Regular Meeting of the Valley Clean Energy Alliance
Board of Directors
Thursday, November 12, 2026 at 5:30 p.m.
City of Woodland Council Chambers
300 First Street, Woodland, California 95695

Board Members will be attending in-person and public participation will be in-person and available via Zoom Webinar (video/teleconference). VCE will, to the best of its ability, provide hybrid and remote options for VCE meeting participants and to the public; however, VCE cannot guarantee these options will be available due to technical limitations outside of our control. For assurance of public comment, VCE encourages in-person and written public comments to be submitted as described below when possible. VCE, to the best of its abilities, will provide participation via the Zoom platform.

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.

If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of VCE staff who will distribute the information to the Board members and other staff.

Please note that the numerical order of items is for convenience of reference; times listed are estimates. Items may be taken out of order on the request of any Board member with the concurrence of the Board. Staff recommendations are advisory to the Board. The Board 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 Board of Director's meeting may do so with the video/teleconferencing call-in number and meeting ID code. Video / teleconference information below to join meeting:

Join meeting via Zoom:

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/85464489993
Meeting ID: 854 6448 9993

b. **By phone:**
One tap mobile:
+1-669-444-9171,,85464489993# US
+1-669-900-9128,,85464489993# US

Or Dial:
+1-669-444-9171 US
+1-669-900-9128 US
Meeting ID: 854 6448 9993

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.

Board Members: Jesse Loren (City of Winters, Chair), Tania Garcia-Cadena (City of Woodland, Vice Chair), Bapu Vaitla (City of Davis), Lucas Frerichs (Yolo County), Richard Casavecchia (City of Winters), Tom Stallard (City of Woodland), Donna Neville (City of Davis), Sheila Allen (Yolo County)

Alternate Board Members: Angel Barajas (Yolo County), Mayra Vega (City of Woodland), Linda Deos (City of Davis), Albert Vallecillo (City of Winters)

5:30 p.m. Call to Order

1. **Welcome, Approval of Agenda**
2. **Public Comment:** This item is reserved for persons wishing to address the Board 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 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 Board are customarily limited to two minutes per speaker. All electronically submitted comments will be posted to the VCE website within 24 hours of the conclusion of the meeting. See below under **PUBLIC PARTICIPATION** on how to provide your public comment.

CONSENT AGENDA (≈ 5 minutes)

3. **Approve October 8, 2026 Board meeting and October 23, 2026 Board Workshop Special Meeting Minutes.**
4. **Receive 2026 long range calendar.**
5. **Receive Treasurer's Report: A) August 31, 2026 and B) September 30, 2026.**
6. **Receive legislative update provided by Pacific Policy Group.**
7. **Receive October 2026 regulatory update dated November 4, 2026 provided by Keyes & Fox.**
8. **Receive Community Advisory Committee October 22, 2026 meeting summary.**
9. **Receive Customer Participation update (3rd Quarter 2026).**
10. **Receive Board's October 23, 2026 Workshop (Special Meeting) Report. (information/Action)**
11. **Receive report on Contract Renewals for calendar year 2027. (Information)**
12. **Approve Amendment Two (2) to the Richards, Watson and Gershon Consultant Agreement. (Action)**
13. **Authorize VCE's Chief Executive Officer to execute agreements to enable Gibson negotiations.**

REGULAR AGENDA

14. **Power Charge Indifference Adjustment (PCIA) and Rates discussion. (Discussion) (≈ 20 minutes)**
15. **Receive 2026 Operating Budget update and 2027 preliminary Operating Budget. (Information/Discussion) (≈ 20 minutes)**

16. **Board Member and Staff Announcements:** Action items and reports from members of the Board, including announcements, AB 1234 reporting of meetings attended by Board Members of VCE expense, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Board or the public.
17. **Adjournment/Announcement:** The Board's next regular meeting has been scheduled for Thursday, December 10, 2026 at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. The Board will convene into Closed Session.

CLOSED SESSION

Public comment on the closed session item only will be read at this time.

19. **Conference with Legal Counsel – Anticipated Litigation pursuant to Government Code § 54956.9(c): (one case).**
20. **Reconvene in Open Session to Report from Closed Session, if needed.**

PUBLIC PARTICIPATION: **Public Comments:** 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 Board 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. the day before the meeting, it will be e-mailed to the Board 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. *Written public comment on individual agenda items should include the item number in the "Subject" line for the e-mail.* All written comments received will be posted to the VCE website.

Verbal public participation during the meeting:

1) **If attending in person**, please complete a **Comment Card** and return it to the Board Clerk.
2) **If attending remotely via Zoom**, there are two (2) ways for the public to provide verbal comments:
   A. If you are attending by computer, activate the "participants" icon at the bottom of your screen, then raise your hand (hand clap icon) under "reactions". When called upon, you will be "unmuted" to allow to speak.
   B. If you are attending by phone only, you will need to press *9 to raise your hand. When 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 to make your verbal comment.

Public records that relate to any item on the open session agenda for a regular or special Board meeting are available for public review on the VCE website. Records that are distributed to the Board 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 Board. 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/board-meetings/.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 3

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: October 8, 2026 Board meeting and October 23, 2026 Board Workshop (Special Meeting) Minutes

DATE: November 12, 2026

RECOMMENDATION

Receive, review and approve the attached October 8, 2026 regular Board Meeting Minutes and the October 23, 2026 Board Workshop (Special Meeting) Minutes.

Attachments:
1. October 8, 2026 regular Board meeting Minutes; and,
2. October 23, 2026 Board Workshop (Special Meeting) Minutes

MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, OCTOBER 8, 2026

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, October 8, 2026 at 5:30 p.m. to be held at City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. Board Chair Jesse Loren established that there was a quorum present and began the meeting at 5:33 p.m.

Board Members Present:	Jesse Loren (Chair), Tania Garcia-Cadena (Vice Chair), Tom Stallard, Shiela Allen, Richard Casavecchia, Donna Neville, Bapu Vaitla, Lucas Frerichs (Attending remotely)
Members Absent:	

Item 1: Welcome and Approval of the Agenda	Chair Loren welcomed everyone and announced that Board Member Lucas Frerichs is attending remotely for "just cause". Chair Loren also announced that because Director Frerichs is attending remotely for just cause, a roll call vote will be taken for items on the Agenda. Director Frerichs announced that he is attending remotely because he is in Santa Clara County attending the California State Association of Counties (CSAC) Executive Committee meeting as he is on the Executive Committee. He informed those present that there is nobody under or over the age of 18 in his presence. Chair Loren announced that items 8 and 9 will be switched so that the voting item (Item 9) will come first on the Regular Agenda. Director Stallard made a motion to approve the October 8, 2026 Agenda as amended, seconded by Director Allen. A verbal vote was taken. Motion passed unanimously.
Item 2: Public Comment – General and Consent Items	There were no written or verbal public comments not on the agenda or on the consent items.
Items 3-7: Approval of the Agenda and Consent Agenda Items	Motion made by Director Allen to approve the Consent agenda items, seconded by Vice Chair Garcia-Cadena. A verbal vote was taken. Motion passed unanimously. The following items were: 3. Approved September 10, 2026 Board meeting Minutes; 4. Received 2026 long range calendar;

5. Received Treasurer's Report: July 31, 2026;
6. Received September 2026 regulatory update dated September 30, 2026 provided by Keyes & Fox; and,
7. Received the Enterprise Risk Management biannual update. (Information)

Item 9: Adopt Power Project Selection Criteria Guidelines. (Action) / Resolution 2026-018

VCE Staff Chad Curran informed those present that the Guidelines were draft to establish criteria that can be used to evaluate long-term power projects. The Guidelines were developed to memorialize, enhance, and be consistent with VCE's past practices; and, to align with and complement VCE's Strategic Plan goals. He further informed those present that the draft Guidelines are very similar to other CCA's that have adopted project selection criteria/policy. He pointed out that the draft Guidelines were presented to the Community Advisory Committee (CAC) at their August 28, 2026 meeting and Staff have updated the Guidelines to address CAC and public feedback. Mr. Curran reviewed the Guidelines and informed those present that a few corrections were made to this item's Staff Report and the updated Staff Report will be posted to VCE's website.

The Board and Staff discussed topics, such as: the draft Guidelines, large load data centers, the procurement market, VCE's power portfolio, habitat conservation, workforce development, prevailing wage, local projects, and, renewable and carbon free energy.

Written public comment was received October 7, 2026 from CCA Workforce & EJ Alliance. The Board Clerk announced that this written public comment has been provided to the Board and will be posted to the website within 24 hours of this meeting.

Verbal Public Comment: Eric Veium of CCA Workforce & EJ Alliance supports the Guidelines and has a deep appreciation of VCE Staff and the Community Advisory Committee (CAC) for drafting a strong policy. Mr. Veium briefly reviewed three (3) suggestions that were made in their written public comment: 1) show how projects measured up, 2) keep the Guidelines when VCE procures power with others, such as CC Power, and 3) recognize a Habitat Conservation Plan within the Guidelines. He looks forward to a collaborative relationship with VCE Staff and the Board.

Motion made by Director Allen to adopt the Power Project Selection Criteria Guidelines with the addition of "…. including compliance with

any applicable Habitat Conservation Plan" to the second bullet point within Section 2.7 Environmental Responsibility on page 5 of the Guidelines, seconded by Director Neville. Motion passed as Resolution 2026-018 by the following vote:

AYES: Garcia-Cadena, Frerichs, Stallard, Allen, Vaitla, Neville, Loren
NOES: Casavecchia
ABSENT: None
ABSTAIN: None

Item 8: Legislative End of Session updated provided by Pacific Policy Group. (Information)

Mark Fenstermaker of Pacific Policy Group provided an overview of the end of the 2026 Legislative Session and highlights of Governor Newsom's focus on legislation dealing with wildfires, depreciation of infrastructure, and policy changes. He provided the outcome of some legislative bills that were of interest to CCAs, such as data centers, and the California Public Utility Commission's (CPUC's) authority regarding resource adequacy and Power Charge Indifference Adjustment (PCIA). Mr. Fenstermaker touched upon elections and the transition within the Governor's office and legislature – the outcome is unknown at this time. There were no written or verbal public comments.

VCE Chief Financial Officer Edward Burnham announced that VCE hired Christian Filbrun, who will handling legislation and regulatory items.

Item 10. Board Member and Staff Announcements

There were no comments from the Board. Chair Loren thanked VCE for having a booth at the Carnitas Festival. Mr. Burnham informed those present that the Power Content Label (PCL) will be distributed soon and outreach on VCE's 86% renewable and 100% carbon-free will soon follow thereafter. The Board has a scheduled workshop on Friday, October 23, 2026, which will be led by a facilitator. VCE Staff continue to engage with Gibson partners during the due diligence phase and the PCIA ERRO proceeding outcome was not favorable to CCAs. Staff will be bringing back to the Board a PCIA and rates "study session" at their next regular Board meeting.

Item 11. Announcement / Adjournment

Chair Loren announced that the Board's next regular meeting has been scheduled for Thursday, November 12, 2026 at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. There being no further regular business to discuss the meeting was adjourned at 6:46 p.m.

Alisa M. Lembke
VCEA Board Secretary

MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS BOARD STRATEGY WORKSHOP
(SPECIAL MEETING)
FRIDAY, OCTOBER 23, 2026
9 a.m. – 12 p.m.

The Board of Directors of the Valley Clean Energy Alliance duly noticed a Board Strategy Workshop (Special Meeting) scheduled for Friday, October 23, 2026 at 9 a.m. to be held at Hotel Winters, Vineyard Room, located at 12 Abbey Street, Winters, California 95694. Board Chair Jesse Loren established that there was a quorum present and began the meeting at 9:04 a.m.

Board Members Present:	Jesse Loren (Chair), Tom Stallard, Donna Neville, Bapu Vaitla, Lucas Frerichs, Albert Vallecillo (Alternate City of Winters)
Members Absent:	Richard Casavecchia, Shiela Allen, Tania Garcia-Cadena (Vice Chair)

Item 1 and 2: Welcome, Roll Call and Approval of the Agenda	Chair Loren welcomed everyone and informed those present that this is a workshop, a Special meeting, and no action will be taken by the Board today other than approving the Agenda. VCE Chief Executive Officer Mitch Sears provided an introduction to this Workshop. Director Vaitla made a motion to approve the October 23, 2026 Special meeting Agenda, seconded by Director Stallard. Motion passed with Directors Casavecchia, Allen and Garcia-Cadena (Vice Chair) absent.
Item 3. Public Comment – General and Consent Items	There were no written or verbal public comments not on the agenda or on consent items.
Items 4: Board Strategy Workshop. (Discussion)	Girish Balachandran of GB Endeavors introduced himself and provided his background and outlined the goals of this Workshop. Mr. Balachandran facilitated several exercises and discussions and received input from the Board Members on VCE's accomplishments, goals and objectives as VCE moves forward.

The Board and Staff discussed various subjects, such as: VCE's accomplishments, goals, roles of each Board Member, governance, the complexities of energy and CCA's, the needs of the communities, learning styles, identification of ways to improve knowledge, suggestions and expectations of Staff, the long range calendar, and review cadence of VCE's policies and guidelines.

There were no written or verbal public comments.

Item 5: Board Member and Staff Announcements

Mr. Balachandran thanked those present for attending and having an engaging conversation. Each Board Member thanked Mr. Balachandran for leading the Workshop and the Staff for their work on preparing for this Workshop. Each Board Member provided their key "take aways".

Mr. Sears and VCE Staff Edward Burnham provided a recap of the Workshop. Mr. Burnham informed those present that a staff report summarizing this workshop will be provided to the Board at their November 2026 meeting.

Item 6: Announcement / Adjournment

Chair Loren announced that the Board's next regular meeting has been scheduled for Thursday, November 12, 2026 at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. There being no further regular business to discuss the meeting was adjourned at 11:59 p.m.

Alisa M. Lembke
VCEA Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 4

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Board and Community Advisory Committee 2026 Long-Range Calendar

DATE: November 12, 2026

Recommendation

Receive and file the 2026 Board and Community Advisory Committee (CAC) long-range calendar listing proposed meeting topics. Please note that meeting locations and topics may change.

Attachment: 2026 Board and CAC long-range calendar

VALLEY CLEAN ENERGY

2026 Meeting Dates and *Proposed* Topics
Board and Community Advisory Committee (CAC)
(Note: Meeting locations and Topics are subject to change)

MEETING DATE		TOPICS	ACTION
~~January 8, 2026~~ CANCELLED	**Board (Woodland)**	• ~~Oaths of Office for Board Members (Annual - new Members only) (R) (placeholder)~~ • ~~Election of Officers for 2026 (Annual) (R) (placeholder)~~ • ~~Customer Participation Update (4th Quarter 2025) (O) (placeholder)~~ • ~~2025 Year-end review (R) (placeholder)~~ • ~~VCE Employee Handbook Update (R) (placeholder)~~ • ~~Annual Strategic Plan Report (R) (placeholder)~~	• ~~Action~~ • ~~Nominations~~ • ~~Information~~ • ~~Information~~ • ~~Action~~ • ~~Information~~
January 22, 2026	**Advisory Committee (Woodland)**	• Rates/Budget 2026 Update (O) • Customer Participation Update (4th Quarter 2025) (O) • Review and approve **2026** draft CAC Task Group(s) "Charges" (R) • Power Portfolio update (R) • 2025 Year in review: Customer Care & Marketing (R)	• Information • Information • Discussion/Action • Information • Information
February 12, 2026	**Board (Davis)**	• Oaths of Office for Board Members (Annual - new Members only) (R) • Election of Officers for 2026 (Annual) (R) • Customer Participation Update (4th Quarter 2025) (O) • 2025 Year-end review (O) • VCE Employee Handbook update (R) • Annual Strategic Plan Report (R) • Receive CAC 2025 Year-end Task Group Reports (O)	• Action • Nominations • Information • Information • Action • Information • Information
~~February 26, 2026~~ Cancelled	**Advisory Committee (Davis)**	• This meeting has been cancelled.	•
~~March 12, 2026~~ Cancelled.	**Board (Woodland)**	• This meeting has been cancelled.	•

March 26, 2026	**Advisory Committee (Woodland)**	• Integrated Resource Plan (IRP) Update (O) • Local Energy Task Group Update (O) • Update on CalCCA sponsored legislative bills (O)	• Information • Information • Information
April 9, 2026	**Board (Davis)**	• Receive Enterprise Risk Management Report (Bi-Annual) (R) • Customer Participation update (1st Quarter 2026) (O) • Receive Treasury and Financial update; ratify Investment Policy; and extend RCB Credit Agreement (R/O) • Update Exhibits C & D of VCE's JPA (R) • Update VCE's Conflict of Interest Code (R) • Brown Act compliance (R) • Ratify VCE's position on legislative bills	• Information • Information • Action • • Action • Action • Action • Action
~~April 23, 2026~~ Cancelled.	**Advisory Committee (Davis)**	• This meeting has been cancelled.	•
May 12-14, 2026	**CalCCA Annual Conference (Sacramento)**	VCE Staff and some Board and CAC members attending	
~~May 14, 2026~~ Cancelled, may be rescheduled.	**Board (Woodland)**	• * No meeting due to CalCCA Annual Conference. A special meeting may be scheduled if an urgent matter needs to be addressed.	•
May 28, 2026	**Advisory Committee (Woodland)**	• 2025 Net Margin Allocation (R) • Customer Participation update (1st Quarter 2026) (O) • Seek feedback on updates to Integrated Resource Plan (O) • Receive update on three (3) legislative bills. (O) • Recap of CalCCA May 2026 Annual Conference (O)	• Discussion/Action • Information • Discussion/Action • Information • Information
June 11, 2026	**Board (Davis)**	• Re/Appointment of Members to Community Advisory Committee (Annual) (R) • Calendar Year 2025 Audited Financial Statements (James Marta & Co.) (placeholder) (R) • Mid-Year 2026 Financial Update (R) • 2025 Net Margin Allocation (R) • CC Power Amendment to Fish Lake Geothermal PPA • Summer Preparedness outlook (O) • Receive annual Load Management Standards (LMS) update (O) • Recap of CalCCA May 2026 Annual Conference (O)	• Action • Action • Information • Discussion/Action • Action • Information • Information • Information

