



**Regular Meeting of the Community Advisory Committee (CAC)
of Valley Clean Energy Alliance
Thursday, September 22, 2022 at 5:00 p.m.
Via Video/Teleconference**

Pursuant to Assembly Bill 361 (AB 361), legislative bodies may meet remotely without listing the location of each remote attendee, posting agendas at each remote location, or allowing the public to access each location, with the adoption of certain findings. The Board of Directors found that the local health official recommended measures to promote social distancing and authorized the continuation of remote meetings for the foreseeable future. Any interested member of the public who wishes to listen in should 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. The CAC may decide to make a recommendation to the VCE Board regarding any of the agenda items below. 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 Webinar meeting may do so with the teleconferencing call-in number and Webinar meeting ID code.

Join meeting via Zoom WEBINAR:

- 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/84250657884>
Meeting ID: 842 5065 7884

- b. By phone

One tap mobile:
+16699009128,,84250657884#
+16694449171,,84250657884#
Dial:
+1-669-900-9128
+1-669-444-9171
Meeting ID: 842 5065 7884

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: David Springer (Chair), Marsha Baird (Vice Chair), Christine Shewmaker, Cynthia Rodriguez, Gerry Braun, Mark Aulman, Lorenzo Kristov, Jennifer Rindahl, Keith Taylor, Kristin Jacobs, Rahul Athalye

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 VCE-related matters that are not otherwise on this meeting agenda or are listed on the Consent portion of the agenda. Public comments on matters listed on the Regular 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 the information under **PUBLIC PARTICIPATION** at the conclusion of this agenda about how to provide your public comment.
4. **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) **September 8, 2022 Board meeting**
 - c) **Staff Report**

CONSENT AGENDA (≈ 5 minutes)

5. **Approval of August 25, 2022 Meeting Minutes.**
6. **Receive Community Advisory Committee 2022 Long-Range Calendar.**
7. **Receive Legislative End of Session update.**

REGULAR AGENDA

8. **Receive 2022 Update of the Valley Clean Energy Integrated Resource Plan. (Information/Discussion) (≈ 45 minutes)**
9. **Introduce and receive input on a Rate Adjustment System Concept. (Information/Discussion) (≈ 20 minutes)**
10. **Receive progress update on VCE 3-Year Programs Plan and 2023 program concepts. (Information) (≈ 15 minutes)**
11. **Advisory Committee Member and Announcements. (≈ 5 minutes)** Action items and reports from members of the Advisory Committee, including announcements, reports on meetings, and information which would be of interest to the Committee or the public.
12. **Announcement and Adjournment.** The CAC's next scheduled meeting is Thursday, October 27, 2022 at 5 p.m.



**PUBLIC PARTICIPATION INSTRUCTIONS FOR UPCOMING VALLEY CLEAN ENERGY COMMUNITY
ADVISORY COMMITTEE MEETING ON THURSDAY, SEPTEMBER 22, 2022 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) **Computer with a microphone:** activate the “participants” icon at the bottom of your screen, then press the “raise a hand” icon.
- 2) **Phone:** Press *9 to indicate a desire to make a comment. Once called upon, press *6 to unmute your microphone.

VCE staff will acknowledge that you have a public comment to make during the item and will call upon you by name or phone number when it is your turn to comment. Speakers will be limited to no more than two minutes. Speakers will be asked to state their name for the record.

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

Staff Report - Item 5

TO: Community Advisory Committee

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: CAC August 25, 2022 Meeting Minutes

DATE: September 22, 2022

Recommendation

Receive, review and approve the attached August 25, 2022 meeting minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, AUGUST 25, 2022
VIA TELECONFERENCE**

Chair David Springer opened the Community Advisory Committee of the Valley Clean Energy Alliance in a meeting on Thursday, August 25, 2022 beginning at 5:04 p.m. via videoconference pursuant to the Brown Act and Assembly Bill 361 (AB 361). The Board of Directors found that the local health official recommended measures to promote social distancing and authorized the continuation of remote meetings for the foreseeable future.

Welcome and Roll Call

Committee Members Present: David Springer (Chair), Marsha Baird (Vice Chair), Christine Shewmaker, Mark Aulman, Lorenzo Kristov, Gerry Braun (departed at approximately 6:35 p.m.), Kristin Jacobs, Rahul Athalye (departed at approximately 6:08 p.m.), Cynthia Rodriguez (arrived at approximately 5:12 p.m.)

