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**VCE Community Advisory Committee Meeting – August 25, 2022
via video/teleconference**



Item 8 – Overview of Brown Act and social media

Public Comments

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Brown Act Presentation for Valley Clean Energy - Community Advisory Committee

August 25, 2022

Presented by: **Inder Khalsa**

The Ralph M. Brown Act

Ralph M. Brown Act



“Open and Public”

"All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter."

- Government Code § 54953(a)

Applies to “Legislative Bodies”

- **What is a “legislative body?”**

- Governing body of the local agency
- Subordinate boards & commissions created by formal action of the governing body
- Standing committees with a regular meeting schedule and continuing subject matter jurisdiction

- **What is not a “legislative body?”**

- Advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body

Meetings

- **Elements:**

- Congregation of a majority
- Same time and location (including teleconference location)
- To hear, discuss, deliberate, or take action on any item
- Subject matter jurisdiction



Serial Meetings Are Illegal

- **What is an illegal serial meeting?**

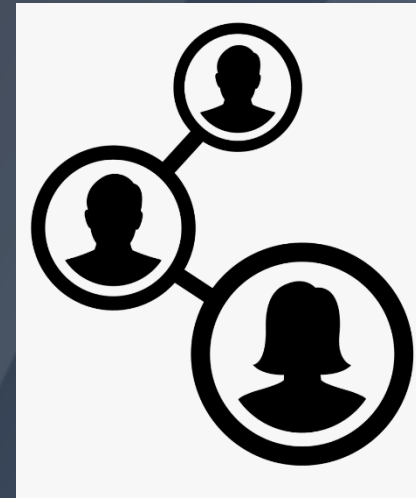
- Direct or indirect communication
- Employed by a majority
- To discuss, deliberate, or take action on any item of business or potential business

- **AB 992- Social Media Posts**

- **Two** members are now prohibited from using a social media platform to discuss agency business.
- Officials/members cannot respond to any communication on a social media platform regarding a public matter that is made, posted, or shared by any other member of same body.
- No “liking,” “retweeting,” or “sharing” a post made by another member of same body.

Assembly Bill 992

- Amends Government Code Section 54952.2
- Clarifies the manner in which a public official may communicate on **internet-based social media platforms** and outlines what kinds of communications are prohibited
- Will remain in effect until January 1, 2026



Assembly Bill 992

- Does not prohibit social media interactions not related to official business.
- However, members of a legislative body may not interact with posts of other members on topics within the subject matter jurisdiction of the legislative body.
- Applies to interactions between just two members, which is unique to AB 992 since an interaction between two members in person is not normally prohibited under the Brown Act.

What does it mean to “interact” to a post?


- If a member of your legislative body makes or shares a post on social media within the subject matter jurisdiction of the legislative body then **you cannot.....**



Like
Comment
Share
Tag
Repost
Use Digital Icons
Use of Emoji's
Screen Recording
Screenshots
Photographs

Prohibited Interactions Under AB 992

Members of the same legislative body cannot **use internet-based social media platforms** to **discuss among themselves** business within the subject matter jurisdiction of the legislative body.



an online service that is open and accessible to the public



communications made, posted, or shared on an internet-based social media platform between members of a legislative body

Acceptable Communications



Acceptable communications

- You may interact with social media content that is not related to official business.
- A member of a legislative body may engage in separate conversations or communications with non-members on an internet-based social media platform.



Serial Meetings Are Illegal

- **What is an illegal serial meeting?**
 - Series of direct or indirect communications (intermediaries/technology)
 - By a majority of the body
 - To discuss, deliberate, or take action on any item of business or potential business
- **Individual briefings are okay**
 - “Unidirectional”
 - Don’t describe views of any other members
 - Don’t ask about other member’s views