*No meeting unless an urgent matter needs to be addressed

June 25, 2026	**Advisory Committee (Davis)**	• Receive Summer Preparedness outlook (O) • Receive annual Load Management Standards (LMS) update (O) • Seek recommendation to Board on updated Integrated Resource Plan (IRP) (O)	• Information • Information • Discussion/Action
July 9, 2026	**Board (Woodland)**	• Customer Participation update (2nd Quarter 2026) (O) • Approve Integrated Resource Plan (IRP) updates (R) • Indian Valley Long Term PPA (placeholder) (O)	• Information • Discussion/Action • Action
~~July 23, 2026~~ *Cancelled*	**Advisory Committee (Woodland)**	• Cancelled.	
~~August 13, 2026~~ *Cancelled*	**Board (Davis)**	• Cancelled. A Special meeting may be scheduled if needed.	
August 27, 2026	**Advisory Committee ~~(Davis)~~ Yolo County Dept. of Community Services, Cache Creek Room, Woodland**	• Customer Participation Update (2nd Quarter 2026) (O) • Receive updated Integrated Resource Plan (IRP) (O) • Focus Group Engagement • Draft Power Project Selection Criteria Guidelines • Receive Distributed Energy Resource Management System (DERMS) Intern Update	• Information • Information • Information • Discussion/Action • Information
September 10, 2026	**Board (Woodland)**	• Certification of 2025 Power Content Label (Annual) (R) • Residential Dynamic Pricing Pilot Program (HFP) and Vehicle-Grid Integration (VGI) Pilot Program update (placeholder) (O) • Approve AI Usage IT Policy • Approve updated Collections Policy • Approve Power Project Selection Criteria Guidelines • Ratify Amendment 1 to First Principles Advisory Agreement • Designate Alternate to California Community Power (CC Power) Board • Gibson Solar	• Action • Information • Action • Action • Discussion/Action • Action • Action • Action
~~September 24, 2026~~ *CANCELLED*	**Advisory Committee (Woodland)**	• *Cancelled.*	•
October 8, 2026	**Board (Davis)**	• Enterprise Risk Management Update (Annual) (R) • Legislative End of Session Update (O) • Draft Power Project Selection Criteria Guidelines	• Discussion/Action • Information • Discussion/Action

*No meeting unless an urgent matter needs to be addressed

October 22, 2026	**Advisory Committee (Davis)**	• Power Portfolio Update (O) • Customer Participation Update (3rd Quarter 2026) (O) • Legislative End of Session Update (O) • Draft 2027 Legislative & Regulatory Platform	• Information • Information • Information • Information • Discussion/Action
October 23, 2026	**Board Workshop** (Winters)	• The Board will be holding a Workshop (Special Meeting) on VCE's strategic vision.	• Information/Discussion
November 12, 2026	**Board (Woodland)**	• Power Charge Indifference Adjustment (PCIA) and Rates • 2027 Preliminary Operating Budget (R) • Customer Participation Update (3rd Quarter 2026) (O) • Contract Renewals (R) • Recap of Board's 10/23/26 Workshop (Special Meeting)	• Discussion • Information/Discussion • Information • Information/Action • Information
~~November 26, 2026~~ **November 19, 2026 (rescheduled to November 19 due to Thanksgiving holiday on Nov. 26th)**	**Advisory Committee (~~Woodland~~) (Davis)**	• Review and approve CAC Draft 2026 Task Group Year-end Reports (R) • GHG Free Attributes (R) (placeholder) • Receive Bill Relief Pilot Program Concept (placeholder) • Receive update on RFP's 1) Marketing, Website and Social Media and 2) Focus Groups (Marketing)	• Discussion/Action • Discussion/Action • Information • Information
December 10, 2026	**Board (Davis)**	• Approve 2027 Operating Budget (Annual) and 2027 Customer Rates (R) • Receive VCE Grant/Program Annual Report (R) • GHG Free Attributes (R) (placeholder) • Contract(s) New and/or Renewals (R) • Approve 2027 Legislative and Regulatory Platform (R) • CC Power – Willow Rock PPA (placeholder) (O) • Receive 2026 Task Group Year-end Reports (R) • Receive Bill Relief Pilot Program Concept (placeholder)	• Discussion/Action • Information • Discussion/Action • Information/Action • Discussion/Action • Action • Information • Information
~~December 24, 2026~~ **December 17, 2026 (rescheduled to December 17 due to Christmas Eve on Dec. 24th)**	**Advisory Committee (Davis)**	• 2025 Power Content Label Outreach (O) • Election of Officers for 2027 (Annual) (R) • Local Energy Task Group update (O) (placeholder) • Formation of 2027 Task Groups	• Information • Nominations • Information • Discussion/Action
January 14, 2027	**Board (Woodland)**	• Oaths of Office for Board Members (Annual - new Members only) (R)	• Action

*No meeting unless an urgent matter needs to be addressed

		• Election of Officers for 2027 (Annual) (R) • Customer Participation Update (4th Quarter 2026) (O) • 2026 Year in review: Customer Care & Marketing (R) • VCE Employee Handbook Update (R) • Annual Strategic Plan Report (R)	• Nominations • Information • Information • Information • Information
January 28, 2027	**Advisory Committee (Woodland)**	• Rates/Budget 2027 Update (O) • Customer Participation Update (4th Quarter 2026) (O) • Review and approve 2027 CAC Task Group(s) "Charges" (R)	• Information • Information • Discuss/Action

PLEASE NOTE: **May 12-14*, 2026: CalCCA Annual Conference in Sacramento, California***

CAC *PROPOSED* FUTURE TOPICS **Topics and Discussion dates may change as needed**	***ESTIMATED* MEETING DATE(S)**

*No meeting unless an urgent matter needs to be addressed

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5 (a)

TO: Board of Directors

FROM: Edward Burnham, Chief Financial Officer / Treasurer
Mitch Sears, Chief Executive Officer

SUBJECT: Monthly Treasurer's Report (Informational Item) – August 31, 2026

DATE: November 12, 2026

RECOMMENDATION:
Accept the Treasurer's report on VCE's cash, investments, debt, and unaudited financial statements and Actual vs. Budget year to date for the month ending August 31, 2026.

BACKGROUND & DISCUSSION:
The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending August 31, 2026.

Financial Statements for the period August 1, 2026 – August 31, 2026
In the Statement of Net Position, VCE, as of August 31, 2026, has a total of $81,322,572 in its checking, money market and lockbox accounts, $1,106,473 restricted assets for the Debt Service Reserve account, and $1,800,000 restricted assets related to supplier deposits. On August 31, 2026, VCE's net position was $88,297,425.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded $5,572,538 of revenue (net of allowance for doubtful accounts), of which $5,713,972 was billed in August, and $3,028,218 represents estimated unbilled revenue. The cost of electricity for the August revenue totaled $4,740,979. For August, VCE's gross margin was approximately 15% and the net income totaled $579,135. The year-to-date change in net position was ($6,993,348).
In the Statement of Cash Flows, VCE cash flows from operations were $547,453 due to August cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 08/31/2026):

Operating Account	$42,685,370
Insured Cash Sweep Account	$39,963,575
Debt Service Account	$1,106,473
CAISO Operational Account	$8,158,217
Total Cash on Deposit	$91,913,635

Note: VCE receives 3.88% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. August 2026 earnings were $158,796.

VCE's Outstanding Loan Balances (as of 08/31/2026):

Valley Clean Energy Alliance has available at the financial institution a line of credit totaling $11,000,000 with $7,000,000 withdrawal limit, which expires on April 15, 2027. The related debt outstanding at the close of business on August 31, 2026 was $0. VCE has issued, but undrawn, letters of credit for a total of $266,989 for regulatory.

Actual vs. Budget Variances for the year to date ending August 31, 2026

Below are the financial statement line items with variances >$50,000 and 5%

- Electric Revenue – $899,526 and 3% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments than forecasted, resulting from final actual results for PG&E included in the December true-up process and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – $4,685,371 and 13% – Favorable mainly due to lower power costs resulting in less PPA cost recoveries, increased curtailment energy, and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Salaries & Wages/Benefits – $158,466 and 14% – Favorable, driven by a vacancy in the Budgeted Policy Analyst role currently in recruitment and underfilled positions.
- Other Contract Services – $79,120 and 79% – Favorable due to the timing difference between amortization of budgeted expenses and actual expenses due to delayed regulatory proceedings.
- Programs – $824,685 and 91% – Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.
- Strategic Plan Update & Community Focus Group – $75,000 and 100% – Favorable Variance due to being deferred to Q426.

Attachments:

1) Financial Statements (Unaudited) August 1, 2026 to August 31, 2026 (with comparative year to date information.)
2) Actual vs. Budget for the year to date ending August 31, 2026



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FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF AUGUST 1 TO AUGUST 31, 2026

PREPARED ON OCTOBER 11, 2026

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
AUGUST 31, 2026
(UNAUDITED)

ASSETS		
Current assets:		
Cash and cash equivalents	$	81,322,572
Accounts receivable, net of allowance		7,725,329
Accrued revenue		3,028,218
Prepaid expenses		246,501
Inventory - Renewable Energy Credits		-
Other current assets and deposits		9,965,100
Total current assets		102,287,720
Restricted assets:		
Debt service reserve fund		1,106,473
Total restricted assets		1,106,473
TOTAL ASSETS	$	103,394,193
LIABILITIES		
Current liabilities:		
Accounts payable		237,737
Accrued payroll		25,917
Interest payable		-
Due to member agencies		-
Accrued cost of electricity		11,365,086
Other accrued liabilities		1,619,148
Security deposits - energy supplies		1,800,000
User taxes and energy surcharges		48,880
TOTAL LIABILITIES	$	15,096,769
NET POSITION		
Net position:		
Designated Funds	$	18,849,585
Local Programs Reserve		2,709,585
Rate Stabilization		12,284,000
Customer Difidends		3,856,000
Restricted		1,106,473
Unrestricted		68,341,367
TOTAL NET POSITION	$	88,297,425

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
AUGUST 31, 2026
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING AUGUST 31, 2026	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	$ 5,572,538	$ 32,387,525
Other revenue	-	31,375
TOTAL OPERATING REVENUES	5,572,538	32,418,899
OPERATING EXPENSES		
Cost of electricity	4,740,979	37,115,876
Contract services	207,458	1,688,991
Staff compensation	153,200	1,221,567
General, administration, and other	50,563	618,145
TOTAL OPERATING EXPENSES	5,152,199	40,644,578
TOTAL OPERATING INCOME (LOSS)	420,339	(8,225,679)
NONOPERATING REVENUES (EXPENSES)		
Interest income	158,796	1,232,331
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	158,796	1,232,331
CHANGE IN NET POSITION	579,135	(6,993,348)
Net position at beginning of period	87,718,289	95,290,772
Net position at end of period	$ 88,297,425	$ 88,297,425

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
AUGUST 31, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING AUGUST 31, 2026	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	$ 5,432,363	$ 35,189,121
Public purpose program receipts	-	-
Payments received from other revenue sources	-	31,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(4,449,169)	(30,060,257)
Payments for contract services, general, and adminstration	(272,080)	(2,381,758)
Payments for member agency services	-	-
Payments for staff compensation	(163,661)	(1,316,494)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	547,453	1,461,986
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	158,796	1,232,331
Net cash provided (used) by investing activities	158,796	1,232,331
NET CHANGE IN CASH AND CASH EQUIVALENTS	706,249	2,694,317
Cash and cash equivalents at beginning of period	81,722,797	79,734,728
Cash and cash equivalents at end of period	82,429,045	82,429,045
Cash and cash equivalents included in:		
Cash and cash equivalents	81,322,572	81,322,572
Restricted assets	1,106,473	1,106,473
Cash and cash equivalents at end of period	$ 82,429,045	$ 82,429,045

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
AUGUST 31, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING AUGUST 31, 2026	YEAR TO DATE
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 420,339	$ (8,225,679)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	61,700	338,800
(Increase) decrease in net accounts receivable	(260,564)	1,724,644
(Increase) decrease in accrued revenue	79,734	735,461
(Increase) decrease in prepaid expenses	25,011	(52,468)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	(19,470)	(54,800)
Increase (decrease) in accrued payroll	(10,461)	(94,927)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	272,210	7,088,264
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	(21,046)	2,691
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	$ 547,453	$ 1,461,986

VALLEY CLEAN ENERGY
2026 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 08/31/2026

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	$ 33,651,231	$ 32,364,000	$ 1,287,231	4%
Electric Revenue	$ 32,387,526	$ 31,488,000	$ 899,526	3%
Interest Revenues	$ 1,232,330	$ 860,000	$ 372,330	43%
Reimbursable Revenues	$ 31,375	$ 16,000	$ 15,375	96%
Purchased Power	$ 31,101,629	$ 35,787,000	$ (4,685,371)	-13%
Purchased Power Base	$ 31,101,629	$ 34,017,000	$ (2,915,371)	-9%
Purchased Power Contingency 5%	$ -	$ 1,770,000	$ (363,254)	-21%
Labor & Benefits	$ 1,237,213	$ 1,442,000	$ (204,787)	-14%
Salaries & Wages/Benefits	$ 1,011,534	$ 1,170,000	$ (158,466)	-14%
Contract Labor	$ 130,881	$ 144,000	$ (13,119)	-9%
Human Resources & Payroll	$ 94,798	$ 128,000	$ (33,202)	-26%
Office Supplies & Other Expenses	$ 265,032	$ 411,500	$ (146,468)	-36%
Technology Costs	$ 88,212	$ 100,000	$ (11,788)	-12%
Office Supplies	$ 13,653	$ 8,000	$ 5,653	71%
Travel	$ 21,503	$ 23,500	$ (1,997)	-8%
CalCCA Dues	$ 140,000	$ 128,000	$ 12,000	9%
CC Power	$ -	$ 144,000	$ (144,000)	-100%
Memberships	$ 1,665	$ 8,000	$ (6,336)	-79%
Contractual Services	$ 1,557,073	$ 1,840,200	$ (283,127)	-15%
Other Contract Services (e.g. IRP)	$ 20,880	$ 100,000	$ (79,120)	-79%
Don Dame	$ 4,873	$ 24,000	$ (19,127)	-80%
Wholesale Energy Services (TEA)	$ 553,035	$ 576,000	$ (22,965)	-4%
2030 100% Renewable & Storage	$ -	$ 20,000	$ (20,000)	-100%
Customer Support Call Center	$ 649,149	$ 644,000	$ 5,149	1%
Operating Services	$ 460	$ 80,000	$ (79,540)	-99%
Commercial Legal Support	$ 61,382	$ 19,000	$ 42,382	223%
Legal General Counsel	$ 43,310	$ 53,000	$ (9,690)	-18%
Regulatory Counsel	$ 134,294	$ 136,000	$ (1,706)	-1%
Joint CCA Regulatory counsel	$ -	$ 12,800	$ (12,800)	-100%
Legislative - (Lobbyist)	$ 44,000	$ 46,000	$ (2,000)	-4%
Accounting Services	$ -	$ 2,400	$ (2,400)	-100%
Financial Consultant	$ -	$ 12,000	$ (12,000)	-100%
Audit Fees	$ 43,190	$ 55,000	$ (11,810)	-21%
Marketing	$ 183,225	$ 266,000	$ (82,775)	-31%
Marketing Collateral	$ 182,669	$ 214,000	$ (31,331)	-15%
Community Engagement Activities & Sponsorships	$ 556	$ 52,000	$ (51,444)	-99%
Programs	$ 82,315	$ 907,000	$ (824,685)	-91%
Program Costs (Rebates, Incentives, etc.)	$ 49,313	$ 640,000	$ (590,687)	-92%
Member Agency Advisory Services	$ -	$ 16,000	$ (16,000)	-100%
AG Fit	$ 33,002	$ 176,000	$ (142,998)	-81%
PIPP Program	$ -	$ 75,000	$ (75,000)	-100%
Rents & Leases	$ 16,800	$ 34,800	$ (18,000)	-52%
Hunt Boyer Mansion	$ 16,800	$ 18,800	$ (2,000)	-11%
Lease Improvement	$ -	$ 16,000	$ (16,000)	-100%
Other A&G	$ 177,387	$ 459,900	$ (282,513)	-61%
Development - New Members	$ -	$ 11,500	$ (11,500)	-100%
Strategic Plan Implementation	$ 29,098	$ 51,200	$ (22,102)	-43%
Strategic Plan Update & Community Focus Group	$ -	$ 75,000	$ (75,000)	-100%
PG&E Data Fees	$ 66,327	$ 200,000	$ (133,673)	-67%
Insurance	$ 45,110	$ 64,000	$ (18,890)	-30%
Banking Fees	$ 36,852	$ 58,200	$ (21,348)	-37%
Miscellaneous Operating Expenses	$ 9,658	$ 8,000	$ 1,658	21%
Contingency	$ -	$ 160,000	$ (160,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	$ 34,630,331	$ 41,316,400	$ (6,686,069)	-16%
NET INCOME	$ (979,100)	$ (8,952,400)		

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5 (b)

TO: Board of Directors

FROM: Edward Burnham, Chief Financial Officer / Treasurer
Mitch Sears, Chief Executive Officer

SUBJECT: Monthly Treasurer's Report (Informational Item) – September 30, 2026

DATE: November 12, 2026

RECOMMENDATION:
Accept the Treasurer's report on VCE's cash, investments, debt, and unaudited financial statements and Actual vs. Budget year to date for the month ending September 30, 2026.

BACKGROUND & DISCUSSION:
The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending September 30, 2026.

