

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 11**

TO: Board of Directors

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

SUBJECT: VCE Strategic Plan Annual Update

DATE: April 11, 2024

RECOMMENDATION

The purpose of this annual report is to provide a progress update to the Board on implementation of the Strategic Plan and provide an outlook of planned activity for 2023.

OVERVIEW

The purpose of this report is to provide the annual progress update to the Board on the implementation of the 2021-2025 Strategic Plan.

BACKGROUND

The Board ratified the VCE Three-Year Strategic Plan (Plan) for 2021-2023 at its November 12, 2020 meeting ([VCE-Strategic-Plan-Final.pdf \(valleycleanenergy.org\)](#)). At the July 13, 2023 Board meeting, the Board approved [Item 12](#) including a resolution for adopting Strategic Plan Guidelines. The Guidelines included a proposed timeline for extending the 2021-23 plan through 2025 with a minor update as part of that process. The Board approved [Item 17](#) at the September 14, 2023 meeting including a minor update and extension through 2025.

The strategic plan is aligned with VCE's mission and vision and guides the organization's actions over a multi-year time horizon. The Plan is the basis for developing annual organization and individual goals, annual budgets, key decisions, and priorities. The Plan also informs the development of VCE's compliance documents, including the Integrated Resource Plan (IRP), a document that sets out a 10-year roadmap for energy procurement that is updated on a 2-year rolling basis.

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The Plan categories and key goals include:

FINANCIAL STRENGTH	•Goal: Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health.
PROCUREMENT AND POWER SUPPLY	•Goal: Manage power supply resources to consistently exceed California’s Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is 100% carbon neutral by 2030.
CUSTOMERS AND COMMUNITY	•Goal: Prioritize VCE’s community benefits and increase customer satisfaction and retention.
DECARBONIZATION AND GRID INNOVATION	•Goal: Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety.
STATEWIDE ISSUES: REGULATORY AND LEGISLATIVE AFFAIRS	•Goal: Strongly advocate for public policies that support VCE’s Vision/Mission.
ORGANIZATION, WORKPLACE, AND TECHNOLOGY	•Goal: Analyze and implement an optimal long-term organizational, management, and information technology structure at VCE.

The multi-year Strategic Plan update schedule is:

Extension of 2021-2023 Plan			Strategic Plan				Strategic Plan			
2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Minor Update		Major Update		Minor Update		Major Update		Minor Update		Major Update
	IRP WORK		IRP WORK		IRP WORK		IRP WORK		IRP WORK	

The Strategic Plan incorporates the following schedule for status reporting:

- Quarterly Report to VCE Management
Staff will report quarterly to the Executive Officer on the status of goals, objectives and metrics for which they are responsible.
- Annual Report to Board and CAC
Staff will report annually to the Board and CAC on the status of goals, objectives and metrics, and will recommend any mitigations or amendments as may be necessary for Board approval.

Staff has provided progress updates to the Executive Officer, Community Advisory Committee (CAC), and Board as described above. Generally, Staff observes that progress has been made in each goal area and that the plan serves to align organizational activities with policy priorities.

This report provides key strategic plan accomplishments during 2023 as [presented](#) at the January 11, 2024 Board meeting. Examples of key accomplishments in 2023 include:

Goal 1 – Financial Strength

- Second year of net income post covid-19
- Debt Free - \$500K toward debt & early retirement of RCB term Loan
- Over \$350K to Care/FERA discounts
- Cash Reserve Policy Met +90 Days Operating Cash
- Clean Financial Audit

- Reached \$3M for Programs with \$700K allocated to program reserve.
- Compliance with All Debt and Power Purchase Agreement covenants
- Implemented 3rd Customer Rate Option – Base Green

Goal 2 & 4 – Procurement, Power Supply, Decarbonization, Grid Innovation

- Established a new VCE target of 100% renewables with a 25% local storage component.
- Successful transition from SMUD to The Energy Authority (TEA) resulting in cost savings, efficiencies and additional services.
- Gibson project final permit approvals and pursuing microgrid funding opportunities
- Resurgence I & II (90 MW PV + 75MW BESS) PV & Battery Energy Storage System (BESS) portion began commercial operation by August 2023
- Willy 9 Chap 2 (72MW PV + 36MW BESS). Formerly Willow Springs Solar Project. CAISO requested revised naming convention. PV portion is complete and is in commercial operation. BESS is awaiting final approvals.

Goal 3 – Customers and Community

- Community Engagement – Participated in 8 in-person community events; 10,000+ people reached (including media, in-person) Media: 6 press releases, 8 press placements, 2 op-eds, 200 media contacts.
- VCE rate credits to qualified low-income customers (CARE and FERA): ~2.5%/\$1.1M annually in discounts to 25% of VCE customers
- Successful EV Rebate Program - 39 rebates awarded total; 8 low-income total awarded \$109,500/\$32,000 low-income
- AgFIT – Successful 2 year of pilot program and CPUC awarded extension and expansion
- Installation of multiple SACOG-funded EV Chargers
- REDWDS Grant provisionally approved (2024/2025)

Goal 5 – Legislative and Regulatory

- Actively participated in CalCCA’s Legislative Committee and Regulatory Committee
- Engaged on high priority legislation of interest to VCE, including AB 1373, by working with CalCCA and other CCAs to seek amendments, testifying before Legislative Committees and arranging for VCE board members to lobby our legislators when needed.
- Reduction in Power Charge Indifference Adjustment (PCIA) through joint CCA participation and testimony in Energy Resource Recovery Account (ERRA) Proceeding

Goal 6 – Organization, Workplace, and Technology

- 100% Employee Retention (2-1/2 years)
- 2023 CalCCA Community Impact Award
- 5 Years of Serving Our Member Communities

CONCLUSION

Generally, Staff observes that progress has been made in each goal area and that the plan serves the overall intended purpose of aligning organizational activities with policy priorities.