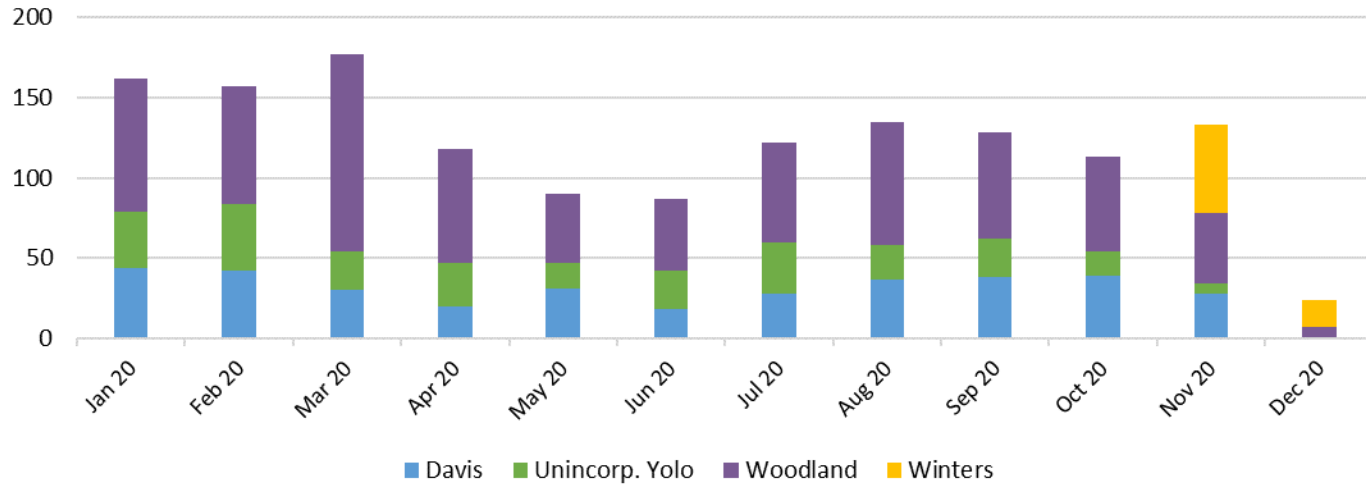
Status Date: 12/9/20



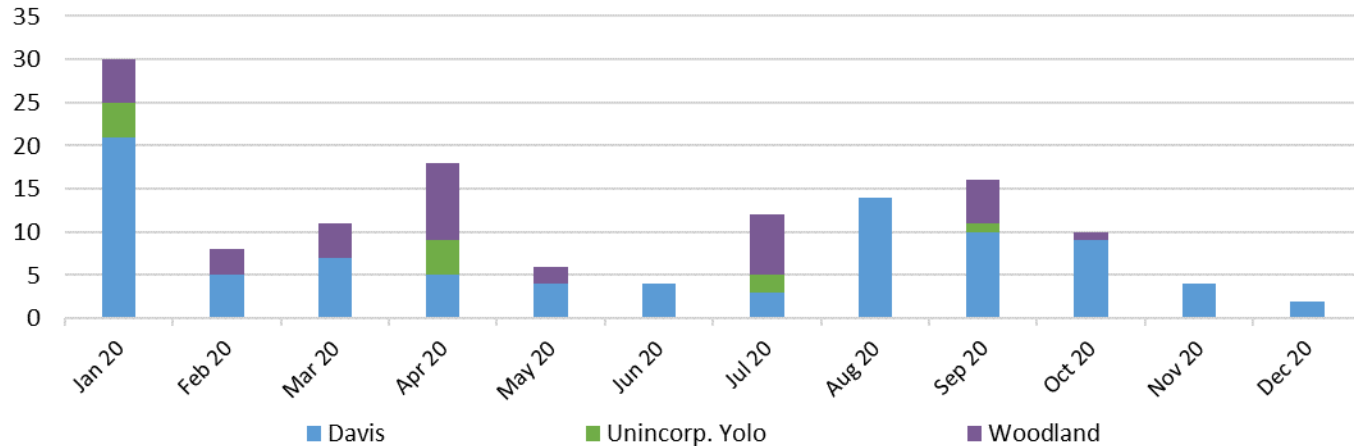
VALLEY
CLEAN ENERGY

Item 6 - Enrollment Update

Monthly Opt Outs



Monthly Opt Ups



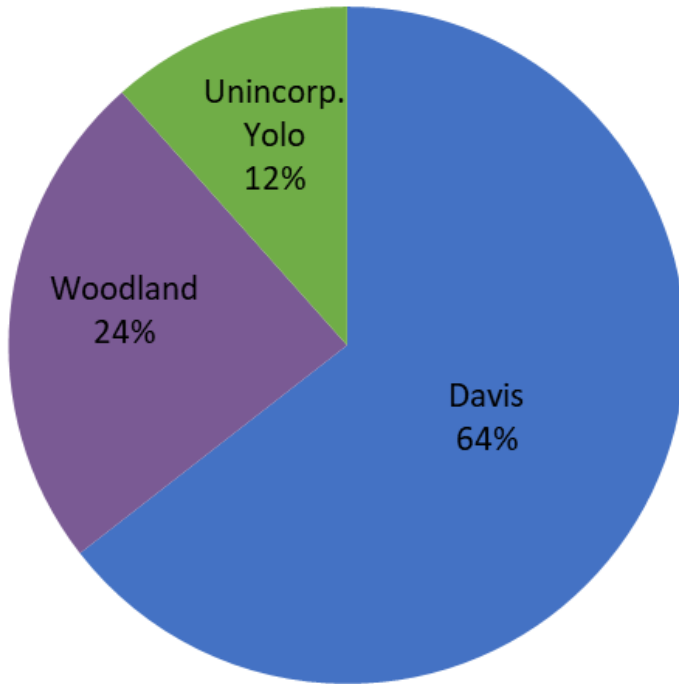
Status Date: 12/9/20



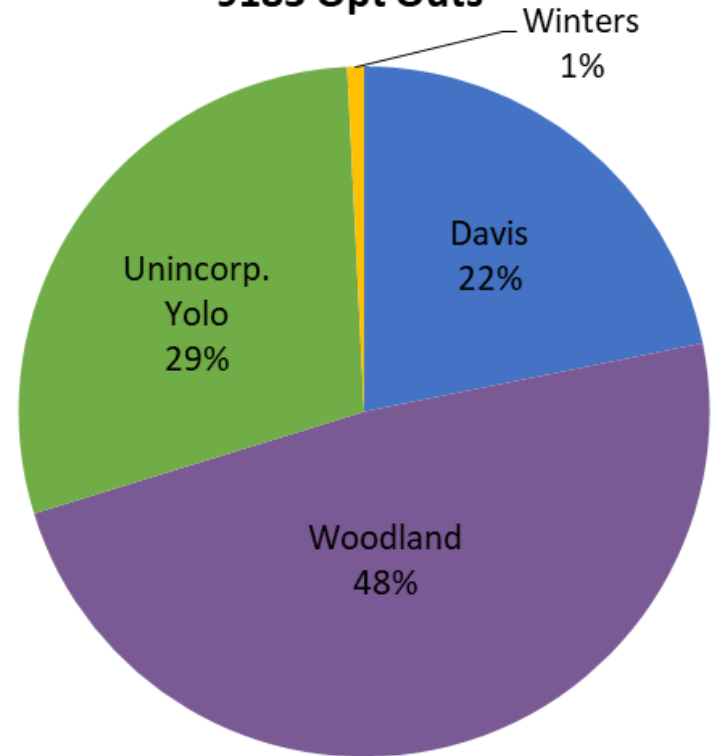
VALLEY
CLEAN ENERGY

Item 6 - Enrollment Update

380 Opt Ups



9183 Opt Outs



**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 7

TO: Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Gordon Samuel, Assistant General Manager & Director of Power Services

SUBJECT: 2021 Procurement Plan, Including Directives and Delegations for 2021 Power Procurement Activities

DATE: December 17, 2020

BACKGROUND AND ANALYSIS

On December 12, 2019, the Board approved VCE’s Procurement Guide which established the procurement plan for 2020 forward.

The intent of this staff report is to update the approval of delegations necessary for VCE and SMUD staff to continue procurement activities on behalf of VCE’s power supply portfolio. This update provides a high-level overview of the products necessary to meet compliance obligations and maintain a balanced power portfolio while meeting power supply portfolio targets set by the VCE Board.

Principles Guiding Procurement and Delegations of Authority

The procurement plan and delegations of authority will be guided by the following principles and allow VCE and SMUD staff to:

- Meet VCE’s compliance, regulatory, and business practice requirements under the California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), and other relevant regulatory agencies
- Satisfy the power supply portfolio targets set by the VCE Board
- Minimize the potential risk exposure of the portfolio, according to practices defined in VCE’s Wholesale Energy Risk Manual
- Provide the appropriate amount of administrative flexibility for staff to carry out procurement actions

Product Categories

Resource Adequacy

As a CPUC jurisdictional Load Serving Entity, VCE is required to meet the compliance obligations of the Resource Adequacy (RA) program. The RA program ensures sufficient resources are available to support the anticipated demand in California. The CPUC along with CAISO administer the program and define the requirements necessary to meet reliability standards. VCE is allocated its share of obligations based on its load ratio. The delegation for this product allows VCE to meet its RA obligations, support reliability of the grid, and avoid financial penalties in a timely manner.