Financial Statements for the period September 1, 2026 – September 30, 2026
In the Statement of Net Position, VCE, as of September 30, 2026, has a total of $81,570,886 in its checking, money market and lockbox accounts, $1,109,977 restricted assets for the Debt Service Reserve account, and $1,800,000 restricted assets related to supplier deposits. On September 30, 2026, VCE's net position was $93,837,216.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded $5,822,073 of revenue (net of allowance for doubtful accounts), of which $5,622,574 was billed in September, and $3,284,017 represents estimated unbilled revenue. The cost of electricity for the September revenue totaled $5,443,224. For September, VCE's gross margin was approximately 7% and the net income totaled $52,309. The year-to-date change in net position was ($1,453,557).
In the Statement of Cash Flows, VCE cash flows from operations were $95,842 due to September cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 09/30/2026):

Operating Account	$42,286,189
Insured Cash Sweep Account	$40,091,568
Debt Service Account	$1,109,977
CAISO Operational Account	$8,240,869
Total Cash on Deposit	$91,728,603

Note: VCE receives 3.90% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. September 2026 earnings were $155,976.

VCE's Outstanding Loan Balances (as of 09/30/2026):

Valley Clean Energy Alliance has available at the financial institution a line of credit totaling $11,000,000 with $7,000,000 withdrawal limit, which expires on April 15, 2027. The related debt outstanding at the close of business on September 30, 2026 was $0. VCE has issued, but undrawn, letters of credit for a total of $266,989 for regulatory.

Actual vs. Budget Variances for the year to date ending September 30, 2026

Below are the financial statement line items with variances >$50,000 and 5%

- Electric Revenue – $1,741,599 and 5% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments compared to the forecast and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – $4,604,147 and 11% – Favorable mainly due to lower power costs resulting in less PPA cost recoveries, increased curtailment energy, and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Salaries & Wages/Benefits – $184,689 and 14% – Favorable, driven by a vacancy in the Budgeted Policy Analyst role currently in recruitment and underfilled positions.
- Technology Costs – $101,113 and 51% – Favorable due to ERP selection postponed to 2027.
- Other Contract Services – $91,620 and 81% – Favorable due to the timing difference between amortization of budgeted expenses and actual expenses due to delayed regulatory proceedings.
- Commercial Legal Support – $53,382 and 254% – Unfavorable due to higher commercial legal support for possible Gibson Acquisition.
- Marketing Collateral – $52,899 and 22% – Favorable due to lower marketing collateral expenses than budgeted.
- Strategic Plan Update & Community Focus Group – $75,000 and 100% – Favorable Variance due to being deferred to 2027.

Attachments:

1) Financial Statements (Unaudited) September 1, 2026 to September 30, 2026 (with comparative year to date information.)
2) Actual vs. Budget for the year to date ending September 30, 2026



VALLEY
CLEAN ENERGY

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF SEPTEMBER 1 TO SEPTEMBER 30, 2026

PREPARED ON NOVEMBER 3, 2026

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2026
(UNAUDITED)

ASSETS		
Current assets:		
Cash and cash equivalents	$	81,570,886
Accounts receivable, net of allowance		6,729,984
Accrued revenue		3,284,017
Prepaid expenses		228,168
Inventory - Renewable Energy Credits		-
Other current assets and deposits		10,047,752
Total current assets		101,860,807
Restricted assets:		
Debt service reserve fund		1,109,977
Total restricted assets		1,109,977
TOTAL ASSETS	$	102,970,784
LIABILITIES		
Current liabilities:		
Accounts payable		248,799
Accrued payroll		11,444
Interest payable		-
Due to member agencies		-
Accrued cost of electricity		5,379,624
Other accrued liabilities		1,624,866
Security deposits - energy supplies		1,800,000
User taxes and energy surcharges		68,835
TOTAL LIABILITIES	$	9,133,568
NET POSITION		
Net position:		
Designated Funds	$	18,849,585
Local Programs Reserve		2,709,585
Rate Stabilization		12,284,000
Customer Difidends		3,856,000
Restricted		1,109,977
Unrestricted		73,877,654
TOTAL NET POSITION	$	93,837,216

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
SEPTEMBER 30, 2026
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING SEPTEMBER 30, 2026	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	$ 5,822,073	$ 38,209,598
Other revenue	-	31,375
TOTAL OPERATING REVENUES	5,822,073	38,240,973
OPERATING EXPENSES		
Cost of electricity	5,443,224	37,071,619
Contract services	212,851	1,901,842
Staff compensation	145,418	1,366,985
General, administration, and other	124,247	742,391
TOTAL OPERATING EXPENSES	5,925,740	41,082,837
TOTAL OPERATING INCOME (LOSS)	(103,667)	(2,841,864)
NONOPERATING REVENUES (EXPENSES)		
Interest income	155,976	1,388,307
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	155,976	1,388,307
CHANGE IN NET POSITION	52,309	(1,453,557)
Net position at beginning of period	93,784,906	95,290,772
Net position at end of period	$ 93,837,216	$ 93,837,216

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
SEPTEMBER 30, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING SEPTEMBER 30, 2026	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	$ 6,587,292	$ 41,776,413
Public purpose program receipts	-	-
Payments received from other revenue sources	-	31,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(6,010,532)	(36,070,789)
Payments for contract services, general, and adminstration	(321,027)	(2,702,785)
Payments for member agency services	-	-
Payments for staff compensation	(159,892)	(1,476,386)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	95,842	1,557,828
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	155,976	1,388,307
Net cash provided (used) by investing activities	155,976	1,388,307
NET CHANGE IN CASH AND CASH EQUIVALENTS	251,818	2,946,135
Cash and cash equivalents at beginning of period	82,429,045	79,734,728
Cash and cash equivalents at end of period	82,680,863	82,680,863
Cash and cash equivalents included in:		
Cash and cash equivalents	81,570,886	81,570,886
Restricted assets	1,109,977	1,109,977
Cash and cash equivalents at end of period	$ 82,680,863	$ 82,680,863

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
SEPTEMBER 30, 2026
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING SEPTEMBER 30, 2026	YEAR TO DATE
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (103,667)	$ (2,841,864)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	56,300	395,100
(Increase) decrease in net accounts receivable	944,763	2,669,407
(Increase) decrease in accrued revenue	(255,799)	479,661
(Increase) decrease in prepaid expenses	18,333	(34,135)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	11,062	(43,738)
Increase (decrease) in accrued payroll	(14,474)	(109,401)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	(580,632)	1,020,151
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	19,955	22,646
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	$ 95,842	$ 1,557,828

VALLEY CLEAN ENERGY
2026 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 09/30/2026

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	$ 39,629,280	$ 37,446,000	$ 2,183,280	6%
Electric Revenue	$ 38,209,599	$ 36,468,000	$ 1,741,599	5%
Interest Revenues	$ 1,388,306	$ 960,000	$ 428,306	45%
Reimbursable Revenues	$ 31,375	$ 18,000	$ 13,375	74%
Purchased Power	$ 36,544,853	$ 41,149,000	$ (4,604,147)	-11%
Purchased Power Base	$ 36,544,853	$ 39,115,000	$ (2,570,147)	-7%
Purchased Power Contingency 5%	$ -	$ 2,034,000	$ (428,058)	-21%
Labor & Benefits	$ 1,382,631	$ 1,626,000	$ (243,369)	-15%
Salaries & Wages/Benefits	$ 1,135,311	$ 1,320,000	$ (184,689)	-14%
Contract Labor	$ 145,446	$ 162,000	$ (16,554)	-10%
Human Resources & Payroll	$ 101,874	$ 144,000	$ (42,126)	-29%
Office Supplies & Other Expenses	$ 297,220	$ 548,000	$ (250,780)	-46%
Technology Costs	$ 98,887	$ 200,000	$ (101,113)	-51%
Office Supplies	$ 13,452	$ 9,000	$ 4,452	49%
Travel	$ 25,717	$ 24,000	$ 1,717	7%
CalCCA Dues	$ 157,500	$ 144,000	$ 13,500	9%
CC Power	$ -	$ 162,000	$ (162,000)	-100%
Memberships	$ 1,665	$ 9,000	$ (7,336)	-82%
Contractual Services	$ 1,798,423	$ 2,063,850	$ (265,427)	-13%
Other Contract Services (e.g. IRP)	$ 20,880	$ 112,500	$ (91,620)	-81%
Don Dame	$ 5,133	$ 27,000	$ (21,868)	-81%
Wholesale Energy Services (TEA)	$ 626,536	$ 648,000	$ (21,464)	-3%
2030 100% Renewable & Storage	$ -	$ 23,000	$ (23,000)	-100%
Customer Support Call Center	$ 736,057	$ 724,500	$ 11,557	2%
Operating Services	$ 460	$ 90,000	$ (89,540)	-99%
Commercial Legal Support	$ 74,382	$ 21,000	$ 53,382	254%
Legal General Counsel	$ 47,430	$ 60,000	$ (12,570)	-21%
Regulatory Counsel	$ 182,989	$ 153,000	$ 29,989	20%
Joint CCA Regulatory counsel	$ -	$ 14,400	$ (14,400)	-100%
Legislative - (Lobbyist)	$ 49,500	$ 51,750	$ (2,250)	-4%
Accounting Services	$ -	$ 2,700	$ (2,700)	-100%
Financial Consultant	$ -	$ 13,500	$ (13,500)	-100%
Audit Fees	$ 43,190	$ 55,000	$ (11,810)	-21%
Marketing	$ 188,657	$ 299,500	$ (110,843)	-37%
Marketing Collateral	$ 188,101	$ 241,000	$ (52,899)	-22%
Community Engagement Activities & Sponsorships	$ 556	$ 58,500	$ (57,944)	-99%
Programs	$ 83,908	$ 1,011,000	$ (927,092)	-92%
Program Costs (Rebates, Incentives, etc.)	$ 50,907	$ 720,000	$ (669,093)	-93%
Member Agency Advisory Services	$ -	$ 18,000	$ (18,000)	-100%
AG Fit	$ 33,002	$ 198,000	$ (164,998)	-83%
PIPP Program	$ -	$ 75,000	$ (75,000)	-100%
Rents & Leases	$ 18,900	$ 39,150	$ (20,250)	-52%
Hunt Boyer Mansion	$ 18,900	$ 21,150	$ (2,250)	-11%
Lease Improvement	$ -	$ 18,000	$ (18,000)	-100%
Other A&G	$ 228,219	$ 503,800	$ (275,581)	-55%
Development - New Members	$ -	$ 13,500	$ (13,500)	-100%
Strategic Plan Implementation	$ 29,706	$ 57,600	$ (27,894)	-48%
Strategic Plan Update & Community Focus Group	$ -	$ 75,000	$ (75,000)	-100%
PG&E Data Fees	$ 111,141	$ 225,000	$ (113,859)	-51%
Insurance	$ 50,520	$ 72,000	$ (21,480)	-30%
Banking Fees	$ 36,852	$ 60,700	$ (23,848)	-39%
Miscellaneous Operating Expenses	$ 13,260	$ 9,000	$ 4,260	47%
Contingency	$ -	$ 180,000	$ (180,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	$ 40,556,071	$ 47,429,300	$ (6,873,229)	-14%
NET INCOME	$ (926,791)	$ (9,983,300)		

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: November 12, 2026

Pacific Policy Group, VCE's lobby services consultant, continues to work with Staff and the Community Advisory Committee's Legislative - Regulatory Task Group (LRTG) continues to meet and discuss legislative matters. Below is a summary.

Election day 2026 has changed the political landscape nationally and at the state level in California. With Democrats now in control of both the U.S. House and Senate, California is likely to face less headwinds on its clean air and energy pursuits. Votes are still being counted, but Xavier Becerra will be the next Governor of California and Democrats will maintain their supermajorities in both the state Assembly and Senate while several high-profile ballot measures appear destined to fail but have yet to be officially called, including Proposition 40 (billionaire's tax), Proposition 43 (increase threshold for voter-initiated local taxes), and Proposition 45 (CEQA streamlining).

As to Governor Elect Becerra and his energy policy priorities, little has been shared publicly other than his campaign proposal to create the California Power Hour. The Power Hour could provide up to two hours of free electricity every day for certain Californians who meet income and household size qualifications. The Power Hour would operate in the middle of the day and encourage Californians to shift demand to hours when solar energy is more available and before traditional peak demand hits in the late afternoon.

Preceding election day, the Assembly Utilities & Energy Committee had a busy few weeks as the committee held two informational hearings to discuss Investor-Owned Utilities' wildfire safety processes and how wildfire liability is increasing rates. The committee then joined the Assembly Insurance Committee for a joint informational hearing to dig into the ins-and-outs of subrogation. These informational hearings are a follow up to the failed attempt at the end-of-session to reduce IOU liability stemming from wildfires they ignite. The hearings are also a precursor to continued efforts to examine and potentially realign the IOUs' liability. With PG&E announcing that it will reduce its 2027 capital plan by about $2 billion, the 2027 legislative session will be focused on the IOUs' wildfire liability starting on day one.

Looking forward, the Legislature will convene the 2027-28 legislative session on December 7, 2026, at which time new legislators will be sworn in, and some bills will be introduced. The Legislature will then adjourn for winter holidays before resuming session in early January. The new governor will be sworn in on January 4, 2027.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: November 12, 2026

Please find attached Keyes & Fox's October 2026 Regulatory Memorandum dated November 4, 2026, an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

Attachment: Keyes & Fox Regulatory Memorandum dated November 4, 2026

KEYES&FOX LLP

EQ Research

Valley Clean Energy Alliance

Regulatory Monitoring Report

To:	Valley Clean Energy Alliance (VCE) Board of Directors
From:	Sheridan Pauker, Partner, Keyes & Fox LLP Jason Hoyle, Director of Research, EQ Research LLC
Subject:	Monthly Regulatory Update
Date:	November 4, 2026

Keyes & Fox LLP and EQ Research LLC are pleased to provide VCE's Board of Directors with this informational memo describing key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC) over the past month.

PCIA/ERRA Reform

Background: This Rulemaking considers updates and reforms to the ERRA and Power Charge Indifference Adjustment (PCIA) rules and processes with the objectives of improving existing rules, mitigating rate volatility, and ensuring indifference among bundled and departing customers. Track 1 concluded in 2025, Track 2's scope was revised to consider issues related to the valuation of pre-2019 RECs arising from 2026 ERRA forecast proceedings, and Track 3 will address broader issues in Track 3A and Track 3B.

Recent Developments: On October 22, CalCCA filed an Application for Rehearing of D.26-09-047 arguing, in part, that the Decision denies any value to customers who received service from an IOU pre-2019 but who have since departed to CCA service when the RECs these customers paid for while receiving IOU service are used for RPS compliance by the IOUs on behalf of current bundled customers. On October 28, an ALJ Ruling extended the deadline for parties to file the Track 3A Joint Case Management Statement.

Analysis: CalCCA's Application for Rehearing re-visits the zero-dollar valuation for pre-2019 banked RECs and, if granted, could result in compensation for pre-2019 RECs when these RECs are used by IOUs for RPS compliance, based on the share of CCA customers who departed IOU generation service after 2019.

Next Steps: Responses to CalCCA's Application for Rehearing are due November 6. A staff report or proposal in Track 3A was expected in October but is delayed as parties work to reach a compromise on disputed issues, party proposals are due in late 2026/early 2027, followed by a Q1 2027 workshop.

Additional Information: Ruling (Oct. 28, 2026); Application for Rehearing (Oct. 22, 2026); D.26-09-047 (Sep. 22, 2026); Scoping Memo and Ruling (Aug. 18, 2026); Ruling (Jun. 19, 2026); Ruling on hearing (May 28, 2026); Track 3 Workshop Ruling (May 13, 2026); Ruling (Apr. 24, 2026); Ruling and Staff Report (Mar. 27, 2026); Ruling (Feb. 20, 2026); Amended Scoping Memo (Feb. 3, 2026); OIR (Feb. 26, 2025); Docket No. R.25-02-005.

RA Rulemaking

Background: This proceeding is the successor to R.23-10-011, and it will address the 2027 and 2028 RA compliance years, local RA obligations for the 2027-2029 and 2028-2030 compliance years, further refinements to the 24-hour Slice-of-Day (SOD) framework, and the Planning Reserve Margin (PRM). Track 1 considered accreditation for long-duration energy storage, unforced capacity outage rates for thermal resources, accreditation for solar and wind resources, and transactability within the SOD framework during the first half of 2026. Track 2 addresses the planning reserve margin and coordination with the integrated resource plan proceeding.

Recent Developments: On November 2, parties and Energy Division submitted final 2028 LOLE studies and Planning Reserve Margin (PRM) proposals. CalCCA's proposal recommends the PRM be set on a monthly basis using month-specific risk and that the adopted approach both ensure reliability while minimizing RA cost.

Analysis: A key feature of CalCCA's proposed approach is the separation of months with high peak load variability (e.g., April and May) from peak summer months. This approach would establish a higher PRM, between 16% and 31%, in the months with high peak load variability – aligning the PRM level with the monthly risk level – while setting a lower PRM of between 4% and 16% for all other months, thereby potentially reducing RA compliance costs during summer months.

Next Steps: Opening comments on Energy Division's final PRM recommendation and party proposals for the 2028-2029 RA years are due November 20 and reply comments are due December 11. Parties' Track 2 proposals (other than PRM) are due January 15.

Additional Information: Ruling (Sep. 25, 2026); Scoping Memo and Ruling (Aug. 25, 2026); Ruling and Draft Loss of Load Expectation Study for 2028 (Aug. 17, 2026); D.26-07-008 (Jul. 2, 2026); Scoping Memo (Dec. 12, 2025); OIR (Oct. 15, 2025); Docket No. R.25-10-003.

PG&E 2027 ERRA Forecast

Background: The annual Energy Resource and Recovery Account (ERRA) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other non-bypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates.

Recent Developments: On October 1, Energy Division issued the Final 2026 Market Price Benchmarks (MPBs) and the Forecast 2027 MPBs used to calculate the 2027 PCIA. On October 16, PG&E submitted the October Update to its 2027 ERRA Forecast Application. In its October Update, PG&E seeks approval of its updated total 2027 forecasted revenue requirement of $4,674.4 million, an increase of about $265 million, or 6%, over its initial request. Opening briefs were filed on October 21. On October 22, an ALJ Ruling took notice of PG&E's recent ERRA Trigger Application (Docket No. A.26-10-013) and noted that the over-collected balance is reflected in the Company's Fall Update. An October 26 Ruling scheduled the pre-hearing conference for November 12 in the ERRA Trigger proceeding, at which parties will address whether the ERRA Trigger proceeding should be consolidated with the ERRA Forecast proceeding.

