



# Valley Clean Energy Board Meeting

February 8, 2018

Davis Community Chambers

# Consent Agenda

Item	Recommendation
<b>Approval of Minutes from January 18, 2018 Board Meeting</b>	Receive, review and approve the attached draft minutes from January 18, 2018 Board Meeting
<b>Delegation of Authority for Certain Regulatory and Legislative Matters</b>	Adopt a resolution delegating certain authority to VCEA General Manager and his designee(s) to take positions and action on regulatory and legislative items impacting VCEA.
<b>Approval of Regulatory and Legislative Review and Action Policy</b>	Adopt a resolution approving a Legislative/Regulatory Review and Action Policy.
<b>Approval of Organization Audit Schedule</b>	Approve VCEA Treasurer to request alternative audit cycle of a two year audit to the Board of Supervisors for the period of July 1, 2016 to June 30, 2018.
Long Range Calendar	Receive, review and approve the attached long range calendar.

# Item 9 – Approve Resolution Adopting Net Energy Metering (NEM) Policy (Action)

## Customers on NEM

Class	#	% Surplus Generators
Residential	5,133 – Total <ul style="list-style-type: none"><li>• 253 on Low Income or Medical Rate</li><li>• 3,551 on Flat Rates</li><li>• 1,534 on TOU Rates</li></ul>	15%
Small Commercial	157	26%
Medium Commercial	12	8%
Large Commercial	5	60%
Agricultural	48	48%
<b>Total</b>	<b>5,306</b>	<b>18%</b>

# A Sample NEM True-Up

	kWh		
	Usage	Generation	Net
January	682	218	464
February	567	445	122
March	566	537	29
April	460	761	(301)
May	472	673	(201)
June	570	494	76
July	672	516	156
August	582	491	91
September	630	480	150
October	628	414	214
November	638	298	340
December	872	242	630
	<b>Net Usage</b>		<b>1,770</b>

Price		
Peak Price	Off-Peak Price	Generation Adder
\$ 0.06458	\$ 0.05256	\$ 0.01
\$ 0.06458	\$ 0.05256	\$ 0.01
\$ 0.06458	\$ 0.05256	\$ 0.01
\$ 0.06458	\$ 0.05256	\$ 0.01
\$ 0.19113	\$ 0.04031	\$ 0.01
\$ 0.19113	\$ 0.04031	\$ 0.01
\$ 0.19113	\$ 0.04031	\$ 0.01
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\$ 0.19113	\$ 0.04031	\$ 0.01
\$ 0.06458	\$ 0.05256	\$ 0.01
\$ 0.06458	\$ 0.05256	\$ 0.01

Bill			
Usage	Generation	Credit	Net
\$ 35.85	\$ (14.08)	\$ (2.18)	\$ 19.59
\$ 29.80	\$ (28.74)	\$ (4.45)	\$ (3.39)
\$ 29.75	\$ (34.68)	\$ (5.37)	\$ (10.30)
\$ 24.18	\$ (49.15)	\$ (7.61)	\$ (32.58)
\$ 19.03	\$ (128.63)	\$ (6.73)	\$ (116.33)
\$ 22.98	\$ (94.42)	\$ (4.94)	\$ (76.38)
\$ 27.09	\$ (98.62)	\$ (5.16)	\$ (76.69)
\$ 23.46	\$ (93.84)	\$ (4.91)	\$ (75.29)
\$ 25.40	\$ (91.74)	\$ (4.80)	\$ (71.15)
\$ 25.31	\$ (79.13)	\$ (4.14)	\$ (57.95)
\$ 33.53	\$ (19.24)	\$ (2.98)	\$ 11.31
\$ 45.83	\$ (15.63)	\$ (2.42)	\$ 27.78
	<b>Annual</b>		<b>\$ (461.39)</b>

Current PG&E policy would not pay out, since there was no net generation  
 Several CCAs would pay out the \$461 accumulated credits

# CCA NEM Policy Comparison

CCA	Excess Gen - Monthly	Excess Generation - Annual	True-Up	Cash Out Limit
Peninsula Clean Energy	Retail plus \$0.01	Accumulated Credits	April	>\$100 can elect cash out
Marin Clean Energy	Retail plus deep green (currently \$0.01)	Accumulated Credits	April	>\$100 can elect cash out
Sonoma Clean Power	Retail plus \$0.01	Accumulated Credits	May	>\$100 can elect cash out \$5,000 cap on payout
Silicon Valley Clean Energy	Retail GreenPrime if enrolled	Accumulated Credits	April	>\$100 can elect cash out \$5,000 cap on payout
Lancaster Choice Energy	Retail	Accumulated Credits Credit not applied if annual net generation is less than zero.	October	None – Always cashed out
Clean Power SF	Retail	\$0.0693 – average retail rate \$0.0893 – average SuperGreen rate	April	None
PG&E	Retail	Wholesale, plus adder if given RECs	Annual based on enrollment	None

# Considerations for NEM Policy

- Not harming existing NEM customers
- Providing continued incentive for rooftop solar
- Ensuring customer understanding of program
- Managing impact to agency budget and overall power portfolio
- Alignment with other NEM programs

# Administrative Policy Decisions

Recommendation	Rationale
Initial enrollment monthly	Minimize cash-flow impacts to customers.
True-up in April	Minimize cash movement between CCAs and customers. Reduce administrative burden – cost and chance for errors.
Cash out only customers with more than \$100 in credits who elect to be cashed out	Minimize customers receiving unexpected checks. Minimize customer interactions required.
Settle monthly	Eliminate year-end sticker shock. Minimize bill confusion.

