

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 12

TO: VCE Community Advisory Committee

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: CAC evaluation of 2019 Year End Report

DATE: September 26, 2019

The purpose of this item is for the CAC members to discuss whether a year end report should be prepared and/or submitted to the Board.

Historical information:

At the July 30, 2018 meeting, CAC Members discussed looking at a variety of items underneath the heading of “administration” of the CAC Subcommittee, such as what has been accomplished, future goals of the CAC, and terms and organization of its Members.

The Community Advisory Committee (CAC) was created by the Board in December 2016 with their first meeting held in mid-2017. In September 2017, the Board adopted a “charge” for the CAC outlining its goals, purpose and direction, including drafting a Vision Statement, which was later adopted by the Board in November 2017. The CAC has been involved with many aspects of VCE during Phase I of its formation, creation and launch.

At your August 28, 2018 meeting, CAC Members began the review process and at the November 15, 2018 Board meeting the following was provided to the Board:

1. First Year Progress Report summarizing the CAC’s main activities and issues addressed from inception (September 2017) through August 2018, including:
 - A. suggestions for the Board to consider regarding topics the CAC thinks appropriate to address in the coming year;
 - B. summary of CAC’s (past) recommendations to the Board; and,
 - C. Task Group summaries:
 - i. Energy
 - ii. Legislative / Regulatory
 - iii. Outreach / Marketing.
2. An updated CAC “Charge”.
3. CAC’s thoughts on Approach to New PCIA.

Attachment: November 15, 2018 Staff Report, including attachments, to the Board transmitting the above items.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Agenda Item 9

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Interim General Manager

SUBJECT: Transmittal of Community Advisory Committee (CAC) October 29, 2018 meeting summary; CAC's Thoughts on Approach to New PCIA; and First Year Progress Report

DATE: November 15, 2018

This report transmits the following:

1. CAC's summary report regarding its October 29, 2018 meeting;
2. the CAC's "Thoughts on Approach to New PCIA" on the update provided to the Board of Directors at their November 1, 2018 Special meeting / Power Charge Indifference Adjustment (PCIA) Workshop; and,
3. CAC's First Year Progress Report: The CAC prepared and submit for your Board's receipt and review a progress report summarizing their main activities and issues addressed during the CAC's first year (September 2017 – August 2018). In addition, the report makes suggestions for the Board to consider regarding topics the CAC thinks appropriate to address in the coming year. Attached to the CAC's First Year Progress Report are the following:
 1. VCE Vision Statement
 2. Task Group Summaries
 - a. Energy
 - b. Legislative/Regulatory
 - c. Outreach/Marketing
 3. CAC Recommendations (motions) to the Board

Attachments:

1. CAC Report
2. CAC's Thoughts on Approach to New PCIA
3. CAC First Year Progress Report

Valley Clean Energy Alliance

Community Advisory Committee (CAC) Report to the Board

Summary of October 29th CAC Meeting

- CAC Revised Charge
 - Reviewed revised CAC Charge with members.
 - The revisions reflect the transition from pre-launch to post-launch activities.
 - Motion: to recommend to Board to approve updated CAC Charge. Motion passed: 7-0-0.
- CAC Progress Report, First Year, Launch Phase
 - Reviewed updated draft of progress report with members.
 - The report summarizes the main activities and issues addressed by the Committee during the first year. Further, the report makes suggestions for the Board to consider regarding priorities the CAC thinks appropriate to address in the coming year.
 - Motion: to approve Progress Report (with addition of positions) and present to Board for review. Motion passed: 7-0-0.
- PCIA Update and passage of SB 237
 - G. Lawson reviewed slides on PCIA increase's effect on financials and clarified various issues in response to committee member questions. Members discussed the various scenarios presented and each offered a comment(s) for transmittal to the Interim General Manager and the Board.
 - The attached document, with a summary of CAC thoughts and comments on PCIA impact, was prepared by G. Braun, C. Shewmaker, and M. Baird. G. Braun briefly presented this summary at the 11/1/18 Special Board meeting.
 - C. Shewmaker updated committee on impact of passage of SB 237 expanding Direct Access.
- Q3 2018 Procurement Report
 - G. Lawson reviewed procurement update. Increased power costs in 2019 and 2020 impact financials as power costs are approximately 90% of VCE costs.
- CAC Administration
 - Staff updated CAC on new member recruitment, job description and application.
 - CAC members were assigned to 3 classes with staggered term endings. Requested term assignments were identified, as follows:
 - i. Class 1 – term expiring June 2019
 1. Davis – Y. Hunter
 2. Woodland – M. Aulman
 3. Yolo County – D. Springer
 - ii. Class 2 – term expiring June 2020
 1. Davis – G. Braun
 2. Woodland – C. Shewmaker
 3. Yolo County – M. Baird
 - iii. Class 3 – term expiring June 2020
 1. Davis – L. Kristov
 2. Woodland – vacant
 3. Yolo County – vacant