Analysis: The Fall Update indicates that the system average rate for CCA customers would increase by approximately 0.1 cents per kWh to a total rate of 23.8 cents per kWh, an increase of 0.6% when compared to the currently effective system average rate for CCA customers of 23.7 cents per kWh.

Next Steps: A pre-hearing conference to consider consolidation of the ERRA Trigger and ERRA Forecast proceedings will be held November 12. A proposed decision is expected in November with issuance of a final decision in late 2026.

Additional Information: Ruling (Oct. 22, 2026); PG&E October Update (Oct. 16, 2026); Final MPBs (Oct. 1, 2026); Notice (Sep. 22, 2026); PG&E AL 7972-E (Aug. 28, 2026); Scoping Memo and Ruling (Aug. 3, 2026); Ruling (Jun. 18, 2026); Application (May 15, 2026); Docket No. A.26-05-007.

IRP Rulemaking (2025)

Background: This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, ongoing reliability obligations, and the Commission's oversight of the IOUs' bundled procurement plans. This proceeding continues the work of R.20-05-003 and will be the primary forum for most future CPUC work on the Reliable and Clean Power Procurement Program framework (RCPPP).

Recent Developments: Opening comments on Electricity Portfolios for the 2027-2028 Transmission Planning Process and Potential for Geographically Targeted Procurement were filed September 28 and reply comments were filed October 12. CalCCA's opening comments emphasized the different purposes of resource portfolios used for transmission planning and near- and mid-term reliability procurement, highlighted concerns with out-of-state resources and import capabilities, and included several additional process recommendations. Both CalCCA and PG&E recommended use of the most recent information available, such as the 2025 Integrated Energy Policy Report rather than the 2024 version. Multiple parties, including CalCCA in its reply comments recommended that the Commission refrain from adopting location-specific procurement requirements.

Analysis: Transmission planning and development is critical to ensure the availability of new cost-effective resources, both in- and out-of-state, as well as potential offshore wind resources, to diversify the state's portfolio of generation resources and improve the matching of load with generation. The multi-scenario analysis and use of the best-available and most-current information recommended by multiple parties is essential to ensuring availability of the lowest-cost resources by the time they are necessary to both serve expanding loads and meet the state's climate policy objectives.

Next Steps: Comments on the Bundled Procurement Plans (BPPs) are due November 13, and reply comments are due November 30. A proposed decision on the IOUs' proposed BPP updates is expected in Q4.

Additional Information: Ruling (Aug. 31, 2026); 2030-2031 ELCC Study and Staff Memo (Aug. 28, 2026); Ruling (Aug. 17, 2026); VCE's 2026 IRP (Jul. 29, 2026); Ruling on RCPPP (Jul. 13, 2026); Scoping Ruling (Oct. 28, 2025); OIR (Jul. 2, 2025); Docket No. R.25-06-019.

PG&E 2027 Phase 1 GRC

Background: Phase 1 General Rate Case (GRC) proceedings determine PG&E's overall revenue requirement and classification of costs by function for a set period (in this case, 2027-2030).

Recent Developments: Opening briefs for the Update Phase were filed on October 7 and reply briefs were filed on October 28. The CPUC held over until its November 19 meeting the Revised Proposed Decision authorizing PG&E to recover up to $456 million through an interim rate increase beginning January 1, 2027. The interim increase is subject to refund, and it will remain in effect until a final decision concluding this proceeding is implemented. On October 23,

CalAdvocates filed a Motion to address PG&E's announcement to investors of $2 billion in deferred test year capital expenditures and potential restructuring.

Analysis: CalAdvocates' Motion highlights that PG&E's investor announcement means that its proposed revenue requirement is overstated and that the $2 billion change in its capital investment plan should be addressed by the parties and the Commission.

Next Steps: The Proposed Decision authorizing PG&E's interim rate increase was held over to the November 19 Commission meeting. A proposed decision on Phase 1 is expected in March 2027.

Additional Information: CalAdvocates' Motion (Oct. 23, 2026); Revised Proposed Decision (Oct. 27, 2026); Ruling (Sep. 23, 2026); Ruling (Aug. 11, 2026); Proposed Decision (Aug. 4, 2026); Ruling (Jun. 18, 2026); Ruling (Apr. 24, 2026); Ruling on schedule (Feb. 26, 2026); Amended Scoping Memo and Ruling (Jan. 26, 2026); Scoping Memo and Ruling (Jul. 31, 2025); Application (May 16, 2025); Docket No. A.25-05-009.

PG&E 2023 Phase 2 GRC

Background: Phase 2 General Rate Case (GRC) proceedings determine PG&E's marginal cost of service and revenue requirement allocation among customer classes for a set period (in this case, 2023-2026). This proceeding also considers extension of existing dynamic rate pilots (including VCE's AgFIT pilot, now expanded across PG&E territory) and other real-time pricing (RTP) pilots, as well as post-pilot dynamic rates required by the CEC's Load Management Standards.

Recent Developments: On October 8, PG&E submitted a Motion for Adoption of Streetlighting Settlement. On October 9, PG&E submitted the Fifth Settlement Status Report indicating that six of the ten settlement subgroups have reached or are nearing settlements in principle covering almost all of their contested issues. On October 14, a Ruling granted PG&E's request for a 30-day extension from October 16 to November 16 to submit revised workpapers supporting the Stop-Gap Interim RTP Pilot Extension Proposal. PG&E filed the Report on the October 19 Meet and Confer on October 26. On October 29, the ALJ issued a Ruling removing the status conference from the schedule and setting a November 16 deadline for parties to request an evidentiary hearing.

Analysis: PG&E's revised workpapers will standardize the presentation of data underlying its dynamic rate design to allow cross-utility comparisons and allow parties to test the model's rate components, such as marginal cost inputs, distribution capacity, and customer bill impacts, including load data. The revisions will enable meaningful evaluation of PG&E's Stop-Gap Interim RTP Pilot Extension Proposal.

Next Steps: PG&E's revised workpapers supporting the Stop-Gap Interim RTP Pilot Extension Proposal are due November 16. A Ruling on the need for evidentiary hearings in the Primary Track is expected November 20.

Additional Information: Ruling (Oct. 29, 2026); Meet and Confer Report (Oct. 26, 2026); Ruling (Oct. 14, 2026); Fifth Settlement Status Report (Oct. 9, 2026); Motion for Adoption of Streetlighting Settlement (Oct. 8, 2026); Ruling (Sep. 24, 2026); Fourth Status Report (Sep. 4, 2026); Ruling (Jul. 22, 2026); Ruling modifying schedule (Jun. 17, 2026); PG&E Supplemental Testimony (Jun. 8, 2026); PG&E Testimony and Change Tables (Oct. 29, 2025); Scoping Memo (Mar. 21, 2025); Application (Sep. 30, 2024); Docket No. A.24-09-014.

Demand Response Enhancements

Background: This proceeding seeks to enhance demand response (DR) resources by updating guiding principles, policies, and data system and process requirements. Demand response development is closely connected to the implementation of dynamic rates and real-time pricing (RTP), similar to VCE's AgFIT Pilot, but across all customer classes.

Recent Developments: On November 3, the CPUC issued D.26-10-053 authorizing bridge funding maintaining the 2027 funding levels for the IOUs' 2028-2029 DR programs.

Analysis: N/A.

Next Steps: The filing deadline for the next IOU DR applications is November 1, 2028.

Additional Information: D.26-10-053 (Nov. 3, 2026); Ruling (Jul. 7, 2026); Joint Case Management Statement (Jun. 11, 2026); Ruling (Apr. 8, 2026); D.26-03-016 on Flex Alert Funding (Mar. 26, 2026); Ruling on Staff Proposal on IOUs Bridge Year Funding (Mar. 10, 2026); Scoping Memo and Ruling (Feb. 12, 2026); OIR and Guiding Principles (Sep. 29, 2025); Docket No. R.25-09-004.

Advanced Electric Rate Design

Background: This proceeding will establish advanced electric rate design policies, including rate structures and components such as time-of-use (TOU), demand charges, and the design of demand flexibility and dynamic rates. Additionally, rate design options to support electrification for large commercial and industrial (C&I) customers, as well as rate design options for data centers and other large load customers will also be addressed.

Recent Developments: On October 14, the CPUC issued a Proposed Decision authorizing an additional scope of work for up to $700,000 and contract extension for third-party consultant services to the Commission's Energy Division.

These services will support the development of rate design and bill impact analysis tools as well as Energy Division staff analysis of rate design issues. On October 30, the large IOUs submitted their Joint Proposal for implementation of AB 2109, which facilitates industrial process heat recovery by exempting qualifying projects from certain non-bypassable charges that would otherwise apply for customers with a minimum of 500 kW per project.

Analysis: The Joint IOU Proposal includes the per-kWh PCIA charge in the list of exempted charges, which could result in a slight increase in the PCIA charge for other customers. However, in addition to the statutory caps, the IOUs also propose an overall program cap of 12 MW in PG&E's territory as a means of minimizing cost-shift effects.

Next Steps: Opening comments on the Proposed Decision are due November 3 and reply comments are due November 9. The Proposed Decision may be heard, at the earliest, at the Commission's November 19 Business Meeting. Opening comments on the Joint IOU Proposal are due December 7 and reply comments are due December 22. A Track 2 staff proposal is expected in Q1 2027.

Additional Information: Joint IOU Proposal (Oct. 30, 2026); Proposed Decision (Oct. 14, 2026); Scoping Memo and Ruling (Sep. 22, 2026); Ruling (Sep. 3, 2026); Ruling (May 22, 2026); OIR (Apr. 10, 2026); Docket No. R.26-04-009.

City and County of San Francisco Municipalization

Background: The City and County of San Francisco (City or CCSF) filed this Petition in 2021 for a determination by the CPUC of just compensation for acquisition by the City of PG&E property (PG&E distribution and transmission assets to serve San Francisco) pursuant to Public Utilities Code §1401-1421.

Recent Developments: On October 8, CCSF submitted a Letter to the Commission noting recent power outages and fires, and which requested the Commission reconsider opening a public investigation into PG&E reliability issues. On October 9, CCSF submitted an Amended Notice of Testimony. On October 16, CCSF filed a Motion for an order requiring PG&E to obtain commission authorization before disposing of a substation and for a Preliminary Injunction preserving the status quo pending that determination. On October 20, PG&E submitted a Notice of Availability of its prepared testimony.

Analysis: PG&E's testimony valued the Company's grid assets at issue in this proceeding at $13.9 billion and recommended CCSF pay an additional $8.6 billion, including $7.6 billion in damages for business severance and $1 billion for physical separation severance, for a total buyout cost of $22.5 billion.

Next Steps: Intervenor testimony is due December 22.

Additional Information: PG&E Notice of Availability of Testimony (Oct. 20, 2026); CCSF Motion (Oct. 16, 2026); CCSF Amended Notice of Testimony (Oct. 9, 2026); Letter (Oct. 8, 2026); CCSF Notice of Testimony (Apr. 20, 2026); D.25-10-039 (Nov. 6, 2025); Amended Scoping Memo (Jul. 1, 2025); Petition (Jul. 27, 2021); Docket No. P.21-07-012.

PG&E 2024 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

Recent Developments: On October 13, the CPUC issued a Proposed Decision approving the Settlement Agreement, with modifications, between PG&E, Cal Advocates, and CalCCA.

Analysis: The Settlement Agreement notes that CalCCA's concerns with respect to whether PG&E's billing system assigns vintages to customers in a manner consistent with Commission vintaging directives were addressed in PG&E's supplemental testimony.

Next Steps: The Proposed Decision may be heard, at the earliest, at the Commission's November 19 meeting.

Additional Information: Proposed Decision (Oct. 13, 2026); Joint Settlement Motion (May 22, 2026); Scoping Memo and Ruling (May 2, 2025); PG&E 2024 ERRA Compliance Application (Feb. 28, 2025); Docket No. A.25-02-013.

PG&E 2025 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

Recent Developments: On October 27, an ALJ Ruling scheduled a status conference for November 6. On October 30, parties submitted a Joint Status Conference Statement in which parties agreed that no evidentiary hearing is needed and that there are no disputes to be resolved through settlement.

Analysis: N/A.

Next Steps: A status conference is scheduled for November 6, and a proposed decision is expected in 2Q 2027.

Additional Information: Joint Status Conference Statement (Oct. 30, 2026); Ruling (Oct. 27, 2026); Scoping Memo and Ruling (May 26, 2026); Application (Feb. 27, 2026); Docket No. A.26-02-019.

Climate Credit OIR

Background: This rulemaking will explore potential approaches to supporting customer affordability through cap-and-trade program proceeds returned to electric consumers via the state Climate Credit. The proceeding is divided into two tracks, and the current Track 1 has a Phase 1A and a Phase 1B. Phase 1A addressed the timing of the distribution of climate credits in 2026 and Phase 1B addresses broader changes in the residential Climate Credit.

Recent Developments: On October 9 the IOUs filed their Implementation Assessment of party proposals to modify the Climate Credit. PG&E's Assessment emphasized the importance of simplicity in any changes, the limitations resulting from its Billing System Modernization Initiative, challenges of proposals that invoke changing customer attributes (e.g., energy usage, CARE/FERA status, arrearages, etc.), and it encouraged the Commission to assess customer education and outreach as core implementation activities. An October 20 Ruling modified the schedule to allow for additional discovery on the IOUs' Implementation Assessments.

Analysis: PG&E's Implementation Assessment identified concerns with some customer groups' ability to access the full value of the appropriate climate credit, including customers that receive service under master-meter arrangements, pass-through tenant billing, and customers participating in net metering or net billing tariffs.

Next Steps: Opening comments o IOU Implementation Assessments are due November 9, reply comments are due November 16, and a proposed decision is expected in Q1 2027.

Additional Information: Ruling (Oct. 20, 2026); PG&E's Assessment (Oct. 9, 2026); Ruling (Sep. 25, 2026); Joint Proposal (Sep. 14, 2026); Ruling (Aug. 17, 2026); Ruling (Jul. 9, 2026); D.26-04-036 (May 4, 2026); D.26-03-013 (Mar. 25, 2026); Scoping Memo and Ruling (Feb. 3, 2026); Ruling (Oct. 31, 2025); OIR (Aug. 20, 2025); Docket No. R.25-07-013.

Distribution Interconnection Rules

Background: This rulemaking will review and refine distribution-level interconnection rules under Electric Rule 21, particularly those for distributed energy resources (DER) for PG&E, SCE, SDG&E and the small and multijurisdictional electric utilities. Phase 1 will consider interconnection timelines and evaluation screens, and the interconnection process for resources not interconnecting under the net billing or net metering tariffs. Subsequent phases are undefined at present, but may address issues related to interconnection processes, pathways, and standards; sharing of upgrade costs; net billing and net metering interconnections; among other topics.

Recent Developments: An October 8 Ruling requested party comment on a proposal to modify the timeline reporting requirements and application fees for non-Net Energy Metering and Non-Net Billing Tariff resources.

Analysis: N/A.

Next Steps: Reply comments on the Ruling are due November 5.

Additional Information: Ruling (Oct. 8, 2026); Ruling (Jul. 14, 2026); Resolution E-5436 (May 4, 2026); Scoping Memo and Ruling (Mar. 3, 2026); OIR (Jul. 25, 2025); Docket No. R.25-08-004.

Building Decarbonization

Background: This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. The current Phase 4 will consider whether modifications to electric line extension rules would assist under-resourced customers, electric baseline allowance modifications to encourage building decarbonization, and new programmatic approaches to building decarbonization.

Recent Developments: On October 30, the CPUC issued a Proposed Decision modifying D.23-12-037 to establish an exemption from the elimination of subsidies for electric line extensions in mixed-fuel new construction on Tribal lands where the Tribe certifies that such structures serve residents residing on Tribal lands or support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions located on Tribal lands.

Analysis: The Proposed Decision recognizes that the policies adopted in D.23-12-037 overlooked the undue burdens and the Commission's own Environmental Social Justice goals specific to Tribal Lands and now modifies the policy in recognition of Tribal sovereignty and cultural practices.

Next Steps: The Proposed Decision may be heard as soon as the December 3 Commission meeting. Comments on the Proposed Decision are due November 19 and reply comments are due November 24.

Additional Information: Proposed Decision (Oct. 30, 2026); Ruling (Sep. 25, 2026); Ruling (Aug. 14, 2026); Scoping Ruling (Jul. 23, 2026); (Ruling on Extension (Apr. 7, 2026); Scoping Ruling (Mar. 30, 2026); Scoping Memo and Ruling (Jul. 1, 2024); OIR (Feb. 8, 2019); Docket No. R.19-01-011.

RPS Rulemaking

Background: This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, including legislative mandates, and other matters related to the purchase of renewable energy. This proceeding is the forum for review of VCE's RPS Procurement Plan and RPS Compliance reports.

Recent Developments: No recent developments.
Analysis: N/A.
Next Steps: A proposed decision on Draft RPS Plans is expected in Q4 2026.
Additional Information: VCE's Final Compliance Report for CP4 (Aug. 24, 2026); Final Resolution E-5457 (Jun. 12, 2026); VCE Draft 2026 RPS Procurement Plan (Jun. 12, 2026); Scoping Memo and Ruling (May 9, 2024); OIR (Feb. 1, 2024); Docket No. R.24-01-017.