# NEM Options

## 1. Economic

- Compensate monthly at retail
- Settle annually at wholesale plus \$0.005

## 2. Incentivize Solar to Meet Load

- Compensate monthly at retail plus \$0.01
- Settle annually at credit value, up to \$2,500, and wholesale thereafter
  - If credit >\$2,500, settle at \$2,500 or wholesale plus adder, whichever is more.

## 3. Incentivize Solar, Including Surplus Generation

- Compensate monthly at retail plus \$0.01
- Settle annually at credit value, no limit



# CAC Discussion

- Desire to signal that CCAs support NEM – want NEM to be a part of the solution
- Concern about spending large amounts on existing customers, as they have already made their investment based on existing rates
- Concern about incentivizing through rates vs. through incentives – rates can be difficult to adjust, and VCE may want to incentivize different things in the future.
- Requested option that is more favorable to customers than PG&E, but does not primarily incentivize through rates.

# Additional Options

## 1. Economic

- Compensate monthly at retail
- Settle annually at wholesale plus \$0.005

## 2. Incentivize Solar to Meet Load

- Compensate monthly at retail plus \$0.01
- Settle annually at credit value, up to \$2,500, and wholesale thereafter
  - If credit >\$2,500, settle at \$2,500 or wholesale plus adder, whichever is more.

## 3. Incentivize Solar, Including Surplus Generation

- Compensate monthly at retail plus \$0.01
- Settle annually at credit value, no limit

## 4. Economic Plus for existing NEM, Incentives for New NEM

- Compensate monthly at retail plus \$0.005
- Settle annually at wholesale plus \$0.005
- Provide targeted incentives for new NEM installations

## 5. Economic Plus for existing NEM, Incentives for New NEM

- Compensate monthly at retail plus \$0.01
- Settle annually at wholesale plus \$0.01
- Provide targeted incentives for new NEM installations

# NEM Option Comparison

Consideration	1	2	3	4	5	Notes
Not harming existing NEM customers	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	All options are more beneficial to NEM customers than existing policy
Providing continued incentive for rooftop solar	✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓	✓ ✓	Some options provide greater incentives for over-generation, while others incentivize more evenly.
Ensuring customer understanding of program	✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓	✓ ✓	Perceived complexity of the system may vary for new customers vs. those coming from PG&E NEM policy.
Managing impact to agency budget and overall power portfolio	✓ ✓ ✓	✓ ✓	✓	✓ ✓ ✓	✓ ✓ ✓	Options 1, 4, and 5.
Alignment with other NEM programs	✓	✓ ✓	✓ ✓ ✓	✓ ✓	✓ ✓	Option 1 is significantly less incentive than other CCAs. Option 2 treats net surplus differently than other CCAs. Options 4 and 5 adopt parts of existing CCA policies.

# Cost and Distributive Impacts

	Total Gain		Options				
	From	To	1	2	3	4	5
# Impacted Customers	\$ 1,000	and up	10	133	161	11	17
	\$ 500	\$ 1,000	4	237	226	6	18
	\$ 100	\$ 500	39	1,065	1,048	49	86
	\$ -	\$ 100	764	3,879	3,879	4,216	4,161
	No impact	\$ -	4,539	42	42	1,074	1,074

Average Impact	\$ 1,000	and up	\$ 2,709	\$ 1,938	\$ 9,915	\$ 2,599	\$ 3,789
	\$ 500	\$ 1,000	\$ 584	\$ 669	\$ 668	\$ 604	\$ 808
	\$ 100	\$ 500	\$ 270	\$ 277	\$ 275	\$ 246	\$ 192
	\$ -	\$ 100	\$ 9	\$ 30	\$ 30	\$ 12	\$ 23
	No impact	\$ -	4,539	42	42	1,074	1,074
<b>Total Cost</b>			<b>\$ 50,000</b>	<b>\$ 830,000</b>	<b>\$ 2,150,000</b>	<b>\$ 100,000</b>	<b>\$ 190,000</b>

Option 1 benefits a few customers by a small amount.