2 Types of Illegal Serial Meetings

Chain



Hub & Spoke

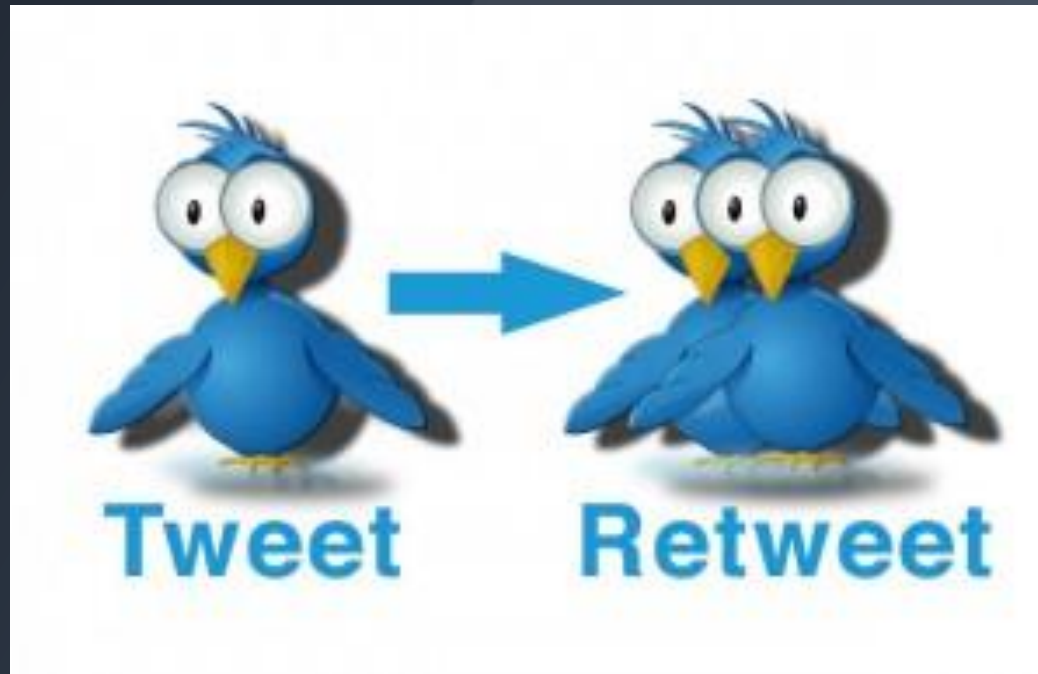


Serial Meetings Are Illegal

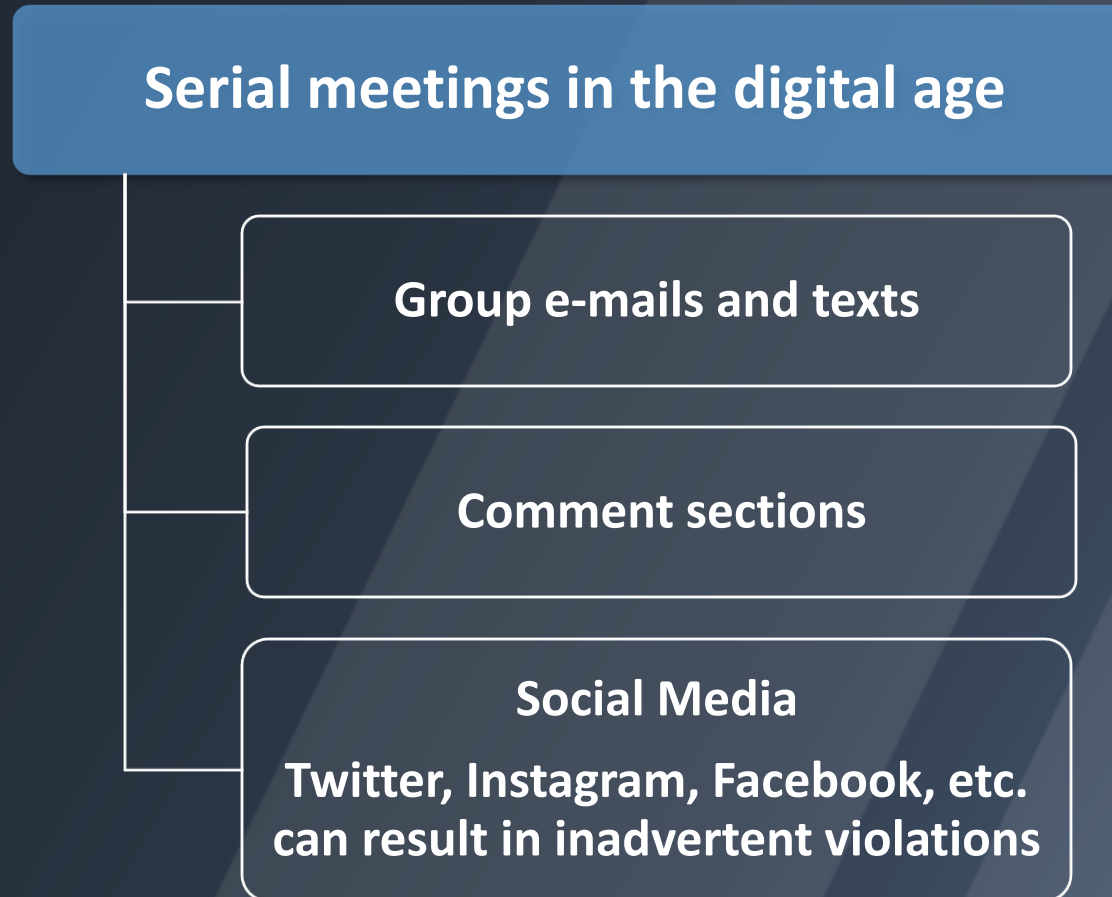


- Don't hit "Reply All"
- Remember the discussion must occur publicly on dais not via email or texts among members

Serial Meetings: Chain



Unintentional Serial Meetings



Enforcement & Consequences

- **Three types of enforcement actions:**
 1. Civil action to invalidate a decision or action
 2. Civil action for a determination of a past violation
 3. Criminal prosecution

Questions?





Thank you!

Inder Khalsa
IKhalsa@rwglaw.com



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Item 9 – Mid-Year 2022 Customer Rates Review



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Item 9 – Mid-Year 2022 Customer Rates Review

Overview

Since March 2020, the overall economy and energy sector has been highly unpredictable due to COVID-19, regulatory decisions, and weather conditions driving volatility by increased load demand, resource adequacy costs, and energy costs.

As part of its 2022 Customer Rates action, the Board directed staff to monitor 2022 financial performance and recommend, if warranted, mid-year 2022 adjustments to customer rates/credits and/or allocation of additional financial resources for programs and renewable energy credits.

This informational presentation will provide:

- Background on VCE Customer Rates
- Review of 2022 VCE Customer Rates and key factors
- Update on 2022 Financials
- Discussion

Item 9 – Mid-Year 2022 Customer Rates Review

Background

Summary of VCE key Customer Rate actions 2020-2022.

- 2017 - VCE Implementation Plan: Program rates must collect sufficient revenue from participating customers to fully fund VCE's budget, including the need to establish sufficient operating reserve funds.
- 2020 – Strategic Plan: Maintain financial stability while continuing to offer customer choice, competitive pricing and establishment of local programs.