CAC Thoughts on Approach to New PCIA

November 1, 2018 - Special Board Meeting



Compliments, thanks to staff for highly illuminating PCIA update on Monday
Thanks to Alisa, Christine and Marsha for this summary of CAC member
reflections

Summarize CAC discussion on Monday, 10/29

- All seven members were there and participated on 10/29
- At least one top level item per member
- No disagreements but also no opportunity for CAC to review this summary
- Emphasis on community as in CAC
- Also communications and NEM

CAC Thoughts on PCIA Approach

Communicate Intention to Maintain Long Term Vision and Mission of VCEA

- VCEA is committed to clean energy and sustainable future
 - Avoid lowering renewable/ clean energy content
- VCEA will maintain cost competitiveness with PG&E



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Commitment to long term vision means VCE is not going away; VCEA board is confident the short and long term vision it approved in 2017 will be achieved.

Also might mean intention to translate vision into action, quickly, pro-actively and consistent with local needs and opportunities.

Also might mean engagement with member communities, acceleration of local clean energy integration.

Per staff report, lowering RE/clean energy content doesn't help much. Thus, continue to look for ways to increase.

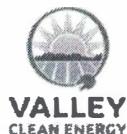
In light of likely continuing fiscal uncertainties, cost competitiveness with PG&E may need to be more precisely defined relative to PG&E generation cost and relative to timing of PG&E rate adjustments.

If lower rates aren't possible in 2019, be clear that goal is significant annual average rate savings over the first three to five years of operations.

CAC Thoughts on PCIA Approach

Importance of Messaging

- Timing of new marketing consulting agency important
- Clear communication of PCIA increase and resilience of VCEA
- Aim to avoid increase in opt-outs
- Financials improve as organization matures



3

Provide perspective on PCIA but also take the opportunity to emphasize commitment to local climate action, competitiveness, customer and community engagement, etc.

Aim for broadly understandable explanation of exit fees and expected temporary nature of fiscal stringency

VCE financial position will improve. What this means to customers is there is a bright future for rate stability and significant/increasing rate savings going forward.

NEM customers may opt out when VCE finds it convenient to enroll them. They were told in well attended public meetings that enrollment planned for VCE's first year would start instead in January, 2019. NEM customers may reasonably expect a compelling and easily understandable explanation for further delay, especially in light of the recently approved board policy to start enrollment in January. For whatever reason, enrollment apparently will not start in January, and that definitely needs to be explained as well.

CAC Thoughts on PCIA Approach

Ask Community to Support VCEA

- Encourage opt-ups
 - Make sure it is revenue positive
- Consider year-end rebate or other similar approach
- Consider load shifting / energy efficiency messaging



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Consider asking for VCE customer support and patience during the current period when IOUs are trying to slow CCA down by leveraging their overly-cozy relationship with the CPUC. VCE could more aggressively market opt-ups. To help promote opt-ups, individual jurisdictions should consider opting up for their municipal accounts in order to lead by example.

Revenue positive should be interpreted to mean revenue and net income positive.

Regarding opt-up pricing, supply now comes from centralized imports. To transition away from 100% imports, perhaps 2019 100% renewable pricing could account, not just for the cost of importing 100% RE electricity but also for the cost of staff efforts and programs aimed at stimulating and supporting development of local projects from which 100% RE could be purchased going forward. Alternatively, VCE could offer a separate 100% local renewable option in to be in place by mid-2019.

A year end rebate is worth considering, but CAC did not discuss or evaluate. Urgency of adjusting to CPUC decision left no time for that.

