



**Special Meeting of the Community Advisory Committee (CAC)  
of the Valley Clean Energy Alliance (VCEA)  
Integrated Resource Plan Workshop  
and Meeting  
Thursday, May 28, 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. 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/81559750454>

Meeting ID: 815 5975 0454

- b. By phone:

One tap mobile

+16699009128,,81559750454# US

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Dial

+1 669 900 9128 US

+1 253 215 8782 US

Meeting ID: 815 5975 0454#

**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 PM 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.

**INTEGRATED RESOURCE PLAN WORKSHOP**

- 4. Receive update on the 2020 Integrated Resource Plan (IRP). Consider alternative IRP resource portfolios; and, make recommendations to the Board of Directors on adoption of a 2020 IRP for submission to the California Public Utilities Commission. (Discussion/Action) (60 minutes)**

**CONSENT AGENDA (5 minutes)**

- 5. Approval of April 23, 2020 Special Meeting Minutes.**
- 6. Receive Customer Enrollment Update as of May 21, 2020.**
- 7. Recommend approval of VCE Legislative Platform.**

**REGULAR AGENDA**

- 8. 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. 5/14/2020 Board meeting Summary**
  - C. Staff Report**



9. **Receive update and consider approval of policy strategy adjustments to plan for incorporation of long-term renewable contracts into VCE's portfolio and to address fiscal year 2020/21 PCIA and Resource Adequacy cost impacts. (Action ) (30 minutes)**
10. **Receive and update Community Advisory Committee 2020 Long-Term Calendar, including discussion of future meeting time and "location". (5 minutes) (Discussion)**
11. **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.
12. **Adjournment:** The next Community Advisory Committee meeting has been scheduled for 5:30 p.m. on Thursday, June 25, 2020 at the City of Davis Senior Center, Senior Activity Room, located at 646 A Street, Davis, California 95616; *however, this meeting may be held via teleconference.*

The Valley Clean Energy Board has scheduled a special meeting for Thursday, June 11, 2020 at 4:00 p.m. via teleconference.

**PUBLIC PARTICIPATION INSTRUCTIONS FOR UPCOMING VALLEY CLEAN ENERGY COMMUNITY  
ADVISORY COMMITTEE SPECIAL MEETING ON THURSDAY, MAY 28, 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](mailto: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](mailto: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](mailto:Alisa.Lembke@ValleyCleanEnergy.org)

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 4

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

**FROM:** Mitch Sears, Interim General Manager  
Gordon Samuel, Assistant General Manager/Director of Power Services  
Olof Bystrom, Sacramento Municipal Utility District (SMUD)

**SUBJECT:** Integrated Resource Plan (IRP) Update

**DATE:** May 28, 2020

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#### **RECOMMENDATION**

Review alternative IRP resource portfolios and provide feedback on resource choices and potential Action Plan.

#### **BACKGROUND**

VCE is required by the California Public Utilities Commission (CPUC) to prepare an IRP for the supply of energy in the period from 2020 to 2030. The objective of the IRP is to provide guidance for VCEA's Board, executive management, and the public regarding the relative power supply cost impact of various long-term resource options for meeting electric demand in the 2020-2030 period and to ensure that these options are strategically aligned with VCEA's short and long-term vision. VCE filed its first IRP in August 2018. The 2020 IRP is due to the CPUC by September 1, 2020 and includes some new requirements compared to the 2018 IRP.

Staff, supported by SMUD, conducted an IRP workshop in December 2019, seeking inputs on preferable IRP resource portfolios from the CAC and the public. Following that initial workshop, SMUD developed four resource portfolios. VCE must file at least two alternative resource portfolios with the CPUC – one that meets a maximum greenhouse gas target of 156,000 tons of CO<sub>2</sub> per year by 2030 and one portfolio that meets a tighter emissions goal of 129,000 metric tons of CO<sub>2</sub> per year by 2030. The main compliance planning goal is the higher greenhouse gas goal, but in a decision in March 2020, the CPUC also required load serving entities such as VCE to also submit a second portfolio reflecting a tighter emission target.

The presentation enclosed with this report also outlines items to consider in a 1 to 3 year Action Plan which is mandated by the CPUC. Staff is seeking inputs from the CAC on what items should be considered in the Action Plan.

Between now and July, staff will be preparing a formal IRP report and Action Plan. The final report, following review and inputs from the CAC and the Board, will be adopted at the latest in August 2020 and will be submitted to the CPUC by September 1.

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report - Item 5**

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**TO:** VCEA Community Advisory Committee  
**FROM:** Alisa Lembke, Board Clerk/Administrative Analyst  
**SUBJECT:** CAC April 23, 2020 Meeting Minutes  
**DATE:** May 28, 2020

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**Recommendation**

Receive, review and approve the attached April 23, 2020 meeting minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE  
SPECIAL MEETING  
THURSDAY, APRIL 23, 2020  
VIA TELECONFERENCE**

Chair Hunter opened the Community Advisory Committee of the Valley Clean Energy Alliance in a special meeting on Thursday, April 23, 2020 beginning at 5:05 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, Christine Casey David Springer (arrived 5:24 p.m.), and Lorenzo Kristov (arrived at 5:34 p.m.)

Committee Members Absent:

**Item 2: Approval of Agenda** Mark Aulman made a motion to approve the April 23, 2020 meeting Agenda, seconded by Chris Casey, motion passed with David Springer and Lorenzo Kristov absent.

**Item 3: Public Comment / Introductions** There were no written or verbal public comments.

**Item 4: Brief task Group and VCE staff Reports** **Task Group Reports**

Outreach Task Group: Mr. Aulman reported that the Task Group reviewed several materials: draft Net Energy Metering (NEM) Donation Program and FERA/CARE Press Release.

Programs Task Group: Marsha Baird reported that the Task Group is meeting every other week with Staff discussing various program options and reviewing the 5-year plan. The Task Group also reviewed the programs budget and looked at the education/supplemental rebate programs for low income.

Strategic Task Group: Gerry Braun reported that the 2020 charge was prepared and the Task Group is ready to assist in the strategic planning process once it moves forward.

Rates Task Group: Mr. Braun informed those present that CAC member Lorenzo Kristov will be the chair of this Task Group and that Mr. Kristov prepared the proposed 2020 charge.



