



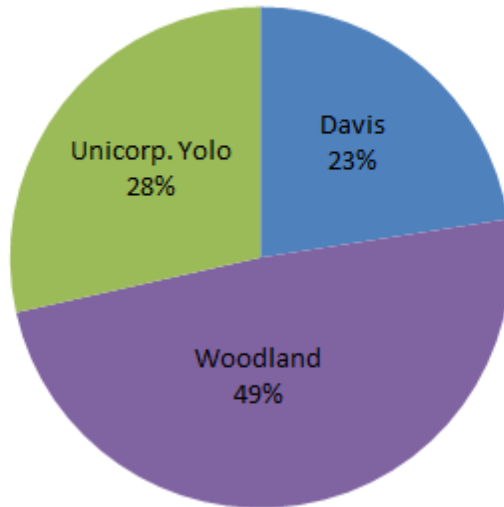
**Valley Clean Energy
Board of Directors Meeting**

Thursday, September 13, 2018

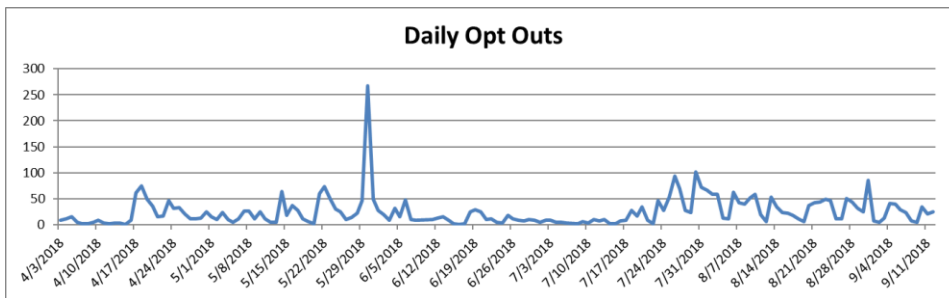
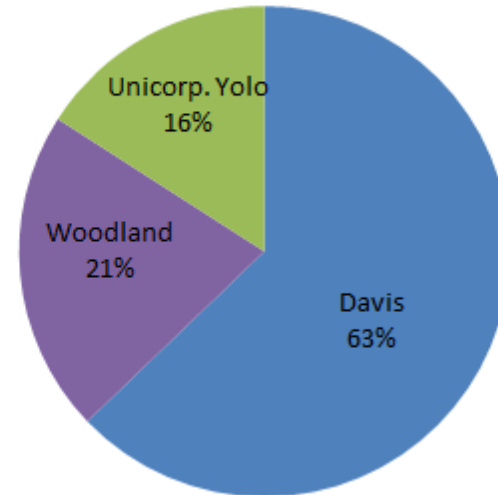
Woodland Council Chambers
300 First Street, Woodland, CA 95695

Agenda Item 11 - Customer Enrollment Update

3,747 Opt Outs
5.8% of customers



113 Opt Ups



Opt Out Channel	
CSR	35%
IVR	32%
Web	33%

	Eligible	Opt-Out	% Opt Out
Residential	56,500	3,141	5.6%
Non-Residential	8,500	606	7.1%
Total	65,000	3,747	5.8%

Status Date: 9/13/18



VCE Board Meeting
Agenda Item 13 - Net Energy Metering Policy
September 13, 2018, Woodland, CA



Policy Amendment Recommendations

Existing NEM Customers

Stay with the true-up schedule and billing cycle used by PG&E for the majority of existing NEM customers

- This would be seamless to customers and they will receive VCE benefits
- They retain their annual billing cycle and existing true-up date

Shift some NEM customers to monthly billing

- Shift existing NEM customers who consistently owe more than \$500/yr (approximately 882 customers, 12.6% of NEM customers) from annual payments to monthly payments with an annual true up date in February.
- Non-residential customers with >\$5000 annual balance may be moved to monthly billing/February true-up.

Policy Amendment Recommendations

VCE Customers with 2018 Solar Installations

VCE customers that install solar after June 1, 2018 will be placed on the new NEM policy:

- Monthly billing
- February true-up
- Current VCE customers with solar (385) have monthly billing and an April true-up date.
- These customers will be moved to a February true-up date. We will notify VCE NEM customers of the change.

Reason for February True-Up

PG&E True-Up Date, Monthly Billing #1

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up						470						
VCE Bill	\$ 90	\$ 70	\$ (100)	\$(100)	\$(100)	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Paid	\$ 90	\$ 70	\$ -	\$ -	\$ -	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Running Total	\$ 700	\$ 770	\$ 770	\$ 770	\$ 770	\$ 50	\$ 150	\$ 250	\$ 340	\$ 430	\$ 520	\$ 610

- For a true-up date in June, a customer could pay \$770 by May, then be reimbursed for the wholesale value of their \$300 in credits on their true-up in June, even though they're not a net generator
- Cycle would continue every year. This is not a 'first-year' issue.

