



Valley Clean Energy Alliance

A locally controlled energy provider

Board of Directors Meeting

September 20, 2017

5:30 pm



Item 7: Administrative and Organizational Update

- a) SMUD Contract Update
- b) Banking Services Update
- c) VCEA Master Calendar Through Q1 2018

Item 7: Administrative and Organizational Update

Month/Meeting	Topic	Actions
September 20 - BOD	<ul style="list-style-type: none"> • Implementation Plan • VCEA Logo/Marketing plan 	Discussion/Direction Direction
September 27 - CAC	<ul style="list-style-type: none"> • Implementation Plan/Resource Targets 	Discussion/Feedback
October 12 - BOD	<ul style="list-style-type: none"> • Implementation Plan/Power supply Targets • SMUD Services Contract • Review Staffing Plan • VCEA Logo and Outreach Plan 	Discussion/ Action Approval Discussion Approval
October 16	<ul style="list-style-type: none"> • Submit Implementation Plan to CPUC 	Staff Action Item
November 4 - CAC	<ul style="list-style-type: none"> • Review Load Forecasts • Outreach Materials (e.g. web site) 	Discussion/Feedback Discussion/Feedback
November 9 - BOD	<ul style="list-style-type: none"> • Review/Approve Load Forecasts/Procurement Approach • Presentation on Energy Trading and Risk Policies • Presentation on Customer and Data Services Pre-Launch Activity • Outreach Materials (e.g. web site) 	Action Discussion Discussion Discussion/Direction

Item 7: Administrative and Organizational Update

Month/Meeting	Topic	Actions
December 4 - CAC	<ul style="list-style-type: none"> Review Preliminary Financials Review Initial Rate Structures 	Discussion Discussion
December 14 - BOD	<ul style="list-style-type: none"> Discuss Power Mix Targets Review Financials/Adopt Reserve Policy Approve Target Rates for FY 2018-2019 Approve Energy Trading and Risk Mgmt Policies 	Discussion/Feedback Action Action Action
January 1	<ul style="list-style-type: none"> Begin power procurements 	SMUD Action
January 11 - BOD	<ul style="list-style-type: none"> Review remaining Agency policies 	Discussion
February 5 - CAC	<ul style="list-style-type: none"> TBD 	
February 8 – BOD	<ul style="list-style-type: none"> Approve final power mix Approve remaining policies 	Action Action
March 5 - CAC	<ul style="list-style-type: none"> Preview Fiscal Year Budget 	Discussion/Feedback
March 8 - BOD	<ul style="list-style-type: none"> Approve FY 2018-2019 Budget Final Rate Approval 	Action Action

Item 8: Implementation Plan Discussion

Recommendation: Receive presentation and provide initial feedback regarding key policy items and next steps.

The Implementation Plan IS:

- Statutorily required by Public Utilities Code, section 366.2(c)(3)
- A compliance document that provides information regarding “the process and consequences of aggregation”
- Must be adopted at a public hearing
- CPUC has 90 days to certify

The Implementation Plan is NOT:

- A detailed business plan for VCEA
- A detailed inventory of all programs or future projects developed by VCEA

Item 8: Implementation Plan Discussion

Key Policy Areas:

1. Governance
2. Administration and Finance
3. Tariff Structure and Rate Design
4. Customer Enrollment Strategy
5. Power Product Offerings/Clean Power Targets
6. Complementary Energy Programs
7. Risk Management

Item 8: Implementation Plan Discussion

Governance Matters

- Mission, service territory, termination of the JPA, Statement of Intent

Recommendations:

- a) Use JPA Agreement as basis for above-referenced information
- b) Review and include the legally required affirmations related to universal access, reliability, equitable treatment of all customer classes, and any requirements established by State law or regulation concerning aggregated service.