Leg/Reg Task Group: Chair Hunter reported that the Task Group is meeting every other week with VCE's lobbyist and Staff. She noted that copies of the most recent VCE legislative letters have been posted to the website and thanked Staff for posting them.

**4/9/2020 Board meeting summary**: VCE Interim General Manager Mitch Sears reported that the Board approved the local request for offers (RFO) for renewable solicitation which was distributed and made public on Monday, April 20, 2020. VCE is already receiving responses. Mr. Sears reported that Staff reviewed with the Board VCE's response to the Covid-19 crisis and reviewed with them the proposed fiscal year 2020-2021 operating budget.

**Staff Reports**: Mr. Sears reported that he attended a CalCCA call this morning on Covid-19 issues. He reported that at East Bay's recent meeting, they accepted large hydro attributes but not the nuclear attributes from PG&E. He reported that the East Bay Board approved a different approach to their clean power portfolio in which they are not procuring large hydro next year; however, for the remainder of 2020, they will be aggressive in their renewable portfolio. Christine Shewmaker asked staff if the California Public Utilities Commission (CPUC) has approved PG&E's attribute offer letter. Mr. Sears reported that they have not yet, but it is anticipated to be addressed at their early May meeting.

Mr. Braun reported that the City of Davis Council has decided to approve a large solar project within the City's limits, this project has become a controversial issue.

**Items 5 – 6: Consent Items**

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

1. February 2, 2020 meeting Minutes; and,
2. customer enrollment update as of April 15, 2020.

There was no public comment on these items.

**Item 7: Policy Strategies – Potential Options to address possible future fiscal impacts related to regulatory and market volatility (Discussion)**

Mr. Sears reviewed the background 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. The purpose of this item is for staff to receive feedback from the Committee to help inform analysis and Board recommendations in line with adopting the operating budget at the Board's June meeting. Mr. Sears reviewed: preliminary operating budget information for fiscal year 2020-2021; key assumptions/factors for 2021; and, potential policy strategies including rate changes, power resource planning adjustments, and other potential mitigation strategies. Mr. Sears reviewed potential policy strategies chart showing the potential policies, potential savings, ease of implementation, timing and other notes/considerations of each policy if adopted.





Several questions were asked about increasing VCE's generation rates; the revenue generated from the increase; and, the potential opt out rate of customers due to an increase if that is what is decided. Other potential policy strategies were discussed: power resource planning adjustment, power charge indifference adjustment (PCIA) costs, rate setting authority and classes within each rate to assist customers, long term renewable power contracts, price and cost of renewable offerings, resource adequacy, the effects on load demand and cost of natural resources due to Covid-19, potential effects to the power content label, and, economic impact to agencies 6 to 12 months out.

Mr. Sears reminded the CAC that VCE has an advantage working with SMUD, who are facing the same issues. VCE is benefiting from their analysis and resources. Mr. Sears will take the CAC's feedback and fold it into a set of recommendations for the CAC's review at their next meeting.

There was no public comment on this item.

**Item 8: Overview of Proposed NEM-Credit Donation Program (Informational)**

VCE Staff Jim Parks provided an overview and the development of the proposed Net Energy Metering (NEM) credit donation program, of which the Outreach and Programs Task Groups have reviewed and provided input on the draft. It is unknown at this time what the administrative costs of this program are.

CAC members encouraged that this program support VCE's mission and goals.

There was no public comment on this item.

**Item 9: Update and discussion about VCE responses to COVID-19 and potential impacts on VCE load projections. (Informational)**

Mr. Sears reviewed a variety of actions and responses that VCE has taken due to the Covid-19 crisis. It was suggested that VCE staff reach out to the local chambers of commerce to let businesses know that FERA/CARE programs are available to those who lost their jobs. Mr. Sears reminded those present that these two programs are based on income moving forward, not on past income. Lastly, VCE has been working with local agencies to identify critical facilities; Staff have been working remotely from home; and, have been meeting virtually two times a day.

Mr. Sears reported that CCAs are supporting their communities with donations, deferrals of collections and offering direct customer support programs. Mr. Parks informed those present that it is unknown at this time how many VCE customers are behind payments; however, SMUD is estimating 8% of its customers.

There was no public comment on this item.

**Item 10: Update on VCE Strategic Planning process (Informational)**

Mr. Sears informed those present that a strategic plan worksheet had been sent out to the Board and to the CAC members seeking their input by May 4<sup>th</sup>. The process is on hiatus due to the Covid-19 crisis. The Board would like an in-person meeting to start discussing the strategic planning process. There was no public comment on this item.



**Item 11: Review and approve Task Group draft charges for 2020**

There was no public comment on this item. Christine Shewmaker made a motion to approve the Task Group 2020 charges as submitted, seconded by Mark Aulman. Motion passes unanimously.

**Item 12: Long Term Calendar**

Ms. Shewmaker asked when VCE would need “interest” letters from those members whose CAC appointment expires in June 2020. Board Clerk Alisa Lembke responded with prior to the next CAC meeting as the Board will be reappointing/appointing members at their June Board meeting.

**Advisory Committee Member and Announcements**

Chair Hunter informed those present that Gerry Braun, Lorenzo Kristov, and Richard McCann were being given the 2020 environmental recognition award by the City of Davis.

Lorenzo Kristov informed those present that two (2) bills he has been working on will be postponed to the 2021 season due to the need to reduce the number of bills the legislature is trying to get through. He and his colleagues intend on working on the bills during this time.

Mr. Kristov also informed those present that he will be sending the Board Clerk webinar information on “Distribution Utility to DSO: What’s the Path Forward?” which he would like to distribute to the CAC members.

Gerry Braun informed those present that the Davis City Council took action on a lease option agreement with BrightNight to develop a solar project on a parcel next to the City’s wastewater treatment plant. VCE is not in the position to weigh in on this – it is up to the individual agencies; however, this issue is being monitored.

Mr. Sears informed those present that the Power Shutoff Public Service (PSPS) season is kicking off with PG&E. PG&E will be conducting a public forum on agriculture TOU rates, which VCE will be participating in. He informed those present that some of our Yolo agriculture customers are contacting staff and Board member asking what the TOU is. Mr. Sears informed those present that interviews are taking place to fill the Director of Marketing and Customer Care position since Jim Parks will be retiring soon.