PG&E Diablo Canyon 2027 & VPF

Background: During the period of extended operations for the Diablo Canyon Nuclear Plant, PG&E submits an annual application forecasting its costs, market revenues from CAISO, net costs allocated to ratepayers of each large IOU, and its plan for use of volumetric performance fees (VPFs) in the upcoming calendar year.
Recent Developments: On October 30, the CPUC issued a Proposed Decision approving the Diablo Canyon Power Plant extended operations revenue requirement of $933.799 million, of which 45.22% is allocated to PG&E customers, and closes the proceeding.
Analysis: The revenue requirement includes $284 million in Volumetric Performance Fees for more than 20 programs in 2027 that focus on accelerated maintenance and risk activities, safety programs, and renewable energy and storage development efforts.
Next Steps: The Proposed Decision may be heard, at the earliest, the December 3 Commission meeting. Comments on the Proposed Decision are due November 19 and reply comments are due November 24.
Additional Information: Joint Meet and Confer Report (Aug. 28, 2026); Scoping Memo and Ruling (Jun. 16, 2026); Application (Mar. 27, 2026); Docket No. A.26-03-031.

PG&E Billing System Modernization

Background: This proceeding addresses PG&E's plan to upgrade its legacy billing system, some portions of which date back to the mid-1990s. PG&E proposed a three-stage upgrade that would ultimately be complete in Q4 2029 and cost an estimated $761.3 million.
Recent Developments: No recent developments.
Analysis: N/A.
Next Steps: A ruling on the August 25 Motion to reopen the record to allow the Joint CCAs to submit a breakdown of the $24 million incremental cost forecast associated with the proposals in the Partial Settlement Agreement filed July 9 is expected.
Additional Information: Motion (Aug. 25, 2026); Joint Motion (Jul. 9, 2026); Joint Case Management Statement (May 7, 2026); (Ruling (Mar. 10, 2026); D.25-08-008 (Aug. 19, 2025); Joint CCA Testimony (Jun. 30, 2025); Scoping Memo (Mar. 27, 2025); Application (Oct. 23, 2024); Docket No. A.24-10-014.

Disconnections and Reconnections

Background: This proceeding addresses approaches to the disconnection and reconnection of electric customers with a focus on improving energy access and cost containment.
Recent Developments: On October 16, the CPUC issued a Proposed Decision updating PG&E's disconnection cap, authorizing a limited and conditional increase in PG&E's annual disconnection cap from the current 3.5% cap to a 4% cap, and ordering PG&E to make permanent the Arrearage Management Plan pilot that is set to expire in early 2027.
Analysis: The Proposed Decision's increased disconnection cap is intended to reduce the level of unpaid bills by encouraging payments by customers in arrears while protecting customers without the means and has some impact on all ratepayers by reducing the rate impact of accumulated unpaid balances. The Proposed Decision imposes additional monitoring and reporting requirements to limit adverse effects on low-income customers
Next Steps: The Proposed Decision may be heard as soon as the November 19 Commission meeting. Comments on the Proposed Decision are due November 5 and reply comments are due November 10.
Additional Information: Proposed Decision (Oct. 16, 2026); D.26-08-009 (Aug. 20, 2026); Ruling (Jun. 4, 2026); Joint Emergency Motion (May 28, 2026); PG&E Arrearage Management Plan Annual Report (May 1, 2026); CBO Pilot Recommendations (Dec. 11, 2025); Ruling granting extension (Oct. 21, 2025); Ruling (Oct. 13, 2025); D.25-06-012 (Jun. 17, 2025); Phase 2 Scoping Memo (Jul. 15, 2022); OIR (Jul. 20, 2018); Docket No. R.18-07-005.

EV Rates & Infrastructure

Background: This rulemaking is the successor to R.18-12-006 and will focus on issues related to 1) timely energization of electric vehicle (EV) charging, 2) transportation electrification grid planning to support charging infrastructure deployment, 3) deployment of behind-the-meter (BTM) charging infrastructure to support state goals, 4) vehicle-grid integration (VGI), and 5) ongoing transportation electrification policy development and collaboration.

Recent Developments: No recent developments.
Analysis: N/A.
Next Steps: N/A.
Additional Information: VGI Workshop Report (May 27, 2026); PG&E AL 7884-E Technical Assistance Program Handbook (Apr. 6, 2026); Resolution E-5434 (Feb. 27, 2026); D.25-12-005 (Dec. 5, 2025); Scoping Memo and Ruling (Apr. 12, 2024); OIR (Dec. 20, 2023); Docket No. R.23-12-008.

Other Dockets

The following table identifies other tracked dockets that are closed or inactive.

Docket	Name	Status
R.19-09-009	Microgrids	On October 26, the CPUC issued a Proposed Decision (PD) granting the Petition for Modification filed by California Solar and Storage Association in part, extending the temporary removal of the storage size limit initially established in D.20-06-017 until January 1, 2030. The PD may be heard, at the earliest, at the Commission's December 3 Meeting.
R.23-03-007	Wildfire Fund NBC 2024-2026	On October 19, the CPUC issued a Proposed Decision adopting a 2027 Wildfire Fund Non-Bypassable Charge (NBC) of $5.42/MWh ($0.00545/kWh), a slight decrease from the 2026 charge of $5.91/MWh. This matter is on the agenda for the December 3 Commission meeting.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summary of Community Advisory Committee's (CAC) October 22, 2026 meeting

DATE: November 12, 2026

This report summarizes the Community Advisory Committee's meeting held in person and via Zoom webinar on Thursday, October 22, 2026. Please note that the CAC did not have a meeting in September 2026.

Thursday, October 22, 2026 Meeting:

A. **Received Power Portfolio update (Information):** the CAC received an update from VCE's Director of Power Services Chad Curran on VCE's power portfolio. The CAC and Staff discussed topics, such as: tax credits, CC Power and its projects, California Public Utilities Commission (CPUC) procurement requirements, load and forecasting, and residential solar within VCE's jurisdiction. No action was taken on this item as it was informational.

B. **Reviewed and provided feedback on draft 2027 Legislative & Regulatory Platform. (Discussion/Action):** VCE Staff Yvonne Hunter reviewed highlights of the changes, as outlined in the Staff Report, to the draft 2027 Legislative and Regulatory Platform. The CAC and Staff briefly discussed the review process and VCE's participation with CalCCA's Legislative Committee. The CAC passed a motion to approve the draft 2027 VCE Legislative Platform outlining policy, legislative and regulatory issues and positions that VCE would take on them and recommend that the VCE Board approve the 2027 Platform. (7-0-0)

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 9

TO: Board of Directors

FROM: Rebecca Kuczynski, Chief Customer Officer

SUBJECT: Quarterly Customer Participation Update (Information)

DATE: November 12, 2026

RECOMMENDATION

Receive the attached quarterly Customer Participation update reflecting the time period of July 1, 2026 through September 30, 2026 (Quarter 3 2026).

Attachment: Quarter 3 2026 Report - Customer Participation update

Item 9 – Customer Participation Update

	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	NEM	Non-NEM
VCEA customers	28,490	20,586	2,625	10,715	62,416	54,485	6,031	9	1,891	15,989	46,427
Eligible customers	29,784	23,991	3,087	12,306	69,168	60,357	6,659	9	2,143	17,924	51,244
Participation Rate	96%	86%	85%	87%	90%	90%	91%	100%	88%	89%	91%

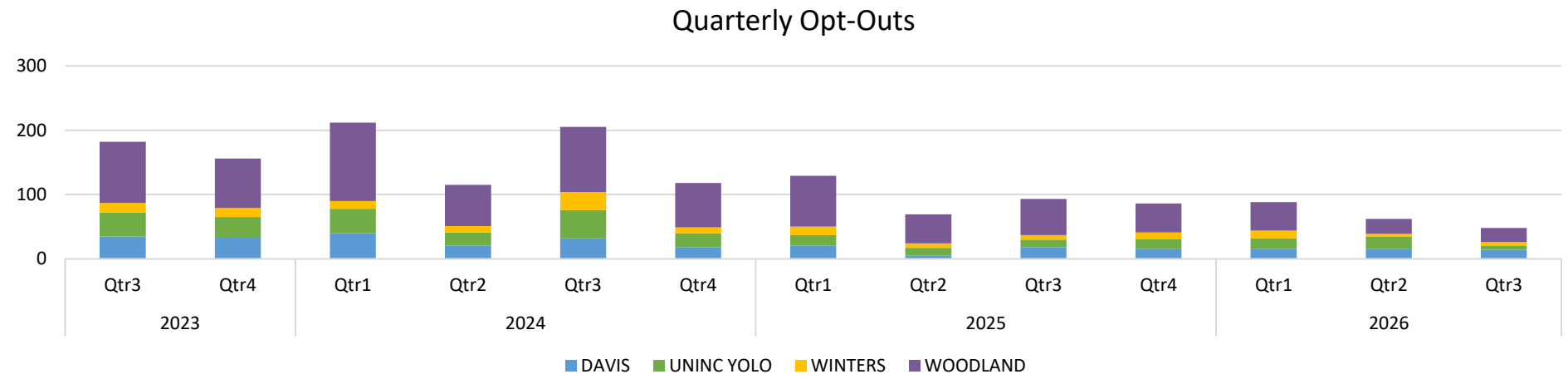
% of Load Opted Out

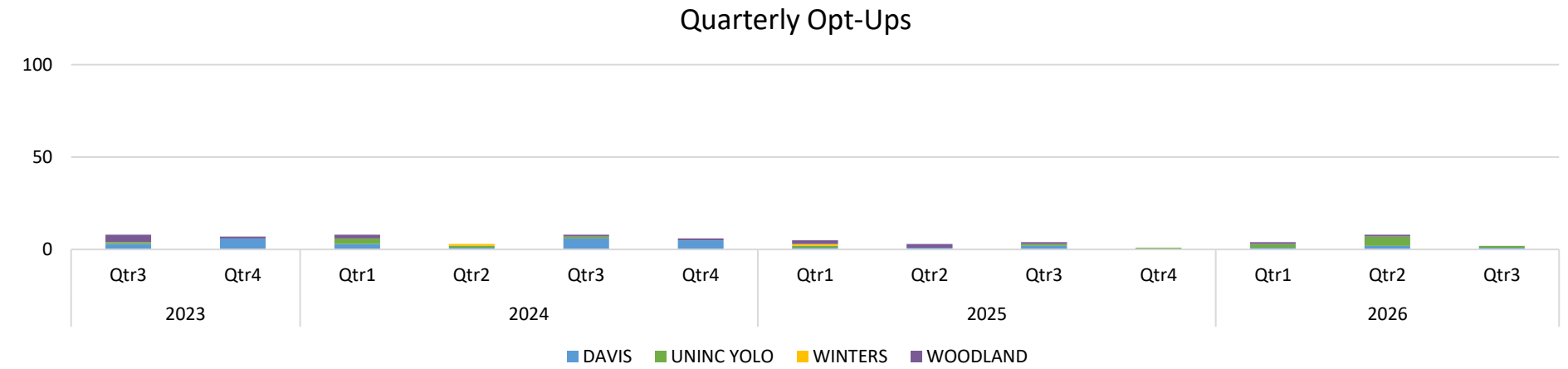
	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	Total
% of Load Opted Out	6%	10%	14%	11%	9%	10%	9%	0%	12%	9%
% of Load Opted Up	3%	1%	0%	1%	1%	0%	3%	0%	0%	1%

VALLEY CLEAN ENERGY

Status Date: 10/01/2026

Item 9 – Customer Participation Update



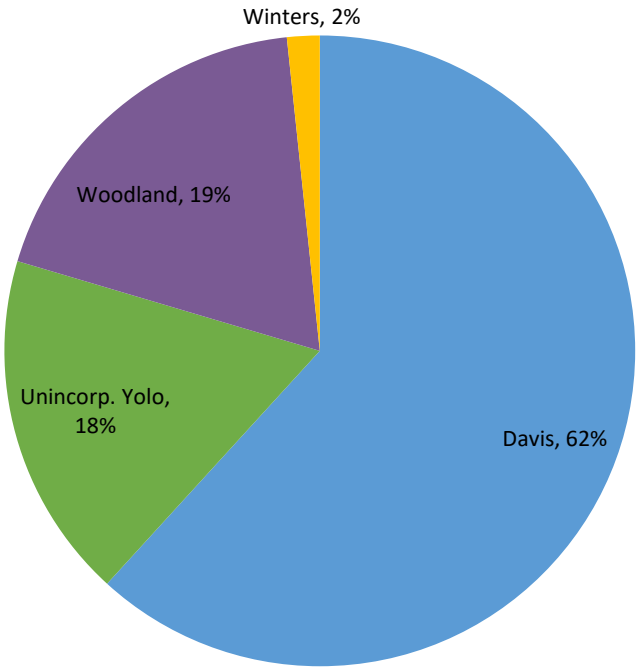


VALLEY CLEAN ENERGY

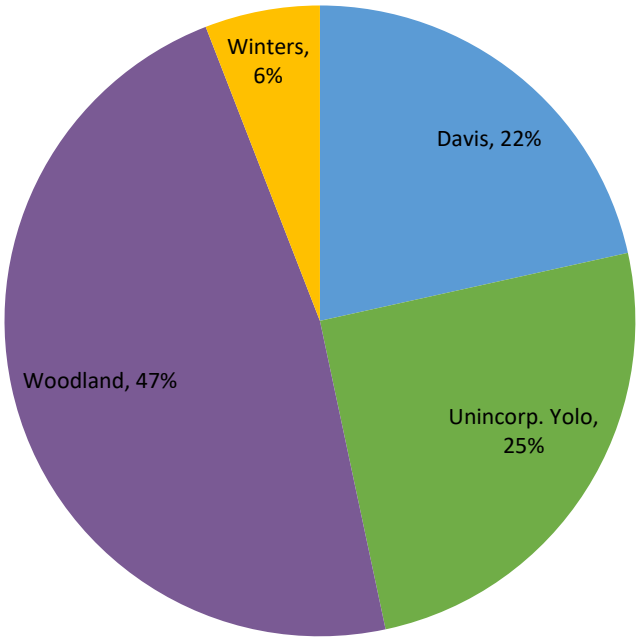
Status Date: 10/01/2026

Item 9 – Customer Participation Update

539 Opt-Ups



12,970 Opt-Outs

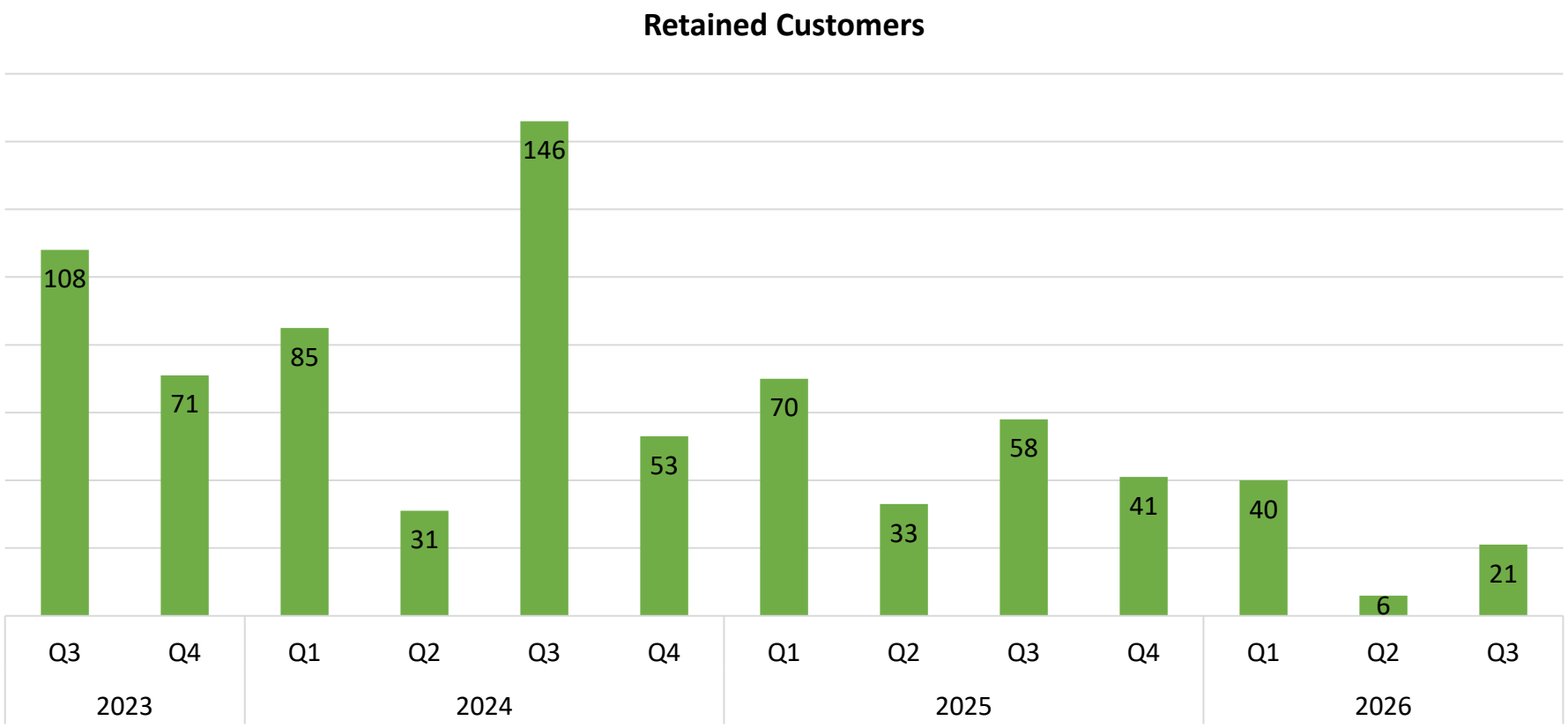


These pie charts are based on total opt-ups and opt-outs since launch. The percentages in the charts are the percentages of those opt-ups and opt-outs by TOT (town or territory).

VALLEY CLEAN ENERGY

Status Date: 10/01/2026

Item 9 – Customer Participation Update



VALLEY CLEAN ENERGY

Status Date: 10/01/2026

VALLEY CLEAN ENERGY ALLIANCE
Staff Report – Item 10

TO: Board of Directors

FROM: Mitch Sears, Chief Executive Officer
Girish Balachandran, Workshop Facilitator

SUBJECT: Report on the October 23, 2026 Board Strategy Workshop and Proposed Next Steps

DATE: November 12, 2026

RECOMMENDATION

1. Receive report on the October 23, 2026 Board Strategy Workshop.
2. Direct Staff to work with the Chair and Vice Chair to implement Tier 1 adjustments in 2027 that were identified at the workshop and consider additional adjustments noted in this report as needed to support Board effectiveness.