Customers supportive of CCA might be willing to adjust behavior to help VCE manage costs. Would require pro-active engagement with customers, esp. NEM customers, but could erase or potentially reverse the current projected NEM enrollment impact on peak day usage

CAC Thoughts on PCIA Approach

NEM

- Need to think through NEM decision carefully
- Are there other options for inclusion that lesson the financial impact?
 - How does removing 1 cent premium on net generation affect numbers?
- Consider long term strategic impact of delaying NEM customer enrollment



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Think through NEM decision. Should be strategic as well as tactical. More specifically, think through whether current NEM policy fits a customer whose energy investments account for the lion's share of local carbon footprint reductions.

Note: NEM customers are generally a lot more conscious of energy costs and investments than others. They are more likely respond to possible future VCE customer-facing programs in ways that amplify program results. If they tune out as a result of having no relationship with VCE, this opportunity will be degraded. Note that as NEM customers decarbonize and electrify, the current estimated potential NEM impact on VCE generation costs may reverse. Leaving them with PG&E means PG&E customers get the benefit. Note also that the lion's share and increasing share of VCE area NEM generation is on commercial (vs. residential) customer sites.

VCE's NEM policy will have strategic impacts. Specifically, enrolling NEM customers will switch a large amount of locally generated zero carbon electricity to VCEA customer relationships from PG&E customer relationships. Further, electricity sector competition in the future will increasingly be about who has effective customer relationships and who does not. Also, don't forget the local solar industry and the need to anticipate how they might advise their customers.

Retain Flexibility and Capacity to Ensure both Short and Long Term Vision



6

Time to lean in programmatically not out.

Small net income wins (NEM enrollment deferral and operating budget trimming) that degrade VCE's capacity to implement local programs, engage with member jurisdictions and contribute to local energy integration may disadvantage VCE strategically. Note that PG&E is among the large US IOUs that are accelerating their plans and program initiatives to generate new revenue streams and offer customers more than just electricity.

Valley Clean Energy Alliance
Community Advisory Committee
Progress Report: First Year, Launch Phase
September 2017 – August 2018

Introduction

The Community Advisory Committee (CAC) of the Valley Clean Energy Alliance (VCEA) held its first meeting on August 22, 2017. This report summarizes the main activities and issues addressed during its first year. Further, the report makes suggestions for the Board of Directors to consider regarding topics the CAC thinks appropriate to address in the coming year.

During the first year (September 2017-August 2018), the CAC Members were:

Davis: Gerry Braun (Chair), Yvonne Hunter, Lorenzo Kristov
Woodland: Mark Aulman, Tom Flynn, Christine Shewmaker (Vice Chair)
Yolo County: Marsha Baird (Secretary), Amanda Beck (September-December 2017),
David Springer

Board Charge to the CAC

- Advise the VCEA Board of Directors on VCEA's general policy and operational objectives, including portfolio mix and objectives, as well as technical, market, program and policy areas;
- Collaborate with VCEA staff and consultants with community outreach to and liaison with member communities;
- Provide a public forum to inform, advise and consult through community discussions on energy related issues and a wide variety of strategies to reduce carbon emissions; and
- Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.

Year One (Launch Phase) - Main Activities and Issues Addressed

1. Provided input and recommendations to the Board on critical issues facing VCEA during the launch phase, including:
 - a. Power mix targets and rates;
 - b. Greenhouse gas (GHG) emissions, carbon footprint, renewable content of the portfolio;
 - c. Definition of supply categories, e.g. local supply;
 - d. Procurement policies and options;
 - e. Integrated Resource Plan;
 - f. Net Energy Metering (NEM) enrollment and net generation valuation policy (initial and revised);
 - g. Staffing plan;
 - h. Reserve Policy, Customer and Data Policies, Enterprise Risk Policy, and
 - i. Marketing and Communications Plan.
2. Developed a near and long-term Vision Statement for VCE which was adopted by the Board.
3. Created three task groups to consider relevant launch phase topics in detail and make recommendations to the full CAC. These were: Outreach/Marketing, Legislative/Regulatory and Energy. Summary reports from each task group are provided in the Appendix.
4. Supported Staff efforts in the area of public communication and outreach by staffing booths, giving presentations, facilitating public forums, and reviewing website and outbound communications.
5. Provided recommendations to the Board on positions on legislation in the 2018 legislative year.
6. Developed and implemented a process to inform the Board of the Committee's recommendations through a written summary included in each Board packet.