**Adjournment to Next Meeting**

The meeting was adjourned at 7:21 p.m. to the next regular scheduled CAC meeting of Thursday, May 28, 2020 at 5:30 p.m. currently scheduled at the City of Woodland Council Chambers, located at 300 1<sup>st</sup> Street, Woodland; however, this meeting may be held via teleconference.

Alisa Lembke  
Board Clerk/Administrative Analyst

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 6

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**TO:** VCEA Community Advisory Committee  
**FROM:** Mitch Sears, Interim General Manager, VCEA  
**SUBJECT:** Customer Enrollment Update (Information)  
**DATE:** May 28, 2020

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### RECOMMENDATION

Receive the Customer Enrollment update as of May 21, 2020.

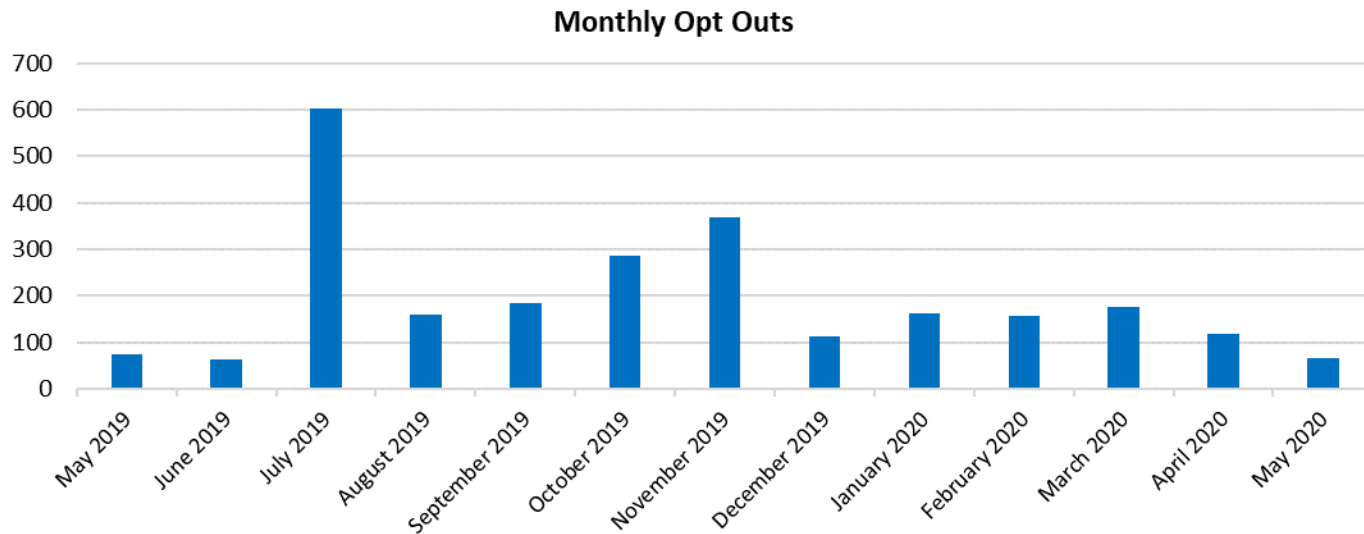
### Attachment:

1. May 21, 2020 Customer Enrollment update

# Item 10 - Enrollment Update

	Davis	Woodland	Yolo Co	Total	Ag	Commercial	Industrial	Residential
<b>VCEA customers</b>	26,372	19,333	10,142	55,847	1,813	5,786	5	48,243
<b>Eligible customers</b>	27,915	22,318	11,768	62,001	2,126	6,447	6	53,422
<b>Participation Rate</b>	94%	87%	86%	90%	85%	90%	83%	90%

- There are currently 3,555 NEM customers not included in this table. They will enroll throughout the remainder of 2020.

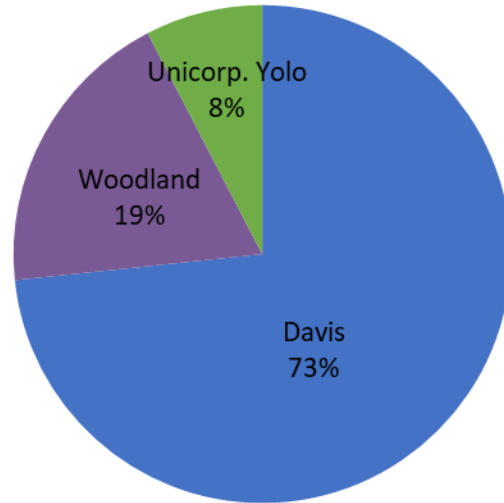


Status Date: 5/21/20

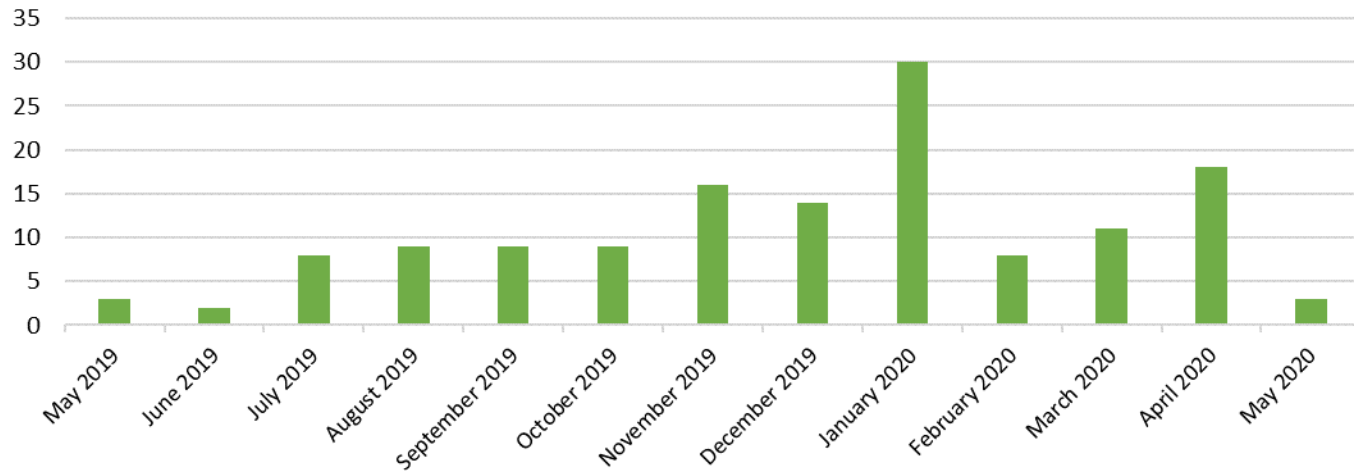


# Item 10 - Enrollment Update

### 210 Opt Ups



### Monthly Opt Ups



Status Date: 5/21/20



**VALLEY**  
CLEAN ENERGY

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 9

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**TO:** Community Advisory Committee