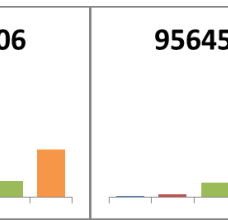
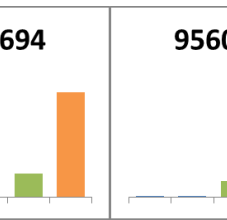
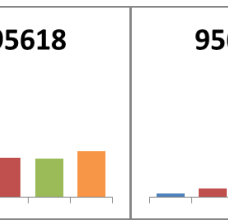
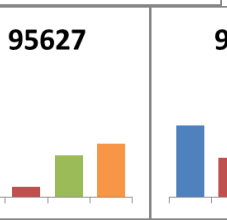
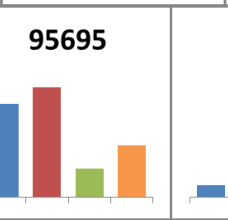
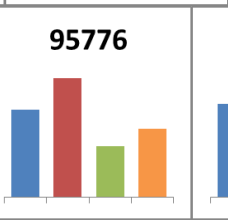
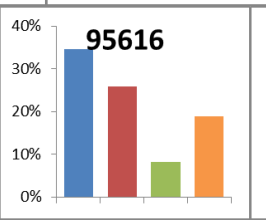
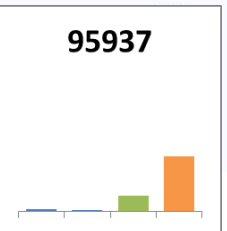
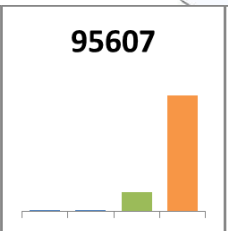
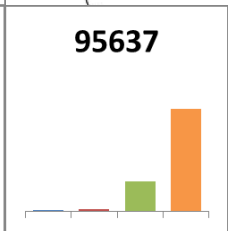
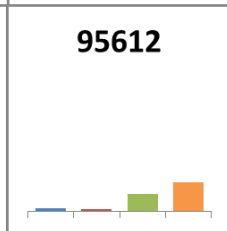
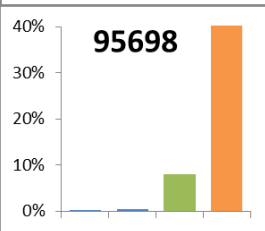
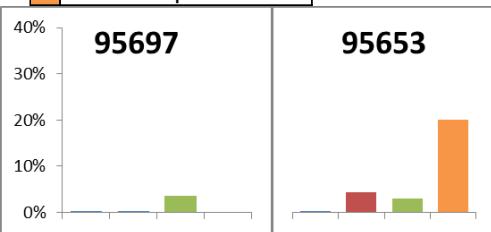
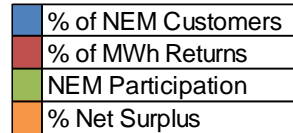
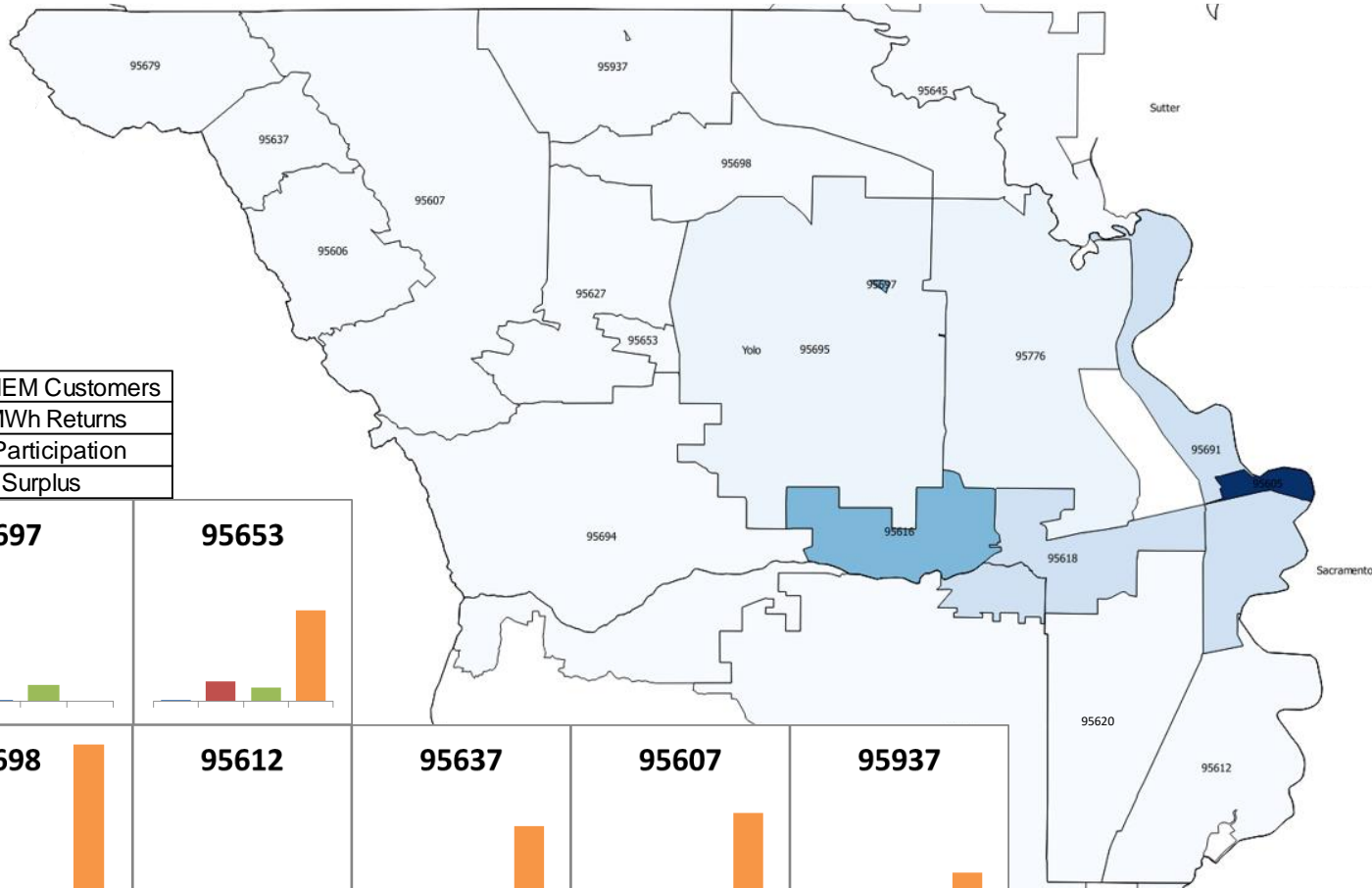
Option 2 benefits nearly all customers by a small amount.