Renewable Energy

CPUC sets minimum renewable energy requirements under its Renewable Portfolio Standards (RPS) program. Along with meeting any annual renewable targets set by the Board, VCE is obligated to adhere to required renewable percentages over the CPUC-defined compliance periods. Some of this renewable energy obligation will be met with Power Purchase Agreements (PPAs) for resources that are still under construction. The rest of the requirements can be met with short term purchases of RPS-qualified energy from existing resources in the market. The delegation approvals are designed to allow staff to procure around the uncertain new resource online dates to meet renewable energy portfolio targets.

Carbon-Free Energy

Carbon-Free energy is a voluntary product that reduces the carbon content of VCE's power supply. This comes mainly from large-hydro generation resources that do not qualify as Renewable under the RPS program. The delegation for this product allows staff to procure enough carbon-free energy to meet the target set by the Board, taking into consideration the uncertainty of annual PG&E carbon-free allocations.

Price Hedging Energy

Purchasing energy on a forward basis allows VCE to fix some of its power supply costs ahead of more volatile and uncertain spot market prices. A procurement milestone is set to ensure the targeted amount of energy hedging is completed in a timely manner. Under VCE's Enterprise Risk Management Policy, VCE's Enterprise Risk Oversight Committee (EROC) reviews and provides guidance to staff on the timing and execution of the hedging strategy to meet procurement directives and minimize budget exposure.

CAISO Market Energy and Congestion Revenue Rights

CAISO Market Energy is scheduled for VCE daily into the Day Ahead Market, as required by the CAISO, based on daily forecasts of VCE hourly wholesale loads. SMUD staff currently purchase and sell energy on a daily basis to maintain balance between forecasted demand and supply. This practice will be evaluated based on actual benefits and risk tolerances to determine if the

practice should be maintained or modified. The VCE EROC will assess evaluations and approve any changes to this practice along with the hedging strategy.

Congestion Revenue Rights (CRRs) are financial instruments allocated by the CAISO to Load Serving Entities for the purpose of hedging the cost of transmission congestion between generation sources and load. Although CRR portfolio management can be quite complex, with auction mechanisms involving multiple hubs on the system, this delegation allows VCE's portfolio manager to only nominate CRRs that are directly related to VCE's supply portfolio. VCE is restricted to participation in the allocation process that does not involve price bidding or speculation.

Portfolio Composition Approach

VCE's portfolio management strategy is evolving as the portfolio matures. VCE has signed multiple long-term renewable PPAs, contributing to the renewable composition of the California grid. Renewable PPAs bring a level of uncertainty regarding construction completion and online dates, as well as annual output. Whereas VCE's early procurement actions focused primarily on firm volume deliveries from existing generation assets, VCE will be the off-taker of variable output resources under the long-term agreements. Once all PPA assets are online, VCE anticipates exceeding renewable targets set by the California RPS program. But the uncertainty during the transition to new resources complicates the achievement of internal portfolio targets. Irrespective, VCE is required to achieve the renewable target for the California RPS program compliance period and is on course to meet these minimum requirements. The upcoming RPS compliance period is 2021-2024.

PG&E's carbon-free allocation process will contribute to VCE's carbon-free portfolio content in the form of large hydro resources paid for by VCE customers in the Power Charge Indifference Adjustment (PCIA). However, the exact volumes of these resources will not be certain until after the calendar year is complete.

Based on VCE's current financial outlook, the Board set minimum targets of 10% renewable, 20% carbon-free for 2021. VCE staff estimate that renewable PPAs could contribute 20% renewable composition in 2022, and allocations could result in a 30% carbon-free (overall) 2022 composition. Staff is recommending that specific renewable or carbon-free targets for 2022 not be set at this time. Setting internal targets at this time could result in over-procurement if PPA resources come online earlier than expected. Therefore, staff believes it would be prudent for VCE to retain the flexibility to procure short-term RECs to meet RPS compliance obligations if PPA power deliveries are delayed for any reason (e.g. supply chain disruptions). When VCE's finances are reassessed on the next fiscal year cycle, 2022 portfolio targets could be added at that time. Based on these factors, staff is recommending flexibility to achieve compliance without imposing additional targets during the transitional year from short-term RECs to long-term PPAs.

Procurement Directives

Taking into account the considerations outlined in the sections above, Table 1 shows the specific Procurement Directives and Delegations recommended for 2021.

