



**Special Meeting of the Community Advisory Committee (CAC)
of the Valley Clean Energy Alliance (VCEA)
Thursday, April 23, 2020
5:00 PM
Via Teleconference Call**

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. 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/87583169701>

Meeting ID: 875 8316 9701

- b. By phone:

One tap mobile

+16699009128,,87583169701# US

+13462487799,,87583169701# US

Dial

+1 669 900 9128 US

+1 346 248 7799 US

+1 646 558 8656 US

+1 253 215 8782 US

+1 301 715 8592 US

+1 312 626 6799 US

Meeting ID: 875 8316 9701

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

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 below under **PUBLIC PARTICIPATION** on how to provide your public comment.
- 4. Brief VCEA Staff and Advisory Task Group Reports (15 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. 4/9/2020 Board meeting Summary**
 - C. Staff Report**

CONSENT AGENDA

- 5. Approval of February 27, 2020 Meeting Minutes.**
- 6. Receive Customer Enrollment Update as of April 15, 2020.**

REGULAR AGENDA (≈ 5:20 p.m.)

- 7. Review and discuss potential policy options for the Board's future consideration to address possible future fiscal impacts related to regulatory and market volatility. (30 minutes) (Discussion)**
- 8. Overview of Proposed NEM-Credit Donation Program. (10 minutes) (Informational).**
- 9. Update and Discussion about VCE responses to COVID-19 and potential impacts on VCE load projections. (10 minutes) (Informational) .**



10. **Update on VCE Strategic Planning Process. (10 minutes) (Informational)**
11. **Review and approve Task Group draft charges for 2020. (10 minutes) (Action)**
12. **Receive and update Community Advisory Committee 2020 Long-Term Calendar. (5 minutes) (Discussion)**
13. **Advisory Committee Member and Announcements: (5 minutes)** 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.
14. **Adjournment:** The next Community Advisory Committee meeting has been scheduled for 5:30 p.m. on Thursday, May 28, 2020 currently at the City of Woodland Council Chambers, located at 300 1st Street, Woodland, California 95695; however, this meeting may be held via teleconference.

The Valley Clean Energy Board has scheduled a special meeting for Thursday, May 14, 2020 at 4:00 p.m. via teleconference.

PUBLIC PARTICIPATION INSTRUCTIONS FOR UPCOMING VALLEY CLEAN ENERGY COMMUNITY ADVISORY COMMITTEE SPECIAL MEETING ON THURSDAY, APRIL 23, 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: VCEA Community Advisory Committee
FROM: Alisa Lembke, Board Clerk/Administrative Analyst
SUBJECT: CAC February 27, 2020 Meeting Minutes
DATE: April 23, 2020

Recommendation

Receive, review and approve the attached February 27, 2020 meeting minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE
MEETING
THURSDAY, FEBRUARY 27, 2020**

Chair Hunter opened the Community Advisory Committee of the Valley Clean Energy Alliance in regular session on Thursday, February 27, 2020 beginning at 5:31 p.m. at Davis Senior Center, Senior Activities Room, located at 646 A Street, Davis, California.

Welcome and Roll Call

Committee Members Present: Yvonne Hunter (Chair), Marsha Baird (Vice Chair), Christine Shewmaker, Mark Aulman, Lorenzo Kristov, Davis Springer

Committee Members Absent: Gerry Braun, Christine Casey

Approval of Agenda

Lorenzo Kristov made motion to approve the February 27, 2020 meeting Agenda, seconded by David Springer, motion passed with Gerry Braun and Christine Casey absent.

Public Comment / Introductions

There was no public comment.

Brief task Group and VCE staff Reports

Outreach Task Group: Mark Aulman reported that the Task Group is preparing their annual strategic outreach plan with a meeting tomorrow with Staff. Items to be reviewed include message development and areas of improvement. The Task Group recently reviewed and revised the frequently asked questions (FAQ) on the website, opt back in letter, and graphics for an energy efficiency page.

Leg/Reg Task Group: Chair Hunter reported that the Task Group continues to have their meetings with Staff and Pacific Policy Group.

Programs Task Group: Marsha Baird reported that the Task Group is trying to find a date every other week for a meeting.

Strategic Task Group: No Chair yet for this Task Group - to be determined.

Interim General Manager Mitch Sears reminded those present to be mindful of their health and safety due to the Coronavirus. Mr. Sears provided an update



of the Board's 2/13/20 Board meeting informing those present that the Board approved VCE's first Power Purchase Agreement (PPA) for a 50 MW project located in Kings County. Another PPA for 72 MW hopefully coming soon for the Board to review possibly at their April meeting. Mr. Sears continued with informing those present that the Board reviewed PG&E's offer of GHG-free attributes and the CAC's recommendation on this subject. The Board tabled the item and provided feedback after discussing with Staff. VCE Staff Gordon Samuel updated the CAC of the Board's discussion. Mr. Samuel informed those present that no ruling has been made by the California Public Utilities Commission (CPUC). Mr. Samuel also looked into the wavier language and reported that the wavier is related to the 2020 attributes only. Lastly, Mr. Sears shared that CAC Members Gerry Braun and Christine Shewmaker were recognized for their past (and present) service on the CAC.