Option 3 primarily benefits large surplus generators, as compared to option 2.

Option 4 benefits net surplus generators and customers not yet offsetting their bill.

Option 5 benefits net surplus generators and customers not yet offsetting their bill.

# Impacts by Location – Population Density





# Low Income Programs

- Low Income Programs tied to NEM can be built. They may take the form of:
  - Donating retail or wholesale adder to a low income benefit fund
  - Donating year-end cash-out to a low income benefit fund
- Additional work would be required on program design and marketing. Program would not be available at launch.

# Recommendation

- Adopt NEM Administrative Policy Decisions, and Policy Option 4
  - ❖ Initial enrollment of NEM customers on a monthly basis, based on PG&E true-up date
  - ❖ Annual true-up for all NEM customers held annually in April
  - ❖ Cash-out only for customers with more than \$100 in credits who opt-in. Other customers will have credit balance roll over to the next billing cycle.
  - ❖ Credit customer monthly for excess generation at retail plus \$0.005/kWh, without additional compensation for participation in renewable programs
  - ❖ Settle annually at the wholesale value of net surplus generation plus a \$0.005/kWh adder.
- Coordinate with CirclePoint and local solar community on communication of NEM policy





# Item 10 - Communications Update

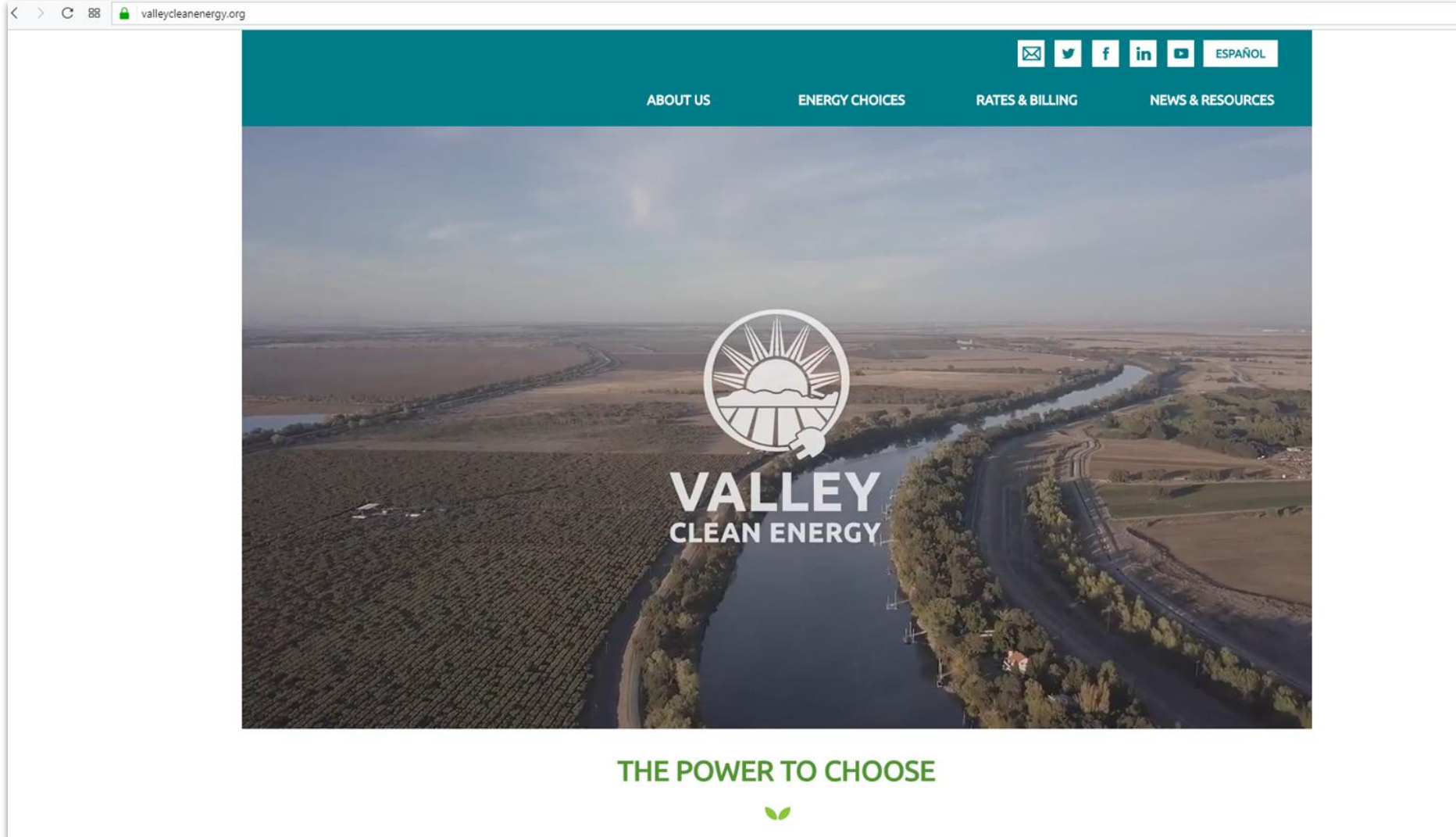
February 8, 2018



# PRODUCT BRANDING



# VALLEYCLEANENERGY.ORG LAUNCH





# PHOTO SHOOT



# PHOTO SHOOT





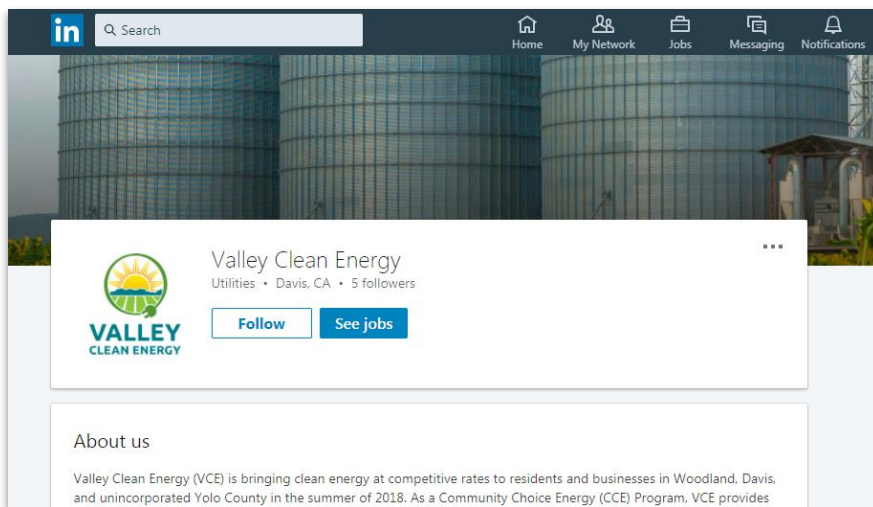
# SOCIAL MEDIA



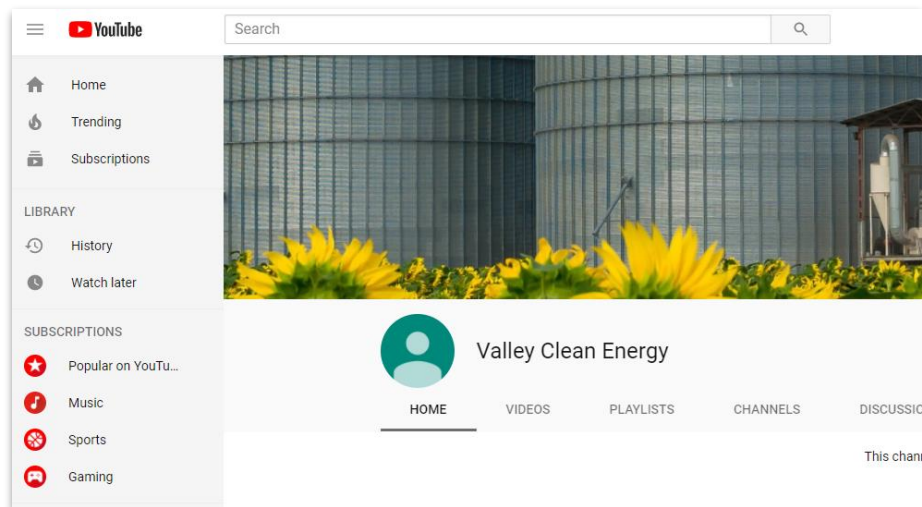
The image shows the Facebook profile page for Valley Clean Energy. At the top, there is a blue header with the Facebook logo and a search bar. Below the header, the profile picture is a landscape with solar panels in the foreground and a field in the background. The cover photo is a large image of solar panels. The profile name is "Valley Clean Energy" with the handle "@valleycleanenergy". The bio states: "Public & Government Service in Davis, California". The "About" section includes a post from 1 hour ago: "The CPUC has officially certified VCE's Implementation plan! This plan sets the basis for the design of the program and is a legal requirement for all CCEs. VCE is one step closer to delivering cleaner, greener energy to Davis, Woodland, and unincorporated Yolo County! #valleyclean2018". The "Community" section shows 150 people like this and 153 people follow this.