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

**SUBJECT:** Policy Strategy Adjustments for Fiscal Year 2020/21

**DATE:** May 28, 2020

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### RECOMMENDATION

1. Recommend Board approval of policy strategies to plan for incorporation of long-term renewable contracts into VCE's portfolio and to address fiscal year 2020/21 PCIA and Resource Adequacy cost impacts.

### BACKGROUND

Reports and presentations over the past several CAC and Board meetings have outlined the preliminary Fiscal Year (FY) 2020/21 budget and a range of potential policy strategies to address the forecasted FY 2020/21 budget shortfall. At the April CAC meeting, Committee members provided feedback on potential policy strategies which staff included in the subsequent report to the Board on May 14<sup>th</sup>. Based on feedback from the Board and CAC, staff is recommending a set of policy strategy adjustments to incorporate long-term renewable contracts into the VCE portfolio and address fiscal year 2020/21 PCIA and Resource Adequacy cost impacts. In addition, staff is also recommending the study of offering an additional customer rate choice.

This report provides updated information on the preliminary budget and additional analysis on a recommended set of policy strategy adjustments.

### ANALYSIS

#### Preliminary Fiscal Year 2020/21 Budget

Since the last CAC meeting on April 24, 2020, staff and SMUD have updated the VCE load forecast as part of the regular annual load forecast update and to account for the COVID pandemic and the predicted recession. A full analysis is included in Section 1 of the May 14, 2020 Board staff report (Attachment 1; and at: <https://valleycleanenergy.org/wp-content/uploads/Item-16-FY20-21-Prelim.-Operating-Budget-Options-5-14-20.pdf>). The summary table from the May Board report below (Table 1), shows retail load dropping by approximately 3.8% and revenue dropping by 4.2% in 2020 under the most likely forecast scenario.

**Table 1 – Scenario Comparison, Impact on Power Costs & Revenue v. Base Case**

		Best Case*	Most Likely*	Worst Case
<b>2020</b>	Retail Load	-3.8%	-3.8%	-8.0%
	Power Costs	-1.9%	-1.9%	-4.0%
	Revenue	-4.2%	-4.2%	-8.3%
<b>2021</b>	Retail Load	-2.3%	-3.6%	-8.7%
	Power Costs	-1.6%	-2.7%	-6.0%
	Revenue	-2.3%	-3.7%	-8.5%

\*Forecast retail load, power cost, and revenue match for 2020 in the Best and Most likely scenarios due to assumed drop related to the COVID stay at home orders being gradually lifted over 2020.

In summary, COVID impacts along with fiscal impacts associated with regulatory decisions and related market pricing on the PCIA and Resource Adequacy, result in a projected net loss of approximately \$5.2 million dollars for FY 2020/21 if no mitigating actions are taken by VCE. Additional detail is provided below on how the projected net loss was calculated. This additional detail supplements Section 2 (Preliminary Budget Update) of the May Board staff report.

**Preliminary Budget Update - Additional Detail.** The May Board staff report correctly pointed out that the “Most Likely” COVID/Recession case was a \$2.5 million dollar revenue reduction from the Base Case, but it should have been more clear that the Base Case being compared against was not the prior month’s budget update, but rather a new load forecast from SMUD that was finalized after the April Board and CAC meetings. Subsequent to staff issuing the April version of the preliminary budget estimate, SMUD developed new assumptions and load forecasts as part of its regular annual load forecast update. This updated load information reflected a significant load drop prior to the COVID/recession impacts, resulting in a \$2.2 million revenue decline vs the April preliminary budget version. Then, SMUD layered on the newly available COVID/Recession impacts – adding another \$2.5 million reduction in revenue. These were both off-set by updated 2020 Generation Rate information and the reduced power costs associated with the projected lower demand due to COVID/Recession impacts.

In summary, the Net Income from the April budget update increased by \$0.5 million to the current May budget update as follows:

- **\$5.7 M: Net Income – April Budget Update**
- \$2.2 M: Load Forecast Revenue Impact (pre-COVID/Recession)
- \$2.5 M: COVID/Recession impact
- + \$4.2 M: Generation Rate increase
- + \$1.0 M: Reduced Power Cost due to COVID/Recession
- **\$5.2 M: Net Income – May Budget Update**

#### Policy Strategies

As noted above, the recommended policy strategies address two primary issues: (1) efficient incorporation of long-term renewable contracts into VCE’s power portfolio and (2) addressing the forecasted FY 2020/21 budget shortfall. Of the range of policy options considered by the Board and CAC at their previous meetings, both provided feedback supporting the acceptance of large-hydro clean attributes from PG&E and adjustments to VCE’s power resource planning

strategy. In addition, the Board and CAC both supported the study of an additional rate choice for customers.

**Large Hydro clean energy attributes.** At its May 14, 2020 meeting the VCE Board approved the acceptance of the GHG-free large hydro allocations from PG&E. The potential financial benefit of this action is estimated at \$0.25 million. As noted to the Board and CAC, these savings are speculative and would only be realized if a market exists in which to realistically sell these attributes. If not sold, they would increase the clean energy content of VCE’s portfolio.