Committee Members Absent: Keith Taylor, Jennifer Rindahl

Welcome and Approval of Agenda

Executive Officer Mitch Sears introduced Yvonne Hunter who is working part time for VCE as the Legislative and Project Specialist. Chair Springer introduced the CAC's newest member Rahul Athalye. Mr. Athalye introduced himself.

(Cynthia Rodriguez arrived at approximately 5:12 p.m.)

Motion made by Mark Aulman to approve the August 25, 2022 meeting agenda, seconded by Christine Shewmaker. Motion passed with Keith Taylor and Jennifer Rindahl absent.

Public Comment / Introductions

There were no written or verbal public comments on items not on the agenda and on Consent Agenda items.

Brief task Group and VCE staff Reports

Task Group Reports

Leg/Reg: Lorenzo Kristov informed those present that the Legislative Session is about to close at the end of August. He reported that SB 833 got held in Assembly appropriations. Mr. Sears reported that Staff and many others have been following the legislative proceeding on the proposed extension of Diablo Canyon nuclear power plant in order to fill potential shortfalls in capacity. The proposal is to extend it beyond its 2025 ending date to 2030. Some analysis has been done around the proposed extension. VCE is tracking this bill along with a few others,



including CalCCA. VCE Staff Yvonne Hunter reported that there is an unauthored Assembly Bill, which proposes alternative actions to the Diablo Canyon extension bill, such as energy funding and resource allocation. This is a bill separate from the budget trailer bills.

Outreach: Mark Aulman informed those present that the Task Group met in July. He had reached out to Yolo County Supervisor Angel Barajas and to the Coordinator at the Sierra Club to get their suggestions and feedback on how to improve Spanish outreach efforts to VCE's customers. He will provide their suggestions and feedback to VCE Staff. The Task Group welcomes additional CAC members to the Task Group and any and all suggestions on how to improve outreach efforts. The Task Group discussed the launch of the Electric Vehicle (EV) Rebates Program and the possible usage of focus groups. Mr. Aulman announced upcoming events: Davis Farmers Market this Saturday, August 27th, Woodland Farmers Market on September 10th, Carnitas Festival in Winters on September 24th, and a Drive Electric Week event in Davis on September 25th. CAC members are welcome to attend.

Energy Resilience: Mr. Kristov solicited suggestions from the other Members on who to contact at the schools within VCE's jurisdictions to discuss partnering with them for a community resiliency center. If anyone has suggestions or contacts within the schools to please reach out to VCE Staff Gordon Samuel or Board Clerk Alisa Lembke.

Programs: Marsha Baird informed those present that Rahul Athalye will be joining the Programs Task Group. The Task Group had a couple of meetings and discussed the launch of the EV Rebates Program, AgFIT (Agricultural Flexible Irrigation Technology) program which will have its "second" launch very soon, 2023 programs, and the evaluation of VCE's current programs.

July 14, 2022 Board meeting update: Assistant General Manager Gordon Samuel provided highlights of the Board's July 14, 2022 meeting: approved participation in two CC Power geothermal projects, approved a 3rd rate option, called Base Green, and received a financials update.

Consent Items

Christine Shewmaker commented that on the 2022 Long Range Calendar, the discussion on carbon neutral by 2030 has moved from the 3rd Quarter to the 4th Quarter. She would like to see this item come to the CAC first so that a final report could be presented to the Board by the end of the calendar year. In addition, she noted that the Integrated Resource Plan (IRP) is also scheduled to come to the CAC and the Board. She suggested that the IRP be incorporated somehow into the discussion of carbon neutral by 2030. Mr. Samuel confirmed



the schedule of items to occur in the 4th quarter. He noted that the IRP schedule follows the California Public Utilities Commission (CPUC) calendar with a filing due date of November 1st. The carbon neutral by 2030 will be scheduled for a Board meeting before the end of the year. Christine Shewmaker made a motion to approve the Consent agenda, seconded by Marsha Baird. Motion passed with Keith Taylor and Jennifer Rindahl absent. The following items were:

5. approved June 23, 2022 meeting Minutes; and,
6. received quarterly Customer Enrollment update; and,
7. received 2022 long-range calendar.

There were no written or verbal comments as identified above.

