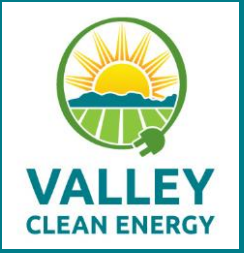




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VCE Community Advisory Committee Meeting – March 28, 2024

Item 5 – ERRO and Concierge Service



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Item 5 – ERRO and Concierge Service: Background

ERRO - Electrification Retrofit Rebate Outreach Program

- In partnership with Yolo County; ARP-funded
 - The County has complementary programs: weatherization; Home Energy Reports
- Connecting low-income residents with available rebates (est \$1B in CA)
- Contracting completed, refining Outreach Plan
- Projected customer launch Spring/Summer 2024
- Evaluating Concierge Service as integral part of Marketing, Education and Outreach

Item 5 – ERRO and Concierge Service: Rationale

Why an electrification Concierge Service for customers?

Confusion about what electrification is

Don't know where to start

Unaware of benefits (health, safety, climate, savings)

Technology is unknown/unfamiliar

May require electrical infrastructure upgrades

Rebates & incentives change often and often have specific eligibility and limitations



Item 5 – ERRO and Concierge Service: Rationale

Why an electrification Concierge Service for customers?

- Help customers access the various **programs and resources** offered by VCE and other organizations (e.g. statewide rebates)
- Ensure that all customers, at all levels of technical understanding, have a **positive experience** from the start to end of their journey to electrify
- Provide support at the **appropriate technical level** in a way that is actionable, clear, and relevant
- **Simplify the process** to electrify so that customers feel empowered, encouraged, and supported to take on the next step, no matter where they are in their journey to electrify.

Item 5 – ERRO and Concierge Service: Components

Concierge Service will cover:

General Guidance & Recommendations	Finding a Contractor
Technical Assistance	Reviewing Project Quotes
Virtual Energy Audits	Incentive Information & Applications
Electrification Plan Development	VCE Program Referrals

Item 5 – ERRO and Concierge Service: Channels and Deliverables

Channels & Deliverables



Website



Online Chat



Webform



Phone



Email



Electrification
Plan

Item 5 – ERRO and Concierge Service: Staffing Structure

Tiered customer support to optimize accessibility, escalations, and personalization

Energy Advisors: Front Line & Dedicated Support

Energy Specialists: Energy Audits & Weatherization

Energy Experts: Technical Support & Electrification Plans

Program Managers: General Support & Program Expertise

Item 5 – ERRO and Concierge Service: Resources

Resources for Energy Advisors

Training Guide

Overview of Service
Example Inquiries
Recorded Demos of Tools
CRM Navigation and Use
Customer Interactions
VCE Talking Points
Sending CSAT Survey
Electrification Plan Process

Resource Guide

Electrification Basics
Rebates & Incentives
Contractors & Costs
Equipment & Appliance
Info/FAQ
Permitting
Rates
Low Income Discounts
VCE-specific Resources

Item 5 – ERRO and Concierge Service

CRM Integration



Customer Records

Access to various customer information such as address, rate(s)/adders, VCE enrollment, etc.



Communication Management

Handle live chats, emails, and webform communications within the CRM, attached to a customer record.



Cases & Interactions

Designed for in-depth case management, customer info, and interaction record capture.



Reporting/Dashboard

Tracking contacts, channel, contact reason, outcomes, and progress to going electric.

Item 5 – ERRO and Concierge Service: Post-Participation Survey

Post-participation customer satisfaction survey: performance/impact measurement

Customer Awareness Channel

How did you hear about the Valley Clean Energy concierge service?

Impact on Feeling Toward Electrifying

How did the concierge service change how you feel about completing any projects to electrify your home?

Overall Satisfaction Rating

Please rate your overall experience with the concierge service.

Completeness of the Service

Did you get what you were looking for from the concierge service?

Influence on Actions Taken

What actions have you taken, or plan to take, after engaging with the concierge service?