- 2018 – 2021 - VCE has systematically analyzed policy options and implemented strategies to stabilize customer rates, reduce cost, and manage reserves.
 - e.g.: Discontinue rate discount; scaled back REC purchases; sign long-term renewable PPA's
- November 2021- VCE Board adopted cost-based rate policy and deferred consideration of an expanded customer rate structure
- July 2022 – VCE Board adopted a new three-tiered customer rate structure starting 2023.

Item 9 – Mid-Year 2022 Customer Rates Review

2022 Customer Rates - VCE Board Adoption Actions

1. 2022 Customer Rates
 - Standard Green Customer rates for 2022 match PG&E 2022 generation rates for all customer classes.
 - A rate credit of 2.5% for CARE, FERA, & Medical Baseline customers in 2022.
2. Mid-year Customer Rates Review to determine the feasibility of:
 - allocating additional funds for 2022 clean energy content procurement
 - allocating additional funds to program implementation
 - providing additional rate credits for all customer classes during peak summer months in 2022.
3. Customer Rate Option Structure
 - Develop and evaluate the feasibility of a revised rate structure with three customer options: (1) Standard Green (default) and (2) UltraGreen (100% renewable) with cost-based rates and adding a (3) least-cost customer rate option. (VCE Board Item 21 - Adopted July 14, 2022)

Item 9 – Mid-Year 2022 Customer Rates Review

Key Factors included in the 2022 Customer Rates Adoption

- CARE / FERA / Medical Baseline – Incorporated a 2.5% rate credit
- Financial Reserves. Incorporated a 2022 target of 85 days for operating cash
- Power Prices. Average forward market power prices increased by 57% (April-21)
- PG&E Rate Adjustments – Delays in annual rate setting. PG&E's current filings/CPUC proposed decision effective March 1st, 2022 (33% rate increase and a PCIA reduction of 57%)
- Financial Power Cost Model - Corrected forecast was approximately \$13M over the three FYs 2022 to 2024
- PCIA. A net 46% increase in the PCIA from 2020/21 continued into 2022 due to delays in CPUC ERRRA proceeding.