Item 8: Overview of the Brown Act and social media provided by VCE's legal counsel: Richards, Watson and Gershon. (Information)

VCE's legal counsel Inder Khalsa of Richards, Watson and Gershon (RWG) presented an overview of the Brown Act and social media. A few questions were asked regarding Tweet and Facebook posts, intersections of professional work and volunteering as a CAC Member, and Task Groups. There were no written or verbal public comments. The Board Clerk informed those present that a Handbook on the Ralph A. Brown Act, containing a summary and full text of the Brown Act, prepared by RWG, will be distributed to the CAC members in a follow up email.

Item 9: Mid-year 2022 rates review. (Information)

VCE Staff Member Edward Burnham provided a mid-year 2022 rates update by reviewing actions taken by the Board, key factors, factors impacting revenues and costs, and other considerations (increase in power market prices, increased revenues). Vice Chair Marsha also noted that a Dividend Policy was adopted by VCE.

(Rahul Athalye departed at approximately 6:08 p.m.)

Mr. Burnham reviewed 2022 Budget proforma update and load forecast vs. Actual. The CAC discussed how the Power Purchase Agreement (PPA) projects will affect rates, how energy gaps are filled and the effects on the budget, and funding reserves and programs. There were no written or verbal public comments.

Item 10: Power Procurement / Renewable Portfolio Standard update. (Information)

Mr. Samuel provided an update on the 2021 Power Content Label, PPA projects, 2022 targets and progress, and long term Renewables Portfolio Standard (RPS) forecasting and PPA timing of anticipated projects coming on line. The CAC discussed the need and timing on purchasing renewable energy certificates (RECs) to meet VCE's goals, the need and concerns of marketing our renewable content, and balancing need with the budget. There were no written or verbal public comments.



(Gerry Braun departed at approximately 6:35 p.m.)

Item 11 – New state and federal rebates and incentives for electrification. (Information)

VCE Staff Rebecca Boyles provided a brief overview of the Inflation Reduction Act (IRA), with the largest share of funding for: tax credits and rebates for solar panels, wind turbines, heat pumps, energy efficiency and electric vehicles. Staff will evaluate the potential for VCE to participate in some of these rebate programs which may depend on staff availability. The CAC are interested in learning about the opportunities and possible amounts of rebates and incentives listed within the Act and informing customers about them. Staff were asked to bring back a summary of monies for each rebate and incentive listed within the IRA when this information is available. Staff may seek the Programs Task Group to assist. There were no written or verbal public comments.

Advisory Committee Member and Announcements

Christine Shewmaker announced that there is a legislative bill (SB 1137) that asks for a 3,200 setback from wells. If interested in supporting or have questions, to please contact her. AB 2133 addresses statewide greenhouse gas emissions reduction goals: reducing emissions from 40% below 1990 levels to 55% below 1990 levels.

Mark Aulman informed those present that he met with Yolo County Supervisor Gary Sandy and discussed outreach issues as he perceives them and may invite him to an Outreach Task Group meeting. He met with Christine Engle, Community Services Director at the City of Woodland on possibly using the City's Community Center as a resilience hub. Lastly, the proposals that have been submitted to Yolo County and the City of Davis to opt up their various accounts to UltraGreen. A community meeting was held on July 9th with a lot of community interest. An update on this will be provided at the CAC's next meeting.

Adjournment to Next Meeting

The next meeting is scheduled for Thursday, September 22, 2022 at 5 p.m. The meeting was adjourned at 6:51 p.m.

Alisa M. Lembke
Board Clerk/Administrative Analyst

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

TO: Community Advisory Committee

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Board and CAC 2022 Long Range Calendar

DATE: September 22, 2022

Please find attached an updated and revised 2022 Board and Community Advisory Committee (CAC) Long Range Calendar. Specifically, at the bottom of the calendar lists future (proposed) topics of discussion for the CAC.

If you have an item that you would like added, please send an email to Assistant General Manager Gordon Samuel, Board Clerk Alisa Lembke, CAC Chair and Vice Chair for consideration.