BACKGROUND

The Board held a Strategy Workshop on Friday, October 23, 2026, at Hotel Winters. Five directors and one alternate took part, along with the Chief Executive Officer, the Chief Financial Officer, General Counsel, and VCE's power, programs and administration staff. The purpose of this report is to summarize the discussion and key outcomes of the workshop.

Girish Balachandran of GB Endeavors LLC facilitated the workshop and was supported by staff. Three directors were not able to attend. The workshop discussions and exercises showed that VCE and its Board function effectively overall and that modest adjustments can help maintain that function and provide targeted improvements in the information that supports Board function and decisions. Recommendations resulting from the workshop focus on near-term (Tier 1), and additional adjustments.

<u>What directors read before the workshop</u>

The packet sent to directors had a two-page memo and four documents:

- 2026–2029 Strategic Plan
- the annual Strategic Plan Report of February 12, 2026
- the Enterprise Risk Management Report of October 8, 2026; and
- the Board's long-range calendar of October 8, 2026.

The workshop memo described the workshop process and follow up.

Workshop Outline

The workshop had six parts.

1. Opening. The Chair opened the item. The Chief Executive Officer spoke about VCE's mission, where VCE stands, and the year ahead. Each director wrote down the one thing VCE has done since 2018 that they are proudest of, and read it aloud.

2. A short team exercise outside the room, followed by a few minutes on what it showed about planning, roles and pacing.

3. Where VCE stands. The Chief Financial Officer recapped what VCE has done since 2018, what the four member communities have in common, the pressures on VCE, and the choices the Board controls.

4. How a board like VCE's governs well. The facilitator described five things a board like this one does:
    a) it sets goals;
    b) it delegates to staff and checks results;
    c) it works with the CEO;
    d) it acts as one board; and
    e) it looks at how it is working as a board.

    Directors wrote down one thing they know well about their own city and one thing that they wish they knew as well about VCE, and read it aloud. Directors also wrote which of the five general activities they want the Board to spend more time on in 2027 and posted it on the wall. There was no discussion of those notes.

5. Three key reports. For the Strategic Plan Report, the Enterprise Risk Management Report and the long-range calendar, Directors were prompted to note what to keep, what to change and what to start, and posted the notes on a twelve-month strip of the Board's calendar on the wall.

6. A hard year. The Chief Financial Officer explained the two Board policies that decide where a year's net margin goes (to customer discounts, programs or reserves), where the 2025 net margin went, and what the next few years look like at the current discount. Each director then wrote the principle they would hold to in a hard year, and what they would need to see from staff before deciding where to cut.

The morning closed with a round of comments from directors, public comment, and the Chair's note that a staff report summarizing the workshop and key outcomes would be included on the Board's November meeting agenda.

As designed, in order to facilitate open dialog, the workshop focused on Board discussion and general direction but did not include specific decisions. Workshop notes are included as Attachment 1.

ANALYSIS

1. Key Board Direction (Tier 1)
Taken together, the notes and Board discussion conveyed three key directives below that staff will be implementing in the first half of 2027 – these are the recommended Tier 1 directions. In addition, staff will work with the 2027 Board Chair and Vice Chair to consider implementation of additional feedback received during the workshop.

1. **Three key VCE reports**.
   - The Strategic Plan Report should convey whether the year was good or hard, and to connect the goals to the budget.
   - The Enterprise Risk Management Report should be a regular agenda item with a plain language expansion of the discussion of each major risk and what staff is doing to mitigate that risk.
   - Add additional items to the long-range calendar as outlined in Attachment 2.

   Additional information on the discussion about these three reports is included in Attachment 3.

2. **About learning, and about the Board itself.** Directors asked for regular, short education items on the topics they wish they had understood in their first year. For example: how VCE is regulated, information on VCE's programs, and what happens when money moves among the customer discount, programs and reserves. Directors also requested a regular time each year when the Board talks about how well it is working. Staff and the workshop facilitator are drafting a framework that can be helpful in future Board discussions on this topic.

3. **About a hard year.** Directors wrote down the principles they would hold to if a challenging year or multi-year period is forecasted. For example: protection of low-income customers, keeping rates below PG&E, protecting VCE's financial health. A key consideration identified during the discussion was that before deciding where to cut, they would benefit from an analysis that shows the effect on low-income customers, the options and what each action would mean, a comparison across program areas, and the reasons for the reserve level.

<u>Potential additions to reports</u>
In addition to the Tier 1 items above, staff is considering the incorporation of one or more of the following sections in reports when the additional information would assist the Board on key policy or implementation decisions.

Description
Staff reports on major items: include a description on which Strategic Plan goal it is linked to.
A glossary of acronyms: update the existing acronym glossary posted on the VCE website and link to it in staff reports.
The Strategic Plan Report add a one-page scorecard, one row per goal, with staff's view of whether the year was good or difficult, and specifically note which goals the adopted budget funds.

Description
The rates and budget staff report shows the four things the Board asked for: the effect on low-income customers, the options and what each would mean, a comparison across program areas, and the reasons for the reserve level.

Potential Items for the 2027 minor update of the Strategic Plan

Staff propose to bring several items noted in the Board workshop discussion to the 2027 minor update.

- Timing of the Strategic Plan Report. Board notes suggested that the Plan update be brought before the budget so that it can guide the budget – typically the Strategic Plan updates have occurred in Q3 and budget takes place in Q4. The Strategic Plan sets when the report is due, so a change belongs in the 2027 update.
- How the Board weighs discounts, programs, reserves and clean power in a hard year. The six principles in Attachment 1 are the Board's first direction on this topic. Objective 1.6 of the Strategic Plan, a long-term reserve and community investment strategy, could be amended to address these issues.
- What customers think of VCE. Develop better understanding related to customer satisfaction and related engagement strategies.

CONCLUSION

The workshop produced a clearer understanding of how the Board receives information and ways to make that information more useful in the decision-making process. Staff will be reviewing the feedback received at the workshop and work with the Chair and Vice Chair in 2027 on any changes in addition to the noted Tier 1 adjustments that should be incorporated going forward.

Next steps:

- **November 12, 2026.** The Board receives this report.
- **Closing out 2026.** The facilitator's engagement ends with a debrief with the Chief Executive Officer by the end of 2026.
- **Quarter 1 2027.** Staff implements Tier 1 adjustments outlined in Section 1 of this report.
- **First half of 2027.** In consultation with the Board Chair and Vice Chair, staff implements any additional adjustments to staff reports and the 2027 Minor Strategic Plan update.
- **2027.** Board Chair and staff schedule Board discussion of how it is working together.

ATTACHMENTS

1. Facilitator's summary of the October 23, 2026 Board Strategy Workshop, with every note from the wall typed word for word
2. Proposed additions to Long Range Calendar
3. Summary of Board comments on three key VCE reports

ATTACHMENT 1

Facilitator's Summary of the October 23, 2026 Board Strategy Workshop

Prepared by Girish Balachandran, GB Endeavors LLC, for the Board of Directors. This is the written session summary under Phase 3 of the facilitation agreement.

1. What the workshop was for

The Board set aside a morning to step back from the regular agenda and look at three things: whether the Board is getting what it needs from the reports it already receives; how a small, part-time, appointed Board keeps up with a complex business; and how the Board would act when a year turns hard. The goal was ideas and options, with nothing decided. The notes directors wrote and posted are the product of the morning.

2. How the morning ran

Time	Part	What happened
9:05	Opening	The Chair opened item 4. The Chief Executive Officer spoke about the mission, VCE's operating foundation, and the year ahead. Each director wrote the thing VCE has done since 2018 that they are proudest of, and read it aloud.
9:25	Team exercise	A short exercise outside the room, followed by a few minutes on what it showed about planning, roles, pacing, and watching what others are doing.
9:35	Where VCE stands	The Chief Financial Officer recapped what VCE has done since 2018, what the four member communities have in common, the pressures on VCE, and the choices the Board controls.
9:50	How a board governs well	The facilitator described five things a board like this one does: it sets goals; it delegates to staff and checks the results; it works with the CEO; it acts as one board; and it looks at how it is working as a board. Directors wrote one thing they know well about their own city that they wish they knew as well about VCE, and read it aloud. Directors also wrote which of the five things they want more Board time on in 2027 and posted it. Those notes were not discussed.
10:20	The three reports	For the Strategic Plan Report, the Enterprise Risk Management Report and the long-range calendar, each director wrote what to keep, what to change and what to start, and posted it on a twelve-month strip of the Board's calendar.
10:55	Break	
11:05	A hard year	The Chief Financial Officer explained the two Board policies that decide where a year's net margin goes, where the 2025 net margin went, and what the next few years look like at the current discount. Directors asked about the consequences of decisions three to five years out and about showing uncertainty inside the reports. Each director then wrote the principle they would hold to when things are tough, and what they would need to see from staff before deciding where to cut.
11:40	Close	A round of comments from directors, public comment, and the Chair's note that a staff report on the workshop would come to the November meeting.

Rules kept all morning: write first, then post, then talk; everything in the open; nothing decided; and a sheet by the door for things outside VCE's control.

3. What the Board said, by topic

What the Board is proud of. Eight notes, all about money, rates and keeping promises: becoming a CCA and lowering rates; financial stability with rates below PG&E; clean audits and the credit rating; the 10 percent discount for CARE and FERA customers; the move toward carbon-free power; the day VCE started service in June 2018; and "doing what we said we would do."

What directors wish they had understood in their first year. Ten notes. Nearly all are about how VCE is regulated (the CEC, the CPUC and the CAISO), the acronyms, what VCE's programs do and what local control means at VCE, the Strategic Plan as the basis for decisions, and what happens when money moves among the discount, programs and reserves. Two are about the outside world: what customers think of VCE, and which legislative items carry risk. Aloud, directors said that city government has known rules and VCE's world does not; that an alternate who steps in has a hard time; that everyone has a limit to what they can absorb, so repeating the basics is good; and that one director wished they had read the Strategic Plan in detail before their first meetings.

The three reports. Nineteen notes. The long-range calendar is fine as it is. The Strategic Plan Report is good as it is but should state a conclusion, good year or hard year, perhaps as a scorecard, and should connect the goals to the budget. The Enterprise Risk Management Report is the one the Board wants to discuss: twice a year as a discussion item, with what staff are doing about each risk clearly explained, the PCIA in plain language, legislation tied to risk, and new risks such as AI and data centers.

The Board itself. Four notes asked for a regular time when the Board discusses how it is working: during meetings, perhaps quarterly; in January; or along with the CEO's review. Directors also asked staff to keep bringing scenarios and to keep teaching the Board about energy purchases, asked to take one Strategic Plan goal at a time through the year, and asked for a way to report back to their councils.

A hard year. Six principles, in two groups. One group: protect low-income customers, keep rates below PG&E, reduce the difference only as a last resort, and do not go backwards on renewables. The other group: protect VCE's financial health, keep focus, "skinny down" where possible, communicate with ratepayers, think long term, and be ready to spend less on programs or to slow progress toward carbon-free power. Between the two: offer customers something more tangible than lower rates, as other CCAs do; and "keep talking." Nobody wrote "cut the discount first" or "protect programs first."

What the Board would need from staff before a hard-year decision. Seven notes: the effect of rate changes on low-income customers; known unknowns, the different options, and the consequences of changing the cash on hand; a review of the dividend program; comparisons between program areas before setting priorities; clear evidence of a threat before the rate difference is reduced; complete honesty along with a way to reduce harm; and a glossary of acronyms. Aloud: the consequences of today's decisions three to five years out; uncertainties shown inside the reports; and every staff report tying its item to the Strategic Plan and the trade-offs.

Outside VCE's control. The CPUC and the PCIA were discussed as things VCE can watch but cannot control.

4. Decisions

None. The workshop was noticed for discussion only. The Board's ideas will be included in the November 12 staff report.

5. Next steps, as the facilitator sees them

1. On November 12, the Board receives the staff report and directs staff to carry out the changes to the reports, using their judgment on how and when.
2. Staff change the next reports as the staff report describes, beginning with the December rates and budget item as far as time allows.
3. At the first meeting of 2027, the long-range calendar comes with proposed dates for the education items, the orientation, the Board's yearly discussion of how it is working, and the risk report as a discussion item.
4. The Board uses a framework developed with the Facilitator as the starting point when it first discusses how it is working in 2027, and rewrites it as it wishes.
5. The items that would change the Strategic Plan or its schedule go to the 2027 minor update.

Appendix: every note from the wall, typed word for word

Every note from the morning, typed from the photographs taken at the end of the workshop. Nothing is reworded. No names. A word that could not be read is marked [unclear]. For the calendar strip, the month and row are where each note sat. Where a note fit more than one month or row, directors were told to post it anywhere on the sheet.

A. The three reports: Keep, Change, Start (19 notes)

Month	Row	Text
Feb	Keep	Long Range Calendar. No issues with current practice
Feb	Keep	STRATEGIC PLAN RPT. · it's good as is. · perhaps semi-annual updates · how we are going to achieve full municipalization
Feb	Keep	STRAT. PLAN: IT DOES give an indication but one must draw the conclusion. Perhaps staff could offer a pro opinion.
Feb	Keep	L.R. Calendar: Feb, Apr, Jun, July, Sept – Dec. Not apparent to me.
Feb	Change	ADD TIME DURING MTGS. TO ASSESS SELF (BOARD): PERHAPS QUARTERLY · SELF REFLECTION
Jan	Start	Board self reflection in Jan
Feb	Start	SET GOALS: Relationship between goals and budgetary / policy choices – how are we deviating, given shifting market conditions, etc.? Do we need to update goals or budget accordingly?
Feb	Start	Strategic Plan report could just add a synopsis as to whether the previous year was a good year or a hard year. (Perhaps it could be a scorecard.)
Apr	Keep	RISK: – PCIA: as I understand it though all that can be done is to pay attention which staff does.
Apr	Start	More on AI / data centers, how it's impacting energy markets; and what possibilities exist for cross-CCA cooperation / bargaining, esp. with hyper-scalers.

Month	Row	Text
Apr	Start	always worried about PCIA
Jun	Start	probably a good idea to schedule some occasional refresher educational items to keep the board always learning more.
Jul	Keep	Work with CEO · Keep the scenarios coming. · Keep educating us on complexities of energy purchases
Jul	Start	How did we do as a board? Can we chat along w/ CEO review? After
Jul	Start	5 elements: I'd like our board to discuss risk report 2x year. Review a goal from strategic plan 2-6 x year.
Oct	Keep	Risk report. · I need to pay more attention to them. · volatility of energy marketplace · how did PG&E make so many bad decisions?
Oct	Change	I feel VCE and CCA's are "half a loaf." We should all be working towards full municipalization
Oct	Start	Risk – volatility – mitigation measures are clearly explained
Oct	Start	Strategic Plan Report – before budget – not 2 mo. after. Then we know where we are & it drives budget

B. Since 2018, what I am proudest of (8 notes)

Text
10% CARE/FERA discount
Financial strength. Clean audits + credit rating – 100% GHG Free by 2028
VCE's success in launching and maturing into a CCA
June 1, 2018 – the day we flipped the switch…
Renewable / carbon free % trajectory / continued commitment
We are financially stable with rates 5%! below the I.O.U.
Ensured fiscal health despite market volatility (since 2023 when I joined)
Doing what we said we would do.

C. Topics I wish I had understood in my first year (10 notes)

Text
Are customers of VCE truly satisfied w/ VCE, or what more do they desire, want to see offered?
City – implications of shifting budget to different policy priorities. VCE – given energy market volatility, what are the implications of shifting budget across rate disc./programs/reserve etc.
I feel well informed having learned from staff and CCA conferences. I also don't like CPUC.
I understand city gov. very well; wish I had some understanding on regulatory framework that applies to VCE.
Annual City Bdgt = $21M [unclear]. What is VCE tools to comprehend a complex subject.
Know programs more – how they support our brand. Local control
Know strategic plan better and how it is base for decision.
Legislative reports need a context of how they impact risk.
details on CA regulatory (a primer) structure – CEC, CPUC, CAISO
Wish we had definitions of the many acronyms and how they are relevant / intersect decisions.

D. Principles for a hard year (6 notes)

Text
Principle: protect low-income consumers [2ndary: don't go backwards on renewable]
Might have to spend less on local programs or slow progress in meeting carbon free [unclear]
1.) Financial stability – kind of general but overarching the financial health of the org. 2.) From staff: analysis of what cuts would do.
Keep talking
in my opinion, we need to offer customers something more tangible than lower rates… other CCAs are doing more programming.
· maintain focus · skinny down wherever possible · communicate with rate payers · emphasize long term

E. What I would need to see from staff (7 notes; one is a principle that was posted on this sheet)

Text
From staff: – more information about the impacts & rates on low-income customers (in "hard year") – e.g. poverty elasticity of energy rates
What do I need to see from staff – Known unknowns, anticipated influences. Different options. Dividend program review. Consequences of changing $ on hand.
Acronym glossary w/ brief definition of what significance of what it represents?
Complete & brutal honesty along with way to mitigate harm
Comparisons between each program area before we decide how to prioritize
PRINCIPLE: Struggle to maintain rate below I.O.U. Reduce △ only as a last result.
What I need to see: To eliminate rate differential, I would need to see significant evidence of threat to justify level of reserves.

F. Outside VCE's control. Nothing was posted on this sheet. The CPUC was discussed aloud as outside VCE's control.

ATTACHMENT 2

Proposed additions to the long-range calendar

No dates are set. Staff, working with the Board Chair and Vice Chair, should evaluate these items and incorporate them into the 2027 long-range calendar at the first Board meeting of 2027. The list below shows what each item is and where it came from.