Consent Items

Marsha Baird made a motion to approve the consent items, seconded by Mr. Aulman. Motion passed with Lorenzo Kristov abstaining and Gerry Braun and Christine Casey absent. The following items were:

1. approved January 23, 2020 regular meeting Minutes;
2. approved February 5, 2020 special meeting Minutes; and,
3. received the Customer Enrollment update as of February 20, 2020.

Discussion on local / regional renewable Request for Offers (RFO) solicitation criteria

Mr. Sears introduced this item and informed those present that he and Mr. Samuel met with Kate Kelly of Defenders of Wildlife and Stephanie Dashiell at the Nature Conservancy who attended via telephone. Mr. Samuel informed those present that he is looking for the CAC's input on key parameters to be included in the local/regional long term renewable request for offers (RFO) planned for issuance in late March / early April 2020. Ms. Samuel reviewed the purpose and goals of the local/regional RFO adding that preference should be given to new build and those projects that are in line with VCE's goals. He reviewed and received input on the following parameters:

1. Definition of local/regional resources – Suggestions were made to use weighting criteria to assess projects and to analyze the project of its economic, employment, benefits, etc. to Yolo County.
2. Siting criteria – Suggestions were made to look at Nature Conservancy and Defenders of Wildlife recommendations on how to assess the RFO on this criteria; look at whether the project is consistent with Yolo County's ordinance, land use, and conservation policies and plans; and, possibly consider parameters not outlined in the Staff Report, such as the ones provided by Defenders of Wildlife.
3. Development status criteria – Suggestion to also look at interconnection aspects of the proposed project.



4. Acceptable technologies – Suggestion were made that staff be open to looking at other technologies if provided in the proposal.
5. Existing versus new-build – Suggestion to possibly approach the agricultural community to building an array on idle farmland.
6. Timing – Suggestion to consider projects that are dual or multi-use of a site, such as a retention pond with solar or agricultural sites used to grow a crop and have solar.

Kate Kelly, consultant to Defenders of Wildlife provided two (2) handouts to those present: 1) Smart Green Energy Procurement Tools and 2) Environmental Risk and Resource Planning. Ms. Kelly works with Ms. Stephanie Dashiell (Nature Conservancy) educating others on “least conflict”. Least conflict is a concept where there are the least amount of natural resources and land use conflicts, for example wildlife, farmland, land use, water etc. She recommends that the criteria listed in a RFO for submitting a project be in line with VCE’s goals and standards, local conservation plans and community values.

Task Groups

Chair Hunter asked that each task group prepare their proposed charges/projects and assign a chair if not already designated, for the CAC’s review. If the task group is not currently “active”, then the task group is to provide a sentence or two briefly describing their charge. Chair Hunter asked that the drafts be sent to the Board Clerk by Wednesday, March 18th in order for the CAC to review at their March meeting.

Strategic plan

Mr. Sears introduced this item then turned over the slide presentation to VCE Staff George Vaughn. Mr. Vaughn reviewed the slides and informed those present that the Board reviewed the outline/framework at their February 13th Board meeting. The Board considered cadence, key rolls, and the roll of the CAC. The Board asked that the CAC review, support and provide feedback on a strategic plan drafts; and, assist with reaching out to stakeholders and customers for input. Mr. Sears informed those present that the Board has asked VCE Staff Jim Parks to create interview questions for key customers and the Board is looking for the CAC to attend and participate in these interviews. The information gathered would be provided to the Board to give them guidance in the development of the plan. Mr. Sears informed those present that the scheduled February 24th strategic planning meeting has been pushed to Monday, March 23rd when all Board Agencies are represented.

PCIA-ERRA Update

Mr. Sears informed those present that VCE Staff presented Power Charge Indifference Adjustment (PCIA) and Energy Resource Recovery Account (ERRA) information to the Board at their February 13th meeting. The slide deck that Mr. Sears shared with the Board has been updated and is being presented to



the CAC. Mr. Sears informed those present that VCE Staff, Tim Lindl of Keyes & Fox, and East Bay Community Choice (EBCC) staff met with four (4) of the five (5) California Public Utility Commissioners' (CPUC) offices to speak with staff about Power Charge Indifference Adjustment (PCIA) impacts to CCAs. Staff heard the CCA issues of the difficulty for CCAs to be viable, such as VCE, who is newer of the CCAs; and, the PCIA increase is a non-starter for newer CCAs.

Mr. Sears reviewed slides explaining the background of PCIA, PCIA volatility, the effects of PCIA on VCE revenue, staff's analysis, fiscal year 2020/2021 impacts explained in three different scenarios, mitigation strategies, and conclusions based on staff's preliminary assessment.

Those present discussed: why PCIA is being increased, whether there is a market for PG&E to sell of their excess load departure, will generation rates go up or down, when PCIA will terminate, when CCAs will have more information on the increase, ideas on mitigation strategies, .