Opportunities to Improve

Please describe what we could improve with the concierge service.

Item 5 – ERRO and Concierge Service: Conclusion & Next Steps

ERRO and Concierge Service

- Concierge Service 60% funded by ERRO in first two years (program duration)
- Concierge Service will enhance and expand existing customer service
- Service will further Strategic Plan goal of increasing VCE's role as a trusted energy advisor to customers
- Feedback provided by key stakeholders
 - Main priorities: effective segmenting & targeting; in-language materials; renter/owner split incentive; Outreach Plan & CBOs/key stakeholders
- Seeking recommendation to VCE's Board



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VCE Community Advisory Committee Meeting – March 28, 2024

Item 6 – Allocation of 2023 Net Margin



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Item 6 – Allocation of 2023 Net Margin: Overview

VCE's audit is in progress and financial statements will be presented to the Board at the April meeting. Taking into account the Dividend Program parameters, as well as available and forecast cash reserves, Staff is considering various options to be presented to the board for VCE's 2023 net margin of \$16.5 million.

This presentation will provide:

- Background of 2023 Net Margin
- Present estimated 2023 Net Margin Allocation

Item 6 – Allocation of 2023 Net Margin: Dividend Program Formula

The adopted Dividend Program formula recommends allocating the net margin as follows:

- Net margin up to 5% is to be allocated as follows:
 - At least 5% (of the 5%) goes to Local Program Reserves (LPR) for program implementation
 - The balance goes to cash reserves

- Net margin above 5% is to be allocated as follows:
 - At least 50% to cash reserves
 - Remainder allocated additional reserves, amongst dividends, and LPR

VCE Dividend Program Allocation - 2023

Description		Estimated 2023 Results	Avg. Days Cash	
Electricity Sales		95,330,080	216,000	
Operating Expense		78,830,080		
Operating Margin		16,500,000		
Principal Debt Payments		712,252		
Adjusted Net Margin less principal Debt Payments		15,788,000		
Adjusted Net Margin Percentage		16.56%		
Allocation Amount <=5%		4,767,000		
Allocation Amount > 5%		11,021,000		
Allocation of Net Margin up to 5%		Percentage	Allocation Amount	Operating Days Cash
Cash Reserves Allocation		95%	4,529,000	21
Local Programs Allocation		5%	238,000	1
				Minimum
				Minimum
Allocation of Net Margin above 5%		Percentage	Allocation Amount	
Allocation to Cash Reserves		50%	5,510,500	26
				Minimum

Item 6 – Allocation of 2023 Net Margin: Discretionary Allocation

Staff considered the following factors in related to this recommendation.

- Power Costs power cost increases and regulatory pressures (increased costs = decreased days cash on hand)
- VCE’s current 180 day cash reserve target does not include rate stabilization.
- Available funds for dividends would increase VCE’s current 1% discount during peak season.
- CPUC has approved increased security requirements (POLR proceeding)
- VCE provides an additional ~2.5%/\$1.1M annually in discounts to 25% of customers (CARE and FERA)
- PG&E’s additional Transmission/Distribution rate increase in March 2024 (projected +13%)

Scenario 1

	Percentage	Allocation Amount	Operating Days Cash	
Discretionary Allocation (After Cash Reserves)	50%	5,510,500	26	Maximum
Cash Reserves	75%	4,132,800	19	
Local Programs (Targeted 2024/25 Spend)	10%	551,100	3	
Customer Dividends (Targeted 2024/25 Spend)	15%	826,600	4	

Scenario 2

	Percentage	Allocation Amount	Operating Days Cash	
Discretionary Allocation (After Cash Reserves)	50%	5,510,500	26	Maximum
Cash Reserves	70%	3,857,300	18	
Local Programs (Targeted 2024/25 Spend)	10%	551,100	3	
Customer Dividends (Targeted 2024/25 Spend)	20%	1,102,100	5	