Attachment:

1. 2022 Board and CAC Long Range Calendar

VALLEY CLEAN ENERGY
2022 Meeting Dates and *Proposed* Topics
Board and Community Advisory Committee (CAC)
(CAC: Topics and Discussion Dates may change as needed)

MEETING DATE		TOPICS	ACTION
<p>January 13, 2022 Special Meeting scheduled for January 27, 2022</p>	<p>Board</p>	<ul style="list-style-type: none"> • Election of Officers for 2022 (Annual) • Near-term Procurement Directives and Delegations for 2022 Power Procurement Activities • Calendar Year Budget and 2022 VCE customer rates • GHG Free Attributes • 2022 Legislative Platform • Receive CAC 2021 Calendar Year End Report (Annual) • 2021 Year End Review: Customer Care and Marketing 	<ul style="list-style-type: none"> • Action • Action • Action • Action • Action • Information • Information
<p>January 27, 2022 January 20, 2022</p>	<p>Advisory Committee</p>	<ul style="list-style-type: none"> • 2022 Task Groups Tasks/Charge (Annual) • Update on 2022 Power Charge Indifference Adjustment (PCIA) and Rates • Carbon Neutral by 2030 Study • CC Power long duration storage • Draft Collections Policy • Update on customer programs development (draft Heat Pump Pilot Program) 	<ul style="list-style-type: none"> • Action • Discussion/Action • Discussion/Action • Information • Information/Discussion • Information
<p>February 10, 2022</p>	<p>Board</p>	<ul style="list-style-type: none"> • CC Power long duration storage • Update on customer programs development • Update on 2022 PCIA and Rates • Update on Time of Use (TOU) • Update on SACOG Grant – Electrify Yolo • Strategic Plan Update (Annual) • Carbon Neutral Report 	<ul style="list-style-type: none"> • Action • Information • Information • Information • Information • Information • Information/Discussion
<p>February 24, 2022</p>	<p>Advisory Committee</p>	<ul style="list-style-type: none"> • Power Procurement / Renewable Portfolio Standard Update • Time of Use (TOU) and Bill Protection • Final Draft Collections Policy • Customer program concept (Heat Pump Pilot Program) • 2022 Task Group – energy resiliency 	<ul style="list-style-type: none"> • Information • Discussion/Action • Action • Discussion/Action • Discussion/Action

March 10, 2022	Board	<ul style="list-style-type: none"> • Receive Enterprise Risk Management Report (Bi-Annual) • Collections Policy • Presentment of customer program concept (Heat Pump Pilot Program) • Time of Use (TOU) Bill Protection • Ag FIT (Flexible Irrigation Technology) pilot program 	<ul style="list-style-type: none"> • Information • Discussion/Action • Action • Discussion/Action • Discussion/Action
March 24, 2022	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Customer program concept (draft EV Rebates Program) • CC Power long duration storage project • Overview of VCE Forecasting 	<ul style="list-style-type: none"> • Information • Information • Information/Discussion
April 14, 2022	Board	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • 7/1/21 thru 12/31/21 Audited Financial Statements (James Marta & Co.) • CC Power long duration storage project 	<ul style="list-style-type: none"> • Information • Action • Discussion/Action
April 28, 2022	Advisory Committee	<ul style="list-style-type: none"> • Program Concepts Development (EV Rebates Program) • Update on Customer Dividend and Programs Allocation • Forecasting – load and power costs • 	<ul style="list-style-type: none"> • Discussion/Action • Information • Information • Discussion
May 12, 2022	Board	<ul style="list-style-type: none"> • Update on Customer Dividend and Programs Allocation • Presentment of customer program concept (EV Rebates Program) • Appointment of At-Large Members to the CAC 	<ul style="list-style-type: none"> • Information • Action • Action
May 26, 2022	Advisory Committee	<ul style="list-style-type: none"> • Forecasting – financial modeling • Draft Rate Structure • Net Energy Metering (NEM) 3.0 Update 	<ul style="list-style-type: none"> • Information • Information/Discussion • Information
June 9, 2022	Board	<ul style="list-style-type: none"> • Opt-Out Fees • Update on 3-Year Programs Plan • Forecasting • Draft Rate Structure • Net Energy Metering (NEM) 3.0 Update 	<ul style="list-style-type: none"> • Information • Information • Information • Information/Discussion • Information
June 23, 2022	Advisory Committee	<ul style="list-style-type: none"> • Draft Rate Structure • Update 3-Year Programs Plan • Review CAC Charge (Annual) 	<ul style="list-style-type: none"> • Discussion/Action • Information/Discussion • Discussion
July 14, 2022	Board	<ul style="list-style-type: none"> • Re/Appointment of Members to Community Advisory Committee (Annual) • Update on SACOG Grant – Electrify Yolo 	<ul style="list-style-type: none"> • Action • Information