**Power Resource Planning Adjustments.** VCE’s long-term renewable Power Purchase Agreements (PPA’s) for approximately 122 Megawatts of solar energy are anticipated to begin delivering energy and associated RA in mid-2021. Once fully delivering, these renewable projects will provide approximately 50% of VCE’s current energy requirements (this is one of the highest rates in the State). Consistent with VCE’s overall power planning objectives, these PPA’s will displace more expensive existing short-term renewable contracts (PCC1) and GHG free resources. To avoid duplicative power purchases and increase efficiency, 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 and end dates of these short-term contracts 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. Based on staff analysis, these power resource planning adjustments result in net avoided cost savings over this 2 to 3 year period while still meeting VCE’s regulatory compliance requirements.

As shown in Table 2 below, staff analyzed several alternatives to weigh short-term trade-offs between the levels of renewable/clean content in VCE’s portfolio and potential avoided procurement costs. As anticipated, analysis of the potential avoided costs, 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 measured over multiple years. Based on the analysis summarized in the table below, staff is recommending Alternative 2 to align with VCE’s goals over the next several years. Note: 2020 contracts for RPS and large-hydro are not effected by this recommendation.

**Table 2 – Power Planning Resource Policy Options**

Policy Option – Power Planning Resource Adjustments	2021 RPS Levels	2021 Large Hydro	2021 Carbon-Free	FY20/21 Financial Savings
Base Case	42%	33%	75%	\$0
Alt 1 (Low RPS/Large-hydro)	6%	5%	11%	\$2.50 - \$3.00 million
Alt 2 (Moderate – Approx. 25% Base Case) - Recommended	10%	10%	20%	\$2.00 - \$2.50 million
Alt 3 (Moderate – Approx. 50% Base Case)	24%	14%	38%	\$1.25 - \$1.75 million
Alt 4 (Large Hydro Emphasis)	6%	44%	50%	\$1.50 - \$2.00 million

As noted in the budget section of this staff report, VCE is forecasting a \$5.2 million net loss for FY2020/21 if no mitigating actions are taken. With the recommended policy actions the FY



2020/21 net loss is reduced by approximately 50% to \$2.7 million. Staff believes this approach achieves an appropriate balance between VCE's power planning and fiscal objectives based on the following factors:

- It helps efficiently align power planning timelines to avoid duplicative power purchases;
- It addresses a known, immediate need (fiscal impact in FY2020/21);
- The approach of utilizing the Power Resource Planning Adjustment has a "shelf life," meaning the impact diminishes the longer the delay in implementing it;
- The estimated \$2.00 to \$2.75 million in avoided costs would help VCE weather potential negative cash balances in the future and can be accomplished while still adhering to VCE goals and compliance standards;
- Although VCE currently has a \$7 million RLOC available, that is not guaranteed in the future as market conditions change;
- It provides additional fiscal stability as the PCIA moderates in future years (i.e. Diablo Canyon removed from PCIA costs) and long-term renewable PPA's come on-line.

Staff does note that while VCE currently maintains an \$11 million dollar cash reserve, a \$7 million dollar RLOC, and anticipated stabilization of net income in FY 2022/23, risk remains. If the recommended policy adjustments are adopted, the fiscal model estimates an approximate \$6.00 million dollar loss in FY 2021/22 before the more extreme budget impacts associated with the PCIA begin to moderate in FY 2022/23 (e.g. Diablo Canyon shut-down in 2024/25); without adoption of the policy adjustments that loss grows to approximately \$8.10 million dollars. In addition, the financial model assumes that no further significant fiscal impacts occur due to regulatory mandates and that VCE still has access to the RLOC in the future. If these assumptions do not hold, VCE will need to consider additional policy adjustments in the future.

**Additional Rate Choice.** Although staff is not recommending adding a third choice for customer rates at this time, we are recommending that it be analyzed as a potential policy adjustment in late 2020/early 2021. As outlined in the previous CAC and Board reports, one option for study could be a third customer rate choice set to align with minimum State standards for renewable energy content. This could 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 "cost plus" rate. This type of customer rate choice approach has been employed by Clean Power Alliance (LA/Ventura CCA) and several other CCA's are studying the concept of a cost of service rate structure. Staff is suggesting that the CAC Rates Task Group work with staff over the next several months to analyze options and report findings back to the CAC for consideration and possible recommendations to the Board.

## **CONCLUSION**

Staff is recommending that the CAC recommend Board approval of policy strategy adjustments to plan for the efficient incorporation of long-term renewable contracts into VCE's portfolio and to address fiscal year 2020/21 PCIA and Resource Adequacy cost impacts. For reference, the May 14, 2020 Board Report is attached.

## **ATTACHMENT**

1. Board Report – May 14, 2020

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 16

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**TO:** Valley Clean Energy Alliance Board of Directors

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

**SUBJECT:** Preliminary Budget and Potential Policy Strategies for Fiscal Year 2020/21

**DATE:** May 14, 2020

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### RECOMMENDATION

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

### OVERVIEW

This report addresses three topics related to the fiscal 2020/21 budget: (1) updated electricity demand forecast for COVID/recessionary period; (2) preliminary budget projections; and (3) policy strategies to address potential FY 2020/21 budget shortfall. The demand forecast influences the preliminary budget which in-turn helps reveal the need for potential policy adjustments going forward. Staff is seeking directional guidance from the Board on the preliminary budget and potential policy adjustments and will provide final recommendations at the June Board meeting.

### BACKGROUND AND ANALYSIS

#### Section 1. Updated Load Forecast – COVID + Recession

One of the factors impacting VCE's Fiscal Year 2020/21 Operating Budget is a reduction in load resulting from the COVID-19 global pandemic, shelter-in-place orders to protect public health, and the predicted economic recession. VCE staff have been monitoring the impacts to retail load since shelter-in-place orders were issued in mid-March.

The California Independent System Operator (CAISO), has observed average weekday load reductions of 4.5% since the first full week of the statewide shelter-in-place order. While VCE does not have real time access to load data for its territory, an analysis of similar utility impacts and PG&E regional impacts has informed VCE's estimate of in-territory load changes. We estimate residential load has increased approximately 5% and commercial load has decreased between 14% and 20% during the shutdown. Based on initial feedback from the agricultural community as reported to the Yolo County Board of Supervisors, local agricultural load has not been impacted at this time.