**Valley Clean Energy Alliance
Community Advisory Committee
Progress Report: First Year, Launch Phase
September 2017 – August 2018**

Year Two (Operational Phase) - Suggested Activities and Topics (not in order of priority)

1. Continue to provide advice to Board and support to Staff on key issues in the areas of Energy (portfolio mix and procurement), Legislative/Regulatory, and Outreach/Marketing.
2. Review and revise CAC Charge and Workplan to address long term vision elements. Consider having a Strategic Planning Retreat for Board, Staff and CAC.
3. Continue to ensure that CAC votes and recommendation are shared with the Board through summaries in the Board meeting packets. Increase the involvement in planning CAC agendas.
4. Improve process for reviewing legislation and providing recommendations to Staff and Board. Determine appropriate level of engagement with CalCCA and work to implement. Evaluate what is the appropriate role of the CAC related to regulatory issues.
5. Support development of goals and plans for outreach, marketing and communications with customers, including where appropriate, collaborating with the marketing and outreach consulting agency. Consider holding one or more workshops during Year Two to gather community input, provide responses to questions and explain VCEA programs to the broader community.
6. Encourage and inform public discourse regarding the need and urgency to address climate concerns.
7. Topics that CAC expects to have capacity to agendize and address, subject to Staff agreement and Board direction:
 - a. Staffing to address near and long-term vision elements.
 - b. Advice regarding organizational strengths, weaknesses, opportunities and threats.
 - c. Strategies to address Vision Statement goals.
 - d. Review of business plans, planning information and financial pro formas.
 - e. Expansion of current Integrated Resource Plan to address local resource development targets and programs.
 - f. Adjustments in strategic targets related to GHG emissions, carbon footprint and renewable supply portfolio mix consistent with providing “Cost Competitive Clean Energy”.
 - g. Strategies for increased customer loyalty through locally important options and programs PG&E does not offer.
 - h. More integrative and comprehensive NEM policy that recognizes customer generation as a local resource.
 - i. Robust strategies that account for a range of business environment scenarios and supply cost contingencies.
 - j. The importance of VCEA’s climate action role.

Appendix

1. VCE Vision Statement
2. Task Group Summaries
 - a. Energy
 - b. Legislative/Regulatory
 - c. Outreach/Marketing
3. CAC Recommendations (motions) to the Board

Valley Clean Energy Alliance

Integrated Vision for Community Choice Energy

Valley Clean Energy Alliance (VCEA) is a joint-powers authority working to implement a state-authorized Community Choice Energy (CCE) program. Participating VCEA governments include the City of Davis, the City of Woodland and County of Yolo. The purpose of the VCEA is to enable the participating jurisdictions to determine the sources, modes of production and costs of the electricity they procure for the residential, commercial, agricultural and industrial users in their areas. PG&E would continue to deliver the electricity procured by VCEA and perform billing, metering, and other electric distribution utility functions and services. Customers within the participating jurisdictions would have the choice not to participate in the VCEA program.

Near-Termⁱ Vision

The near-term vision for VCEA is to provide electricity users with greater choice over the sources and prices of the electricity they use, by:

- Offering basic electricity service with higher renewable electricity content, at a rate competitive with PG&E;
- Developing and offering additional low-carbon or local generation options at modest price premiums;
- Establishing an energy planning framework for developing local energy efficiency programs and local energy resources and infrastructure; and
- Accomplishing the goals enumerated above while accumulating reserve funds for future VCEA energy programs and mitigation of future energy costs and risks.

Long -Term Vision

The future vision for VCEA is to continuously improve the electricity choices available to VCEA customers, while expanding local energy-related economic opportunities, by:

- Causing the deployment of new renewable and low carbon energy sources;
- Evaluating and adopting best practices of the electricity service industry for planning and operational management;
- Substantially increasing the renewable electricity content of basic electricity service, with the ultimate goal of achieving zero carbon emissions electricity;
- Developing and managing customized programs for energy efficiency, on-site electricity production and storage;
- Accelerating deployment of local energy resources to increase localized investment, employment, innovation and resilience;
- Working to achieve the climate action goals of participating jurisdictions to shape a sustainable energy future; and
- Saving money for ratepayers on their energy bills.
- Remaining open to the participation of additional jurisdictions.