Item 8: Implementation Plan Discussion

Admin & Finance Matters

- Proposed staffing structure, administrative exit fees, VCEA start-up capital and financing plan

Recommendations:

- a) Staffing: Borrow from language in VCEA/SMUD comparative analysis
- b) Admin Exit Fees: Review practices of other CCAs; consider waiving per account admin fees for 6-months to 1 year post enrollment period; impose a modest fee thereafter
- c) Include \$1.5M joint funding information and brief explanation re: SMUD wholesale power credit support and working capital provided by a TBD third-party lender.

Item 8: Implementation Plan Discussion

Tariff Structure & Rate Design

- Match (or not) PG&E's rate structure; targeted generation rate savings; rate setting process

Recommendations:

- a) Match PG&E rate structure to ensure easy customer comparison and include option to create specialized tariffs for certain customer classes such as Ag and C&I.
- b) Consider rate reductions in light of updated load analysis, economic projections and desired environmental targets (TBD)
- c) SMUD team to describe proposed ratesetting process including NEM customers

Item 8: Implementation Plan Discussion

Customer Enrollment Strategy

- Number of accounts and projected load forecast
- Proposed number of phases and timing of each

Recommendations:

- a) Information will be provided by SMUD once updated load data is analyzed; approximately 64,500 accounts in VCEA service territory
- b) Recommending a single enrollment phase starting in June 2018 with language that provides for 2 phases if needed.

Item 8: Implementation Plan Discussion

Power Product Offerings and Clean Power Targets

- Number of product options, order of priority (carbon free or renewable), use of unbundled RECs, outline procurement approach; local power preference

Recommendations:

- a) Product Options: Start with two products including a default product (power attributes TBD) and optional 100% renewable offering
- b) Order of priority is TBD with recommendation to explore higher carbon free content, subject to market conditions and Board direction
- c) Recommend that VCEA state its intention *not* use PCC-3 unbundled RECs
- d) SMUD to outline procurement approach including separate VCEA portfolio
- e) Recommend referencing intention to pursue local power preference subject to resource availability and market conditions

Item 8: Implementation Plan Discussion

Complementary Energy Programs

- Include a brief list of programs that VCEA plans to research and possibly implement over time. These include things like Net Energy Metering (NEM), Feed in Tariff (FiT), Energy Efficiency (EE), Electric Vehicles (EVs), Distributed Energy Resources (DER), Energy Storage, et al.

Recommendations:

- a) See language from other Imp Plans; Recommend including a range of programs that could be implemented over time without committing to a specific set of programs or timeline.
- b) At outset, focus on NEM, FiT and EE offerings as customer demand and resources allow

Item 8: Implementation Plan Discussion

Risk Management

- Include discussion of VCEA's plans for managing both energy commodity and other enterprise risks.
- Details not required for Implementation Plan but worth including a reference to risk management policy development.

Recommendations:

- a) Three areas of risk management policy will be co-developed with SMUD:
 1. Power Supply/Energy Commodity
 2. Financial
 3. Enterprise

Item 8: Implementation Plan Discussion

Timing and Next Steps:

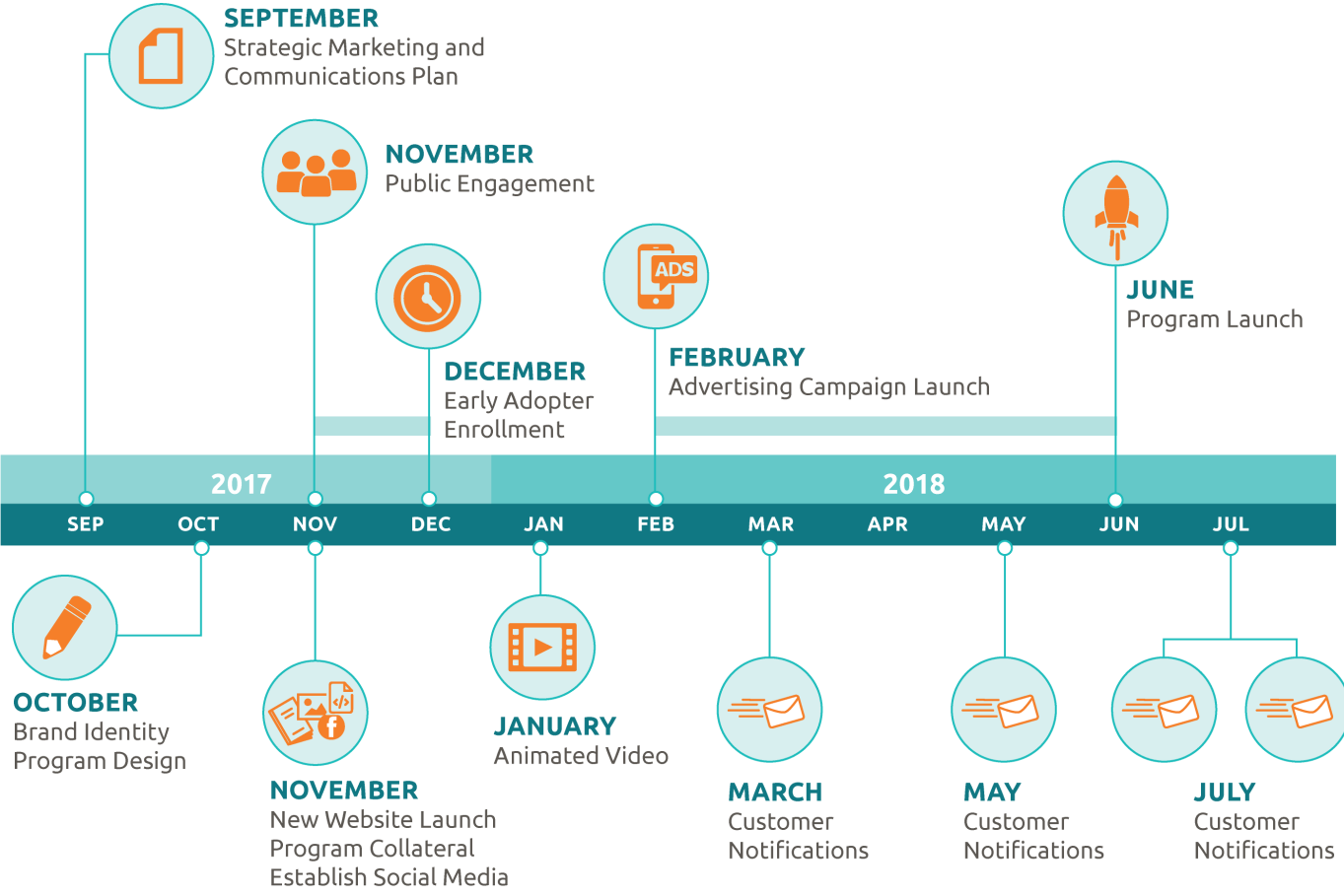
July 25	Initial Board Briefing and Approach (complete)
September 11	CAC Briefing and Discussion (complete)
September 20	Board Policy Discussion #1
September 27	CAC Discussion #2 (with updated load analysis)
October 12	Board Policy Discussion #3; Plan Adoption w/ direction re: any final amendments
October 16	Submit Approved Plan to CPUC review (up to 90 days)

Item 9: Branding and Communications

Recommendation:

Receive presentation and provide feedback and direction on draft branding images and communications plan.

Item 9: Branding and Communications



Valley Clean Energy Branding Options

1



Valley Clean Energy Branding Options

2



Valley Clean Energy Branding Options

3



Valley Clean Energy Branding Options



1



2



3

VCEA Communications Plan



DEFINE GOALS



IDENTIFY AUDIENCES & ISSUES



DEVELOP MESSAGING



UTILIZE EFFECTIVE CHANNELS



EVALUATE & RESPOND TO INPUT



MEASURE RESULTS & REFINE STRATEGY

Goals of the Marketing Program



Trustworthy
brand



Name
recognition



Accessible
information



Opt-out rate



Residential
opt-up rate



Business
opt-up rate



Trust



Cost



Reliability



Value

Audiences

- General Audience
- Commercial/Industrial, particularly Agricultural
- Multicultural Audiences
- Seniors
- Low income residents
- Champions & early adopters
- Solar customers
- Special districts
- Elected officials
- Environmental advocates