**Long Term
Calendar
Advisory
Committee
Member and Staff
Announcements**

Board Clerk Alisa Lembke pointed out to those present that two of the Board's meeting have been scheduled in the City of Winters at the Fire/Police Station. Christine Shewmaker announced that SB 100 would be under attack soon due to a new bill: AB 1941 (Gallagher), which is proposing 1) to pause the Renewable Portfolio Standard (RPS) program, which would allow PG&E to focus monies on fixing the grid; 2) large hydro within the top 40% would combine down within the 60% range; and, 3) bioenergy purchased so would have to continue to purchase it. Chair Hunter will ask the Legislative/Regulatory Task Group to look into it.

Mr. Sears informed those present that staff is asking the Board to appoint Winters residents to the CAC possibly at their March meeting: current Yolo County member David Springer and another Winters resident. This would leave two (2) vacancies for the unincorporated areas of Yolo County. Board Chair Saylor has been advised.

Ms. Lembke informed those present that the Board's special meeting / Strategic Planning workshop scheduled for March 23rd will not be held at the City of Woodland Council Chambers as VCE's Board agenda announcements states. Ms. Lembke is looking for a more informal setting. Mr. Sears informed those present that he hopes to have a draft workshop agenda prepared for the Board's March 12th special meeting which starts at 4 p.m., not 5:30 p.m.



**Adjournment to
Next Meeting**

Meeting adjourned at 7:48 p.m. to the next regular scheduled CAC meeting also the IRP Workshop for Thursday, March 26, 2020 at 5:30 p.m. at the City of Woodland Council Chambers, located at 300 1st Street, Woodland, Davis Senior Center – Senior Activity Room, located at 646 A Street, Davis, California.

Alisa Lembke
Board Clerk/Administrative Analyst

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

TO: VCEA Community Advisory Committee
FROM: Mitch Sears, Interim General Manager, VCEA
SUBJECT: Customer Enrollment Update (Information)
DATE: April 23, 2020

RECOMMENDATION

Receive the Customer Enrollment update as of April 15, 2020.

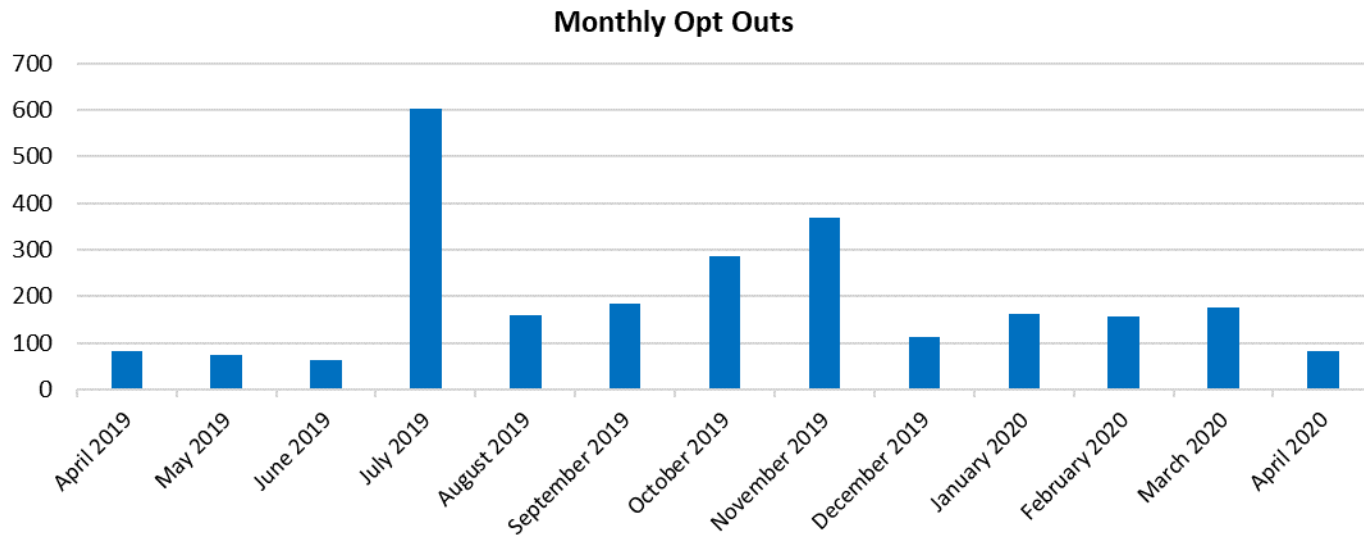
Attachment:

1. April 15, 2020 Customer Enrollment update

Item 10 - Enrollment Update

	Davis	Woodland	Yolo Co	Total	Ag	Commercial	Industrial	Residential
VCEA customers	26,101	19,204	9,854	55,159	1,788	5,786	5	47,580
Eligible customers	27,650	22,049	11,675	61,374	2,071	6,427	6	52,870
Participation Rate	94%	87%	84%	90%	86%	90%	83%	90%

- There are currently 4,182 NEM customers not included in this table. They will enroll throughout the remainder of 2020.