Table 1. 2021 Procurement Directives

Valley Clean Energy Power Procurement Directives and Delegations for Calendar 2021					
Product	For Year	Procurement Milestone Date	Cumulative Percentage Procured by Milestone Date	Delegated To	Notes
CAISO Market Energy					
CAISO Market Energy	2021	Daily	100%	SMUD	Procure Day Ahead and Imbalance Energy for 100% of VCE wholesale load.
Congestion Revenue Rights					
Congestion Revenue Rights	2021	Monthly During Year	Up to 100%	SMUD	Request monthly allocations, if economic, as approved by VCE AGM.
Congestion Revenue Rights	2022	October 31, 2021	Up to 100%	SMUD	Request annual and/or quarterly year ahead allocations, if economic, as approved by VCE AGM.
Price Hedging Energy					
Price Hedging Energy	2021	Daily/Balance of Month	TBD	SMUD	Daily hedging strategy to be revisited, contingent upon analysis of Daily and/or Balance of Month hedging efficacy, changes upon approval of EROC.
Price Hedging Energy	2022	December 31, 2021	100%	SMUD	Quantity and timing contingent upon review by the VCE EROC of forward market power prices/trends.
Product	For Year	Procurement Milestone Date	Cumulative Percentage Procured by Milestone Date	Delegated To	Notes
Renewable Energy					
Renewable Energy	2021	September 30, 2021	100%	SMUD	True up procurement based upon actual loads/updated load forecast.
Renewable Energy	2022	December 31, 2021	100%*	SMUD	Minimal short term renewable procurements anticipated, based upon expected long term renewable PPA deliveries. Once greater certainty regarding renewable online dates, procure short term PCC1 power as approved by GM.
Large Hydro Energy					
Large Hydro Energy	2021	July 1, 2021	100%	SMUD	100% of the forecast need for Large Hydro.
Large Hydro Energy	2022	December 31, 2021	up to 100%	SMUD	Up to 100% of the forecast need for Large Hydro, based upon pricing and availability, as approved by VCE GM. Only needed if VCE sets 2022 carbon-free portfolio target that exceeds expected PG&E allocation volume.
Resource Adequacy Capacity					
Resource Adequacy Capacity	2021	October 31, 2021	100%	SMUD	Procure for remaining monthly RA deficiencies and sell monthly RA surpluses, as approved by GM.
Resource Adequacy Capacity	2022	October 31, 2021	100%	SMUD	All RA products forecast, including some provision for RA from possible CEC Load Forecast adjustments or Local RA obligation increases, required to achieve compliance by October 31, 2021 for 2022. Procurement amount may exceed 100% in total for year to insure that all months achieve at least 100% compliance.
Resource Adequacy Capacity	2023	October 31, 2021	Up to 100%	SMUD	Including RA anticipated from the long term renewables under contract, but excluding possible RA from CEC load forecast adjustments, upon approval of GM. Whether to proceed based upon decision of VCE EROC and in consideration of CPUC requirement for multi-year procurement and VCE strategy related to 2023 Central Procurement Entity transition.

Note: Procurement milestone dates represent targets but do not represent expiration of SMUD delegation. Where necessary to achieve compliance, procurement is approved under this delegation until the next calendar year delegation is approved by the Board of Directors.

NEXT STEPS

Staff will be presenting this Plan to the Board in January and recommending the Board to adopt a resolution approving:

1. The 2021 Procurement Plan.
2. Directives and delegations to SMUD for procuring portions of VCE's power portfolio for calendar year 2021 through 2023.
3. The elimination of specific portfolio renewable and carbon-free targets in 2022 to improve procurement and financial flexibility as long-term renewable projects come online.

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 8

TO: Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Gordon Samuel, Assistant General Manager & Director of Power Services

SUBJECT: Valley Clean Energy’s Policy regarding PG&E allocation of Greenhouse Gas (GHG)-free (Large Hydro and Nuclear) resources to Community Choice Aggregators

DATE: December 17, 2020

PURPOSE

The purpose of this report is to provide background and solicit feedback from the Community Advisory Committee (CAC) regarding the GHG-free allocations from PG&E for 2021 and beyond. Staff plans to take this feedback and make a recommendation to the VCE Board in January 2021. The current proposal is for 2021, but staff is interested in the CAC’s viewpoint on extending the approval to encompass future years if the allocations become available.

BACKGROUND

PG&E owns or contracts for a number of GHG-free resources (including large hydro and nuclear from Diablo Canyon Power Plant). PG&E has been able to count these resources on its power content label (PCL) to meet its GHG-free targets. Load serving entities (LSEs), on the other hand, have been paying for those same assets through Power Charge Indifference Adjustment (PCIA), yet do not receive any of the GHG-free benefits – this includes VCE.

