VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 19

TO: Board of Directors

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

SUBJECT: VCE Strategic Plan Update

DATE: February 9, 2023

RECOMMENDATION

This is an informational item, no action requested.

OVERVIEW

The purpose of this report is to:

1. Present a progress update on the VCE Three-Year Strategic Plan (2021-2023); and
2. Present a plan and timeline for extending beyond the current end of the planning period (end of 2023).

BACKGROUND

The Board ratified the VCE Three-Year Strategic Plan (Plan) for 2021-2023 at it's November 12, 2020 meeting (**VCE-Strategic-Plan-Final.pdf (valleycleanenergy.org).** 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.

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 Strategic Plan incorporates the following schedule for status reporting:

- <u>Quarterly Report to VCE Management</u>
  Staff will report quarterly to the Executive Officer on the status of goals, objectives and metrics for which they are responsible.
- <u>Annual Report to Board and CAC</u>
  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.

<u>"Rolling" Strategic Plan Concept (Beyond 2023)</u>
The current Strategic Plan runs through the end of 2023. Based on early Board feedback on the approach for extending the strategic plan beyond the end of 2023, Staff has developed an action plan to adopt one-year "rolling" extensions each year so that the Plan is always 1+ years from expiration to maintain a three-year outlook. The first update will require the development of 2024-2025 objectives. The following strategic plan objectives for 2026 will be included in the 2024 rolling update. Staff will present the plan and timeline to the Community Advisory Committee in February for additional feedback on the development process and plan to return to the Board in Q3.

<u>Proposed Plan Development Process and Timeline</u>
The following planning process outline and timeline are suggested based on the Board's previous direction to adopt a rolling strategic plan. Based on Board feedback, staff will develop a detailed project calendar. The proposed project calendar would be based on the following milestones and timeline:

Tentative development milestones and timeline:
- February 13, 2023 (current action). Board direction – Board direction on the rolling strategic plan development process and timeline.

- February 23, 2023 - CAC. Present rolling strategic plan process and timeline to CAC. Recommend that the CAC form a Task Group to provide feedback related to the development of a rolling strategic plan.

- March–June 2023 – CAC Task Group to provide input and feedback to staff in developing the working draft plan.

- June – July 2023 – Draft Plan. Present Draft to CAC and Board for review and feedback in Q3 2023.

- August – September 2023 – Final draft plan. Present final draft to CAC and Board for consideration for adoption by Q4 2023.

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Staff believes this schedule represents a relatively quick but achievable timeline for adoption of a rolling strategic plan by the end of 2023.

CONCLUSION

Staff is seeking confirmation from the Board on the development of a rolling strategic plan. If Board direction is provided, staff will put the tentative timeline outlined above into motion.