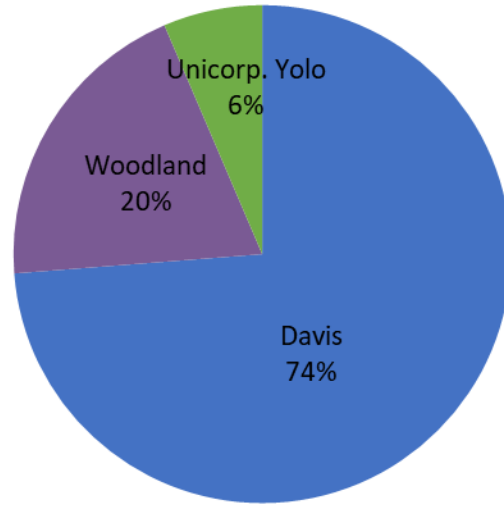


Status Date: 4/15/20

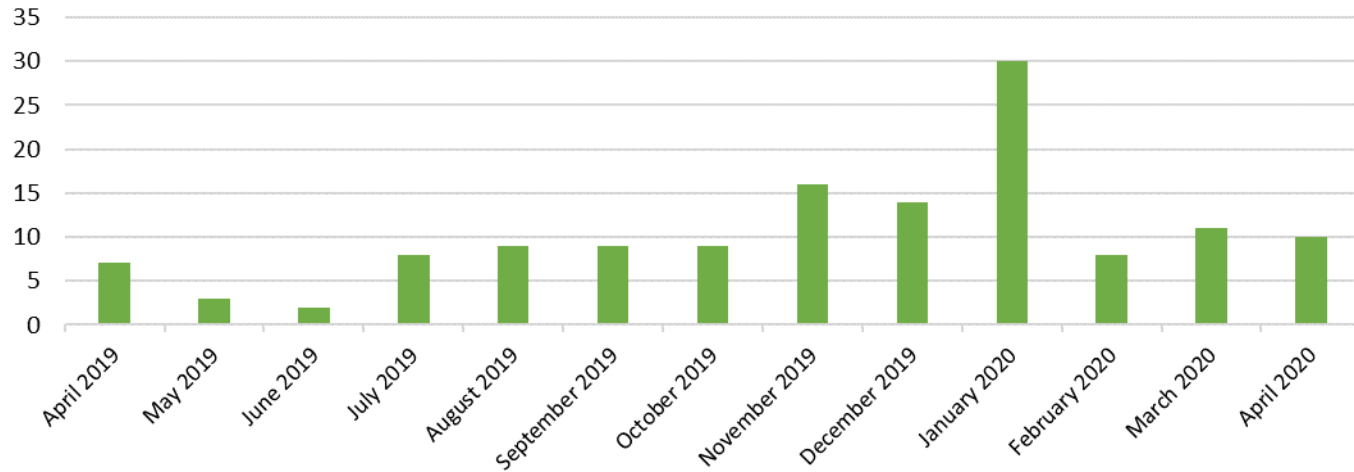


Item 10 - Enrollment Update

202 Opt Ups



Monthly Opt Ups



Status Date: 4/15/20



VALLEY
CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

TO: Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Gordon Samuel, Assistant General Manager & Power Director
George Vaughn, Director of Finance & Internal Operations

SUBJECT: Potential policy strategies for fiscal year 2020/21

DATE: April 23, 2020

RECOMMENDTION

1. Provide feedback on potential policy strategies for fiscal year 2020/21 to help inform analysis and Board recommendations.

OVERVIEW

The purpose of this report is to provide information on several potential policy strategies that may help offset anticipated reduced net income in future budget cycles and help bridge the gap until lower cost long-term renewable energy contracts come on-line in late 2021/2022. Staff is seeking feedback from the Committee to help inform analysis and Board recommendations. Preliminary financial analysis associated with the potential strategies is introduced, which will be analyzed in more depth for the Board' preliminary fiscal year (FY) 2020/21 budget discussion in May; final adoption of the 2020/21 FY Budget is scheduled for the June 11th Board meeting.

BACKGROUND AND ANALYSIS

FY 2020/21 Budget

At the April 2020 Board meeting staff presented the FY2020/21 Preliminary Budget, which forecasts a negative Net Income of -\$5.6 million. This forecast is due primarily to two major factors that are both outside of VCE's direct control:

1. PCIA and PG&E generation rates. The Power Charge Indifference Adjustment (PCIA) is forecasted to increase an estimated 44% increase in 2020 and PG&E generation rates are forecast to decrease an estimated 4%.
2. Resource Adequacy (RA) and short-term renewable contracts. VCE faces higher power costs due to significant increase in resource adequacy (RA) costs and the assumption that the upcoming long-term solar projects will not begin delivering energy until the end of 2021 instead of mid-2021 as originally forecast.