Proposed item	What it is	Where it came from
Board education items	A short item at some regular meetings on one topic the Board needs for a decision ahead. The first topics come from what directors wished they had known in their first year: how VCE is regulated; VCE's programs and local control; how money moves among the discount, programs and reserves; Resource Adequacy and energy purchases. The Board can choose between items inside regular meetings and separate sessions in months with no regular meeting.	Ten "first year" notes; one note on the calendar strip; comments aloud
Orientation for new directors and alternates	A short session and a short packet in January, after appointments: the Strategic Plan, the three reports, the glossary, the calendar, and who to call with questions.	The "first year" notes
A yearly meeting on goals and priorities, before the budget is built	VCE's 2018 Budget Policy calls for setting goals and priorities before building the budget. Today the Strategic Plan does this: staff builds each budget from the Plan's priorities and progress reports. Staff will highlight these priorities in the budget adoption and incorporate an outlook into the Strategic Plan annual report.	Two Strategic Plan notes; the 2018 Budget Policy
A time each year when the Board discusses how it is working	About thirty minutes in open session: are the meetings worth the time, is the Board getting what it needs from staff, and what should change. Notes suggested January, December, or a shorter version each quarter. The Board chooses.	Four notes
The Enterprise Risk Management Report as a discussion item, twice a year	The April and October reports come as discussion items with time to talk. In a hard year, more often.	Three notes
One Strategic Plan goal at a time	A short look at one goal at two to six meetings a year, between the annual reports.	Two notes
A short note directors can take to their councils	After each major Board action, a short plain-language note a director can use with their own council. Once a year, a one-page account of what VCE did for each member community.	One director's comment
Review dates for key policies	Key Board policies that need a review date get one, starting with the 2018 Enterprise Risk Management Policy, which has not been reviewed since it was adopted.	Raised by the facilitator

Proposed item	What it is	Where it came from
A review of the dividend program	Along with the yearly decision in June on how to use the net margin.	One hard-year note

ATTACHMENT 3
Summary of Board comments on three key VCE reports

What the Board said about each report

The long-range calendar. Keep it. Directors differed on how many meetings to hold. One wants fewer regular meetings, with education sessions in the months between. Another does not want fewer meetings, because complex topics need to be repeated. Directors agreed that education items belong on the calendar.

The Strategic Plan Report. Keep it. Three notes asked the report to state a conclusion: was the year good or hard, perhaps as a scorecard, with staff's professional opinion. Two notes asked the report to connect the goals to the budget: deliver the report before the budget rather than after it, and say whether goals and spending are moving apart as market conditions change. One note asked the Board to review one goal at a time through the year. One note asked for the report twice a year. Two notes raised full municipalization.

The Enterprise Risk Management Report. This is the report the Board most wants to discuss. Notes asked for the Board to discuss the risk report twice a year, and more often in a hard year; for the report to explain clearly what staff is doing to reduce each major risk; for a plain explanation of the PCIA, since "all that can be done is to pay attention"; for legislative reports to say which risk each bill affects; and for coverage of new risks, such as AI and data centers, and whether CCAs could work together on them.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 11

TO: Board of Directors

FROM: Edward Burnham, Chief Financial Officer
Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Contract Renewals for calendar year 2027 (Information)

DATE: November 12, 2026

RECOMMENDATION

Informational. No action requested.

OVERVIEW

This update provides a summary of contractual agreements between VCE and various consultants that will expire on December 31, 2026. Based on Staff's review of the performance and contractual terms, Staff plans to execute contractual options to amend agreements mutually agreed in writing and to extend the term of the Agreements additional year(s).

BACKGROUND

This summary replaces VCE's past approach of providing individual staff reports and copies of the amendment letter(s) to the Board for information to streamline the process. Prior to sending the amendment letter to the consultant, VCE's CEO and legal counsel reviews each amendment letter. All contract amounts will be included in the proposed 2027 Budget based on the forecasted needed level of support. Table 1 below summarizes the Amendments to the Agreements contract duration and total contract not to exceed amounts.

Table 1 – Annual Contract Renewal Summary

Consultant	Current Expiration Date	Amendment #	New Expiration Date	Not to Exceed (NTE)	Other Updates
Automate Mailing	12/31/2026	Sixth	12/31/2027	No increase to NTE	Updated Exhibit D
Don Dame	12/31/2026	Two	12/31/2027	Increase NTE to $30,000 for CY2027	Updated Exhibit C
NewGen Strategies	12/31/2026	Two	12/31/2027	No increase to NTE	Updated Exhibits A, C, and D

Consultant	Current Expiration Date	Amendment #	New Expiration Date	Not to Exceed (NTE)	Other Updates
PFM Financial Advisors	12/31/2026	Two	12/31/2027	No increase to NTE	None
Pacific Policy Group	12/31/2026	Three	12/31/2027	Increase NTE by $72,000 ($6,000/month)	Updated Exhibits A, B, and C
City of Davis	01/09/2026	1st	01/09/2030	2,333 Monthly with 3% escalation annually	

Fiscal Impact: The not to exceed amounts will be included in the proposed 2027 Operating Budget.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 12

TO: Board of Directors

FROM: Mitch Sears, Chief Executive Officer
Edward Burnham, Chief Financial Officer

SUBJECT: Second Amendment to the Richards, Watson, and Gershon Agreement for General Legal Counsel

DATE: November 12, 2026

RECOMMENDATION

Adopt a resolution approving the Second Amendment to the Agreement with Richards, Watson and Gershon (RWG) for general legal counsel services extending the term two (2) years expiring December 31, 2028, replacing Exhibit C, and authorizing the Chief Executive Officer to execute and sign the Second Amendment.

BACKGROUND & DISCUSSION

In March 2021, staff released an RFP seeking proposals for general legal counsel services for VCE. After a thorough review and interview process, in June 2021 via Resolution 2021-014 the Board entered into an Agreement with Richards, Watson, and Gershon (RWG) to provide general legal counsel services. On The Agreement expires on December 31, 2024. On December 12, 2024 via Resolution 2024-016, Amendment One (1) to the Agreement was approved by the Board extending the term two (2) years for a new expiration date of December 31, 2026 and replaced Exhibit C with updated hourly rates.

VCE Staff are recommending to continue general counsel services with RWG for an additional two (2) years based on RWG's performance, familiarity with VCE and its customer base, and competitive market rates for services. The original Agreement and Amendment One (1) were multi-fiscal year. Yolo County Counsel will continue to serve as VCE co-general counsel on a limited basis to maintain continuity.

Staff is recommending approval of the attached Second Amendment to the Agreement extending the term two (2) years for a new expiration date of December 31, 2028; replacing Exhibit C – Compensation in its entirety with revised hourly rates; changing compensation from a fiscal year to a calendar year; and, authorizing the Chief Executive Officer, in consultation with legal counsel, to execute and sign the Second Amendment.

Attachments:

1. Second Amendment to RWG Agreement
2. Resolution 2026-XXX

SECOND AMENDMENT TO THE AGREEMENT

BETWEEN VALLEY CLEAN ENERGY ALLIANCE AND

RICHARDS, WATSON AND GERSHON

FOR GENERAL COUNSEL LEGAL SERVICES

This Second Amendment to Agreement for Legal Services ("Second Amendment") is made and entered into as of _____ 2026, by and between **Valley Clean Energy Alliance**, a Joint Powers Authority organized and operating under the laws of the State of California ("VCE"), and **Richards, Watson and Gershon**, a Professional Corporation ("Law Firm"). VCE and Law Firm are sometimes referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

WHEREAS, VCE and Law Firm entered into the Agreement for Legal Services (the "Agreement") effective June 11, 2021 through December 31, 2024.

WHEREAS, VCE and Law Firm amended the Agreement via Amendment One (1) on December 12, 2024 extending the term two (2) years set to expire December 31, 2026 and revising the hourly rates.

WHEREAS, VCE and Law Firm desire to amend the Agreement to extend the term for an additional two years, revise the hourly rates, and replace the reference to fiscal year with calendar year.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Term.** The term of the Agreement is hereby extended to December 31, 2028.

2. **Compensation.** Exhibit C to the Agreement is hereby replaced in its entirety by Exhibit C as attached to this Second Amendment.

3. The reference to "fiscal year" in Section 4.1 of the Agreement is hereby deleted and replaced with "calendar year".

4. Except as amended by this Second Amendment, all other provisions of the Agreement will remain in full force and effect.

5. If any portion of this Second Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

SIGNATURE PAGE FOR SECOND AMENDMENT TO THE AGREEMENT BETWEEN VALLEY CLEAN ENERGY ALLIANCE AND RICHARDS, WATSON AND GERSHON FOR GENERAL COUNSEL LEGAL SERVICES

IN WITNESS WHEREOF, the Parties have entered into this Second Amendment as of the _____ day of _____ 2026.

VALLEY CLEAN ENERGY ALLIANCE

By: _____

Mitch Sears
Chief Executive Officer

RICHARDS, WATSON AND GERSHON

By: _____

Inder Khalsa
Shareholder

EXHIBIT C

COMPENSATION

Shareholders and Senior Attorneys	**$350 per hour**
Associates	**$300 per hour**

All paralegal time will be billed at $275 an hour.

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2026-___

A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE APPROVING SECOND AMENDMENT TO THE RICHARDS, WATSON AND GERSHON AGREEMENT FOR GENERAL LEGAL COUNSEL AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO EXECUTE AND SIGN THE SECOND AMENDMENT

WHEREAS, the Valley Clean Energy Alliance ("VCE") was formed as a community choice aggregation agency ("CCA") on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, on June 10, 2021 via Resolution 2021-014, VCE entered into an Agreement with Richards, Watson and Gershon (RWG) for general legal counsel for a term expiring December 31, 2024; and

WHEREAS, on December 12, 2024 via Resolution 2024-016, Amendment One (1) to the Agreement was approved by the Board extending the term two (2) years for a new expiration date of December 31, 2026 and replaced Exhibit C with updated hourly rates.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. Approve the attached Second Amendment to the Agreement with Richards, Watson and Gershon for general legal counsel extending the term to December 31, 2028; replacing in its entirety Exhibit C with revised hourly rates; changed compensation from a fiscal year to a calendar year; and, authorize the Chief Executive Officer, in consultation with legal counsel, to execute and sign the Second Amendment to the Agreement.

PASSED, APPROVED, AND ADOPTED, at a regular meeting of Valley Clean Energy Alliance, held on the ___ day of _____ 2026 by the following vote:
AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jesse Loren, VCE Chair

_____
Alisa M. Lembke, VCE Board Secretary
Attachment: Second Amendment to RWG Agreement

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 13

TO: Board of Directors

FROM: Chad Curran, Director of Power Services

SUBJECT: Authorize VCE's Chief Executive Officer to execute agreements to enable Gibson negotiations

DATE: November 12, 2026

RECOMMENDATION

1) Authorize the Executive Officer to execute any agreements with Emeren US, LLC that may be necessary to enable conducting due diligence and negotiations to acquire the Gibson Solar and Battery Storage Project.
2) Approve a 2026 Budget Increase of $100,000 for Commercial Legal Support annual budget expenses from $24,000 annually to $124,000 and a decrease in contingency from $240,000 to $140,000 for a net-neutral 2026 Budget impact.Authorize

SUMMARY

On April 9, 2026, the Board approved the Second Amended and Restated Power Purchase Agreement (the "PPA) for the 13 MW Gibson Solar and Battery Storage Project (the "Gibson project") owned by Emeren US, LLC ("Emeren"). Emeren sought, but did not secure a buyer for the project, and Emeren approached VCE about potentially purchasing the project. At the September 10, 2026, meeting, the Board authorized[1] Staff to proceed with due diligence and negotiation of a potential acquisition of the Gibson project, subject to returning to the Board for final approval of any transaction.

Since that meeting, Staff have been conducting due diligence in earnest and have discussed with Emeren possible terms for the acquisition of the project. However, both Emeren and Staff recognized that certain interim agreements may be necessary to enable due diligence and negotiation. Since the Board's September 10, 2026, authorization to conduct due diligence and negotiation did not explicitly authorize Staff to execute such enabling agreements, Staff are now seeking such approval.

Staff request Board authorization for the Executive Officer to execute any agreements necessary to enable due diligence and negotiations with Emeren for purchase of the Gibson project (the "enabling agreements"). Enabling agreements may be necessary to give each party comfort that it is protecting its rights during negotiations and not exposing itself to additional risk. Such enabling agreements may include but not be limited to topics such as confidentiality, exclusivity, permission to communicate

[1] https://valleycleanenergy.org/wp-content/uploads/Item-14-Gibson-Solar-Project-9-10-26-1.pdf

with third party consultants and service providers, reservation of rights under the PPA, temporary suspension of rights or obligations under the PPA, intent to negotiate, or limits of liability.

Since time is of the essence during due diligence and negotiations, and new concerns may arise at any time during discussions, Staff are not seeking approval of specific enabling agreements, but Staff are seeking authority to execute any enabling agreements that may be necessary without returning to the Board for approval of each enabling agreement.

Staff are not seeking authorization at this time to permanently waive or modify rights or obligations under the PPA or make commitments to purchase the Gibson project. Staff will return to the Board separately for approval of any agreements Staff recommend to permanently waive or modify rights or obligations under the PPA or commit to purchase the Gibson project.

FISCAL IMPACT

The negotiations are anticipated to have a net-neutral effect on VCE's budget by using budgeted contingency funds. Legal and due diligence fees will be included in the acquisition finances if a successful agreement is reached.

CONCLUSION

Staff are proceeding in earnest with due diligence and negotiation. To preserve the rights and limit the risk of both parties, enabling agreements may be necessary during the course of due diligence and negotiations. Staff recommend that the Board authorize the Executive Officer to execute any such enabling agreements that may be necessary to enable due diligence and negotiations.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 15

TO: Board of Directors

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

SUBJECT: 2026 Operating Budget Update & 2027 Preliminary Customer Rates and Budget

DATE: November 12, 2026

RECOMMENDATION

Informational – no action requested.

OVERVIEW

This update is the first of two discussions leading to Board consideration of VCE's 2027 customer rates and budget. The purpose of this staff report is to: (1) provide an update on the 2026 Operating Budget results, and (2) provide three 2027 Preliminary Customer Rates and Budget Scenarios for discussion and feedback.

The 2026 proforma (nine months of actuals and three months of forecast) projects a net loss of ($7.7 M), approximately $8.0 M better than the adopted 2026 budget net loss of ($15.8 M), primarily due to lower power costs and higher revenues. The three 2027 budget scenarios outlined in the analysis section of this report range from a ($14.2 M) to ($17.6 M) net loss based on net customer rate discounts. All scenarios maintain VCE's Operating Reserve above its 180-day target in 2027, with the net losses funded from VCE's Rate Stabilization Reserve.

VCE's longer-term outlook (2028–2031) indicates continued constraints. Updated PG&E generation rate and Power Charge Indifference Adjustment (PCIA) forecasts result in net losses in every forecast year under all three scenarios, and the Rate Stabilization Reserve falls below its 60-day minimum by 2029–2030. Future rate adjustments, reserve use, or both will be needed to maintain VCE's financial targets. Staff is completing additional analysis and considering a recommendation focused on Scenario 1 at the December 10, 2026 Board meeting which would maintain the current 5% standard and 10% CARE/FERA/Medical Baseline discounts for 2027, with a planned evaluation of PG&E's final rates, energy market prices, and updated forecasts in May 2027 that may support a recommendation to reduce the discounts mid-year.

BACKGROUND

At the VCE Board meeting on December 11, 2025, the Board approved the 2026 Customer Rates and Operating Budget (**Item 11**), which continued a 5% rate discount for all customers and a 10% rate discount for CARE/FERA and Medical Baseline customers. The 2026 budget included a net loss of ($15.8 M), with the rate discounts and PCIA increases funded through VCE's reserved customer dividend funds and a portion of VCE's rate stabilization funds. Financial forecasts incorporate analysis by CalCCA and VCE consultants NewGen and TEA, based on historical usage trends and forecasted energy markets.

In June 2026, the Board approved the allocation of VCE's 2025 net margin of approximately $32.0 M: $23.4 M to the Rate Stabilization Reserve, $4.1 M to the Customer Dividend Reserve, $2.3 M to Operating Reserves, and $2.3 M to the Local Programs Reserve (**Item 15**). At the same meeting, staff provided a mid-year financial update with 2026 actuals and the anticipated outcomes of regulatory developments, including the PCIA rulemaking's changes to the Resource Adequacy benchmark (**Item 14**). Based on staff analysis, VCE continued its then current 5% standard and 10% CARE/FERA rate discounts for the remainder of 2026, with any rate adjustments deferred to the 2027 Rates and Budget adoption in December. VCE's reserves remain above Board-approved minimums, and VCE maintains its "A-" credit rating.

ANALYSIS

This report updates information previously provided to the Board during the June 11, 2026 Mid-year Financials Update (**Item 14**). The section below provides updates on: (1) 2026 Operating Budget and (2) 2027 Preliminary Customer Rates and Operating Budget with a Multi-year Outlook (2028 through 2031).

1. 2026 Operating Budget Update

The Approved 2026 operating budget included $46.5 M of operating revenues and $62.3 M of operating expenses (including $53.8 M of power costs) for a net loss of ($15.8 M). As detailed below, 2026 results are projected to be approximately $8.0 M better than budget, due primarily to lower than budgeted power costs and higher revenues.

Key factors in the 2026 Operating Budget included the following:

- 2026 Customer Rates (VCE & PG&E Comparison) – VCE continued a 5% standard and 10% CARE/FERA/Medical Baseline discount to PG&E generation rates, funded through reserved customer dividend funds and rate stabilization funds.
- 2026 PCIA – The PCIA increased significantly for 2026, resulting in an approximately $23 M decrease in gross revenues to VCE.
- 2026 Power Costs – The budget included $53.8 M of power costs, including a 5% purchased power contingency.
- Additional considerations included program funding, strategic plan implementation, and other administrative costs.