		<ul style="list-style-type: none"> • Draft Rate Structure • Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> • Discussion/Action • Information
July 28, 2022 NO MEETING	Advisory Committee	This meeting has been cancelled.	
August 11, 2022 NO MEETING	Board	This meeting has been cancelled.	
August 25, 2022	Advisory Committee	<ul style="list-style-type: none"> • Power Procurement / Renewable Portfolio Standard update • Mid-year 2022 rates update • Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> • Information • Information • Information
September 8, 2022	Board	<ul style="list-style-type: none"> • Certification of Standard and UltraGreen Products / 2021 Power Content Label (Annual) • Enterprise Risk Management Report (Bi-Annual) • Mid-year 2022 Customer rates review • Introduction to Rate Adjustment System concept 	<ul style="list-style-type: none"> • Action • Information • Information/Discussion • Information/Discussion
September 22, 2022	Advisory Committee	<ul style="list-style-type: none"> • Legislative End of Session update • 2022 Integrated Resource Plan (IRP <i>update</i> due 11/1/2022) • Update on Programs Plan and 2023 program concepts • Introduction to Rate Adjustment System concept 	<ul style="list-style-type: none"> • Information • Information/Discussion • Information/Discussion • Information/Discussion
October 13, 2022	Board	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • Update on 2023 draft Operating Budget • Quarterly Customer Enrollment Update • Strategic Plan update • 2022 Integrated Resource Plan (IRP <i>update</i> due 11/1/22) 	<ul style="list-style-type: none"> • Information • Information • Information • Information/Discussion • Discussion/Action
October 27, 2022	Advisory Committee	<ul style="list-style-type: none"> • Update on Power Content Label Customer Mailer • Review CAC Task Group Year-end Reports • Review 2023 customer rate study/information • Rate Adjustment System • Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> • Information • Discussion • Information/Discussion • Discussion • Information
November 10, 2022	Board	<ul style="list-style-type: none"> • Preliminary 2023 customer rate options • Preliminary 2023 Operating Budget (Annual) • Rate Adjustment System (tentative) 	<ul style="list-style-type: none"> • Information/Discussion • Information • Discussion

November 17, 2022 (rescheduled November 24 th meeting due to the Thanksgiving holiday)	Advisory Committee	<ul style="list-style-type: none"> Finalize CAC Task Group Year-end Reports Review Procurement Directives and Delegations (Annual) GHG Free attributes Power Procurement / Renewable Portfolio Standard Update ERRA Filings Update (PCIA and bundled rates) (Annual) Preliminary 2023 customer rate options Carbon Neutral by 2030 Rate Adjustment System 	<ul style="list-style-type: none"> Discussion/Action Information Information Information Discussion Information/Discussion Discussion/Action Discussion/Action
December 8, 2022	Board	<ul style="list-style-type: none"> Approve 2023 Operating Budget (Annual) Rate Adjustment System 2023 Customer Rate Adoption Receive Enterprise Risk Management Report (Annual) Approve Procurement Directives and Delegations (Annual) GHG Free attributes Update on SACOG Grant – Electrify Yolo Receive CAC Year-end Task Group Reports Carbon Neutral by 2030 Election of Officers for 2023 (Annual) 	<ul style="list-style-type: none"> Action Discussion/Action Action Information Action Action Information Information Discussion/Action Nominations
December 15, 2022 (rescheduled December 22 nd meeting due to the Christmas holiday)	Advisory Committee	<ul style="list-style-type: none"> 2023 CAC Task Group(s) formation (Annual) Review draft 2023 Legislative Platform Strategic Plan update (Annual) 2023 Customer Rates Election of Officers for 2023 (Annual) 	<ul style="list-style-type: none"> Discussion/Action Discussion/Action Information Information Nominations
January 12, 2023	Board	<ul style="list-style-type: none"> Oaths of Office for Board Members (Annual if new Members) Update on SACOG Grant – Electrify Yolo Strategic Plan Update (Annual) 2023 Legislative Platform Approve Updated CAC Charge (tentative) (Annual) Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> Action Information Action Action Action Information
January 26, 2023	Advisory Committee	<ul style="list-style-type: none"> Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> Information

- Notes:** 1. CalCCA Annual Meeting scheduled (tentatively) for May 17 - 19, 2023 (San Diego).
2. Currently all meetings are held remotely via Zoom video/teleconference, “location” is subject to change.