Additional detail on these primary drivers includes:

PCIA/Rates – The revenue decline is driven by the following rate impact factors:

- a. PCIA will increase by 18% to approximately 3.2 cents per kWh starting May 2020 and will increase an additional 44% to approximately 4.6 cents per kWh starting in October 2020 due to the expectation that PG&E will file a cap exception trigger in 2020. Note: VCE, through CalCCA, is investigating options to defer and/or smooth this PCIA spike in late 2020. Staff will continue to be engaged in this discussion and report to the Board as these issues move through the CPUC process.
- b. PG&E generation rates are forecast to decrease by an overall average of 4% for calendar year 2020 and then increase 2% in calendar year 2021; this results in a revenue decline as VCE's policy is to match PG&E generation rates. PG&E generation rates are difficult to forecast – these forecast rates are based on the best available information and Staff generally considers them to be cautious.

Power Costs/Mix – Power costs have increased substantially from 2020 Budgeted amounts to the preliminary 2021 Budget power cost forecast. The increase of \$9.4 million is due primarily to the market cost of RA increasing substantially over the past several years. Primary drivers for RA cost increases in this time period include a tightening market as fossil fuel baseload energy resources are retired and shifting market rate design and requirements mandated by the CPUC. Other less significant contributing factors impacting VCE power costs include:

- Adding Winters load (approx. 5% load increase)
- Renewable Energy Credit (RECs) cost increase
- Carbon-free energy cost increase
- Brown power market cost decrease

Resource Adequacy regulatory and market volatility have presented significant challenges for the industry, with CCAs across the state also grappling with the issue. VCE and SMUD actively monitor and manage the long-term portfolio of RA to remain compliant with requirements and to procure power in as cost-effective way as possible. VCE also addresses RA cost volatility through direct participation and CalCCA involvement in regulatory proceedings.

Preliminary 2021 Budget Key Assumptions/Factors

The Preliminary 2021 Budget includes the following key assumptions/factors:

1. Power mix reflected in the Preliminary 2021 Budget remains unchanged from the prior year's budget with 42% renewable and 75% clean content.
2. The load forecast has been updated for 2020 and 2021 using actual load data, opt-out rates and opt-up rates. The retail load forecast for the FY 2021 is estimated at 722 GWh.
3. Energy cost includes: (1) system energy, (2) eligible renewables and (3) carbon free attributes which are estimated at \$37.6 million, or 73.9% of the total power costs. Resource adequacy cost is forecasted at \$13.3 million, or 26.1% of the total power costs.

Update on PCIA

As stated in the March 12, 2020 Board PCIA staff report, the CPUC issued its Final Decision on PCIA & ERRRA. This decision largely adopted the Proposed Decision (PD), recommendations but did include approximately \$93 million in overall PCIA reductions for PG&E. This \$93 million

reduction was one of the topics VCE and EBCE addressed in its joint meetings at the CPUC in February 2020. Note: PG&E has submitted a challenge opposing the CPUC decision on this reduction and is seeking to reduce the amount to approximately \$60 million – a decision is pending.

Staff has analyzed the impacts of the \$93 million reduction in PCIA. The overall positive impact on the VCE 2021 Budget is an increase of \$0.8 million in operating revenue, lifting negative Net Income from -\$6.4 million to -\$5.6 million (12.5% change).

Potential Policy Strategies

Staff have begun researching and analyzing potential policy strategies to partially mitigate the negative net income highlighted in the preliminary FY 2020/21 Budget summary. The potential policies may be employed individually or in combination to off-set projected negative net income. In addition to the discussion below, staff has attached a summary table outlining several factors associated with each potential policy change (i.e. estimated fiscal impact, timing, etc.) (Attachment 1). Note: fiscal reserves will allow VCE to buffer PCIA and cost increases over the short-term. Therefore, while reserves can cushion the potential impact, early consideration and implementation of policy strategies may be fiscally advantageous.

Staff is seeking feedback from the Committee on the following potential policy strategies to help inform analysis and Board recommendations. Note: staff has not formed recommendations or priorities at this stage of analysis.

1. Rate Changes

Potential options:

- a. VCE could increase its combined generation rate (generation, PCIA and Franchise Fee Surcharge), above PG&E's generation rates. For every 1% that VCE's rates are above PG&E's generation rates, revenue will increase by approximately \$800,000.
- b. Add a third choice for customer rates that could be set near the minimum State standards for renewable energy content. This would allow customers the option to choose a more cost-effective rate (perhaps set at PG&E's generation rate), while maintaining VCE's other two current rate options that deliver higher renewable and GHG free attributes at a premium. This approach has been employed by Clean Power Alliance (LA/Ventura CCA).

2. Power Resource Planning Adjustments

Potential options:

- a. Currently VCE's long-term renewable PPA's are anticipated to begin delivering energy and associated RA in mid-2021, displacing more expensive existing short-term renewable contracts (PCC1) and GHG free resources. Staff is analyzing the timing of these power deliveries in 2021 and when to dial back the existing short-term contracts. Aligning the actual start dates and end dates may result in a period where overall renewable and GHG levels in VCE's portfolio are much lower but averaged out to meet VCE's goals over a 2 or 3 year period as the higher levels of renewables from the long-term contracts come on-line. These power resource

planning adjustments may result in a net cost savings over this 2-3 year period while still meeting VCE's regulatory compliance requirements. Staff analysis of the potential savings, which are dependent on timing of the adjustments and the level of transition out of short-term contracts, indicates VCE could save several million dollars over a 2 to 3 year period while still meeting VCE's renewable goals and state renewable standards.