Item 9 – Mid-Year 2022 Customer Rates Review

Factors Impacting Revenues and Costs

- Geopolitical Climate. The conflict in Ukraine and consequent Russian energy supply disruptions have significantly impacted current and forecast energy prices and availability. (Natural Gas Prices)
- Supply chain interruptions stem from the COVID Pandemic and U.S. trade restrictions (e.g. solar panels) are impacting renewable projects expected to go online in 2022-2024. (Renewable Energy & RA Prices)
- 2022 drought conditions continued from 2021 impacting agriculture sector pumping loads. (Short-term Energy)

Other Considerations – Increased Power Market Prices -> Increased Revenues

Generally, increased power costs increase PG&E rates and VCE's ability to set competitive rates for full cost recovery.

- 2022 increases result in decreased 2023 PCIA (over collection) and 2023 increased generation (under collection).
- Forecasted increases power costs result in decreased 2023 PCIA and increased generation rates

Item 9 – Mid-Year 2022 Customer Rates Review

2022 Budget Proforma Update (6 Months Actuals – unaudited)

Description	APPROVED 2022 BUDGET	2022 Proforma (6 Month Actuals + 6 Month Budget)	Variance
Revenue	\$ 89,750	\$ 88,500	\$ (1,250)
Power Cost	\$ 66,990	\$ 67,455	\$ (530)
Other Expenses	\$ 5,292	\$ 5,292	\$ 0
Net Income	\$ 17,468	\$ 15,753	\$ (1,780)

Note: The table does not account for updated forward power market price fluctuation and resource adequacy costs.