CAC PROPOSED FUTURE TOPICS	ESTIMATED MEETING DATE(S)
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Topics and Discussion dates may change as needed	
Net Energy Metering (NEM) 3.0 (Information/Discussion/Action)	As needed
Self Generation Incentive Program (SGIP)	TBD
Forecasting Customer Ag Energy Using Hydrological Conditions (research results) (Information)	TBD
Legislative Items (as needed)	
Strategic Plan additional updates (as needed)	
Time of Use (TOU) (as needed)	
SACOG Update (as needed)	

VALLEY CLEAN ENERGY ALLIANCE**Staff Report - Item 7**

TO: Community Advisory Committee

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Receive Legislative End of Session update

DATE: September 22, 2022

Information item. VCE's lobbyist, Mark Fenstermaker of Pacific Policy Group, prepared an ["end of session" update](#) for the Board's September 8th meeting. The information in the report includes the status of key legislative issues from the last week of the legislative session that concluded August 31, as well as updates on legislation VCE has been monitoring. Because the Governor has 30 days to sign or veto bills that reach his desk, another brief update will be provided to the Board in October that reflects the Governor's action. As a reminder, VCE's support and oppose letters are available on the [Legislation](#) page of VCE's website.

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 9**

TO: Community Advisory Committee

FROM: Mitch Sears, Executive Officer
Edward Burnham, Director of Finance & Internal Operations

SUBJECT: Introduction of Rate Adjustment System

DATE: September 22, 2022

RECOMMENDATION

Informational item – no action requested.

The purpose of this report is to provide an introductory presentation and seek CAC feedback on a framework that would allow VCE's rates to automatically adjust within a defined range to more timely and accurately reflect external cost factors outside VCE's direct control.

BACKGROUND/ANALYSIS

VCE and all other Load Serving Entities (i.e. CCA's, Publicly Owned Utilities, and Investor Owned Utilities), face volatility in multiple external cost factors that are largely outside utility control. For VCE, the primary factors are energy market fluctuations (up and down) and regulatory mandates. Most LSE's have adopted rate adjustment systems that allow for rates and revenue to automatically adjust within defined parameters to keep pace with market and regulatory changes. The IOUs' version of this approach is typically a "balancing account" that allows them to recover costs retroactively since their rates are regulated by the California Public Utilities Commission (CPUC) making them difficult to adjust quickly.

At the September 8, 2022, Board meeting, Staff introduced this conceptual rate adjustment framework that would allow VCE to automatically adjust rates/revenues up or down based on parameters set by the Board. The Board provided direction to continue to refine the concept and report back to the Board.

VCE Financial Policies and Mitigation Strategies

In 2017, prior to launch, VCE adopted and registered its Implementation Plan (IP) with the CPUC. The Plan included a provision that program rates must collect sufficient revenue from participating customers to fully fund VCE's budget, including operating reserves. Over the past four years, VCE has analyzed policy options and implemented strategies to stabilize customer rates, reduce/control costs, and manage reserves. VCE's key financial policies and mitigation strategies include:

- 2017 – VCE IP: Rates must collect sufficient revenue to fully fund VCE's budget and

operating reserves.

- 2020 – Strategic Plan: Maintain financial stability while continuing to offer customer choice, competitive pricing, and establishment of local programs.
- 2018 – 2021 – Systematic analysis of policy options and implementation strategies to stabilize customer rates, reduce costs, and manage reserves:
 - Discontinue rate discount; temporarily scaled back REC purchases; sign long-term renewable PPA's
- November 2021- Adopted cost-based rate policy.
- July 2022 – Board adopted a three-tiered customer product structure starting in 2023.

Rate Adjustment System Concept

Currently, VCE sets rates annually for its default product to cover costs set competitively to PG&E's rates, regardless of market volatility and/or changing regulatory requirements. While this current approach is reasonably simple to calculate and communicate, it requires VCE to use reserves to smooth unanticipated power market and regulatory impacts. To better address revenue variability associated with these impacts, Staff has investigated best practices of other Load Serving Entities. The most common approaches utilize automatic adjustments within predetermined guidelines triggered by movement in power markets (up or down), and/or additional costs associated with regulatory mandates (e.g. Power Charge Indifference Adjustment – PCIA).

