

**VALLEY CLEAN ENERGY****Staff Report – Item 17**

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**TO:** Board of Directors

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

**SUBJECT:** VCE Strategic Plan Update Process

**DATE:** February 13, 2025

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**RECOMMENDATION**

Informational item.

**OVERVIEW**

At the October 13, 2022, Board Meeting, Staff provided a 2021-2023 Strategic plan update and introduced a rolling strategic plan concept. At the July 13, 2023, Board Meeting, the Board adopted the Strategic Plan Guidelines for a balanced, comprehensive approach to align the strategic plan with VCE’s multi-year time horizon and to achieve the benefits of timely updates associated with the “rolling” approach. At the September 14, 2023, Board Meeting, the Board approved the 2021-2023 strategic plan minor update and extension of the plan through the end of 2025.

The Board staff reports can be found here:

[Item 12](#) - VCE Three-Year Strategic Plan Guidelines (valleycleanenergy.org)

[Item 17](#) - VCE Strategic Plan Minor Update and Extension (valleycleanenergy.org)

The purpose of this report is to provide an overview and schedule of planned activity for VCE’s 2025 Strategic Plan Major Update.

**BACKGROUND**

The purpose of the Strategic Plan (Plan) is to focus VCE on achieving better energy outcomes for its customers and communities by guiding the organization’s actions. The Strategic Plan is aligned with VCE’s mission and vision and guides the organization’s efforts over a multi-year time horizon. The Plan is the basis for developing annual organization goals, staff work plans, 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 typically updated on a 2-year basis.

Current 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.

As outlined in the Plan, staff has provided regular progress updates to the Board and Community Advisory Committee (CAC). Generally, progress has been made in each goal area and the Plan serves to align organizational activities with policy priorities.

### **2025 Plan Update**

The purpose of a Major Plan update is to conduct a more detailed review/update of the Plan, including a review of VCE's Vision/Mission and existing goals and objectives. Major Plan updates include comprehensive reviews of the goals/objectives and incorporate workshops at various levels of the organization, including community stakeholder engagement. Major Plan updates incorporate those enumerated in the Minor Update that feature plan adjustments associated with changing legislative, regulatory, customer, economic, etc. requirements, as well as notation of plan milestones achieved.

Key activities in a Major Update include:

- Identify changes in the overall CCA environment (economics, policy, technology, etc.) and describe their relevance for VCE
- Review key organizational fundamentals (Mission, Vision, and Strategic Plan Goals)
- Long-term adjustments based on strategic factors

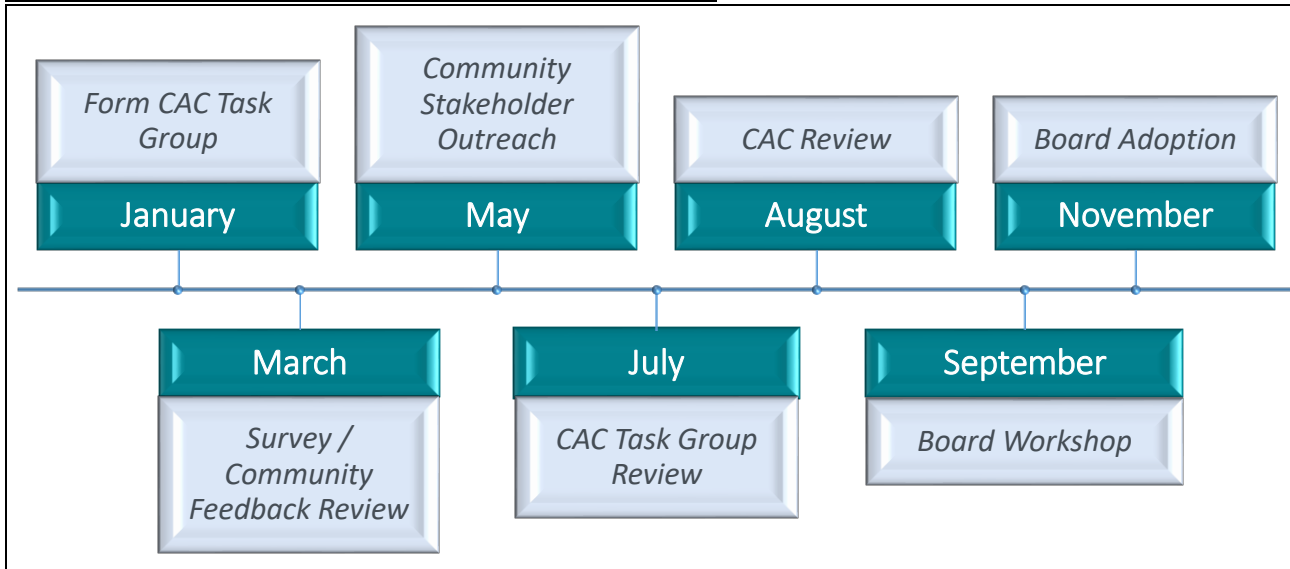
### **Proposed 2025 Plan Development Process and Timeline**

Generally, Staff is organizing the Major Plan update into four components that will occur over the course of 2025. These include:

- Q1 – Review of existing Plan and development of Initial Draft Plan Update
- Q2 – Gather community and stakeholder feedback on Draft Plan Update
- Q3 – Develop Draft Plan Update; present Draft Plan Update to Board
- Q4 – Develop final Draft Plan Update; present to Board for adoption

The below timeline of key milestones is based on the Board’s adopted Strategic Plan Guidelines. Staff will develop a detailed project calendar based on additional feedback from the Board CAC, and CAC task group if formed. Consideration of a proposed 2026-2029 Major Update would be tentatively scheduled for the November 2025 Board meeting; allowing any changes associated with the Plan Update to be incorporated into the 2026-2029 planning and budgeting process.

**2025 Tentative Timeline: Strategic Plan Major Update**



**CONCLUSION**

The proposed Major Plan Update process is consistent with the Board’s adopted Strategic Plan Guidelines.