In mid-2019, CCAs approached PG&E to discuss whether PG&E would be agreeable to selling energy from their large hydro facilities¹. PG&E ultimately refused to make sales in 2019, but subsequently approached CCAs and offered to allocate GHG-free resources (nuclear and large hydro) to CCAs and other eligible load serving entities (LSEs).

Eventually the allocations became available in 2020, and the VCE Board elected to receive the large hydro only attributes. This became effective in the third quarter of 2020 and VCE will receive approximately 30,000-35,000 MWhs in 2020 (note: VCE will not know the final numbers until Q2 2021).

¹ Large hydro and nuclear resources count as GHG-free on the power content label (PCL), and investor-owned utilities (IOUs) have been benefiting from counting those resources to meet their GHG-free targets. LSEs, on the other hand, have been paying for those same assets through PCIA, yet do not receive any of the GHG-free benefits through the PCL.

There is no obligation to accept this allocation of GHG-free attributes. An LSE can choose to accept neither resource pool, one or the other, or both. The volume that each LSE receives will ultimately depend on the volume of electricity generated by each resource pool and the proportion of PG&E’s load served by the LSE.

TENTATIVE SCHEDULE

Tentative Timeline (<i>assumes December 17, 2020 CPUC approval of Draft Resolution 5111-E without modification</i>)	
Week of November 16, 2020	<ul style="list-style-type: none"> • Notice Issued
Week of November 30, 2020	<ul style="list-style-type: none"> • PG&E will provide Eligible LSEs with 2021 Sales Agreement for review
Thursday, December 10, 2020 (ACTION REQUIRED)	<ul style="list-style-type: none"> • Feedback on form Sales Agreement due to PG&E [Note: VCE submitted on 12/8/2020]
Thursday, December 17, 2020	<ul style="list-style-type: none"> • Scheduled CPUC Voting Meeting
Monday, January 18, 2021	<ul style="list-style-type: none"> • Expected final and non-appealable date of CPUC approval (30 days following issuance of approval via Resolution, assuming no applications for rehearing are filed)
Up to Week of January 25, 2021 (ACTION REQUIRED)	<ul style="list-style-type: none"> • PG&E will provide Eligible LSEs Offers and a final version of 2021 Sales Agreement • PG&E and Eligible LSEs will execute 2021 Sales Agreement
Monday, February 1, 2021 (<i>pending execution of Sales Agreement</i>)	<ul style="list-style-type: none"> • Expected start of Delivery Period under 2021 Sales Agreement
Week of June 14, 2021 (<i>approximation</i>)	<ul style="list-style-type: none"> • First Quarterly Report with estimated Allocation Amount will be distributed
On or about April 15, 2022	<ul style="list-style-type: none"> • Final Report will be distributed to participating LSEs

NEXT STEPS

Staff to determine what allocations, if any, to accept from PG&E and make recommendation to the Board in January in order to be prepared for the above schedule. In addition, if this allocation process continues beyond 2021, determine if staff should seek approval from the Board to include future years.

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 9

TO: Community Advisory Committee

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Review of CAC Charge

DATE: December 17, 2020

Recommendation

Approve the draft updated Community Advisory Committee (CAC) Charge and make recommendation to the Board to approve.

Background

In November 2018, the Board adopted an updated CAC Charge to reflect the transition from pre-launch to post-launch activities. In November 2020, the Board adopted VCE's 3-year Strategic Plan and an Environmental Justice statement. At the CAC's November 19, 2020 meeting, the Committee discussed the need to update the CAC's Charge to include goals and objectives outlined in the 3-year Strategic Plan and reflect the adopted Environmental Justice statement. The attached updated draft Charge is the result of input received at the November meeting and the redraft of CAC Members Hunter, Baird and Braun. This memorandum transmits the final draft updates of the CAC Charge for consideration by the Committee.

Attached is the current November 2018 Charge redlined to show the proposed updates and a clean copy of the redrafted and updated Charge.

