

**VALLEY CLEAN ENERGY
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 7

TO: Community Advisory Committee

FROM: Mitch Sears, Chief Executive Officer
Edward Burnham, Chief Financial Officer

SUBJECT: VCE 2026-2029 Strategic Plan Major Update - Proposed

DATE: August 28, 2025

RECOMMENDATION

Recommend that the VCE Board of Directors approve the 2026-2029 VCE Strategic Plan Major Update.

OVERVIEW /BACKGROUND

At the January 23, 2025, CAC Meeting, Staff provided an update on the process of the major update to the VCE Strategic Plan (Plan), which can be found [here](#). The CAC has formed the Strategic Plan Task Group to review and provide feedback as part of the update process. Staff presented the initial draft of the 2026-2029 Strategic Plan Major Update at the July 24, 2025, meeting, which can be found [here](#).

Over the course of developing the proposed 2026-2029 Strategic Plan Update, Staff incorporated comments and feedback from the Strategic Plan Task Group, CAC, workshop participants from the public, and results from customer surveys. General themes and several specific points outlined below have been incorporated into the attached draft Initial Plan Update. Generally, these include added emphasis on:

- Affordability
- Energy resilience
- Incorporating additional local distributed energy resources into VCE's resource mix
- Affirming commitment and focus on low-income and other vulnerable customers.

New Updates

Upon further consideration since the last CAC meeting on the draft Plan, Staff and the Strategic Plan Task group are proposing several key additional updates in the following sections:

1. Plan Introduction - Adding reference to energy resilience in 2nd paragraph.
2. Revised Goal 2 and Objective 2.3 . These modifications are driven mainly by forecasted renewable projects' costs, regulatory changes to Power Charge Indifference Adjustment (PCIA), providing additional grid resiliency, and rate affordability to balance overall customer and

community impact. The revised goal and objective maintain a high renewable target (minimum 90%), align with State's 2045 goal of 100% carbon free, while allowing VCE to explore local investment in distributed energy resources as a way to contribute toward those goals.

Updated Goal 2: Manage power supply resources to consistently exceed California's Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is a minimum 90% Renewable and 100% Carbon Free ~~100% renewable~~ by 2030.

Updated Objective 2.3: Develop strategies to identify and pursue cost-effective, local distributed energy resources ~~Identify and pursue cost-effective, local distributed energy resources, including both front-of-meter solar+storage resources for VCE's renewable energy supply portfolio, as well as behind-the-meter solar+storage aggregations (VPPs) to help reduce RA requirements.~~ Strategies could include, but are not limited to, an allocation of resource portfolio investment in cost-effective local energy and storage resources even though such local investment may affect achievement of overall resource portfolio goals.

3. Revised Objective 3.5 to add references to energy efficiency and building weatherization because of the key role they can play in lowering building energy needs and reducing energy bills:

Updated Objective 3.5: Develop and implement customer programs and initiatives that prioritize decarbonization, community resiliency, energy efficiency, building weatherization, rate affordability, and customer savings, including focused efforts on low-income and medically vulnerable customers.

The draft Plan contains additional minor edits that have previously been reviewed by the CAC in earlier versions.

As outlined in the strategic plan guidelines, Staff will continue to review and update the Plan on an annual basis to ensure that VCE remains on track and course corrects if necessary. The 2026-2029 Major Update Board workshop is scheduled for September and is to be adopted by the Board by the end of 2025.

CONCLUSION

Staff believe the recommended 2026-2029 Strategic Plan Major Update represents a balanced approach to moving the organization forward with setting reasonable goals for the near-term based on input from VCE's stakeholders. Staff is seeking a recommendation of the attached 2026-2029 Strategic Plan Major Update from the CAC.

ATTACHMENTS

1. Proposed 2026-2029 Strategic Plan Major Update – Clean
2. Proposed 2026-2029 Strategic Plan Major Update – Redlined



Valley Clean Energy Strategic Plan

Last Approved update by VCE Board August 16,2023
2026-2029 Major Update (Initial Draft)

VCE MISSION

Deliver cost-competitive affordable clean electricity, product choice, price stability, energy efficiency, and greenhouse gas emission reductions.

VCE VISION

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

Near-Term Vision (Launch)

The near-term vision was essential for the launch of VCE 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 differentials;
- 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 VCE energy programs and mitigation of future energy costs and risks.

Long -Term Vision

The long-term vision for VCE is to continuously improve the electricity choices available to VCE 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;
- Saving money for ratepayers on their energy bills; and
- Remaining open to the participation of additional jurisdictions.