3. Additional Policy Levers

- a. Accept the GHG-free large hydro and nuclear allocations from PG&E, at a potential benefit of \$0.5 million and \$0.8 million respectively. As the analysis previously presented to the CAC and Board indicates, these savings are speculative and would only be realized if a market exists in which to realistically sell these characteristics.
- b. Seek additional reductions in operating expense beyond those already captured. Although VCE has already crafted an operating budget that is lower than the current FY 2020 Budget, staff could present a set of more austere measures that could result in additional incremental operational expense savings. The scale of these measures would represent the smallest potential savings of the mitigation options outlined in this report.

CONCLUSION

Staff is seeking feedback from the CAC on these sets of policy options for consideration by the Board as part of its May discussion on the FY 2020/21 preliminary budget.

ATTACHMENT

1. Potential Policy Options – Table

ATTACHMENT 1 - Potential Policy Options Table

Policy	Potential Savings	Ease of Implementation	Timing	Notes/Other Considerations
Rate Change – Rate Increase	\$800,000 to \$2.4 million	Medium-high difficulty due to outreach efforts and opt-out risk	Could start shortly after BOD approval and start seeing immediate revenue impact	Revenue increase is \$800K per 1% change – assume 1-3% target for Potential Savings
Rate Change – Add'l Rate Class	\$0.25 to \$1.5 million	Medium to high difficulty due to complexity of the roll-out and communication efforts	Could start shortly after BOD approval and start seeing immediate revenue impact	Example scenario assumes ag rates would be slightly below PG&E gen rate; commercial would be at PG&E rate; and residential slightly above higher than PG&E. Other scenarios possible
Power Resource Planning Adjust.	\$0 to \$3.4 million	Low end of the range less difficult	Throughout fiscal year '21 – '22	Power Content Label impacts; Will require BOD approval
GHG Free – Large Hydro	\$0 to \$540,000	Low end of the range less difficult	Q3-Q4 2020	Volume is unknown; market interest/ability to resell may be low
GHG Free – Nuclear	\$0 to \$840,000	Low end of the range less difficult	Q3-Q4 2020	Volume is unknown; market interest/ability to resell may be low; reputational risk
Operations Reductions	\$25,000 to \$100,000	Low end of range less difficult; high end of range difficult	Impact spread throughout FY 2021 budget	Significant strategic trade-offs between program effectiveness and marginal cost savings

Notes:

1. Policies not listed in priority order.
2. Combination of policies possible.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 8

TO: Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Jim Parks, Director of Customer Care and Marketing

SUBJECT: Overview of Proposed Net Energy Metering (NEM) Donation Program

DATE: April 22, 2020

BACKGROUND

Members of the CAC and VCE board have requested that a NEM donation program be developed. The concept is to allow NEM customers, with outstanding balances exceeding \$100 at their annual true-up, to donate the balance to charity. A draft concept has been developed for discussion (attached).

When NEM customers were tried up in 2019, only 5 customers had balances exceeding \$100, with a total balance of \$5,986. At the February 2020 true up, 64 customers had balances exceeding \$100 for a total of \$21,924. With the incoming legacy NEM customers, the potential for donations will continue to rise.

DISCUSSION

Both the Outreach Task Group and the Programs Task Group have reviewed the concept (attached) and provided comments (see below). Staff recommends reviewing the draft concept first to provide context to the comments list below.

- On having Habitat for Humanity and Yolo Food Bank as our choices for donations –
 - Great choices. Let's keep the list short. Some, if not many recipients may prefer to take the \$ and make their own donations.
 - Only one or two is too limited. Perhaps a goal of having five options? This may increase the back-end administration, but it is better.
 - Maybe ask the board for ideas on other worthwhile charities? There are many worthwhile charities serving Yolo customers. Like STEAC, Empower Yolo and Yolo Crisis Nursery.
 - When this idea was originally discussed at a CAC meeting, the idea was to have the excess donated to VCE programs. We could let the customer decide if they prefer to give the excess to charity, as they would not get a charitable deduction for donating to VCE programs.

- Donations should focus on things that are aligned with VCE’s mission or help one of VCE’s programs. Examples charities include Grid Alternatives (solar installation training), Civic Spark (fund a Spark fellow to help with VCE work).
 - Promotion of energy efficiency, renewables, and electrification in low income communities.
 - I am skeptical about having the funds donated to a VCE program, as at this time, we do not really have a specific program that would work. (like a low-income program or energy efficiency program). And, given the current environment related to COVID-19 and families struggling to pay rent and buy food, it seems absolutely appropriate to designate specific charities as recipients for the funds.
- For customers with large balances, is it possible to offer them the option to donate some of their credit balance but not all?
 - How hard would it be to send a letter each year reminding customers of their choice and giving them the option to change? If no response, it’s the same as the previous year. I can imagine that people would not remember their choices year over year and VCE might change the charities/programs from time to time.
 - Adopt a policy that extends beyond NEM. Allow customers to donate dividends—get the donation policy in place before we start paying dividends.