The image shows the Twitter profile page for Valley Clean Energy. The profile picture is the same landscape with solar panels. The bio states: "The official electricity provider of residents and businesses in Woodland, Davis, & unincorporated areas of Yolo County. Service begins summer 2018." The "Tweets" section shows a tweet from 4 hours ago: "The CPUC has officially certified VCE's Implementation plan - a legal requirement and a huge milestone for the program. #valleyclean2018". The "Who to follow" section lists several users to follow, including Chris Shuler, Lynne Nittler, and El Macero Country Club.



The image shows the LinkedIn profile page for Valley Clean Energy. The profile picture is the same landscape with solar panels. The bio states: "Valley Clean Energy (VCE) is bringing clean energy at competitive rates to residents and businesses in Woodland, Davis, and unincorporated Yolo County in the summer of 2018. As a Community Choice Energy (CCE) Program, VCE provides". The "About us" section is partially visible.



The image shows the YouTube channel page for Valley Clean Energy. The profile picture is the same landscape with solar panels. The bio states: "Valley Clean Energy". The "HOME" tab is selected, showing a video player with the same landscape image. The "SUBSCRIPTIONS" section lists several channels to follow, including Popular on YouTube, Music, Sports, and Gaming.



# SMUD INTEGRATION



## Working with our partners at SMUD we have:

- Developed IVR Script
- Developed Call Center Script
- Coordinating mailing for notices
- Developing integration for web forms:
  - Opt in/out
  - Opt up/down



# COMMUNITY PRESENTATIONS



## CSAs:

- El Macero
- Willowbank
- North Davis Meadows
- Wild Wings



## Others:

- Woodland Downtown Collaboration
- Capay Valley Citizens Advisory committee



# UPCOMING ACTIVITIES

## Materials:

- customer guides for businesses and ag accounts
- event collateral
- customer notifications
- animated video

## Presentations:

- continue presentations to local jurisdictions and community groups

# UPCOMING ACTIVITIES

## Media Buy:

- digital (Facebook, Google Adwords, Spanish-language sites)
- outdoor (Yolobus, Davis Community Transit)
- print/online (Sac News & Review, Sacramento Bee, Davis Vanguard, Davis Enterprise, The News Ledger, Daily Democrat)
- Woodland and Davis Chamber of Commerce memberships
- Sponsorship of Yolo County Fair and Farm Bureau

## Timeline:

- social media ads to launch in mid-March
- full add campaign to launch early April



[ValleyCleanEnergy.org](http://ValleyCleanEnergy.org)



**VALLEY**  
CLEAN ENERGY

# Item 11 – Intro of Draft Enterprise Risk Management (ERM) Policy (Info)

## Overview:

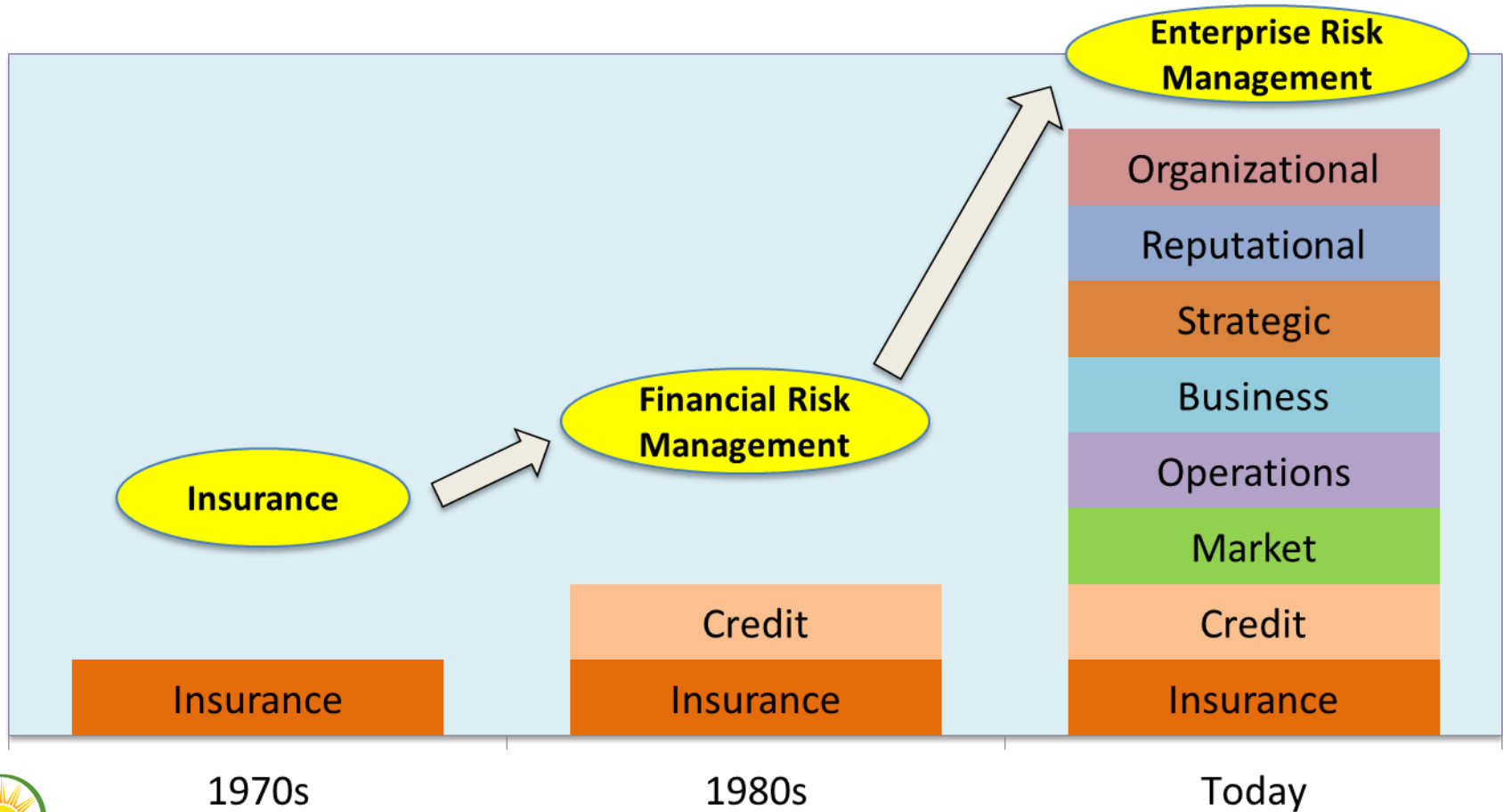
- Background
- Purpose
- Requested Action