While a timeline for the lifting of shelter-in-place orders has not been defined at the time of drafting of this staff report, the state has indicated that counties will be allowed flexibility based on their ability to reopen in a phased manner while meeting the State's defined criteria. Given the current degree of

uncertainty, VCE has developed three load scenarios to analyze potential budgetary impacts: (1) best case, (2) most likely case, and (3) worst-case. The FY 2020-21 Operating Budget included in Section 2 of this staff report is based on the most likely load scenario.

Brief descriptions of the best-case, most likely, and worst-case load scenarios are described below and summarized in Table 1. The three scenarios apply the same shutdown impacts and assume such impacts last through at least mid-June of 2020. Load recovery from shutdown level depends on a combination of policy and public perceptions that will drive business decisions, subsequent shutdown(s) if case levels rise, and the ability of the community to withstand recessionary impacts.

**Scenario 1 Forecast - Best Case**

The best-case load scenario forecast shows a 3.8% reduction in 2020 and a 2.3% reduction in 2021 from VCE’s baseline load forecast. This scenario assumes a consistent load recovery rate between June 2020 and the end of 2021. The recovery timeline acknowledges that reopening will be phased, and we will not reach a complete “back to normal” until a vaccine or therapeutics are widely available. This scenario assumes that once all restrictions are lifted, there is no recessionary impact to VCE’s load.

**Scenario 2 Forecast - Most Likely**

The most likely load scenario forecast shows a 3.8% reduction in 2020, a 3.6% reduction in 2021, a 3.3% reduction in 2022, a 2.5% reduction in 2023, and a 1.6% reduction in 2024 from VCE’s baseline load forecast. This scenario assumes a phased reopening, with phases moving more slowly and/or a lesser degree of shelter-in-place being implemented as hotspots emerge. It shows commercial loads stagnating 2-6% below normal between 2021-2022 due to an economic recession, with the recession impact continuing to a lesser degree through 2024. This scenario also includes a decline in residential load due to extended periods of unoccupied housing stock during the recession.

**Scenario 3 Forecast - Worst Case**

The worst-case load scenario forecast shows an 8.0% reduction in 2020, an 8.7% reduction in 2021, a 7.3% reduction in 2022, a 3.5% reduction in 2023, and a 1.6% reduction in 2024 from VCE’s baseline load forecast. It assumes an extended recession impact to all commercial classes with no load recovery in 2020 due to a second complete shutdown in fall and/or extended public concern driving businesses not to reopen regardless of policy. This scenario incorporates recessionary impacts to both ag and industrial load as well as earlier/deeper drops in residential load.

**Table 1 – Scenario Comparison, Impact on Power Costs & Revenue v. Base Case**

		Best Case*	Most Likely*	Worst Case
<b>2020</b>	Retail Load	-3.8%	-3.8%	-8.0%
	Power Costs	-1.9%	-1.9%	-4.0%
	Revenue	-4.2%	-4.2%	-8.3%
<b>2021</b>	Retail Load	-2.3%	-3.6%	-8.7%
	Power Costs	-1.6%	-2.7%	-6.0%
	Revenue	-2.3%	-3.7%	-8.5%

\*Forecast retail load, power cost, and revenue match for 2020 in the Best and Most likely scenarios due to assumed drop related to the COVID stay at home orders being gradually lifted over 2020.

VCE has analyzed the impact of these scenarios on power costs and revenues; as shown in Table 1 neither scale on a perfect 1:1 basis with load. Power costs decrease to a lesser degree than customer electricity load due to the nature of future energy procurement hedging, the need to continue to purchase Resource Adequacy to meet peak demand, and fixed contract renewable costs for 2020 and 2021. In addition, the revenue loss is slightly greater than the overall load loss due to the disproportionate loss from the commercial classes, which tend to have higher per kWh revenues as well as recovery of demand charges. In total, isolating the COVID and associated recessionary impacts for the most likely scenario show a potential revenue decline of \$2.25 million for 2020 and \$2.08 million for 2021. These impacts are included in the Preliminary Budget analysis in Section 2 below.

As forecasting experts in the energy sector work toward a reliable forecast for planning, there is widespread recognition of the remaining uncertainty. Information is changing daily, which may result in some assumptions being outdated even before the Board meeting is held on May 14. VCE will continue to closely monitor and adjust the load forecast as warranted by additional data.

Despite the uncertainty, staff have utilized the best available information to develop these forecasts which have been incorporated into the preliminary budget discussed in Section 2 of this report.

## **Section 2. Preliminary Budget Update**

The purpose of this section of the staff report is to provide an update on the preliminary operating budget for FY 2020/21 (2021 Budget), that staff introduced at the March 2020 Board meeting and further expanded upon at the April 2020 Board meeting. Following this budget update, Section 3 of the staff report provides information on several potential policy decisions that may help offset anticipated negative net income in the 2021 Budget.

Final adoption of the 2021 Budget is scheduled for the June 11<sup>th</sup> Board meeting.

### **2021 Budget**

At the March 12, 2020, Board meeting staff presented the 2021 Preliminary Budget. At the April 9, 2020, Board meeting staff further expanded upon the budget and provided potential mitigation measures. The budget presented in April forecasted a negative Net Income of -\$5.6 million which has now been adjusted to -\$5.2 million based on updated information. The significant negative income is due primarily to three factors that are outside of VCE's direct control, offset by one favorable factor:

- First, the 2021 Budget is impacted from anticipated negative revenue trends in FY 20/21 resulting from a significant increase in Power Charge Indifference Adjustment (PCIA) costs;
- Second, VCE faces a large increase in power costs due to rising 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;
- Third, as outlined in Section 1 of this staff report, VCE is impacted by an anticipated

reduction in load resulting from the COVID-19 global pandemic, shelter-in-place orders to protect public health, and the predicted economic recession;

- Somewhat offsetting these negative factors is an expected 3% increase in PG&E generation rates, anticipated to be effective in the summer of 2020; this is more favorable than the previously estimated reduction in PG&E generation rates. Since VCE matches PG&E generation rates, this is a direct impact on VCE's revenue

Additional detail on these primary drivers includes:

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

PCIA increased by 18% to approximately 3.2 cents per kWh starting May 2020 and will increase an additional 38% to approximately 4.4 cents per kWh starting in November 2020 due to the expectation that PG&E will file a cap exception trigger in 2020. 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: 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.