PG&E True-Up Date, Monthly Billing #2

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up									470			
VCE Bill	\$ 90	\$ 70	\$ (100)	\$(100)	\$(100)	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Paid	\$ 90	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90	\$ 90	\$ 90	\$ 90
Running Total	\$ 450	\$ 520	\$ 520	\$ 520	\$ 520	\$ 520	\$ 520	\$ 520	\$ 90	\$ 180	\$ 270	\$ 360

- For a true-up in September, this customer will spend \$520, then credits kick-in and keep them under a \$100 balance at true-up.

PG&E True-Up Date, Monthly Billing #3

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up				470								
VCE Bill	\$ 90	\$ 70	\$ (100)	\$(100)	\$(100)	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Paid	\$ 90	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 90	\$ 90	\$ 90	\$ 90
Running Total	\$ 500	\$ 570	\$ 570	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 140	\$ 230	\$ 320	\$ 410

- Customer has \$100 credit at true-up--paid out at wholesale? Rolled over?

First Year Impact Examples

Three NEM Customer Examples												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up						\$ 297						
Electric Bill	\$ 62	\$ 19	\$ (44)	\$ (108)	\$ (27)	\$ 48	\$ 50	\$ 105	\$ 71	\$ 14	\$ 28	\$ 79
Paid	\$ 62	\$ 19	\$ -	\$ -	\$ -	\$ 48	\$ 50	\$ 105	\$ 71	\$ 14	\$ 28	\$ 79
Cumulative Credits			\$ (44)	\$ (152)	\$ (179)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 1 Cumulative Payments	\$ 278	\$ 297	\$ 297	\$ 297	\$ 297	\$ -	\$ -	\$ 24	\$ 95	\$ 109	\$ 137	\$ 216
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up						\$ 507						
Electric Bill	\$ 87	\$ 7	\$ (46)	\$ (131)	\$ (112)	\$ (8)	\$ 94	\$ 105	\$ 90	\$ 46	\$ 138	\$ 237
Paid	\$ 87	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ 94	\$ 105	\$ 90	\$ 46	\$ 138	\$ 237
Cumulative Credits			\$ (46)	\$ (177)	\$ (289)	\$ (297)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 1 Cumulative Payments	\$ 500	\$ 507	\$ 507	\$ 507	\$ 507	\$ -	\$ -	\$ -	\$ -	\$ 38	\$ 176	\$ 413
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up						\$ 371						
Electric Bill	\$ 74	\$ 30	\$ (34)	\$ (76)	\$ (97)	\$ 46	\$ 202	\$ 38	\$ 52	\$ (33)	\$ 42	\$ 127
Paid	\$ 74	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ 41	\$ 38	\$ 52	\$ -	\$ 9	\$ 127
Cumulative Credits			\$ (34)	\$ (110)	\$ (207)	\$ -	\$ -	\$ -	\$ -	\$ (240)	\$ -	\$ -
Year 1 Cumulative Payments	\$ 341	\$ 371	\$ 371	\$ 371	\$ 371	\$ -	\$ 41	\$ 79	\$ 131	\$ 131	\$ 140	\$ 267

Financial Impacts—Net Position

Scenario	# of Customers / % of NEM Customers	2018 (\$1,000's)	2019 (\$1,000's)	2020 (\$1,000's)	2021 (\$1,000's)	Running Average
Current NEM Policy		\$ 2,071	\$ 10,377	\$ 17,927	\$ 22,261	
All NEM to Annual (same as PG&E)		\$ 2,126	\$ 8,922	\$ 16,296	\$ 20,441	\$ 1,820
>\$1000 annually	228/3.3%	\$ 2,126	\$ 9,641	\$ 17,018	\$ 21,169	\$ 1,092
>\$750 annually	413/5.9%	\$ 2,126	\$ 9,729	\$ 17,107	\$ 21,259	\$ 1,002
> \$500 annually	882/12.6%	\$ 2,126	\$ 9,891	\$ 17,269	\$ 21,423	\$ 838

- The cumulative net impacts (3 years) show an estimated difference of \$838k when placing the >\$500 customers on monthly billing
- Revenues are not recorded until true-up