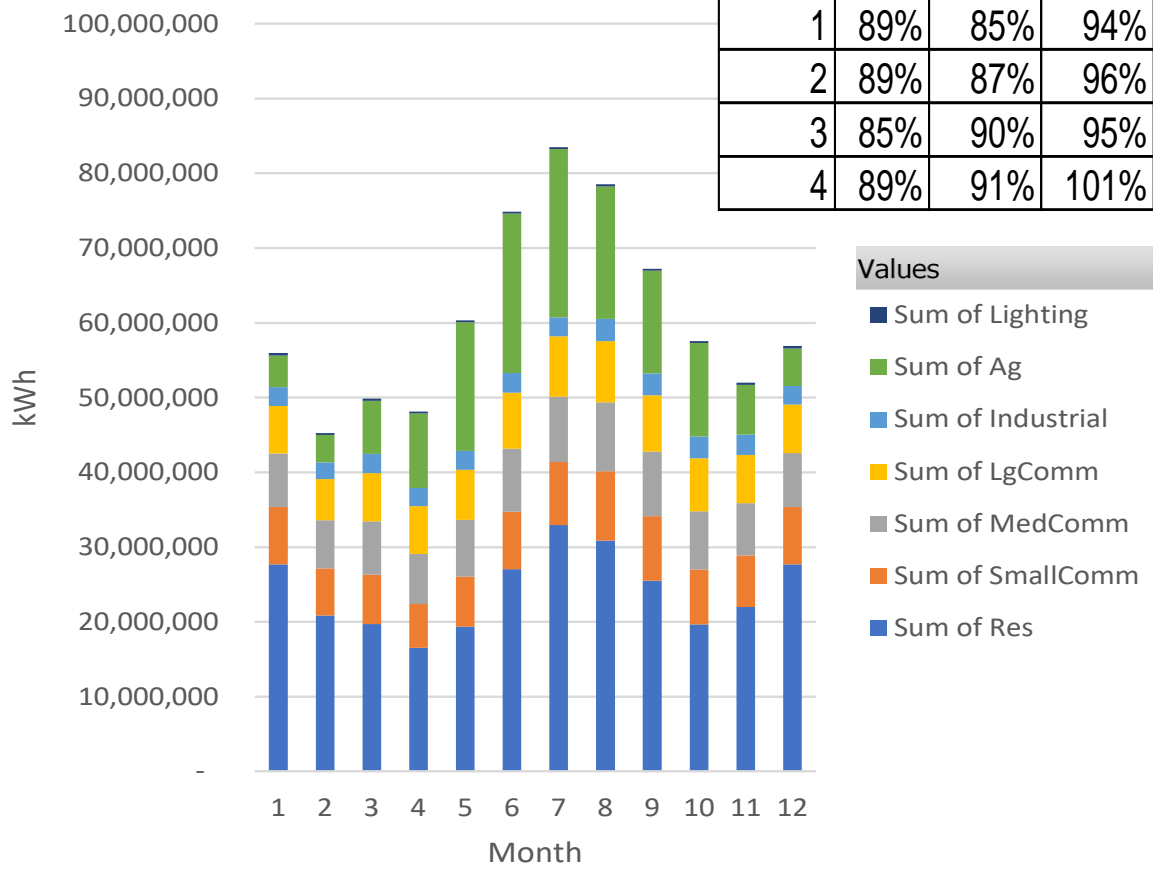
Key Highlights

- Revenues are lower than forecasted and general alignment with budget.
- Power Costs have been lower than budgeted due to lower mild winter temperatures but increased in June.
- 2022 drought conditions continued from 2021 impacting agriculture sector pumping loads that have been partially offset by reduced loads for Residential and Commercial.

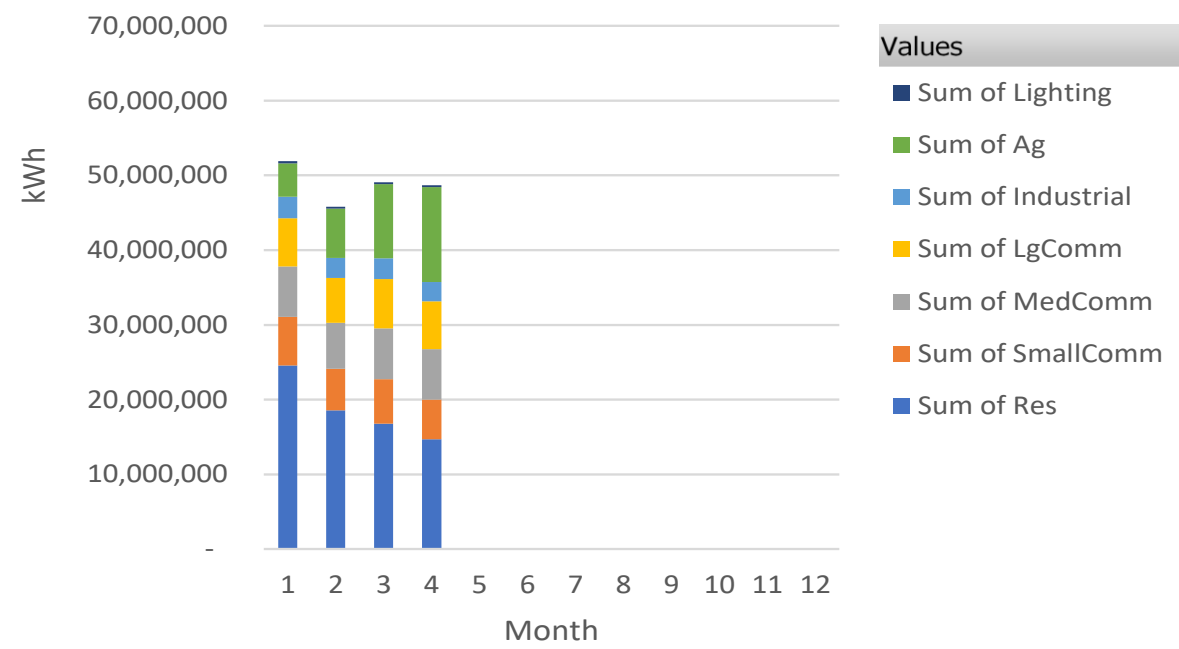
Item 9 – Mid-Year 2022 Customer Rates Review (Load Forecast vs Actual)

Load								
Month	Res	Sm Com m	Med Com m	Lg Com m	Ind	Ag	Light	Total
1	89%	85%	94%	102%	114%	105%	89%	93%
2	89%	87%	96%	110%	119%	179%	94%	101%
3	85%	90%	95%	102%	108%	140%	100%	98%
4	89%	91%	101%	100%	106%	127%	107%	101%

Load Forecast



Actual Load



Summary & Next Steps

Year-to-date financial performance is generally in-line with projections. Staff believes it is prudent to maintain Board adopted 2022 customer rates, budget allocations for programs, and renewable energy credits.