**Power Costs** – Power costs have increased substantially from 2020 Budgeted amounts to the preliminary 2021 Budget power cost forecast. The increase of \$8.3 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: (1) a tightening market as fossil fuel baseload energy resources are retired and (2) shifting market rate design and requirements mandated by the CPUC. Other less significant contributing factors impacting VCE power costs include:

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

Rising RA costs have been a significant problem 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.

Note that the recession impacts have reduced projected power costs from our previous budget by approximately \$1 million.

**COVID/Recession Impacts** – As noted in Section 1 above, the COVID and recessionary impacts for the most likely scenario show a potential revenue decline of \$2.3 million for calendar year 2020 and \$2.1 million for 2021, resulting in a \$2.5 million revenue reduction for FY 2021 and

associated \$1.0 million reduction in power cost. See staff report Section 1 for additional details.

**PG&E Generation Rates** – In past budget updates, VCE staff had assumed a 4% decline in PG&E generation rates for 2020. We are now assuming a 1.5% increase, which is comprised of flat generation rates until July 2020, at which point we are assuming a 3% increase due primarily to the PG&E General Rate Case (GRC). The regulatory experts that VCE and CalCCA utilize have modified their forecast of generation rates as new filings and updates have occurred.

#### 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 energy content;
2. COVID and recession impacts have been factored into the customer load, revenue and power costs;
3. 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 677 GWh (down from 722 GWh in last budget update, due to COVID and recession impacts);
4. Energy cost includes: (1) system energy, (2) eligible renewables and (3) carbon free attributes which are estimated at \$36.6 million, or 73.3% of the total power costs. Resource adequacy cost is forecasted at \$13.3 million, or 26.7% of the total power costs.

#### **Budget Sensitivities**

##### Impacts of Various COVID & Recession Impacts

The forecasted COVID and recessionary impacts are analyzed in Section 1 of this report, including the development of three scenarios: (1) Best, (2) Most Likely, and (3) Worst cases.

- The Best Case scenario has a more rapid recovery from COVID and recessionary impacts with more of the positive impacts in future fiscal years, but still has a revenue reduction of \$2.3 million compared to pre-recession forecasts, with a power cost reduction of \$900K, resulting in an overall \$1.4 million Net Income reduction.
- The Most Likely scenario, which represents our base case preliminary budget for FY 2021, features a revenue decrease of \$2.5 million and associated power cost decrease of \$1.0 million, resulting in a \$1.5 million overall recessionary impact to Net Income.
- The Worst Case scenario results in more significant impacts, with slower recovery and a revenue reduction of \$5.2 million in FY 2021, offset by a power cost reduction of \$2.7million, netting in a \$2.5 million overall reduction to Net Income.

##### Budget Impact Summary

As outlined above, VCE faces a challenging 2021 fiscal year, affected by COVID/recessionary impacts, rapidly escalating PCIA costs, and rising resource adequacy expenditures. Any one of these factors would create a challenging budget scenario, but the combination of all three has created a situation where VCE is facing a forecast loss of over \$5 million. VCE staff believes that this is a great enough potential loss that the Board should consider implementing one or more policy levers in order to mitigate the budgeted loss while still enabling VCE to maintain it's customer, environmental, and operational goals. Section 3 of this Staff Report addresses those

potential policy strategies in detail.

### **Section 3. Potential Policy Strategies**

As noted in the sections above, VCE and other CCA's face mounting fiscal challenges in the next several years. The potential policy strategies outlined in this section of the report are designed to help offset anticipated reduced net income in future budget cycles and assist with bridging the gap until lower cost long-term renewable energy contracts come on-line in late 2021/ early 2022. Staff is seeking feedback from the Board to help inform analysis and staff recommendations. Preliminary financial analysis associated with the potential strategies is introduced, which will continue to be analyzed leading up to Board consideration of the 2020/21 FY Budget on June 11<sup>th</sup>.

#### **Community Advisory Committee Consideration**

The Community Advisory Committee (CAC), considered and provided initial feed-back on the policy strategies at their April 23<sup>rd</sup> meeting. Generally, CAC members supported action by VCE to address anticipated financial issues but agreed that potential impacts on customer opt-outs associated with the policy options should be carefully considered. CAC comments and assessments are summarized in the discussion below. Note: CAC relative priorities based on Staff summary of CAC discussion.

#### **Policy Strategy Options**

Staff have been researching and analyzing potential policy strategies to partially mitigate the negative net income highlighted in the preliminary FY 2020/21 Budget summary. As noted in previous Board reports and presentations, the potential policies range from rate adjustments to modification of energy procurement goals. The potential policies may be employed individually or in combination to off-set projected negative net income. Staff also notes that some policy options are available in the short-term (e.g. procurement modifications), while others may be better suited to study and longer-term implementation (e.g. rate changes).

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). Notes: (1) fiscal reserves will allow VCE to buffer PCIA and cost increases over the short-term. Therefore, while reserves can cushion the potential impact, early implementation of policy strategies may be fiscally advantageous; (2) staff will utilize Board feedback to inform recommendations for consideration at the June 11<sup>th</sup> Board meeting.

### **1. Rate Changes**

Potential options:

- a. VCE has rate making authority and could choose to 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, annual revenue will increase by approximately \$800,000.
  - **CAC Feedback – Assessment:** *Not feasible without significant risk of high customer opt-out; Relative Priority: infeasible.*
  - **Staff – Assessment:** *Not feasible without significant risk of high customer opt-out; Relative Priority: lowest (see staff assessment in 1.b below).*

- 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 "cost plus" rate. This approach has been employed by Clean Power Alliance (LA/Ventura CCA).
- **CAC Feedback – Assessment:** *General support but additional study needed to understand the advantages/disadvantages. Strong concern expressed by one CAC member about the difficulty of reversing the action (new rate choice), if VCE found it advantageous to do so in the future to advance other goals; **Relative Priority:** low/moderate.*
  - **Staff – Assessment:** *Helps address rate competitiveness and opt-out potential; could focus on price sensitive customer classes rather than creating a new rate. Could be combined with option 1.a "rate increase" policy option to maintain cost competitiveness for more price sensitive customer classes. Deeper evaluation could be tied to strategic planning process (longer-timeframe needed); **Relative Priority:** moderate. Suggest CAC Task Group on rates work with staff to investigate.*