The NEM Donation Program could be the start of a broader donation program that could include donating dividends or providing personal contributions. Starting with a smaller-scale program reduces risk and allows us to expand at a controlled rate.

This agenda item is to gather input from the full CAC prior to sending this to the board for discussion and possible approval.

NEM Donation Program

Background

Most solar net energy metered (NEM) customers pay their electricity bill once per year. This is called an annual true-up. Depending on a customer's annual solar production at true-up, a customer may owe money, or if they generate excess energy, VCE may owe them money.

When a customer's true-up credit balance exceeds \$100, VCE pays the customer. For credit balances less than \$100, the balance rolls over as a credit on the customer's bill.

Description

VCE would like to offer eligible NEM customers the opportunity to donate their NEM credits to charity. Eligible customers will be notified via email and/or regular mail and will be given the opportunity to donate their NEM credits to charity or to receive a check from VCE. A reply sheet and postage paid envelope will be included in the letter to facilitate an easy response.

If a customer selects to donate their NEM credits to charity, the charitable organization will be provided with the customer's name, address, and amount of donation so a charitable donation receipt can be sent.

Benefits

- Provides funding to local charitable organizations
- Provides a tax deduction to the donor
- Creates community good will towards VCE
- Reduces the number of checks VCE has to write

Potential

After the first year of VCE operation, there were 5 customers with credits exceeding \$100. The total amount of credits exceeding \$100 was \$5,986.

During the second year of VCE service, there were 64 customers with balances exceeding \$100. The total credit balance for those customers was \$21,924.

The number of NEM customers with outstanding credit balances is expected to grow dramatically as VCE adds over 6,000 NEM customers in 2020. Additional customers

will continue to be added through new installations in existing buildings as well as new construction.

Charities

Customers can choose between two (three?) charities:

Yolo Food Bank
233 Harter Ave
Woodland Ca 95776-5917

Habitat for Humanity International Inc
PO Box 1310
West Sacramento CA 95691-1310

Energy Help? – this is to be determined, but would include installation of energy efficiency measures and bill pay assistance to income qualifying customers.

The charities were chosen because they are both local; one with a regional outreach, the other with international outreach, but focused on the region. Both charities provide services to underserved populations in need of assistance.

Mechanics

VCE will send a letter to all NEM customers with a postage paid envelope and return form with the following information and return request:

Upon true-up of your solar Net Energy Metered (NEM) account, if your NEM credit is greater than \$100, how would you like us to process the credit? Your designation will be used for future true-ups unless you contact us to change your selection.

1. Leave the credit on my account to roll over to future bills.
2. Receive a check from Valley Clean Energy for the full credit amount.
3. Donate the credit to charity. If yes, select one of the charities:
 - a. Habitat for Humanity
 - b. Yolo Food Bank

If you choose option 3, VCE will donate funds in your name and will provide the agency with your name and address so they can send you a donation receipt.

Customers that do not return the form will automatically be enrolled in Option 2 and will receive a check for outstanding solar credits exceeding \$100. Credits under \$100 will stay on the customer account as a credit against future bills.

Considerations

- Tracking - VCE must keep track of the donors and provide donor information to selected charities
- Payments to charities - VCE will need to pay charities on a regular basis
- Verification – VCE will need to ensure the charity sends tax-deductible receipts to donors
- SMUD will mark the NEM accounts with the option the customer chooses so the exercise will not need to be repeated every year.

DRAFT

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report - Item 11

TO: VCEA Community Advisory Committee

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

SUBJECT: Review and approve Task Groups “Charge” for 2020

DATE: April 23, 2020

At the CAC’s January 23, 2020 meeting, task groups were formed and at the February 27, 2020 meeting, Chair Hunter asked that each task group prepare a list of tasks/projects and/or “charge” for 2020. The purpose of this report is to transmit the draft charges for the CAC’s review and approval.

Attached are the following draft task group charges:

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

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

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

Attachments

CAC LEG/REG TASK GROUP
Proposed 2020 Charge

Proposed 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 12

TO: VCE Community Advisory Committee
FROM: Alisa Lembke, Board Clerk/Administrative Analyst
SUBJECT: Board and CAC 2020 Long Range Calendar
DATE: April 23, 2020

Please find attached the 2020 Board and Community Advisory Committee (CAC) Long Range Calendar. It lists upcoming meetings and proposed topics for discussion.

Please make suggestions if there are additional topics you wish to add.