Attachments:

1. Draft updated Charge – redlined
2. Draft Updated Charge without redlines

Valley Clean Energy Alliance
Community Advisory Committee
Updated Charge [\(date\)](#)

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Consistent with the policy adopted by the Valley Clean Energy Alliance (VCEA) Board of Directors, the VCEA Community Advisory Committee (CAC) adopts ~~the this~~ Charge to ~~guide its activities.~~

- Advise the VCEA Board of Directors ~~and VCEA staff~~ on VCEA’s general policy and operational objectives, including, ~~but not limited to:~~
 - ~~-portfolio mix and objectives,~~
 - ~~technical, market, program and policy areas, policy related financial considerations and rate options, and~~
 - ~~strategic objectives and strategies-plans designed~~ to reduce carbon emissions, accelerate development of local resources and ~~promote increase~~ energy resilience ~~in member jurisdictions.~~

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- ~~Review implementation and provide input on action options related to VCE’s Strategic Plan and Environmental Justice statement adopted in 2020.~~

- ~~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~~ ~~Assist and advise~~ VCEA staff and consultants on:
 - ~~community outreach, marketing and programs for its to and liaison with member communities.~~
 - ~~monitoring legislative and regulatory activities related to Community Choice Energy issues, and~~
 - ~~the development of public information materials related to customer energy investments and choices.~~

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- ~~Collaborate with VCEA staff on monitoring legislative and regulatory activities related to Community Choice Energy issues.~~

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~~In order to~~ ~~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~~

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- ~~advise and assist the Board, staff~~ and consultants through its task groups ~~or other means consistent with California's open meeting laws, and~~
- ~~evaluate, advise and assist VCEA by~~ ~~and make-making~~ recommendations on select items at the request of the Board or ~~the~~ Interim General Manager's ~~request~~ or in consultation with the Interim General Manager. ~~-, and~~
- ~~The Community Advisory Committee will~~
- periodically review this charge and make recommendations for changes to the Board of Directors ~~in order to reflect~~ ~~as~~ new issues, opportunities and challenges impacting the VCEA ~~arise.~~

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~~Adopted: November 15, 2018~~ Revised and adopted: xxxx[insert date]

Valley Clean Energy Alliance
Community Advisory Committee
Updated Charge (date)

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

- Advise the VCEA Board of Directors and VCEA staff on VCEA’s general policy and operational objectives, including, but not limited to:
 - portfolio mix and objectives,
 - policy related financial considerations and rate options, and
 - strategic objectives and plans designed to reduce carbon emissions, accelerate development of local resources and increase energy resilience in member jurisdictions.

- Review implementation and provide input on action options related to VCE’s Strategic Plan and Environmental Justice statement adopted in 2020.

- Assist and advise VCEA staff and consultants on:
 - community outreach, marketing and programs for its member communities,
 - monitoring legislative and regulatory activities related to Community Choice Energy issues, and
 - the development of public information materials related to customer energy investments and choices.

To achieve the goals and mission of VCEA, the CAC 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,
- advise and assist the Board, staff and consultants through its task groups or other means consistent with California’s open meeting laws,
- evaluate, advise and assist VCEA by making recommendations on select items at the request of the Board or the Interim General Manager or in consultation with the Interim General Manager, and
- periodically review this charge and make recommendations for changes to the Board of Directors as new issues, opportunities and challenges impacting the VCEA arise.

Revised and adopted: xxxx[insert date]

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report - Item 10

TO: Community Advisory Committee

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

SUBJECT: CAC Task Groups for 2021

DATE: December 17, 2020

Below is a current listing of 2020 Task Groups and its members. Staff is recommending that prior to the meeting, CAC members consider possible Task Groups for 2021. Staff will be providing input at the meeting that will focus on the goals/objectives found in the recently adopted VCE Strategic Plan. For reference, the existing 2020 Task Groups and membership are listed below and the existing 2020 Task Group “Charges” are attached. Task Groups for 2021 will be finalized at the January 2021 CAC meeting.

2020 CAC Task Groups

1. Legislative/Regulatory
 - A. Members: Yvonne Hunter, Lorenzo Kristov, Jennifer Rindahl

2. Outreach
 - A. Members: Mark Aulman, Marsha Baird, Yvonne Hunter, Christine Casey

3. Programs
 - A. Members: Marsha Baird, Christine Shewmaker, David Springer

4. Strategic Planning
 - A. Members: Gerry Braun, Mark Aulman, Lorenzo Kristov, Jennifer Rindahl

5. Rates (As needed)
 - A. Members: Gerry Braun, Lorenzo Kristov

Attachments:

1. Legislative/Regulatory Task Group 2020 Charge
2. Outreach Task Group 2020 Charge
3. Programs Task Group 2020 Charge
4. Strategic Planning Task Group 2020 Charge
5. Rates Task Group 2020 Charge

CAC LEG/REG TASK GROUP
2020 Charge

2020 Charge

- A. Members: Yvonne Hunter, Lorenzo Kristov
- B. 2020 Charge:
 - 1. Work with VCE's lobbyist and VCE staff to:
 - Provide feedback, technical information and strategic advice on key legislative and regulatory issues facing VCE and the CCA community in general.
 - Provide periodic reports to the CAC about legislation and regulatory issues;
 - Solicit recommendations from the CAC on VCE positions on key legislation and regulatory proceedings.
 - Contribute to VCE's engagement with legislators and other stakeholders.
 - Advise on CalCCA's regulatory work where and when appropriate.
 - 2. Work with VCE staff and the Outreach Task Group to create a new resource on the VCE website related to legislative and regulatory issues.