## 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.
- **CAC Feedback – Assessment:** *General support with minor concern regarding potential impact on short-term power content label listing; **Relative Priority:** highest.*
  - **Staff – Assessment:** *provides flexibility in power procurement planning, ability to meet compliance requirements, cost savings with relatively low opt-out risk. Serves as bridge to long-term renewable contracts that will provide 50% of overall energy needs beginning in late 2021; **Relative Priority:** highest.*



### 3. Additional Policy Levers

- a. Accept the GHG-free large hydro and nuclear allocations from PG&E, at a potential benefit of \$0.25 million and \$0.4 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.
  - **CAC Feedback – Assessment:** *Support for hydro only. Relative Priority: highest (for hydro only).*
  - **Staff – Assessment:** *Support for hydro only. Relative Priority: highest (for hydro only).*
  
- 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.
  - **CAC Feedback – Assessment:** *Expressed general concern that reductions in operating expenses beyond current levels would limit organizational capacity. Relative Priority: low.*
  - **Staff – Assessment:** *Current operational expenses are below previous fiscal year budget. Relative Priority: N/A.*

Note: in addition to the above policy options, VCE may consider joint ventures with other CCA's as a strategy to reduce cost per customer served. Staff considers this a long-term prospect requiring additional analysis and discussion with potential partners.

### CONCLUSION

Staff is seeking feedback and direction from the Board on these sets of policy options. Based on this feedback and continuing analysis, staff will bring back a package of policy recommendations for consideration by the Board as part of its June action on the FY 2020/21 budget.

### ATTACHMENT

1. Potential Policy Options – Table

## ATTACHMENT 1 - Potential Policy Options Table

Policy	Potential Savings	Ease of Implementation	Timing	Notes/Other Considerations	Relative Priority
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	CAC – Infeasible  Staff - Lowest
Rate Change – Additional 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	One example scenario could assume ag rates slightly below PG&E gen rate; commercial at PG&E rate; and residential slightly above PG&E rate. Other scenarios possible	CAC – Low/Moderate  Staff - Moderate
Power Resource Planning Adjustment	\$0 to \$3.1 million	Low end of the range less difficult	Throughout fiscal year '21 – '22	Power Content Label impacts; Will require BOD approval	CAC – Highest  Staff - Highest
GHG Free – Large Hydro	\$0 to \$240,000	Low end of the range less difficult	Q3-Q4 2020	Volume is unknown; market interest/ability to resell may be low	CAC – Highest  Staff - Highest
GHG Free – Nuclear	\$0 to \$420,000	Low end of the range less difficult	Q3-Q4 2020	Volume is unknown; market interest/ability to resell may be low; reputational risk	CAC – Lowest  Staff - Lowest
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	CAC – Lowest  Staff – N/A

### Notes:

1. Policies not listed in priority order.
2. Combination of policies possible.
3. CAC Relative Priority based on Staff summary of CAC discussion.

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report – Item 10**

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**TO:** VCE Community Advisory Committee  
**FROM:** Alisa Lembke, Board Clerk/Administrative Analyst  
**SUBJECT:** Board and CAC 2020 Long Range Calendar  
**DATE:** May 28, 2020

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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 topics you wish to add. Secondly, due to the Covid-19 situation and the unknown longevity of this crisis, it should be discussed how (in person or via Zoom teleconference) and what time to hold future CAC meetings.

**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 Offers (RFO) solicitation • River City Bank Revolving Line of Credit • Power Purchase Agreement	• Action  • Action • Action

April 23, 2020 Via Teleconference	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>Review Task Groups' projects/tasks "charge" for 2020</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> </ul>
May 14, 2020 Via Teleconference	<b>Board</b> WINTERS	<ul style="list-style-type: none"> <li>PPA - YCFCWCD</li> <li>Greenhouse Gas (GHG)-free attributes</li> <li>Update on FY20/21 Operating Budget</li> </ul>	<ul style="list-style-type: none"> <li>Approval</li> <li>Action</li> <li>Informational</li> </ul>
May 28, 2020 Via Teleconference IRP Workshop	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>Integrated Resource Plan (IRP) Public Workshop, CAC to provide recommendation</li> <li>Policy Strategy - FY 2020/21 PCIA / RA cost impacts</li> </ul>	<ul style="list-style-type: none"> <li>Information / Discussion</li> <li>Action</li> </ul>
June 11, 2020	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>Final Approval of FY20/21 Operating Budget</li> <li>Extension of Waiver of Opt-Out Fees for one more year</li> <li>Re/Appointment of Members to Community Advisory Committee and Appoint City of Winters seats to CAC</li> <li>SMUD Amendment to Contract re: VCE Collections Policy</li> <li>Update on Integrated Resource Plan Public Workshop</li> <li>SACOG MOU approval</li> <li>Net Energy Meter (NEM) Donation Program</li> <li>Update on Request for Offers</li> <li>Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>Approval</li> <li>Action</li> <li>Action</li> <li>Action</li> <li>Informational</li> <li>Action</li> <li>Informational</li> <li>Informational</li> <li>Action</li> </ul>
June 25, 2020	<b>Advisory Committee</b> DAVIS	<ul style="list-style-type: none"> <li>Update on the Integrated Resource Plan (IRP)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> </ul>
July 9, 2020	<b>Board</b> WOODLAND	<ul style="list-style-type: none"> <li>Draft Integrated Resource Plan and CAC Recommendation (IRP due 9/1/20)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion</li> </ul>
July 23, 2020	<b>Advisory Committee</b> WOODLAND	<ul style="list-style-type: none"> <li>Information related to 2021 Integrated Resource Plan Update</li> </ul>	<ul style="list-style-type: none"> <li>Discussion</li> </ul>
August 13, 2020	<b>Board</b> DAVIS	<ul style="list-style-type: none"> <li>Adoption of Integrated Resource Plan (due September 1, 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> </ul>
August 27, 2020	<b>Advisory Committee</b>	<ul style="list-style-type: none"> <li>Revised Procurement Guide – Review</li> </ul>	<ul style="list-style-type: none"> <li>Discussion</li> </ul>

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

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