- Continue to monitor financial results to incorporate into 2023 Rate setting
- Continue to monitor PG&E Rate and PCIA for 2023 bundled rates. (Current forecasts favorable)
- 2023 Rates and Budget Adoption with additional customer options

Discussion



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Item 10 – Power Procurement / RPS Update



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Item 10 – 2021 Power Content

2021 POWER CONTENT LABEL						
Valley Clean Energy Alliance						
https://valleycleanenergy.org/power-sources/						
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)			Energy Resources	Standard Green	UltraGreen	2021 CA Power Mix
Standard Green	UltraGreen	2021CA Utility Average	Eligible Renewable ¹	12.6%	100.0%	33.6%
722	0	456	Biomass & Biowaste	0.0%	0.0%	2.3%
			Geothermal	0.0%	0.0%	4.8%
			Eligible Hydroelectric	0.0%	26.6%	1.0%
			Solar	4.6%	73.4%	14.2%
			Wind	8.0%	0.0%	11.4%
			Coal	0.0%	0.0%	3.0%
			Large Hydroelectric	10.9%	0.0%	9.2%
			Natural Gas	0.0%	0.0%	37.9%
			Nuclear	0.0%	0.0%	9.3%
			Other	0.0%	0.0%	0.2%
			Unspecified Power ²	76.5%	0.0%	6.8%
			TOTAL	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs ³ :				0%	0%	



1) Slightly exceeds VCE Board targets of 10% renewable; 20% carbon free .

Item 10 – Aquamarine Update

Month	Forecast (MWh)	Delivered (MWh)	Curtailed (MWh)	% of Forecast Delivered	% of Available Energy Curtailed
9	-	3,078	-		0%
10	9,371	10,048	-	107%	0%
11	6,209	8,667	253	140%	3%
12	5,094	5,555	836	109%	13%
1	4,130	6,344	252	154%	4%
2	8,284	7,435	1,799	90%	19%
3	11,614	10,881	951	94%	8%
4	14,098	13,515	854	96%	6%
5	16,130	15,859	808	98%	5%
6	17,000	16,783	22	99%	0%
7	16,276	16,518	291	101%	2%

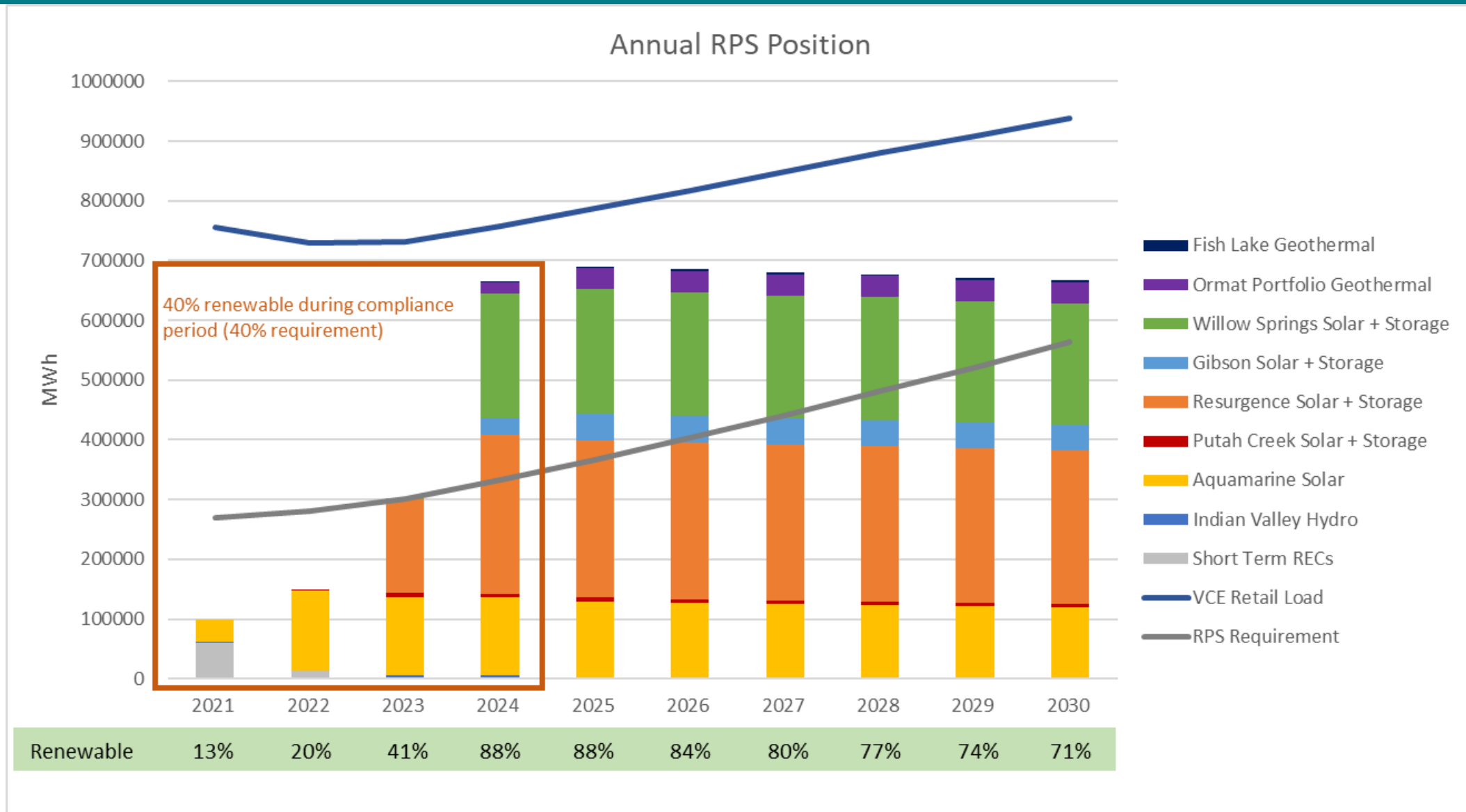
- 1) Generally performing as expected. Not surprising to see curtailment during shoulder months.
- 2) Curtailed energy is excess energy that grid cannot absorb, typically mid-day.
- 3) Forecast is based on original generation profile provided by counterparty.

