

VALLEY CLEAN ENERGY ALLIANCE COMMUNITY ADVISORY COMMITTEE

Staff Report - Item 7

TO: Community Advisory Committee

FROM: Chad Curran, Director of Power Services

SUBJECT: Power Project Selection Criteria Guidelines. (Discussion/Action)

DATE: August 27, 2026

RECOMMENDATION

Provide feedback on draft Power Project Selection Criteria Guidelines (the “draft guidelines”) and recommend that the Board approve the draft guidelines.

OVERVIEW

Valley Clean Energy’s (VCE) primary purpose is to procure electricity for its customers from the wholesale energy market. Based on its strategic vision and Mission, it has successfully built a robust clean and affordable portfolio of long-term energy contracts that is responsive to local goals and regulatory realities. The recommended procurement guidelines help memorialize VCE’s past efforts to build its portfolio while maintaining the flexibility needed to adjust to a highly volatile energy sector and associated regulatory landscape.

BACKGROUND AND ANALYSIS

Valley Clean Energy (VCE) has a robust contracted renewable energy portfolio and is currently well-positioned in the near- and medium-term to meet its customers’ demand and strategic plan goals for the procurement of renewable and carbon free energy. For example, in 2025 VCE met approximately 87% of its retail customer load with renewable energy, and approximately 96% of its wholesale customer load with carbon free energy. As a result, VCE is not currently holding any solicitations for the bulk procurement of long-term power contracts and is not actively planning for any solicitations.

However, from time to time, VCE does engage in bilateral discussions for the procurement of long-term power contracts, such as for the recontracting in July 2026 of the 3 MW Indian Valley Hydro Facility in Yolo County¹. As with previous solicitations (e.g. 2020 Local Projects Solicitation) and bilateral engagements, the foundation for these negotiations was VCE’s strategic vision and Mission with final approval determined by the VCE Board. Based on input from outside groups and the relative lull in active long-term procurement, Staff believes it is appropriate timing for VCE to memorialize its

¹ [Item-11-Indian-Valley-Long-Term-Power-Purchase-Agreement-7-9-26-1.pdf](#)

past work that led to the construction of its current portfolio. The proposed guidelines will help clarify and inform decision making if VCE becomes more active in large-scale, long-term power contracting. Staff notes that while establishing these guidelines, it is important for VCE to maintain the flexibility needed to adjust to a highly volatile energy sector and associated regulatory landscape.

Recent CCA Adoption of Project Selection Criteria

The recommended draft guidelines are generally consistent with similar criteria adopted by other community choice aggregators (CCAs). These actions have taken place in the context of CCA discussions with labor and environmental groups with a focus on CCAs that, like VCE, are members of the California Community Power Joint Power Agency.

Recent example CCA actions:

- January 17, 2024 - Ava Community Energy's Board adopted Workforce and Environmental Justice Project Selection Criteria².
- April 3, 2025 - Sonoma Clean Power's Board adopted Energy Project Selection Criteria³.
- April 9, 2025 - Silicon Valley Clean Energy's Board adopted a Power Purchase Agreement Project Selection Policy⁴.
- April 25, 2025 - San Jose Clean Energy approved its Workforce and Environmental Stewardship Project Selection Criteria⁵.

Draft Guidelines

VCE's development of the draft guidelines includes criteria that matter most for VCE's community. They are intended to provide increased clarity into VCE's decision making process when considering long-term contracts for power projects and help ensure that VCE selects projects that provide diverse benefits to the customers and communities it serves.

The draft guidelines are designed to provide factors for VCE to consider when selecting long-term power projects. They are intended to be flexible enough to allow VCE to consider the unique circumstances under which it considers each long-term power project. But the draft guidelines are also intended to help VCE be holistic in what factors it considers when selecting projects.