Under this type of adjustment system, the Board would set adjustment limits (up or down), that could be triggered by power market movement and/or regulatory actions. Generally, implementing timely smaller adjustments reduces the potential for larger swings in customer rates if changes are implemented only once a year, consistent with VCE's current practice. Such adjustments also moderate pressure on reserves by being more responsive to cash-flow needs.

It is important to note that these types of rate adjustment frameworks do not compel a rate adjustment if the context of a market price trend or regulatory decision does not require an adjustment to maintain long-term financial stability. For example, if market power costs are reacting to a temporary event such as a storm that knocks out transmission lines that might otherwise trigger consideration of a rate adjustment under adopted parameters, VCE could choose to “wait and see” if power markets “quickly” return to more normal levels. If however, an event and cost impacts persist, the system would allow for an adjustment to meet VCE's revenue requirements and cost based rates policy. While this type of system offers flexibility to manage VCE rates more effectively, it does require informed design to achieve desired results and an appropriate delegation of responsibility.

Staff is seeking feedback from the CAC on Rate Adjustment system structure. As shown in the proposed timeline below, CAC feedback will help inform the Rate Adjustment proposal outlined to the Board at their November meeting. CAC consideration of a final draft rate structure is scheduled for the late November CAC meeting, followed by Board consideration of the final draft in December.

Tentative Timeline

As noted above, various factors outside VCE's direct control are the main drivers for evaluating this option. Current conditions allow VCE to consider this policy option without pressure to take immediate action. Based on these factors, the Board approved the basic timeline below.

- September – Review and receive CAC input on a concept **(Current; Sept 22)**
 - Develop Draft Schedule and Examples
 - Examples based on three product categories (Base, Standard, and Ultra Green)
 - Address potential CARE/FERA protections
- October 2022 – Review draft Rate Adjustment System with CAC
 - Receive additional feedback for the Draft Customer Rate Adjustment System
- November 2022 – Return to Board and CAC for proposed Rate Adjustment System
 - Present Draft Customer Rate Adjustment System to Board
 - Present Draft Proposed Customer Rate Adjustment System to CAC for recommendation
- December 2022 – Rate Adjustment System for 2023
 - Present Draft Proposed Customer Rate Adjustment System for possible board adoption (2023 Implementation)
 - Consolidate with 2023 Budget & Rates Adoption

Staff will be providing additional detail in its informational presentation at the meeting.

CONCLUSION/NEXT STEPS

As directed by the Board, Staff is seeking feedback from the CAC on the potential implementation of a Rate Adjustment System similar to those implemented by other utilities and CCA's. The timeline outlined above would lead to implementation in 2023. The Board provided direction to develop and return to the Board for consideration of this type of Rate Adjustment System consistent with VCE's current rate and budget policies.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 10

TO: Community Advisory Committee

FROM: Mitch Sears, Executive Officer
Rebecca Boyles, Director of Customer Care and Marketing
Sierra Huffman, Program and Community Engagement Analyst

SUBJECT: Receive progress update on VCE 3-Year Programs Plan and 2023 program concepts

DATE: September 22, 2022

REQUESTED ACTION

Informational item. The purpose of this report is to give an update on the status of VCE's 3-Year Programs Plan and an introduction to program concepts being discussed for 2023 implementation.

BACKGROUND

In June 2021, the VCE Board approved the 3-Year Programs Plan (3YPP), including the methodology by which potential programs are scored and ranked for implementation. Programs most aligned with VCE's mission, vision and Strategic Plan scored higher, and thus are prioritized for implementation, while those that score lower are not slated for implementation, but may be reconsidered at a later time. Criteria include greenhouse gas (GHG) mitigation, ease of implementation, and customer satisfaction, among others. Staff and the Programs Task Group (PTG) also evaluate other CCA programs in the process.

UPDATE

Since the approval of the 3YPP, staff has implemented 4 new programs: the Heat Pump Program, the Agricultural Flexible Irrigation Technology (AgFIT) program, the OhmConnect partnership, and the Electric Vehicle Rebate Program. Staff has continued with the Electrify Yolo grant from the Sacramento Area Council of Governments, in which VCE is partnering with all jurisdictions to install electric vehicle chargers for public use. That program is underway and due to be completed by all jurisdictions in December 2023. The Energy Efficiency Resources graphic was updated and translated it into Spanish. VCE's EV Educational Resources underwent a refresh in Spring 2022, and is also available in Spanish.