Item 10 – 2022 Target vs Progress to Date

	Original Plan		YTD + Forecast	
Standard Green Load	728,826		719,133	
UltraGreen Load	7,288		9,541	
RPS Supply	139,001	18%	150,627	20%
Aquamarine Solar	131,991		133,825	
Indian Valley	3,224		0	
Putah Creek	3,395		1,802	
Resurgence Solar	391		0	
Short Term RECs	0		15,000	
Large Hydro Supply	35,000	5%	25,000	3%
PG&E Allocation	35,000		25,000	

- 1) Aquamarine invoices through July and forecasted generation for the rest of the year.
- 2) Forecasted generation for Putah Creek based on a 9/1/22 COD.
- 3) Hydro based on PG&E 1Q deliveries and forecast of reduced deliveries for remainder of year.
- 4) Load includes actuals through May and forecast for remainder of the year.
- 5) UG Load forecast includes Yolo decision to switch to UG.

Item 10 – Long Term RPS Forecast / PPA Timing



Item 10 – Tierra Buena BESS



- 1) Project size 5MW, 4hr duration. VCE's share is 2.5MW (RCEA = 2.5MW).
- 2) 6/3/22 COD (on schedule).

Item 10 – Resurgence Solar I



SEGS solar thermal trough -1980's



Resurgence Project
-90MW PV + 75MW BESS (4hr)
-5/15/23 COD (updated).

SEGS decommissioned





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Item 11 – New State and Federal Rebates and Incentives for Electrification

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Inflation Reduction Act

- Signed into law August 16, 2022
 - Result of over a year of negotiations
- Bill is the largest single investment combating climate change in U.S. history: almost \$370B
 - Also lowers the cost of prescription drugs; raises taxes on corporations; ACA subsidy extension; IRS tax enforcement
 - Largest share of funding: tax credits & rebates for solar panels, wind turbines, heat pumps, energy efficiency, and electric vehicles
- Some funds will flow through federal government
- Significant portion of funds will flow through California Energy Commission

Item 11 – New State and Federal Rebates and Incentives for Electrification

Inflation Reduction Act

Next Steps: VCE staff is evaluating potential, staff availability. Staff will evaluate options with PTG.

Options fall into 3 categories:

- VCE role could be to inform customers (e.g. EV rebates, energy efficiency rebates/loans)
- VCE could partner with others on programs (e.g. heat pump program, EE rebate programs)
- VCE may seek funding to run directly (e.g. EJ, rural sustainability/resiliency)