ⁱ Launch Phase and First Year

VCE COMMUNITY ADVISORY GROUP ENERGY TASK GROUP YEAR 1 REPORT AND OUTLOOK

Task Group Members: Gerald Braun, Tom Flynn, Lorenzo Kristov, David Springer

Charge: The charge to the VCEA Community Advisory Committee (CAC) from the VCEA board states that the CAC should “advise the VCEA Board of Directors on VCEA’s general policy and operational objectives, including portfolio mix and objectives, technical, market, program and policy areas.”

Highlights of Accomplishments:

- Recommended portfolio mix and objectives for CAC consideration, including: 1) 42% RPS qualifying default option, 2) an all renewables option, 3) early introduction of an all-local renewables option, and 4) targets to increase the percentage of locally produced power.
- Recommended action steps toward development and integration of local clean energy resources and technologies.
- At the request of staff convened to review/advise regarding: 1) criterial for long term procurement, 2) IRP action steps, and 3) Defenders of Wildlife supply project standards.
- One or more task group members provided technical review of foundational documents including: 1) technical/operations consultant task orders, 2) staffing plan, 4) NEM policy, 5) risk management policy, and 6) power procurement guide.

Lessons Learned – Challenges and Opportunities

Challenges:

- Financial contingencies and staffing delays tend to focus staff/consultant/CAC engagement on operational concerns vs. planning.
- The task group does not have a chair. The CAC attempts to spread its work across its membership. This means seeking task group chair volunteers who do not have other coordination responsibilities. Coordination challenges and member interest in the work of other task groups also limits member willingness to serve as task group chair.
- Some current task group members lack flexibility to meet during work days, while staff and consultants (understandably) prefer day-time meetings.
- The goal for the CAC to have equal numbers of appointees from each member jurisdiction limits the pool of potential advisors from within the VCE service area and further limits the pool of unconflicted energy experts.

Opportunities

- VCE’s current organizational focus is narrow (two rate options, no customer-facing programs, and deferral of NEM customer enrollment). Only a narrow portion of the CAC’s broad energy-related charge needs to be addressed.
- Rethink criteria for Energy Task Group membership, e.g. consider recruiting/adding well qualified non-voting members having energy technical and market experience.
- Consider budgeting for action steps toward local clean energy programs and integration.

VCE COMMUNITY ADVISORY COMMITTEE LEGISLATIVE/REGULATORY TASK GROUP ACTIVITIES REPORT FOR 2018

2017-2018 Task Group Members: Yvonne Hunter (chair), Tom Flynn (not continuing after August 2018), Lorenzo Kristov, Christine Shewmaker

Task Group Charge: The charge to the VCEA Community Advisory Committee (CAC) from the VCEA board states that the CAC should “Collaborate with VCEA staff with monitoring legislative and regulatory activities related to Community Choice Energy issues.” The Leg/Reg Task Group activities were consistent with this charge and the Task Group reported its recommendations to the CAC for consideration.

Highlights of Accomplishments in 2017-2018:

- Developed a procedure for the Task Group, the CAC, staff and the VCE board to use for reviewing legislation introduced in the 2017-2018 Legislative session and proposed regulations so that VCE can adopt positions and engage in the legislative and regulatory process. Key to that process is to consider bills that CalCCA is following and has taken positions on.
- Considered eight bills before the Legislature in 2018 and recommended positions to the VCE board, through the CAC, on positions for VCE. With a few exceptions, the positions recommended reflected the positions adopted by CalCCA. Where the positions differed, the Task Group provided information on why a different position was recommended.
- Over time and with experience, the Task Group developed an effective and collaborative working process among its members that enables each member to weigh in with her or his perspective, learn from each other, prepare reports that reflect the members’ individual and collective ideas and forward well thought-out recommendations to the CAC for consideration.

Lessons Learned – Challenges and Opportunities

Challenges:

- Identifying bills being tracked by CalCCA and the basis of CalCCA’s positions on those bills.
- Identifying bills and issues that CalCCA is not tracking, but which may be important to VCE.
- Refining the process by which VCE engages in the legislative process in a timely manner.