# Item 11 – Intro of Draft Enterprise Risk Management (ERM) Policy (Info)

## **Risk Management:**

- Financial
- Legal/Regulatory and Compliance
- Operational
- Reputational
- Strategic

# The Evolution of Risk Management



## Item 11 – Intro of Draft Enterprise Risk Management (ERM) Policy (Info)

Enterprise Risk Management (ERM) is a

- Strategic approach to risk management that
- Supports the achievement of organizational objectives
- Through the management of integrated impacts of risks
- As an interrelated risk portfolio.



# Item 11 – Intro of Draft Enterprise Risk Management (ERM) Policy (Info)



# Item 11 – Intro of Draft Enterprise Risk Management (ERM) Policy (Info)

## ERM Process



- Risk identification, assessment, and prioritization

- Risk mitigation strategy
- Status of mitigation efforts
- Executive Director acts as risk manager

- ERM Office
- Enterprise Risk Oversight Committee (EROC)
- VCE Board of Directors



## Item 11 – Intro of Draft Enterprise Risk Management (ERM) Policy (Info)

### ERM Purpose

- Provide VCE Board with transparency and insight into risks that could impact the ability to execute VCE's mission
- Build credibility and sustain confidence in VCE's governance by stakeholders
- Enhance the understanding of significant risks
- Implement a well-defined risk management process
- Develop the capacity for continuous monitoring and periodic reporting of risks

## Item 11 – Intro of Draft Enterprise Risk Management (ERM) Policy (Info)

### **Requested action:**

Provide feedback on the Enterprise Risk Management Policy

# Item 12- Intro of Ultra Green Policy – 100% Renewable Customer Option (Info)

## Overview

- What is UltraGreen?
- Comparison to other products
- Policy issues:
  - Price structure
  - Price
  - Green-e certification
  - PCC categories
- Marketing and additional attributes

# What is UltraGreen?

- A voluntary renewable program, allowing customers to purchase their power from 100% renewable sources for a price premium.
- RECs are procured for 100% of opt-in customer load, and retired on behalf of the customer.

# Comparison to Other CCAs

Entity	Premium Residential	Premium Commercial	Name	Green-e?	Technology
Marin Clean Energy	\$ 0.010	\$ 0.010	Deep Green	Yes	75% Wind, 25% Solar
Sonoma Clean Power	\$ 0.025	\$ 0.025	EverGreen	No	100% Geothermal
CleanPowerSF	\$ 0.020	\$ 0.014	SuperGreen	Yes	100% Wind
Peninsula Clean Energy	\$ 0.010	\$ 0.010	ECO100	Yes	100% Wind
Silicon Valley Clean Energy	\$ 0.008	\$ 0.008	GreenPrime	Yes	100% Wind
Redwood Coast Energy Authority	\$ 0.010	\$ 0.010	REpower+	No	100% Renewable
City of Lancaster	\$ 10.00/mo	\$ 0.015	SMARTChoice	Yes	100% Wind
Apple Valley Choice Energy	\$ 2.00/mo	\$ 0.002	MoreChoice	No	50% Renewable
Pico Rivera Innovative Municipal Energy	\$ 11.00/mo	\$ 0.010	Prime Future	No	100% Renewable