Recommended Action

Review and approve new NEM policy recommendations



Proposed NEM Policy

1. Residential NEM customers with solar systems installed prior to June 2018 may retain their existing PG&E annual billing cycle unless their annual balance exceeds \$500.
2. Residential NEM customers with solar systems installed prior to June 2018 with annual balances exceeding \$500 will be transitioned to monthly billing with a February true-up date.
3. Residential customers with solar systems installed prior to June 2018 that have been placed on a monthly billing cycle can request to move back to an annual billing cycle if their annual bill is less than \$500 per year for a consecutive two-year period.
4. Non-residential NEM customers with solar systems installed prior to June 2018 may retain their existing PG&E annual billing cycle, unless their annual balance exceeds \$5,000.
5. Non-residential NEM customers with annual balances exceeding \$5,000 may be transitioned to monthly billing with a February true-up.
6. NEM customers may choose a monthly billing cycle with February true-up in lieu of an annual billing and true-up cycle.
7. NEM customers with solar systems installed prior to June 2018 that are on annual billing cycles will retain their current true-up month.
8. The transition from PG&E to VCE will occur on the customer's true-up date in 2019.

Proposed NEM Policy

9. NEM customers with less than \$100 in credits will have the credit balance roll over to the next billing cycle (with no loss of credits). NEM customers with a credit balance exceeding \$100 on their annual true-up date will be cashed-out, unless they choose to roll over the balance or donate the funds.
10. NEM customers that generate excess energy on a monthly basis will receive the retail value plus a \$0.01/kWh credit for the excess generation, without additional compensation for participation in renewable programs.
11. Customers on time-of-use (TOU) rate schedules will receive a \$0.01/kWh credit for excess generation during any TOU period on a monthly basis.
12. NEM customers that generate excess energy on an annual basis will receive the wholesale value of net surplus generation, plus a \$0.01/kWh adder.
13. NEM customers may opt-out of VCE's NEM program and return to PG&E at their discretion.
14. Residential customers adding solar systems beginning June 1, 2018 will be placed on monthly billing with an annual true-up date in February.
15. Non-residential customers adding solar systems beginning June 1, 2018 may be placed on monthly billing with an annual true-up in February.

Agenda Item 16 - Joint Powers Agency New Member Application Policy

- Background – VCE post launch
- Timing and Process Requirements
 - CPUC Resolution E-4907 – requires one year waiting period
 - Revised Implementation Plan submitted to CPUC by December 31st
 - VCE New Membership – Joint Powers Agreement (45 days from notice)
 - Load data request from PG&E and analysis by SMUD
 - Early October notice from potential members to meet Dec 31st CPUC deadline

Agenda Item 16 - Joint Powers Agency New Member Application Policy

- New Member Terms and Fees
 - Financial and pollution reduction benefits
 - On boarding activities and costs
 - updated load analysis
 - preparing an amended Implementation Plan
 - administrative tasks required for organizational integration
 - power procurement
 - customer notification and enrollment
 - Direct costs (not to exceed \$50k)
 - Indirect support
 - Reimbursement of direct costs
- Governance
 - Board
 - Community Advisory Committee

Long Term Renewable Solicitation Criteria

Agenda Item 17: Background

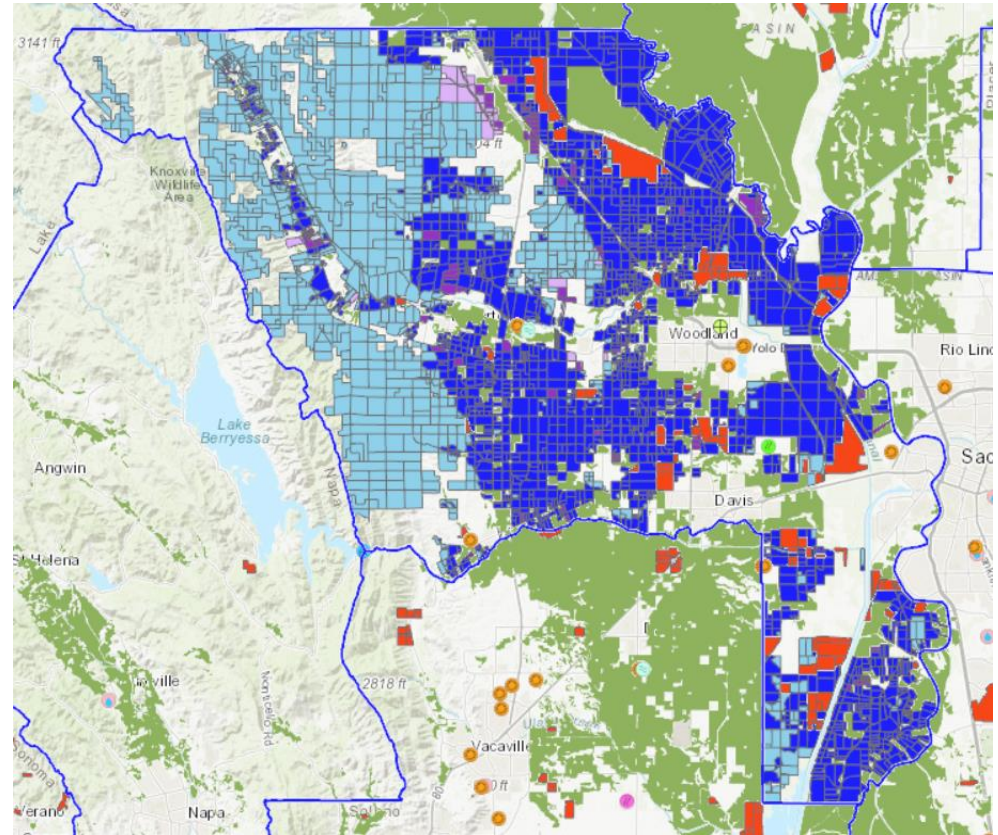
- The renewable Solicitation is the #1 IRP Action Plan item.
 - Solicitation was posted August 13.
 - Bids due Monday, September 17.
 - Have received Notices of Intent to Bid from 17 developers with 43 project variations, in excess of 1,500 MW.
- Key outcome is to begin building VCE's long-term renewable portfolio.
- Recently signed SB100 changes 2030 RPS target from 50% to 60%.
- Legal requirements for LT contracting. To meet minimums, will need more than 91MW of solar equivalent energy (206,761MWh/yr) starting in 2021.
- With attractive pricing, solicitation could supply a full 42% of VCE's load. This is 141MW solar equivalent (320,383 MWh/yr).
- May receive proposals from existing renewable projects.
- VCE will have additional solicitations in the future.
- Detailed evaluation methodology has not been provided in the solicitation.