Opportunities

- Rethink the process by which the Task Group works with staff to identify bills CalCCA is tracking and for which CalCCA has adopted positions.
- Develop a process for the VCE to follow (and possibly engage in) other key issues not followed by CalCCA.
- Work with staff to refine the process by which VCE sends letters to the author and Legislature on bills so that VCE’s positions are communicated early and throughout the Legislative session.
- Consider ways to make VCEA’s positions on legislation and regulatory actions available to the public, for example through the website.

- Up to now the Task Group has concentrated on legislative matters and not followed regulatory activities closely. Work with staff to consider what are the appropriate role and procedures for the Leg/Reg Task Group's tracking of or engagement in regulatory issues.
- Revisit the Leg/Reg Task Group procedures adopted in 2017 and refine as appropriate given the experience in 2018; propose revisions to be considered for subsequent 2019 Task Group to use.

VCE COMMUNITY ADVISORY COMMITTEE OUTREACH TASK GROUP (OTG)
2017-18 ACTIVITIES REPORT

Task Group Members: Mark Aulman (chair), Marsha Baird, Yvonne Hunter

Charge: The charge to the VCEA Community Advisory Committee (CAC) from the VCEA board states that the CAC should “Collaborate with VCEA staff and consultants with community outreach to and liaison with member communities.”

Highlights of Accomplishments:

- Reviewed and provided editorial feedback on a variety of marketing materials: web content, print collateral, presentation slides, outgoing letters and postcards, flyers, and policy statements.
- Discussed concerns with Staff regarding the quality of work and attention to detail of marketing communications consulting agency engaged by VCE. Suggested editing, re-writes and quality improvements to materials prepared by consulting agency.
- Assisted with public outreach via staffing tables at Farmers’ Markets, making presentations to interested public groups, and moderating community workshops.
- Monitored social media for VCE-related postings and replied as needed.
- Volunteered to assist Jim with marketing communications agency RFP response review Q3 ’18.

Lessons Learned – Challenges and Opportunities

Challenges:

- Needed to compensate for the performance deficiencies of the marketing communications consulting agency engaged by VCE.
- Many marketing materials were printed or published without adequate review and contained errors. The OTG alerted Staff when errors were found, but the work was reactive as opposed to proactive. Over time, the OTG was brought into the review cycle earlier.

Opportunities

- Hiring a marketing communications agency that will better meet VCE’s needs.
- The addition of VCE Staff focused on marketing and communications tasks has improved the ability of the OTG to participate and assist in a more proactive manner.

Valley Clean Energy Alliance (VCEA) Community Advisory Committee (CAC)
Summary of Recommendations (Motions) made to Board
September 2017 – August 2018

- Motion to approve the creation of 3 task groups: Energy task group, Legislative/Regulatory task group, Outreach task group. Motion passed unanimously.
- Motion to give the feedback to Circlepoint that Option 2 of product logos was headed in the right general direction. Motion passed with 2 abstentions.
- Motion to recommend board approval of the Draft Strategic Marketing and Communications Plan, including Subcommittee comments and responses from Circlepoint. Motion passed unanimously.
- Motion to recommend a Draft Vision Statement (Rev 5) for Board approval. Motion passed unanimously.
- Motion to support staff recommendation on Power Mix targets and rates for 2018, with the change that the renewables percentage be increased to 42%. The CAC recommends that when VCEA is looking at 2019 and beyond, VCEA should:
 - Evaluate increasing renewable percentage in the mix
 - Beginning in year 1, lay foundation for including local renewable resources as a part of the mix.
 - Motion passed, vote 5-2-1.
- Motion to support the staff recommendation on the reserve policy. Motion passed, vote 6-1-1.
- Motion to approve the below recommendation regarding VCEA staffing plan. Motion passed with one abstention.
 - 1) The committee agrees that all the positions in the chart are needed, and that further, there is a need for depth of subject matter knowledge and experience among VCEA employees. There is also a need for more than one person on the chart to be ready to step in when gaps arise, especially in cases involving permanent VCEA staff. Therefore, the position description for the AGM should require subject matter expertise in VCEA core business topics.
 - 2) The general manager and any assistant general managers should be full time and permanent.
 - 3) It will remain important to emphasize the separation of legal and leg/reg from SMUD by ensuring these functions do not report thru a SMUD employee or SMUD contractor.
 - 4) While the initial organization chart is adequate for the short term, i.e. launch phase and first year, it is not yet ideal in terms of preparation for the longer term. It will be important to review and if needed update it, annually at a minimum, to ensure adequate staffing both for near term operations and planning related to longer term goals as outlined in the long-term portion of the vision statement.
 - 5) Therefore, the committee recommends that staff start work on a plan for building local VCEA capacity, e.g. the bandwidth and technical/managerial expertise to engage with local companies that are actively delivering energy services and developing energy projects.
- Motion to recommend Board approval of draft Leg/Reg policy and procedures. Motion passed unanimously.
- Motion to recommend Board approval of delegation of authority to SMUD to begin execution of Procurement plan. Motion passed unanimously. The Advisory Committee requested periodic updates of how the procurements are going.

