



VCEA COMMUNITY ADVISORY COMMITTEE  
Public Workshop and Meeting  
Thursday, August 22, 2019, Woodland, CA



# Public Power Options Briefing



Valley Clean Energy  
Community Advisory Committee Meeting  
August 22, 2019

# Overview

- PG&E Bankruptcy Offers Unique Opportunity
  - Current activities related to due diligence in preparation for an offer
  - Multiple decision points (“off-ramps”)
- Potential key benefits:
  - Savings to customers v. PG&E (1-3 cents/kWh); hedge against future T&D cost increases
  - Greater Local Control (customer & community Input on delivery related decisions)
  - Enhanced Safety Standards/Enterprise Risk Management
  - Improved Reliability
  - VCE Mission Alignment
- Potential key challenges/risks:
  - Bankruptcy Court may not approve sale
  - Large Investment of Resources and Implementation of Distribution System Operations
  - Develop / Acquire Necessary Skills
  - Additional Business Risk
  - Natural Disaster Risks

# VCE Mission

Our mission is to deliver clean electricity, product choice, and greenhouse gas emission reductions—all with local control at competitive prices.



# Deliver Clean Energy

## Deliver Clean Energy:

Power is now ***delivered*** by PG&E which “earns” over 12% on its poles and wires. Going forward, VCE will either continue to “rent” from PG&E or “own” on behalf of customers. About 60% of an average VCE customer’s bill currently goes to PG&E – the number is anticipated to grow. Over 50 public power utilities in California own their power delivery systems and most have more reliable and safer delivery at rates 25-30% below investor owned utilities.

# Product Choice

## Product Choice:

Increasingly, electricity ***product choice*** entails selection of both energy products (renewable, carbon-free, rooftop solar, etc.) as well as how products are delivered (poles, underground, safety, operations, reliability, and the like). Efficiency is enhanced when planning incorporates both power and transport aspects.

Example: Non-wire solutions – Aging electrical infrastructure limits solar, EV, and adoption of other modern distributed energy solutions. Limiting factor: The IOU has little incentive to develop/deploy non-wire solutions that may also have co-benefits (e.g. not having to dig up streets and/or install costly infrastructure).

# Emissions Reductions

## Emissions Reductions:

More effective ***emissions*** lowering by encouraging micro-grids, integration of renewables with delivery (DE), battery storage, and other strategic delivery practices. All of which can be done more effectively under one public power organization serving customer needs and interest.

- Example: EV Charging Infrastructure – Land use + control of electric infrastructure = better planning for EV Charging Infrastructure.

# Local Control

## Local Control:

Municipalization allows *local* community input and decision-making with regard to pole locations, equipment quality, safety, system reliability, encouraging community and rooftop solar, using revenues to provide efficiency incentives, and supporting community values.

Example: Local decisions on priorities and improved responsiveness/accountability to local needs.



# Competitive Prices

## Competitive Prices:

Currently 60% of the **price** Yolo County electric customers pay is for “poles and wires” owned by PG&E. Full control of the local distribution system should allow close to a 10% rate reduction for all VCE customers (and/or higher quality service). Local communities will have significantly less control over retail energy price as long as PG&E controls 60% or more of total power charges under rates approved by the CPUC, versus rates approved by locally elected decision makers.

Example: Publically Owned Utilities consistently offer lower rates than IOUs.

# Municipalization is Consistent with California's Constitution

## **ARTICLE 11 LOCAL GOVERNMENT**

### **SEC. 9.**

**(a) A municipal corporation may establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication.**

# Summary Benefits and Challenges

Benefits / Opportunities	Roadblocks/Challenges/Risks
<ul style="list-style-type: none"><li>• Builds on VCE's Success</li><li>• Bankruptcy Offers Unique Opportunity</li><li>• Savings to customers v. PG&amp;E (1-3 cents/kWh)</li><li>• Local Control (Customer &amp; Community Input)</li><li>• Enhanced Safety Standards/Enterprise Risk Management</li><li>• Improved Reliability</li><li>• VCE Mission Alignment</li></ul>	<ul style="list-style-type: none"><li>• Bankruptcy Court may not approve sale</li><li>• Large Investment of Resources and Implementation of Distribution System Operations</li><li>• Develop / Acquire Necessary Skills</li><li>• Additional Business Risk</li><li>• Natural Disaster Risks</li><li>• No "going-back"</li></ul>