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² <https://avaenergy.org/wp-content/uploads/2024/07/P-2024-20-Workforce-and-EJ-Project-Policy.pdf>

³ <https://sonomacleanpower.org/uploads/documents/SCPA-BOD-2025.04.03-Meeting-Agenda-Packet-with-Teleconference-Instructions.pdf>

⁴ <https://www.svcleanenergy.org/wp-content/uploads/2025-0409-SVCE-April-BOD-Agenda-Packet-scrubbed.pdf>

⁵ <https://sanjose.legistar.com/View.ashx?M=F&ID=14145212&GUID=5C39D187-D67C-465B-A844-F1FF6ED29BD5>

The attached draft guidelines include criteria addressing:

- Regulatory Requirements
- Cost
- Development Risk
- Greenhouse Gas Emissions Impact
- Location
- Technology Diversity
- Environmental Responsibility
- Community Engagement
- Workforce Development

The draft guidelines are generally based on power project selection criteria recently approved by other CCAs. By using those criteria as a starting point, VCE will be generally consistent with other CCAs while maintaining its primary focus on VCE's locally derived goals and the flexibility necessary to adapt to a volatile regulatory landscape.

CONCLUSION

If approved by the board, the draft Power Project Selection Criteria Guidelines will be a valuable tool to help VCE select long-term power projects that meet its goals and serve its customers and communities. Staff seeks CAC's feedback and a recommendation on the draft guidelines.

Attachment:

1. Draft Power Project Selection Criteria Guidelines



VALLEY

CLEAN ENERGY

Draft Power Project Selection Criteria Guidelines

Revised: August 2026

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1. Overview of Guidelines

Power Project Selection Guidelines

Valley Clean Energy's (VCE) power project selection criteria guidelines (the "Guidelines") establishes guidelines that inform VCE's decision-making process when procuring long-term power resources, to ensure projects selected best align with the mission, vision and goals described in VCE's Strategic Plan¹. These guidelines can be applied to the selection of long-term purchases of energy, capacity, renewable and carbon free attributes, and other power-related attributes; to front-of-the-meter new build power resources and/or power storage projects, as well as substantial repowering of existing power supply resources; and to projects sourced through solicitations or bilateral negotiations. Projects considered under these Guidelines may be evaluated based on the criteria described below, though not necessarily in order of priority:

- Regulatory Requirements
- Cost
- Development Risk
- Greenhouse Gas Emissions Impact
- Location
- Technology Diversity
- Environmental Responsibility
- Community Engagement
- Workforce Development

Projects will be selected based on their contributions toward VCE's mission of providing clean, reliable, and affordable energy. VCE will assess the cost, products, and operational and regulatory characteristics of each project to maximize the contribution toward each of these selection criteria. Evaluation and selection of projects will be consistent with and subject to VCE's Wholesale Energy Procurement Risk Management Policy² and other VCE Board approved policies.

2. Selection Criteria

2.1 Regulatory Requirements

VCE must comply with all regulatory procurement requirements and orders, including renewable portfolio standards (RPS) targets, greenhouse gas reduction (GHG) targets, CPUC procurement orders,

¹ <https://valleycleanenergy.org/wp-content/uploads/VCE-Strategic-Plan-2026-2029-Major-Update-approved-10-14-2025.pdf>

² <https://valleycleanenergy.org/wp-content/uploads/VCE-Wholesale-Energy-Procurement-Risk-Management-Policy-Revised-Sept.-2023.pdf>

and any other regulatory requirements. VCE will select projects based on their contribution towards its regulatory procurement requirements.

2.2 Cost

VCE's mission includes providing affordable power to its current and future customers. The net cost of a project will be a key selection criterion. Net cost will consist of the contracted cost of the project minus the forecast value of any products received under the contract.

2.3 Development Risk

VCE will select projects based on their development risk, giving preference to projects with the greatest likelihood of a project coming online on schedule. Criteria evaluated for development risk will include interconnection status, deliverability, site control, permitting, construction status, developer experience, financing, and any other criteria relevant to determining a project's ability to deliver the project on or ahead of the anticipated online date.

2.4 Greenhouse Gas Emissions Impact

VCE will evaluate greenhouse gas emissions of project proposals and prioritize projects that reduce/mitigate emissions on the grid and VCE's portfolio.

2.5 Location

VCE will prioritize projects within the California Independent System Operator (CAISO) control area and/or certified deliverability to the CAISO control area, giving priority to projects in this order:

- Projects within VCE's service territory.
- Projects adjacent to VCE's service territory.
- Projects within the CAISO control area.
- Projects with the ability to interconnect with the CAISO control area.
- All other projects.