CAC Outreach Task Group

Mark Aulman – Chair

Marsha Baird

Chris Casey

Yvonne Hunter

Charge

Collaborate with VCEA staff and consultants on community outreach to, and liaison with, member communities

Assist in the development of public information strategies, planning, and materials related to VCEA policies and programs. As requested by staff, review draft materials and provide comments as appropriate

Specific Tasks

1. Consult with staff and Green Ideals on short-term and long-term outreach strategies and communications projects
2. Help define audience segments within VCE's service area and consult on appropriate messages and communications approaches
3. Provide a sounding board to assist in message development and copy testing
4. Review development procedures for marketing communications and public relations projects
5. Conduct review of marketing materials at the draft (pre-release) stage
6. Provide concise summaries of activities at the monthly CAC meetings

Programs Task Group

A. Members: Marsha Baird (Chair), Christine Shewmaker, David Springer

B. 2020 Charge:

The CAC Programs Task Group will aid Staff with planning and implementation of Customer Programs that meet with the VCE Mission. Specifically, the Task Group will:

- (1) collaborate with Staff on 5-year programs plan for VCE;
- (2) collaborate with Staff on implementation of additional programs during CY2020;
- (3) review programs offered by other CCAs and PG&E and make recommendations of options, with special attention to VCE customer segments, such as agriculture; and,
- (4) prepare monthly summaries and updates for CAC on issues being reviewed by task group.

CAC Strategic Planning Task Group

Gerry Braun – Chair

Mark Aulman

Lorenzo Kristov

Charge

Assist staff, consultants, and the Valley Clean Energy Board Strategic Planning Subcommittee in the development of an initial 3 to 5-year Strategic Plan for Valley Clean Energy

Focus on core policy issues and potential projects relevant to the achievement of VCEA's vision and mission

Provide input and feedback on strategic planning matters to staff liaison

Specific Tasks

1. Maintain visibility into all strategic planning workshops and meetings
2. Conduct CAC Strategic Planning Task Group meetings, as needed
3. Review strategic planning analysis conducted by staff and consultants, and provide staff with input and feedback
4. Review proposed recommendations made by staff and provide input and feedback
5. Review draft strategic plan documents and serve as a sounding board for staff and the VCEA Board Strategic Planning Subcommittee
6. Provide concise summaries of strategic planning activities at monthly CAC meetings

Rate Options Task Group

Lorenzo Kristov - Chair
Gerry Braun

Charge

Assist staff, consultants, and the Valley Clean Energy Board Subcommittee as requested, when existing or new rate options are being considered and evaluated.

Help staff evaluate the impact of current and potential rate options on VCE customer responses and other energy choices.

Specific Tasks

1. Conduct CAC Rate Options Task Group meetings and expand participation to other interested CAC members or external experts, as needed.
2. Review rate-related financial analysis conducted by staff and consultants and provide staff with input and feedback.
3. Review proposed staff recommendations regarding rate options and provide input and feedback

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 11

TO: Community Advisory Committee

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Board and CAC 2021 Long Range Calendar

DATE: December 17, 2020

Please find attached the **2021** Board and Community Advisory Committee (CAC) Long Range Calendar listing upcoming meetings and proposed topics for discussion. Please make suggestions if there are topics you wish to add.

Attachment:

1. 2021 Board and CAC Long Range Calendar

VALLEY CLEAN ENERGY

2021 Meeting Dates and Proposed Topics – Board and Community Advisory Committee

MEETING DATE		TOPICS	ACTION
January 14, 2021	Board WOODLAND	<ul style="list-style-type: none"> Oaths of Office for Board Members Approve Updated CAC Charge Approve Revised Procurement Guide Treasurer Function / Investment 	<ul style="list-style-type: none"> Action Action Action Informational
January 28, 2021	Advisory Committee WOODLAND	<ul style="list-style-type: none"> Task Groups – Present Tasks/Projects Quarterly Power Procurement / Renewable Portfolio Standard Update Quarterly Strategic Plan update 	<ul style="list-style-type: none"> Discussion/Action Informational Informational
February 11, 2021	Board DAVIS	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
February 25, 2021	Advisory Committee DAVIS	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
March 11, 2021	Board WOODLAND	<ul style="list-style-type: none"> Preliminary FY21/22 Operating Budget (Regular) 	<ul style="list-style-type: none"> Review
March 25, 2021	Advisory Committee WOODLAND	<ul style="list-style-type: none"> Re/Appointment of Members to Community Advisory Committee 	<ul style="list-style-type: none"> Discussion
April 8, 2021	Board DAVIS	<ul style="list-style-type: none"> River City Bank Revolving Line of Credit 	<ul style="list-style-type: none"> Action
April 22, 2021	Advisory Committee DAVIS	<ul style="list-style-type: none"> Re/Appointment of Members to Community Advisory Committee Quarterly Power Procurement / Renewable Portfolio Standard Update Quarterly Strategic Plan update 	<ul style="list-style-type: none"> Discussion Informational Informational
May 13, 2021	Board WINTERS	<ul style="list-style-type: none"> Update on FY21/22 Operating Budget 	<ul style="list-style-type: none"> Informational

May 27, 2021	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Re/Appointment of Members to Community Advisory Committee 	<ul style="list-style-type: none"> • Discussion
June 10, 2021	Board DAVIS	<ul style="list-style-type: none"> • Final Approval of FY21/22 Operating Budget • Receive Enterprise Risk Management Report • Extension of Waiver of Opt-Out Fees for one more year • Re/Appointment of Members to Community Advisory Committee • SMUD CPI Increase Amendment 	<ul style="list-style-type: none"> • Approval • Informational • Action • Action • Action
June 24, 2021	Advisory Committee DAVIS	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
July 8, 2021	Board WOODLAND	<ul style="list-style-type: none"> • Renewable Portfolio Standard (RPS) Procurement Plan • River City Bank Line of Credit 	<ul style="list-style-type: none"> • Action • Action
July 22, 2021	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Quarterly Power Procurement / Renewable Portfolio Standard Update • Quarterly Strategic Plan update 	<ul style="list-style-type: none"> • Informational • Informational
August 12, 2021	Board DAVIS	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
August 26, 2021	Advisory Committee DAVIS	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
September 9, 2021	Board WOODLAND	<ul style="list-style-type: none"> • Approval of FY20/21 Audited Financial Statements (James Marta & Co.) • River City Bank Revolving Line of Credit 	<ul style="list-style-type: none"> • Action • Action
September 23, 2021	Advisory Committee WOODLAND		
October 14, 2021	Board WINTERS	<ul style="list-style-type: none"> • Financial Load Forecast • FY2020/2021 Allocation of Net Margin • Receive Update on 3 year Strategic Plan (adopted Oct. 2020) 	<ul style="list-style-type: none"> • Informational • Action • Informational

		<ul style="list-style-type: none"> • Certification of Standard and UltraGreen Products 	<ul style="list-style-type: none"> • Action
October 28, 2021	Advisory Committee DAVIS	<ul style="list-style-type: none"> • Receive Financial Load Forecast and Allocation of Net Margin information • Update on Power Content Label Customer Mailer • Committee Evaluation of Calendar Year End • Quarterly Power Procurement / Renewable Portfolio Standard Update • Quarterly Strategic Plan update 	<ul style="list-style-type: none"> • Informational • Informational • Discussion • Informational • Informational
November 11, 2021 Veterans' Day – Holiday – need to reschedule	Board WOODLAND	<ul style="list-style-type: none"> • Certification of Power Content Label 	<ul style="list-style-type: none"> • Action
November 18, 2021 (3rd Thursday of the month due to Thanksgiving holiday)	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Committee Evaluation of Calendar Year End • Review Revised Procurement Guide 	<ul style="list-style-type: none"> • Discussion/Action • Action: Recommendation to Board
December 9, 2021	Board DAVIS	<ul style="list-style-type: none"> • Receive Enterprise Risk Management Report • Approve Revised Procurement Guide • Receive CAC 2021 Calendar Year End Report • Election of Officers for 2022 	<ul style="list-style-type: none"> • Informational • Action • Receive • Nominations
December 16, 2021 (3rd Thursday of the month due to Christmas holiday)	Advisory Committee DAVIS	<ul style="list-style-type: none"> • Discuss 2022 Task Group(s) formation • Election of Officers for 2022 	<ul style="list-style-type: none"> • Discussion • Nominations
January 13, 2022	Board WOODLAND	<ul style="list-style-type: none"> • Oaths of Office for Board Members • Approve Updated CAC Charge (tentative) 	<ul style="list-style-type: none"> • Action • Action
January 27, 2022	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Quarterly Power Procurement / Renewable Portfolio Standard Update • Quarterly Strategic Plan update 	<ul style="list-style-type: none"> • Informational

Note: CalCCA Annual Meeting EARLY November (tentative)