Attachment:

1. 2020 Board and CAC Long Range Calendar

VALLEY CLEAN ENERGY

2020 Meeting Dates and *Proposed* Topics – Board and Community Advisory Committee

MEETING DATE		TOPICS	ACTION
January 9, 2020	Board WOODLAND	•	•
January 23, 2020	Advisory Committee WOODLAND	•	•
February 13, 2020	Board DAVIS	• Power Purchase Agreement	• Action
February 27, 2020	Advisory Committee DAVIS	• Task Groups – Present Tasks/Projects • Update on Regulatory Assistance Project	• Informational • Informational
March 12, 2020	Board WOODLAND	• Preliminary FY20/21 Operating Budget (Regular) • GHG-free attributes • Local/Regional Renewable RFO solicitation	• Review • Action • Informational
Monday, March 23, 2020 Special Board Meeting / Strategic Planning CANCELLED	Board WOODLAND Community & Senior Center, Meeting Room #3	• Strategic Plan • To be rescheduled for a future date	• Discussion/Action
March 26, 2020 IRP workshop CANCELLED	Advisory Committee WOODLAND	• Integrated Resource Plan (IRP) workshop (to be rescheduled - due date is now September 1, 2020)	• Information
April 9, 2020 Via Teleconference	Board DAVIS	• Local / Regional Renewable Request for Officers (RFO) solicitation • River City Bank Revolving Line of Credit • Power Purchase Agreement	• Action • Action • Action

April 23, 2020 Via Teleconference	Advisory Committee DAVIS	<ul style="list-style-type: none"> Review Task Groups' projects/tasks "charge" for 2020 	<ul style="list-style-type: none"> Action
May 14, 2020 Via Teleconference	Board WINTERS	<ul style="list-style-type: none"> Appoint City of Winters seats to CAC 	<ul style="list-style-type: none"> Action
May 28, 2020	Advisory Committee WOODLAND	<ul style="list-style-type: none"> Information related to 2021 Integrated Resource Plan Update Review Draft Integrated Resource Plan (IRP) / Public Workshop, CAC to provide recommendation 	<ul style="list-style-type: none"> Information Informational / Action
June 11, 2020	Board DAVIS	<ul style="list-style-type: none"> Final Approval of FY20/21 Operating Budget Extension of Waiver of Opt-Out Fees for one more year (??) Re/Appointment of Members to Community Advisory Committee Review Draft Integrated Resource Plan and CAC Recommendation (IRP due 9/1/20) 	<ul style="list-style-type: none"> Approval Action Action
June 25, 2020	Advisory Committee DAVIS	<ul style="list-style-type: none"> Information related to 2021 Integrated Resource Plan Update 	<ul style="list-style-type: none"> Discussion
July 9, 2020	Board WOODLAND	<ul style="list-style-type: none"> Adoption of Integrated Resource Plan (due September 1, 2020) SMUD Amendment to Contract re: VCE Collections Policy 	<ul style="list-style-type: none"> Action Action
July 23, 2020	Advisory Committee WOODLAND	<ul style="list-style-type: none"> Information related to 2021 Integrated Resource Plan Update 	<ul style="list-style-type: none"> Discussion
August 13, 2020	Board DAVIS		
August 27, 2020	Advisory Committee DAVIS	<ul style="list-style-type: none"> Revised Procurement Guide – Review 	<ul style="list-style-type: none"> Discussion
September 10, 2020	Board WOODLAND	<ul style="list-style-type: none"> Residential Time of Use Rate Classes Report Discussion on River City Bank Revolving Line of Credit 	<ul style="list-style-type: none"> Information/Discussion Discussion

September 24, 2020	Advisory Committee WOODLAND	<ul style="list-style-type: none"> Committee Evaluation of Calendar Year End (Draft Report) Revised Procurement Guide – Review Draft Recommendation 	<ul style="list-style-type: none"> Discussion Discussion
October 8, 2020	Board WINTERS	<ul style="list-style-type: none"> Approval of FY19/20 Audited Financial Statements (James Marta & Co.) River City Bank Revolving Line of Credit 	<ul style="list-style-type: none"> Action Discussion/Action
October 22, 2020	Advisory Committee DAVIS	<ul style="list-style-type: none"> Committee Evaluation of Calendar Year End (Draft Report) Revised Procurement Guide- Review Draft Recommendation 	<ul style="list-style-type: none"> Discussion Discussion
November 12, 2020	Board WOODLAND	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
November 26, 2020 Thanksgiving Holiday – Rescheduled to 3 rd Thursday, November 19, 2020	Advisory Committee WOODLAND	<ul style="list-style-type: none"> Committee Evaluation of Calendar Year End (Draft Report) Revised Procurement Guide – Finalize Recommendation to Board 	<ul style="list-style-type: none"> Discussion Action: Recommendation to Board
December 10, 2020	Board DAVIS	<ul style="list-style-type: none"> Election of Officers for 2020 	<ul style="list-style-type: none"> Nominations
December 24, 2020 Rescheduled to 3 rd Thursday, December 17, 2020	Advisory Committee DAVIS	<ul style="list-style-type: none"> Election of Officers for 2020 Finalization of Committee Calendar Year End Report 	<ul style="list-style-type: none"> Nominations Approve Report
January 14, 2021	Board WOODLAND	<ul style="list-style-type: none"> Receive CAC Calendar Year End Report Approve Revised Procurement Guide 	<ul style="list-style-type: none"> Receive Report Action
January 28, 2021	Advisory Committee WOODLAND	<ul style="list-style-type: none"> Review and Discuss Task Groups 	<ul style="list-style-type: none"> Discuss/Action

Note: CalCCA Annual Meeting 11/16-11/18, San Jose.