STRATEGIC PLAN

The VCE Strategic Plan is focused on achieving better energy outcomes for its customers, communities and member jurisdictions by guiding the organization's actions. The Plan and major update map a route to VCE's goals and allow for course correction as new information and learning occurs. The energy sector in California is in a transformational period and VCE allows local energy priorities and needs to be heard and ultimately acted upon. This plan helps VCE build a strong foundation from which to identify and guide strategic actions, being mindful of the longer-term aspirations of the Agency. The Plan is designed to be reviewed periodically to ensure that VCE remains on track and course corrects if necessary.

VCE's major strategic plan update continues to focus on developing a cost-effective clean resource portfolio to combat the effects of climate change while balancing affordability. Since the initial strategic plan, VCE has grown its renewable power portfolio while recognizing that cost pressures – many of which are outside of VCE's control – have increased the cost of electricity XX% over the last X years. During this time, VCE has actually lowered generation rates relative to the IOU, and this plan continues to put an emphasis on making affordability a priority in VCE's decision-making. At the same time, the increasing severity of climate-related weather extremes and system disruptions has elevated concerns about energy resilience — ensuring continuous electric service especially for vulnerable customers during climate-driven utility grid outages.

METHODOLOGY AND ORGANIZATION

VCE's initial strategic plan was based on the experience of the Agency's first two years in operation as well as current energy market conditions. The original Plan incorporated a strengths/weaknesses/opportunities/threats (SWOT) analysis which was completed in 2019, and detailed feedback from the Board of Directors, Community Advisory Committee (CAC) members and VCE staff. This 2025 Plan update continues to cover six topical categories which are most relevant to VCE's operations. Within each category, the Plan specifies a set of aspirational goals and follows with strategies to achieve or make progress toward those goals during the planning period of 2026-2026. Subsequent, Strategic Plan major updates will occur every four years.

Strategic Plan Update Schedule

2021-2023 Plan Extension			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

VCE's STRATEGIC GOALS

A) FINANCIAL STRENGTH

A successful CCA program requires disciplined financial strategies and policies. VCE is committed to managing its financial resources responsibly and setting a standard of transparency and accountability, ensuring efficiency and strong stewardship of the agency's financial resources. At VCE, our commitment to financial and operational excellence will ensure that all processes and operations are clearly defined and efficiently designed to align people, systems, and policies to maximize productivity and improve efficiency. Adhering to these policies and actively examining and assessing risk will help earn a high credit rating and a healthy position from which to deliver customer and community value.

Goal 1: Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health.

- 1.1. Objective: Develop a model to maintain reserve policies to fund VCE's mission, vision, and goals.
- 1.2. Objective: Maintain investment-grade credit rating.
- 1.3. Objective: Commit to fiscal efficiencies to build a program foundation from which to deliver customer and community value.
- 1.4. Objective: Manage customer rates to optimize VCE's financial goals while maintaining rate affordability and competitiveness with PG&E.
- 1.5. Objective: Develop a long range financial model for financial health and rate stability.
- 1.6. Objective: Develop a long term cash reserve and community investment strategy for reserve management.

B) PROCUREMENT AND POWER SUPPLY

Navigating the world of wholesale power markets and state-mandated power mix and reliability requirements while fulfilling our commitment to sourcing low/no-carbon electricity requires a constant search for the right resources to meet sustainability and value proposition goals. The threat of losing load, either to Direct Access or the investor-owned utility (IOU) presents challenges and opportunities to enhance product offerings to meet VCE's decarbonization goals and our customers' own environmental goals while considering financial and risk impacts. VCE is committed to providing carbon free electricity through a balanced approach that considers cost, risk, long-term value and best fit in meeting community goals while exceeding California's RPS mandates.

Goal 2: Manage power supply resources to consistently exceed California’s Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is a minimum 90% Renewable and 100% Carbon Free by 2030.

- 2.1 Objective: Continue to identify and pursue cost effective local renewable energy and storage resources.
- 2.2 Objective: Through strategic procurement acquire sufficient clean energy and renewable resources including storage and other resource adequacy products to achieve VCE’s greenhouse gas reduction targets and regulatory requirements.
- 2.3 Develop strategies to identify and pursue cost-effective, local distributed energy resources. Strategies could include, but are not limited to, an allocation of resource portfolio investment in cost-effective local energy and storage resources even though such local investment may affect achievement of overall resource portfolio goals.
- 2.4 Evaluate and pursue opportunities for shared investment and procurement strategies with other CCAs.
- 2.6 Objective: Optimize the hedging strategy to mitigate risk in accordance with the energy risk guidelines and procurement plan.