Scenario 3

	Percentage	Allocation Amount	Operating Days Cash	
Discretionary Allocation (After Cash Reserves)	50%	5,510,500	26	Maximum
Cash Reserves	80%	4,408,300	20	
Local Programs (Targeted 2024/25 Spend)	5%	275,500	1	
Customer Dividends (Targeted 2024/25 Spend)	15%	826,600	4	

Item 6 – Allocation of 2023 Net Margin: Summary Discussion

- Staff believes that these scenarios represent a disciplined and financially prudent approach to building reserves and providing some additional level of rate relief. The longer-term outlook (2024+) shows increased stability and cost certainty due to VCE's fixed price long-term renewable power purchase contracts coming fully online combined with a cost-recovery based rate structure.
- Staff is presenting this information to the Community Advisory Committee (CAC) for discussion and feedback.



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VCE Community Advisory Committee Meeting – March 28, 2024



Item 7 – Bioenergy Market Adjusting Tariff (BioMAT) Program Update

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Item 7 – BioMAT Program Update: Background

- 2012 CA Senate Bill 1122, requiring 250 MW of RPS-eligible bioenergy procurement from IOUs
- Mandated in 2014 by CPUC Decision 14-12-081
- 250 MW split among IOUs:
 - 111 MW to PG&E
 - 114.5 MW to SCE
 - 24.5 MW to SDG&E
- Allows recovery of above-market costs from ratepayers

Item 7 – BioMAT Program Update: CCA Participation

- Assembly Bill 843 in 2021 (CCAs sponsored legislation that authorized CCA participation in BioMAT)
- CPUC Proceeding opened in October 2022, Proposed Decision issued Oct 10, 2023 (D.23-11-084) which set rules to enable CCAs participation in BioMAT
- CalCCA assisted with coordinating the CCA participation process, drafting proforma documents
 - Although open to all CCAs, 4 CCAs have been most active (OCPA, 3CE, RCEA & Pioneer)¹
- VCE has been monitoring this process and has recently decided to become more active²
- The Joint CCAs plus VCE and Marin Clean Energy (MCE) jointly filed comments on March 1, 2024 to extend the BioMAT program (current expiration 12/31/25)³



Note: 1) These 4 CCAs collectively referred to as the “Joint CCAs” in the regulatory proceedings.

2) Staff plans to discuss opportunity w stakeholders, CAC & Board before making significant commitment.

3) If the program is not extended, the likelihood of securing a project by existing deadline is very minimal.

Item 7 – BioMAT Program Update: Program Criteria – Project Eligibility

- Commercial operation date – on or after June 1, 2013
- Project size – nameplate capacity \leq 5 MW, contract capacity \leq 3 MW
- Location – within IOU service territory
- Interconnection – initial study results received

Item 7 – BioMAT Program Update: Program Criteria – Technology, Capacity & Pricing

- Category 1: biogas from wastewater treatment, organic waste diversion, food processing, and codigestion
- Category 2: dairy and other agricultural bioenergy
- Category 3: byproducts of sustainable forest management

	CAT 1	CAT 2	CAT 3
Approx. Pricing, \$/MWh	128	188 (Dairy) / 184 (other Ag)	200
Statewide, MW	110	90	50
PG&E, MW	30.5	33.5	47
Remaining PG&E, MW	28	11.3	33.1

Note: 1) Project would receive above pricing for the energy, but VCE would need to pay for the RA & REC contribution based on market price benchmarks.

Item 7 – BioMAT Program Update: Conclusion

- BioMAT program may be an avenue to stimulate small biomass facilities
- The BioMAT program offsets a large portion of the costs (without the program, projects historically have been “out of the money”)
- Biomass is an RPS-eligible resource which would support VCE’s target of 100% renewable by 2030
- The proposed extension of the program beyond 12/31/25 is essential in Staff’s view
- Staff will continue to assess the pros/cons of biomass and the BioMAT program and return to the CAC for discussion before taking to the Board