- Motion to recommend to the Board the adoption of the Customer and Data Policies with the incorporation of comments from Y. Hunter and C. Shewmaker. Motion passed unanimously.
- Motion on NEM Policy:
 - Recommend adoption modified Option 1, with modifications to make the VCEA offering better for existing NEM customers than PG&E's NEM rates.
 - Recommend that VCEA not use rates to create incentive for solar adoption, but should consider alternative, more flexible ways to incentivize solar, such as rebates, and in the future, incentives for adoption of solar+storage and other programs consistent with VCEA's vision.
 - Recommend coordinating with solar industry, as well as ag, commercial and residential solar customers to gather input for messaging about VCEA NEM rates.

Motion passed, vote 5-1.
- Motion to support staff recommendation to adopt Enterprise Risk Policy with wordsmithing from L. Kristov's email. Motion passed unanimously.
- Motion to support staff recommendation regarding UltraGreen product. Motion passed unanimously.
- Motion to support the staff recommendation on program launch related to energy rates, power mix and budgets. Motion passed unanimously.
- Motion to support staff recommendation on suspension of Forward PCC-2 Renewable Procurements. Motion passed with one abstention.
- Motion to request to the VCE Board to postpone the NEM enrollment until 2019 to allow for Staff to develop/finalize a modified policy and billing systems and ask that the Board address the NEM policy at their scheduled August 9, 2018 meeting. Motion passed unanimously.
- Motion to 1) accept Staff's recommendation to approve the IRP adopting Cleaner Base as its preferred portfolio with Local being the alternative portfolio; 2) direct Staff to insert in the appropriate places that VCEA look at local renewable proactively and incorporate local renewables where feasible and cost effective; and 3) approve the IRP Action Plan. Motion passed unanimously.
- Motion to accept Legislative/Regulatory Task Group's recommendation to recommend to the VCEA Board to support SB 100 (de Leon) Renewable Portfolio Standard GHG Emissions, consistent with CalCCA's position including the topics raised in CalCCA's letter dated January 16, 2018 to Honorable Kevin DeLeon that would result in withdrawal of support. Motion passed with 2 abstentions.
- Motion to accept Task Group's recommendation to recommend to the VCEA Board to take "No Position" on AB 813 (Holden) Multi-State Regional Transmission System Organization. Motion passed with one abstention.
- Motion to support Staff's recommendation on Long Term Renewables Procurement Solicitation Criteria/Policy except with respect to energy storage. Change "with a limitation of" to "with a preference for" battery storage systems integrated with a renewable project. Motion passed unanimously.
- Motion to accept Task Group's recommendation to recommend to the VCEA Board to: 1) Watch SB 1088 (Dodd) Safety, reliability and resiliency planning, 2) Oppose AB 893 (Garcia) Renewable Portfolio Standard. Geothermal, 3) Oppose unless amended SB 1347 (Stern) Energy storage systems: procurement, 4) Oppose AB 2208 (Aguiar-Curry) Electrical Utilities. Biomass. Geothermal, 5) Watch AB 2726 (Levine) California Global Warming Solutions Act of 2006, 6) Oppose SB 237 (Hertzberg) Direct Access. Motion passed unanimously.