Agenda Item 17: Criteria for Review

- **Seven criteria for review**
 1. Definition of Local Resources
 2. Siting Criteria
 3. Development Status Criteria
 4. Acceptable Technologies
 5. Energy Storage
 - Include in Solicitation (or Not)
 - Which Technologies
 6. Out-of-State Resources
 7. Interconnection Status
- **No policy action is requested at this time**
 - We plan on returning after solicitation with recommendations on policies for definition of local renewables and siting criteria

Agenda Item 17: Definition of Local Resources

- There are many constraining land uses in Yolo County.
- Renewable development will take more time.
- Value to reserving local designation for Yolo County
- Recommendation:
 1. “Local” is within Yolo County or with nexus to YC.
 2. “Regional” is within the surrounding 6 counties plus Geysers GRA.



Agenda Item 17: Siting Criteria

- With the significance of local agriculture in Yolo County, VCE probably does not want to promote renewable development on prime farmlands.
- Additionally, the Renewable Energy Transmission Initiative defined 2 categories of lands to avoid promoting renewable development on.
- Recommendation
 1. Solicitation includes criteria to screen out development of its renewable projects on prime farmlands.
 2. Solicitation includes criteria that screens out Projects proposed for either: RETI Category 1 (development prohibited) lands; or, RETI Category 2 (potential resource conflicts) lands.

Agenda Item 17: Development Status Criteria

- VCE needs to have Projects proposed that are more likely to be successfully completed in the timeframe needed to meet the 2021 minimum contracting criteria.
- Establishing minimum development progress criteria will be important in ensuring this is achieved.
- Recommendation
 - Project bidders must provide:
 1. Acknowledgment by the relevant land use authority that a permit application has been received.
 2. Evidence of site control.

Agenda Item 17: Acceptable Technologies

- Staff is not proposing specific restriction on the type of renewable technologies other than to require that equipment be a mature technology.
- Recommendation
 1. Proposers can submit project proposals for any renewable technology and project equipment that is a mature listed technology.
 2. Additionally, the proposer must submit supporting bankability documentation.

Agenda Item 17: Energy Storage

- VCE has an obligation under CPUC rulings to procure energy storage at a minimum level of 1% of its 2020 forecast peak load.
- Additionally, the most cost-effective storage installations currently are integrated with renewables because of the available renewable investment tax credit.
- **Recommendation**
Solicitation included request for storage systems, with a preference for battery storage systems integrated with a renewable project (wind and/or solar).

Agenda Item 17: Out-of-State Resources

- There are ample locations for in-state renewable energy development.
- There will be future opportunities to request new long term renewable supply from out-of-state, if it proves necessary.
- **Recommendation**
Solicitation limit projects to renewable resources located within California.

Agenda Item 17: Interconnection Status

- It will be important to solicit projects that have already begun the electrical interconnection process.
- This will help VCE insure it receives bids from projects likely to begin commercial operation in the needed timeframe (2021).
- Recommendation
 - Solicitation included a minimum criteria requiring that any submitted project already be in an interconnection queue, and that the project has requested full capacity deliverability status for its interconnection.

Agenda Item 17: Questions?