C) CUSTOMERS AND COMMUNITY

VCE is a customer- and community-focused organization. We use all available channels and platforms to cultivate relationships with, and bring customer value to, all segments of the communities we serve – including those that have been historically underserved/under-resourced. These channels include leveraging existing outlets established by our member agencies, partnering with commercial customers to enhance their community presence, and re-engaging with those who have opted out. Partnerships with commercial and agricultural customers are particularly important to building VCE’s brand in a region rooted in food production and innovation. Focusing on affordability for customers wherever possible will help us to continue to build a loyal and satisfied customer base. Communicating our competitive rates and product and service benefits in clear and accessible ways will strengthen customer loyalty and enhance our financial standing, enabling us to better serve our communities.

Goal 3: Enhance and amplify VCE’s community benefits, and increase customer satisfaction and retention.

- 3.1 Objective: Develop and implement engagement strategies to increase awareness of, and participation in, local control of VCE’s energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.
- 3.2 Objective: Develop and implement programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.
- 3.3 Objective: Design and implement a strategy to more effectively engage local business and agricultural customers.
- 3.4 Objective: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE’s service territory.
- 3.5 Objective: Develop and implement customer programs and initiatives that prioritize decarbonization, community resiliency, energy efficiency, building weatherization, rate affordability, and customer savings, including focused efforts on low-income and medically vulnerable customers.
- 3.6 Objective: Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.
- 3.7 Objective: Develop a roadmap to integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE’s services and programs.
- 3.8 Objective: Consider affordability when making rates, services, and program design decisions.

D) DECARBONIZATION AND ENERGY SERVICE RESILIENCE

One of the key factors driving the formation of VCE was to address climate change and improve local resiliency. We will play a vital role in this decades-long endeavor, with the ongoing support of our community and our Board. In addition to providing carbon-free electricity, we are reinvesting in our region and expanding our toolset for furthering emissions reductions and energy resiliency by launching decarbonization and grid innovation programs. These programs represent the next stage in VCE’s maturity and are the mechanism by which VCE will further engage our communities to achieve our mission. We will leverage partnerships, prioritize innovation and use data science to manage and influence carbon-free energy use. We will embody the entrepreneurial and innovative spirit of the community in which we live and work, the spirit of Yolo County, to bend the carbon curve downwards and improve the lives of our community members while maintaining rate affordability.

Goal 4. Promote and deploy local decarbonization and energy resilience programs to improve grid stability, reliability, and safety.

- 4.1 Objective: Work with a variety of local, regional and state partners, to develop strategies and initiatives to pressure state policy makers to remove barriers to technical feasibility and economic viability of local renewable and storage resources, both FOM and BTM.
- 4.2 Objective: Work with member jurisdictions (e.g., city and school district planning staff) to help plan and implement local energy resilience, decarbonization and electrification initiatives and where practical, powered by local supply resources.
- 4.3 Objective: Increase participation in VCE’s UltraGreen 100% renewable product.
- 4.4 Objective: Identify external funding sources to support decarbonization, community energy resilience and grid-related programs and initiatives.
- 4.5 Objective: Identify and pursue cost effective, local distributed energy (e.g., behind the meter opportunities) resources to help meet reliability needs.

E) STATEWIDE ISSUES: REGULATORY AND LEGISLATIVE AFFAIRS

The regulatory and legislative processes wield critical influence over VCE’s ability to serve our customers and fulfill our core goals and mission. Working with CalCCA and other operating CCAs, VCE will actively engage with the regulatory and legislative communities in order to advance a positive narrative on the value of CCA, manage operational risk, protect the interests of our customers, enhance our ability to mitigate greenhouse gas emissions, and help build a regulatory framework that supports innovation and customer choice in an equitable and cost-effective manner while preserving reliability and universal access.

Goal 5. Strongly advocate for public policies that support VCE’s Vision/Mission.

- 5.1 Objective: Work with CalCCA and other partners to proactively engage State regulators, legislators, and other State authorities in developing policy that furthers VCE’s mission and facilitates our contributions to decarbonization, grid reliability, energy resiliency, affordability, local programs and social equity.
- 5.2 Objective: Work with partners and policy makers at the local, regional and state levels to remove barriers to the technical feasibility and economic viability of local solar+storage and other renewable resources, for both in front of the meter and behind the meter installations.
- 5.3 Objective: Work with statewide allies to develop utility cost reduction solutions, including promotion of local energy resources to enhance climate resilience, reduce cost impacts of grid outages, and reduce needs for transmission investment.
- 5.4 Objective: Develop relationships with and provide energy education for community stakeholder organizations that foster support for VCE’s mission and vision.
- 5.5 Objective: Optimize regulatory compliance activities.