2.6 Technology Diversity

VCE recognizes the importance of diversifying generation technology in its portfolio to help diversify technology-specific risk, and to promote technologies with diverse values and benefits.

All else equal, VCE will prioritize projects that will diversify its current technology portfolio, enhance local reliability, and reduce or control costs for VCE customers, when compared to other available alternative technologies.

VCE's strategic plan goals include developing strategies to identify and pursue cost-effective, local distributed energy resources (DERs). VCE recognizes DERs as an important tool in diversifying its energy portfolio.

2.7 Environmental Responsibility

VCE is committed to providing customers with energy that delivers benefits for air, water, and the natural environment while avoiding, to the extent reasonable, negative impacts on lands, species, and waters. VCE, without diminishing or interfering with permitting, land use or development requirements of jurisdictional authorities including local, state, and federal agencies or Tribes prioritizes projects:

- That are proposed on currently developed or previously disturbed sites; and
- Where the developer(s) and local land use authority(ies) have established an enforceable development agreement or equivalent agreement which includes measures to mitigate impacts to sensitive habitats or environmentally sensitive areas.

2.8 Community Engagement

VCE will prioritize projects that:

- Demonstrate contact and collaboration with local community organizations and stakeholder groups representing a broad diversity of demographic and local interests, particularly low income and environmental justice communities, to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to local citizens and businesses.
- Commit to meaningful engagement with local communities throughout the planning, evaluation, development, and construction processes to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.

2.9 Workforce Development

VCE is committed to stimulating its service area's economy through supporting local projects when feasible, committing to prevailing wage rates as required by law, and supporting a local Skilled and Trained Workforce, including construction efforts performed by appropriate Journeypersons and Apprentices from a state-approved apprenticeship training program.

VCE will prioritize projects as follows:

- High-priority projects will commit to a multi-trade project labor agreement with additional preference given to projects committing to target 30% Local Hire and a target of 5% Workforce Pipeline participation, using prevailing hourly wage and benefit rates as determined by: (1) the California Department of Industrial Relations for California projects or (2) respective state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects;
- Medium-priority projects will commit to:
 - Using prevailing hourly wage and benefit rates as determined by: (1) the California Department of Industrial Relations for California projects or (2) respective state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects.
 - Additional preference will be given to projects that use apprentices at the same ratio of apprentice hours to Journeyperson hours as required for public works projects under Section 1777.5 of the California Labor Code; and
- Low-priority projects may demonstrate other commitments to local workforce development.

3. Joint Procurement

3.1 Joint and Third-Party Procurement Efforts

VCE may consider these Guidelines when determining whether to participate in project sourced through joint procurement activities with California Community Power (CC Power), other Community Choice Aggregation (CCA) entities, or other opportunities to jointly procure power. VCE may also consider these Guidelines when procuring long-term power contracts through its wholesale energy services provider or other third parties.

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4. Definitions

The following are definitions of terms utilized in this document:

- **Journey person:**

A worker who either:

- Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, approved for federal purposes pursuant to apprenticeship regulations adopted by the U.S. Secretary of Labor, or
- Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.

- **Local Hire:**

A qualified worker that meets one of the following criteria in descending priority:

- A resident within the nearest communities in proximity to the project, by a radius as reasonably determined on a project-by-project basis. Such radius will target a distance that is within reasonable daily commuting distance.
- A resident within the county where the project is constructed.

- **Skilled and Trained Workforce**

A workforce in which all workers performing work in apprentice-able occupations in the building and construction trades are either skilled Journey persons or Apprentices registered in an apprentice program approved by the Chief of the Division of Apprenticeship Standards, as defined in Chapter 2.9 of Part 1 of Division 2 of the California Public Contracts Code.

- **Workforce Pipeline Program Hires**

An individual who is a participant in a workforce pipeline program which:

- Partners with a structured, Multi-Craft Core Curriculum (MC3)-certified construction careers training and placement program or programs that recruits, supports, and places targeted workers in skilled construction trades; and
- Creates opportunities for certified MC3 graduates to enter Registered Apprenticeship Programs and/or obtain work hours needed to successfully complete their apprenticeship.