# Comparison to PG&E Solar Choice

	<b>Rate</b>	<b>Total Premium</b>
Residential	Res	\$ 0.02610
Small Commercial	A1	\$ 0.02391
Medium Commercial	A10	\$ 0.01489
Medium Commercial	E19	\$ 0.01698
Streetlight	LS3	\$ 0.01586
Oil and Gas	E37	\$ 0.03341
Large Transmission	E20T	\$ 0.02915
Large Primary	E20P	\$ 0.02388
Large Secondary	E20S	\$ 0.02132

Rates include solar charge, program charge, generation credit, and vintaged PCIA  
SolarChoice is Green-e certified



# Policy Issues

- Price Structure
  - Flat monthly fee, or volumetric
  - Ease of understanding vs. cross-subsidization
- Price
  - \$0.015/kWh is a cap before losing customers to PG&E
  - \$0.010/kWh is seen as competitive
- Green-E
  - Global clean energy certification organization. Requires generation and record-keeping to be certified. Additional administrative expense.
- Combination with NEM
  - Flat rates would likely be more expensive on a per kWh basis for low-load NEM customers
  - Per kWh charge may be on the total delivered to a NEM customer, or on the net usage.

# Policy Issues – PCC

Entity	PCC1	PCC2	PCC3	REC Cost Estimate	
CleanPowerSF	100%	0%	0%		
Redwood Coast Energy Authority	100%	0%	0%		
Marin Clean Energy	85%	15%	0%		
Sonoma Clean Power	68%	32%	0%	PCC1	\$ 0.0170/kWh
Silicon Valley Clean Energy	63%	37%	0%	PCC2	\$ 0.0065/kWh
Peninsula Clean Energy	58%	42%	0%	PCC3	\$ 0.0020/kWh
Valley Clean Energy Alliance	52%	48%	0%		
City of Lancaster	77%	15%	8%		
Apple Valley Choice Energy	66%	13%	21%		
Pico Rivera Innovative Municipal Energy	44%	9%	48%		

PCC categories can be procured with the overall renewable portfolio, or separate. As of July 2017, CCAs have widely varying usage of PCC categories forecasted for 2018.

# Sample Options

## Option 1:

- \$0.010 for commercial
- \$10/mo. for residential
- Procure with overall renewable portfolio
- Approximately revenue neutral, before marketing, certification, and administration costs

## Option 2:

- \$0.015 for commercial
- \$10/mo. for residential
- Procure with overall renewable portfolio
- Approximately \$120k/yr., before marketing, certification, and administration costs. Roll any excess income to renewable resource fund.

## Option 3:

- \$0.015 for commercial
- \$0.015 for residential
- 100% PCC2
- Approximately \$350k/yr., before marketing, certification, and administration costs. Roll any excess income to renewable resource fund.

# Next Steps

- Staff to develop recommendation for presentation at the March Board meeting

# Item 13 – Community Advisory Committee Report (Discussion)

## VCEA Community Advisory Committee Report February 8, 2018

1. Advise the VCEA Board of Directors on VCEA's general policy and operational objectives, including portfolio mix and objectives, as well as technical, market, program and policy areas;
2. Collaborate with VCEA staff and consultants with community outreach to and liaison with member communities;
3. Provide a public forum to inform, advise and consult through community discussions on energy related issues and a wide variety of strategies to reduce carbon emissions;
4. Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.

### Launch Phase Task Groups:

1. Energy. Braun, Flynn, Kristov, Springer
2. Outreach. Task Group: Aulman (Chair), Baird, Hunter
3. Public Forum. Task Group: TBD
4. Legislative and Regulatory – 2018 legislative session: Hunter (Chair), Flynn, Kristov, Shewmaker.



# Item 13 – Community Advisory Committee Report (Discussion)

## VCEA CAC Meeting Highlights January 29, 2018

- **Siting of new renewable projects – Energy Task Group**
  - Task group meet with Defenders of Wildlife – Kate Kelly
  - Importance of forward planning in evaluating impact
- **Net Energy Metering Policy Options**
  - Recommended Modified Option One 5-1
- **Enterprise Risk Management** informational
- **Ultra Green** – informational presentation
  - Discussions around rates, flat vs per kWh, renewable categories
- **Next meeting will be busy**
  - Make recommendations on Enterprise Risk Policy, Ultra Green Policy, Final Rate Discount, Final Power Mix, Power/Operational Budget

## Item 14 – Regulatory/Legislative Update

### Key Regulatory Proceedings:

- Update on Draft Resolution E-4907
- Joint Utilities Petition to Modify CCA Code of Conduct
- PCIA
- Integrated Resource Planning – June 1st filing deadline

### Legislation:

- CalCCA is not planning to sponsor legislation at this time
- Watching SB 100

# Item 15 – General Managers Report (Info)

- Staffing Recruitment
- Carrying out Energy Procurement with SMUD
- CalCCA Board – Elected Officials Engagement
- River City Bank 2018 Business Outlook



# Item 16 – Board Member and Staff Announcements

- Our March Board meeting has moved to:

**NEW Date:** Thursday, March 22

**NEW Location:** Woodland Council Chambers



# Valley Clean Energy Board Meeting

February 8, 2018

Davis Community Chambers