Through September 2026, VCE recorded a net loss of ($0.9 M) compared to a budgeted net loss of ($10.0 M) for the same period. Year-to-date revenues were $2.2 M (5.8%) above budget, power costs were $4.6 M (11.2%) below budget (including $2.0 M of unused purchased power contingency), and non-power operating expenses were $2.3 M below budget, primarily due to the timing of program spending. Based on nine months of actuals and three months of forecast, the 2026 proforma net loss is estimated at ($7.7 M), approximately $8.0 M better than the adopted 2026 Budget, as shown in Table 1 below.

Table 1 – 2026 Proforma Budget (Unaudited, $000s)

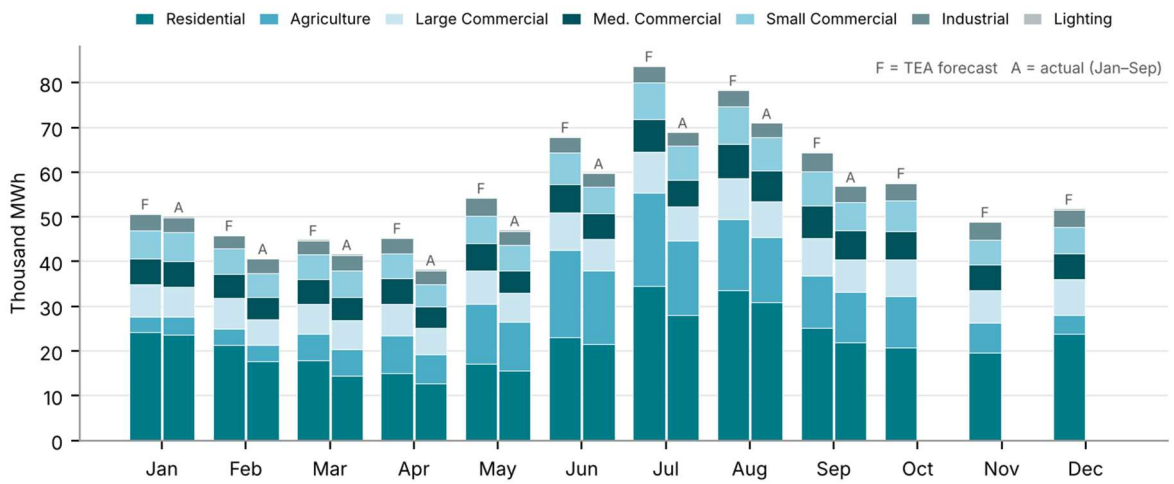
	Approved 2026 Budget	2026 Proforma (9 Mo. Actuals + 3 Mo. Forecast)	Variance Fav/(Unfav)
Revenue	45,274	48,707	3,433
Power Cost	53,800	49,196	4,604
Other Expenses	7,220	7,220	0
Net Income	**(15,746)**	**(7,709)**	**8,037**

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Key factors influencing the 2026 Operating Budget results include:

- Load Forecast. As shown in Table 2, energy use through September 2026 was approximately 11.5% lower than forecasted, with lower than forecast use in every sector. VCE's largest sectors, residential (-11.9%) and agriculture (-12.3%), together account for about 60% of the shortfall. Lower load reflects wet winters, lower average temperatures, and higher net energy metering (NEM) adoption, which is also reducing long-term load forecasts.

Figure 1 – 2026 Load by Sector, TEA Forecast vs. Actual



Source: TEA VCE Financial Model, Load Chart (2026 TEA Load Forecast to Actual). Actuals through September 2026.

Table 2 – Load Update (2026 Forecast vs. Actuals, January–September, MWh)

Sector	Forecast	Actual	Variance	%
Residential	211,984	186,748	(25,236)	(11.9%)
Agriculture	102,769	90,125	(12,644)	(12.3%)
Large Commercial	70,836	60,893	(9,943)	(14.0%)
Small Commercial	60,187	56,175	(4,012)	(6.7%)
Medium Commercial	57,038	50,501	(6,537)	(11.5%)
Industrial	31,661	29,042	(2,619)	(8.3%)
Lighting	2,393	1,664	(729)	(30.5%)
Total	**536,868**	**475,148**	**(61,720)**	**(11.5%)**

- Revenues. Despite lower load, operating revenues are projected to be $3.4 M above budget. PG&E's final adopted 2026 rates included a true-up of additional actuals that was favorable to the PCIA, increasing VCE's net revenues relative to the budget, which was based on PG&E's earlier filed rates. Interest revenues are also above budget due to higher reserve balances.

- Power Costs. Power costs are projected to be $4.6 M below budget, reflecting lower load, unused purchased power contingency, and lower energy prices. Table 3 below illustrates the relative change in energy prices vs. other major categories in the

economy.

Table 3 – 2026 Consumer Price Index by Category (12-month change)
(as of August 2026)

Category	West Region	U.S. City Average
All items	3.2%	3.4%
Food	3.0%	2.7%
Energy	15.5%	16.3%

Source: U.S. Bureau of Labor Statistics, Sacramento Area Economic Summary (updated October 5, 2026), CPI-U.

2. 2027 Preliminary Customer Rate and Operating Budget and Multi-year Outlook (2028 through 2031).

VCE, along with all other California CCAs, receives PG&E PCIA and generation rate modeling produced by financial analysts under contract with CalCCA. This updated forecast incorporates information from PG&E's October 2026 filing in the annual Energy Resource Recovery Account (ERRA) proceeding and VCE's updated long-term forecast. For 2027, PG&E's residential generation rate is forecast to decrease approximately 6%, while the PCIA remains near its elevated 2026 level, as shown in Table 4.

Table 4 – PG&E Generation Rate and PCIA Forecast (Residential, ¢/kWh)

	2026	2027	2028	2029	2030
PG&E bundled generation rate	11.80	11.04	12.12	12.22	12.28
PCIA (2017 vintage)	3.67	3.60	2.42	2.29	2.01
Generation rate less PCIA	**8.13**	**7.44**	**9.70**	**9.93**	**10.27**
PCIA charges on VCE customers ($ M)	22.9	22.5	15.2	14.4	12.7

As experienced from 2023–2026, energy market decreases and regulatory changes make PG&E's portfolio less valuable and drive PCIA increases. For 2027, the lower PG&E generation rate combined with a continued high PCIA narrows the generation rate available to VCE by approximately 0.7¢/kWh (about 8.5%) compared to 2026. The PCIA is forecast to decline beginning in 2028. PCIA is outside of VCE's control and influence.

VCE's Reserve and Dividend Policy Revisions

At the December 12, 2024 meeting, the Board adopted updated reserve policy and dividend program guidelines as described in Item 15.

The policy modifications approved by the Board included:

1. An increased Operational Financial Reserve minimum from 30 days to 120 days
2. An Increased Operational Financial Reserve Target of 180 days from 90 days (this increase aligns with current minimums typically seen for CCA qualification for investment-grade credit ratings)
3. Addition of a Rate Stabilization Reserve minimum target of 60 days
4. Increased the minimum net margin allocation of 75% from 50% towards financial reserves of net margin above > 5%
5. Administrative updates and references to VCE cost recovery rate policy and rate adjustment policy.

VCE's operational reserve funds support VCE's strategic objectives, secure favorable commercial terms, maintain VCE's credit rating, and provide a source of funds for unanticipated expenditures. VCE's Rate Stabilization Reserve is used as a contingency to provide rate stability for VCE customers, given increasing regulations, power costs, and PCIA charges from PG&E. At the end of 2026, VCE's reserves are projected at approximately $92.4 M: Operating Reserve $50.7 M (327 days), Rate Stabilization Reserve $35.7 M (230 days), Local Programs $5.0 M, and Customer Dividends $1.1 M.

Draft 2027 Operating Budget & Rate Discount/Revenue Investment Scenarios

Staff have developed three budget scenarios to model various rate discounts/revenue investments to show impacts on VCE's short-term and long-term financial outcomes. All scenarios incorporate the same power cost assumptions based on TEA's October 30, 2026 power supply update and the same forecasts for the PCIA and PG&E generation rates. Consistent with prior Board direction, staff believe that all scenarios represent a disciplined and financially prudent approach.

Rate Discounts/Revenue Investment

- Revenues can be "invested" in rate discounts, programs, increased procurement of clean energy resources (e.g. short-term RECs), or a combination of these and other elements.
- In 2027, every 1% discount results in approximately $1.25/month reduction in the average residential customer bill and approximately $3.25/month reduction in the average small commercial customer bill.
- In 2027, every 1% standard discount is approximately $640K in reduced net income available for cash reserves, rate stabilization, programs, and procurement of additional clean energy resources. Net income allocations for reserves and programs are normally evaluated in May as part of VCE's audited financial results.
- If selected, rate discounts are best implemented during PG&E rate changes (e.g. January), to minimize billing efforts, risk of errors, and customer messaging.

Customer dividends and discounts help communicate a CCA's value but do not appear to have a significant impact on retention or recruitment based on information gathered from other CCA's. Having said that, it is clear that affordability remains crucial due to widespread cost sensitivity, and rate discounts can also enhance credibility with potential member agencies and policymakers. Staff does note that budgeted rate discounts in current years use rate stabilization funds that could lead to the need to increase rates above PG&E in future years.

2027 Budget/Rate Scenarios

Three budget/rate scenarios have been modeled for Board discussion and consideration in advance of budget adoption in December. These scenarios are intended to provide a range of options for consideration. The 2027 budget options detailed in Table 5 below incorporate the following rate forecasts:

- Scenario 1: Continuation of the current 5% standard and 10% CARE/FERA/Medical Baseline rate discounts to PG&E generation rate; approximately $3.6M net revenue reduction;
- Scenario 2: Decrease to a 2.5% standard and 5% CARE/FERA/Medical Baseline rate

discount to PG&E generation rate; approximately $1.8M net revenue reduction;

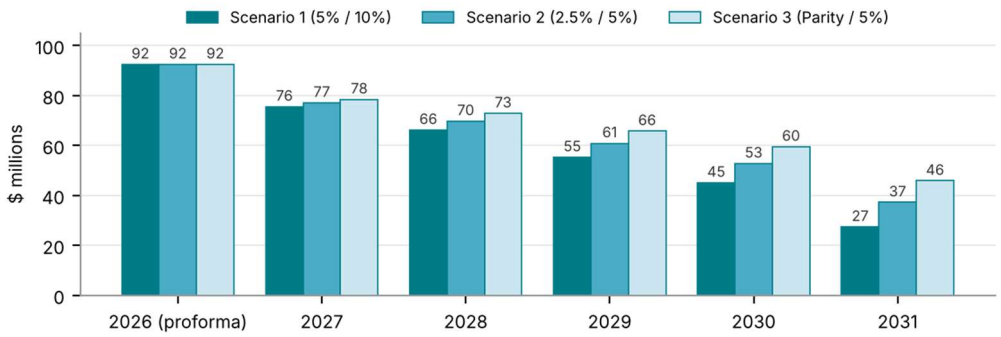
- Scenario 3: Standard rate matching (parity) and a 5% CARE/FERA/Medical Baseline discount to PG&E generation rate; approximately $235K net revenue reduction.

Table 5 – Customer Rate Discount Comparison ($ millions)

	Scenario 1 5% / 10%	Scenario 2 2.5% / 5%	Scenario 3 Parity / 5%
2027 operating revenue	42.5	44.3	45.9
2027 revenue reduction vs. parity	3.6	1.8	0.2
2027 net margin	**(17.6)**	**(15.8)**	**(14.2)**
Days of cash used in 2027	106	95	85
2027 ending reserves	75.5	77.1	78.4
2027 Operating Reserve (days)	308	307	305
2027 Rate Stabilization Reserve (days)	115	125	135
Cumulative net margin 2027–2031	(63.6)	(53.4)	(44.5)
Rate Stabilization Reserve below 60 days	2029	2029	2030
2031 ending reserves	27.4	37.2	45.8

Note: All scenarios use the same power cost, PCIA and PG&E generation rate forecasts; only the customer rate discounts differ. Discounts are held constant through 2031 to show long-term reserve impacts. These scenarios rely on future rate adjustments, reserves, or both to mitigate future power cost volatility.

Figure 2 – Projected Ending Reserves by Scenario ($ millions)



Additional Considerations – Preliminary 2027 operating expenses are 2.5% higher than the 2026 budget, compared to regional CPI of 3.2%. Staffing costs include an estimated 3% salary increase and a 6% increase in health benefits. Other expenses include strategic plan execution, IRP consultants, customer programs, and other administrative costs.

Staff Planning and Next Steps – Staff plans to continue analysis and budget planning in preparation for budget adoption in December. As noted, based on preliminary analysis, staff is considering a recommendation focused on Scenario 1: continuation of the current 5% standard and 10% CARE/FERA/Medical Baseline rate discounts.

Maintaining current discounts would provide customers with continued rate stability in 2027 while VCE's Operating Reserve remains above its 180-day target. Because Scenario 1 draws most heavily on the Rate Stabilization Reserve (a forecasted 2027 net loss of ($17.6 M), using approximately 106 days of cash), under this scenario staff would return to the Board in May 2027, in conjunction with the 2026 audited financial results and net margin allocation, of

PG&E's final adopted rates, energy market prices, and updated load, PCIA, and power cost forecasts. As in past years, based on that mid-year evaluation, staff coould return to the Board with a recommendation to reduce the rate discounts mid-year, timed with a PG&E rate change where possible to minimize billing impacts and customer confusion.

CONCLUSION

The preliminary 2027 operating budget scenarios are consistent with VCE's financial policies in 2027, maintaining the Operating Reserve above its 180-day target while using the Rate Stabilization Reserve to provide rate relief. However, all scenarios are projected to result in continued net losses through 2031, and the Rate Stabilization Reserve falls below its 60-day minimum by 2029–2030. Staff has prepared the preliminary 2027 operating budget/rate scenarios based on the best available information on PG&E generation rates and PCIA as of October/November 2026.

Based on the Board's feedback and direction, staff will return with an updated operating budget and customer rates recommendation for 2027 at the December 10, 2026 Board meeting.

Draft 2027 Operating Budget & Customer Rates Scenario 1:

Budget Scenario 1 continues a net rate discount of 5% for all customers and an additional 5% discount to CARE/FERA/Medical Baseline customers (10% total); the net revenue impact for 2027 is a reduction of $3.6M compared to parity.

- The forecasted 2027 net loss of ($17.6M) uses approximately 106 days of cash on hand.
- All scenarios assume a planned mid-year evaluation/adjustments in May 2027 based on final PG&E rates, energy prices, and updated forecasts.

Table 6 – Budget Scenario 1 ($ millions)
(5% standard / 10% CARE/FERA/Medical Baseline rate discounts)

	2027	2028	2029	2030	2031
Operating revenue	42.5	56.4	57.6	60.2	62.4
Cost of electricity	51.6	55.0	59.0	60.4	70.5
Other operating expenses	9.3	9.5	9.8	10.0	10.2
Interest revenue	0.8	0.7	0.6	0.5	0.3
Net margin	**(17.6)**	**(7.5)**	**(10.7)**	**(9.8)**	**(18.0)**
Ending reserves (all funds)	**75.5**	**66.2**	**55.3**	**45.1**	**27.4**
Operating Reserve Fund	51.5	49.6	49.3	40.1	22.4
Rate Stabilization Reserve Fund	19.1	11.6	1.0	0.0	0.0
Local Programs Fund	5.0	5.0	5.0	5.0	5.0
Operating reserve – days cash on hand	308	281	262	208	101
Rate stabilization – days cash on hand	115	66	5	0	0

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Draft 2027 Operating Budget & Customer Rates Scenario 2:

- Budget Scenario 2 incorporates a net rate discount of 2.5% for all customers and an additional 2.5% discount to CARE/FERA/Medical Baseline customers (5% total); the net revenue impact for 2027 is a reduction of $1.8M compared to parity.
- The forecasted 2027 net loss of ($15.8M) uses approximately 95 days of cash on hand.

Table 7 – Budget Scenario 2 ($ millions)
(2.5% standard / 5% CARE/FERA/Medical Baseline rate discounts)

	2027	2028	2029	2030	2031
Operating revenue	44.3	58.4	59.6	62.2	64.5
Cost of electricity	51.6	55.0	59.0	60.4	70.5
Other operating expenses	9.3	9.5	9.8	10.0	10.2
Interest revenue	0.8	0.7	0.6	0.5	0.4
Net margin	**(15.8)**	**(5.5)**	**(8.6)**	**(7.7)**	**(15.8)**
Ending reserves (all funds)	**77.1**	**69.8**	**60.9**	**52.8**	**37.2**
Operating Reserve Fund	51.2	49.3	49.0	47.8	32.3
Rate Stabilization Reserve Fund	20.9	15.5	6.9	0.0	0.0
Local Programs Fund	5.0	5.0	5.0	5.0	5.0
Operating reserve – days cash on hand	307	279	260	248	146
Rate stabilization – days cash on hand	125	88	36	0	0

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Draft 2027 Operating Budget & Customer Rates Scenario 3:

- Budget Scenario 3 sets standard rates at parity with PG&E generation rates and provides a 5% discount to CARE/FERA/Medical Baseline customers; the net revenue impact for 2027 is a reduction of $235K compared to parity.
- The forecasted 2027 net loss of ($14.2M) uses approximately 85 days of cash on hand.

Table 8 – Budget Scenario 3 ($ millions)
(Parity standard / 5% CARE/FERA/Medical Baseline rate discount)

	2027	2028	2029	2030	2031
Operating revenue	45.9	60.1	61.3	64.0	66.3
Cost of electricity	51.6	55.0	59.0	60.4	70.5
Other operating expenses	9.3	9.5	9.8	10.0	10.2
Interest revenue	0.8	0.7	0.7	0.6	0.5
Net margin	**(14.2)**	**(3.7)**	**(6.8)**	**(5.9)**	**(13.9)**
Ending reserves (all funds)	**78.4**	**72.8**	**65.8**	**59.5**	**45.8**
Operating Reserve Fund	50.9	49.0	48.8	48.4	40.9
Rate Stabilization Reserve Fund	22.5	18.8	12.0	6.2	0.0
Local Programs Fund	5.0	5.0	5.0	5.0	5.0
Operating reserve – days cash on hand	305	278	259	251	185
Rate stabilization – days cash on hand	135	107	64	32	0