Heat Pump Program

VCE's Heat Pump Pilot launched in June 2022, and staff held the first contractor-focused webinar on June 2nd. The webinar focused on getting customers access to rebates and incentives for heat pump water heaters, demystifying heat pumps, and dispelling misinformation. The event was successful and well-attended. The video of the webinar is up on VCE's website.

AgFIT

AgFIT launched August 31 with an initial set of 8 pumps, and enrolled the remaining pumps through August. Though implementation was challenging, launch was smooth. Data is still very preliminary, but customers are already seeing successful load shift out of peak hours, which should translate into modest savings. VCE has enrolled about 1.8MW out of a 5MW cap, and recruitment for the 2023 growing season has begun.

OhmConnect

VCE continued its second year of partnership with OhmConnect, in which customers can sign up to shift their electric load at peak times of stress for the grid, and receive cash and other incentives for participating. The 2022 spring campaign yielded 132 utility connected accounts, a fantastic utility connection rate of 88% of all who signed up for the service. For the summer campaign (emails went out to over 30,000 customers in early September), the incentives are higher as customers can receive a \$50 sign-up bonus, as well as ongoing cash and rewards for participating. The program will continue throughout the year but peaks in late summer/early fall.

Electric Vehicle (EV) Rebate Program

VCE's EV Rebate program launched on September 19, 2022. The program provides rebates for new or leased vehicles to customers as follows: \$2000 for a plug-in hybrid; \$2500 for a battery electric vehicle; or \$4000 for either a plug-in hybrid or battery electric vehicle for income-qualified customers. The program is being widely promoted through print and digital ads, as well as at events and through partnerships with community-based organizations.

2023-2024 Program Concepts Under Consideration

Staff, in consultation with the Programs Task Group (PTG), is planning program activity for 2023-2024. Some of the program concepts under consideration include:

- Continuing the OhmConnect partnership
- Phase 2 of the EV Rebate Program, potentially including used vehicles for rebates
- Phase 2 of the Heat Pump Program, potentially including rebates for heat pump installations
- Energy efficiency rebates for low-income customers
- Home energy ratings
- Agricultural electrification
- Self-Generation Incentive Program (SGIP)
- Workforce Development

All program concepts will be tested with Board-approved methodology for suitability for implementation, and the CAC will receive program concepts for review and feedback before concepts go before VCE's Board of Directors.

ATTACHMENT:

1. Summary of Programs included in VCE's 3-Year Programs Plan

Attachment A:

Summary of Programs included in VCE's 3-Year Programs Plan

Progress updates since Board approval (June 2021) are noted **in red**.

Phase 1: *Ongoing or to be initiated within the next year*

1. Maintain and Enhance EV Educational Resources (PS1);

Updated and ongoing

2. Deployment and Promotion of Electric Vehicle Charging Stations (EVCS) (PS1);

Ongoing

3. Maintain and Enhance Educational Energy Efficiency Resources (PS2);

Updated and Ongoing

Phase 2: *Potential to be initiated within one to three years*

1. Agricultural Auto-Demand Response (PS2);

Launched and ongoing (AgFIT)

2. Demand Response and Free Thermostat for Residential Customers (PS2);

Launched and ongoing (OhmConnect partnership)

3. Agricultural Electrification (PS1);

4. Promote Dual Fuel Heat Pumps for Space Conditioning (PS1);

Launched and ongoing

5. All Electric Awards Residential and Commercial Program (PS1);

6. Electric Vehicle Rebates for Lower-income Customers (PS1);

Launched and ongoing

7. Provide Information on Self-Generation Incentive Program (SGIP) (PS2);

Phase 3: *No defined start date for action, likely longer than two years*

1. Electric Vehicle Ride and Drive Events in VCE Territory (PS1);

Participating September 25, 2022, and ongoing

2. Promote Induction Cooking as a Healthier, Climate-Friendly Alternative to Fossil Gas (PS1);

3. Disadvantaged Communities Green Tariff Program (DAC/GT) (PS1);

Considered; staff determined participation would not be feasible for VCE

4. Increase DC Fast Charger Deployment (PS1);

5. Expansion of Charging for Multifamily Apartments (PS1);

6. Develop a Residential and Commercial Battery Storage Program (PS2);