Messaging Framework (excerpt)

AUDIENCE	MOTIVATIONS	MESSAGES
<p>General Audience</p> <p>Customers at large</p> <p>PG&E customers</p>	<ul style="list-style-type: none"> • Environmental health • Reliability • Cost • Choice • Local control 	<ul style="list-style-type: none"> • VCEA offers you the power to choose your energy source. • VCEA offers clean, affordable energy you can count on. • Our community, our power, our choice. • Choosing VCEA means cleaner energy, lower rates, and local job growth. • The choices we make now impact future generations. Choose clean, renewable energy for a healthier Yolo County. • electricity.
<p>Agricultural and rural customers/ unincorporated areas and neighborhood groups</p>	<ul style="list-style-type: none"> • Cost • Reliability • Environmental health • Choice • Local control 	<ul style="list-style-type: none"> • VCEA offers clean, affordable energy you can count on. • VCEA is good for our community and the economy. • Community energy means stable rates and cost savings. • You don't have to pay more for clean energy. • VCEA is the local choice for your clean power.

Communications Channels



Advertising



Noticing



Social &
Interactive



Earned Media
& Op-Eds



Outreach &
Events



Partnerships

Advertising Mix (draft)



Media Type	Channels
Digital	<ul style="list-style-type: none">• Facebook/Instagram• YouTube• Spanish-language sites (Impre network)• CA Farm Bureau
Cable	<ul style="list-style-type: none">• Cable TV
Outdoor	<ul style="list-style-type: none">• Yolo County Fair• Yolo Bus• Davis Community Transit
Print	<ul style="list-style-type: none">• Davis Vanguard• Sac Bee• Davis Enterprise• The News Ledger• Winters Express• Daily Democrat
Other	<ul style="list-style-type: none">• Davis Chamber of Commerce• Farm Bureau Sponsor

Evaluation



Opt-out &
Enrollment Data



Digital Ad
Optimization



Paid & Earned
Media ROI



Social
Engagement



Web Analytics



Email Metrics

Item 10: Regulatory & Legislative Report

Key Regulatory Proceedings

- Integrated Resources Planning (R.16-02-007)
- Power Charge Indifference Adjustment (R.17-06-026)
- Bond Methodology (R.03-10-003)
- Renewables Portfolio Standard (R.15-02-020)

Item 10: Regulatory & Legislative Report

2017 Legislative Session Recap

Tier 1

1. **AB 726/813 (Holden – Accelerate procurement and regionalization)** – Opposed and lobbied for key amendments related to timing of ITC and procurement autonomy. Now a 2-Year bill.
2. **SB 618 (Bradford – CPUC approval of Integrated Resource Plans)** – Received amendments to address CCA concerns and took a neutral position. Bill is headed to Governor.
3. **SB 100 (De Leon – 100% RPS by 2045)** – Got our amendments. Went from support in concept to support position. Now a 2-Year bill.

Tier 2

1. **AB 79 (Levine – Electrical generation: coal-fired generation resources)** – Got amendments to address our concerns in June. Took neutral position. Passed both houses.
2. **AB 920 (Aguiar-Curry – CA Renewables Portfolio Standard Program)** – Got amendments and took a neutral position. Now a 2-Year bill.
3. **SB 338 (Skinner – Net-load peak energy)** – We got our amendments and took a neutral position. Bill is headed to Governor.
4. **SB 356 (Skinner – Energy data transparency)** – Got amendments and took a neutral position. Now a 2-Year bill.

Item 11: CAC Report & Committee Charge

Consistent with the policy adopted by the Valley Clean Energy (VCEA) Board of Directors, the VCEA Advisory Committee adopts the Charge to:

- 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;
- Collaborate with VCEA staff and consultants with community outreach to and liaison with member communities;
- 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;
- Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.