F) ORGANIZATION, WORKPLACE, AND TECHNOLOGY

Human capital is a successful organization's greatest asset, and at VCE we've built a highly talented and dedicated team that will ensure the success and prosperity of our organization. Building, valuing, and nurturing this team's talent will require an adaptive culture that supports creativity, open communication, and the free flow of ideas to spur mission-focused innovation. We will provide an infrastructure within VCE that supports and cultivates our employees through professional and personal development, recognizes and rewards their contributions to achieving our mission, and offers opportunities that position our people, as well as VCE, for success. In attracting and maintaining skilled employees, VCE will continue to provide a rewarding workplace experience.

VCE will develop a decision support system that will enable it to nimbly assess and react to expansion opportunities as they arise. In addition, VCE will assess opportunities for shared services with other CCAs to optimize function and efficiency of service.

We also take customer information, privacy, and security seriously. Our systems and processes follow best practices and industry standards. Performance metrics are in place to ensure resiliency and high system availability on standard and mobile platforms. Periodic upgrades to IT resources will ensure continued adherence to these high standards. This strategic plan provides the approach that VCE is taking to address the challenges of delivering IT services in a dynamic environment with new regulations and continuous advancements in science and technology.

Goal 6: Analyze and implement optimal long-term organizational, management, and information technology structure at VCE.

- 6.1 Objective: Develop a roadmap to evaluate and guide future steps toward formation of a local Publicly Owned Utility (POU).
- 6.2 Objective: Evaluate and pursue opportunities for shared services with other CCAs for certain functions.
- 6.3 Objective: Develop an evaluation framework to guide future expansion opportunities beyond the existing service territory.
- 6.4 Objective: Identify optimal management, staffing and contracting structure of VCE in the near and long term; factors include balance of internal staff vs. consultant support services.
- 6.5 Objective: Promote diversity, equity and inclusion in leadership, hiring, promotion, and contracting policies.
- 6.6 Objective: Develop a performance reward system that promotes health, wellness, and a productive workplace.
- 6.7 Objective: Create an innovation-focused culture that rewards based on active participation, proactive problem solving, new customer-focused initiatives, and creative use of partnerships and member agencies.
- 6.8 Objective: Deploy a modernized Enterprise Resource Planning (ERP) approach that enables knowledge management, dashboard analytics, and collaboration through robust use of live data and information resources.
- 6.9 Objective: Develop a quality management system (QMS) to improve effectiveness and efficiency continuously to meet customer and regulatory requirements.

TIMING, MEASUREMENT AND UPDATES

VCE's Strategic Plan is a living document that will be revisited and updated regularly. At a minimum, staff will review and update the Plan on an annual basis, including goals, objectives and metrics. In addition, staff will establish an implementation timeline and appropriate reporting format to use in reporting performance against the Plan's goals and objectives to VCE leadership and Board. The reports, commencing in 2021, will show metrics, status and mitigations where appropriate. Consolidated summary reporting on the status of all high-priority enterprise goals and objectives will be reported out as follows:

- **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.

DRAFT



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Near-Term[±] Vision (Launch)

The near-term vision was essential for the launch of ~~for VCE~~ ~~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 differentials;
- 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 VCE energy programs and mitigation of future energy costs and risks.

Long -Term Vision

The ~~future-long-term~~ vision for VCE is to continuously improve the electricity choices available to VCE -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;
- Saving money for ratepayers on their energy bills; and
- Remaining open to the participation of additional jurisdictions.

[±] Launch Phase and First Year

STRATEGIC PLAN

The VCE Strategic Plan is focused on achieving better energy outcomes for its customers, ~~and~~ communities ~~and~~ ~~member jurisdictions~~ by guiding the organization's actions. The Plan and ~~major~~~~minor~~ update map a route to VCE's goals and allows for course correction as new information and learning occurs. The energy sector in California is in a transformational period and VCE allows local energy priorities and needs to be heard and ultimately acted upon. This plan helps VCE build a strong foundation from which to identify and guide strategic actions, being mindful of the longer-term aspirations of the Agency. The Plan is designed to be reviewed periodically to ensure that VCE remains on track and course corrects if necessary.

VCE's major strategic plan update continues to focus on developing a cost-effective clean resource portfolio to combat the effects of climate change while balancing affordability. Since the initial strategic plan, VCE has grown its renewable power portfolio while recognizing that cost pressures – many of which are outside of VCE's control – have increased the cost of electricity XX% over the last X years. During this time, VCE has actually lowered generation rates relative to the IOU, and this plan continues to put an emphasis on making affordability a priority in VCE's decision-making. At the same time, the increasing severity of climate-related weather extremes and system disruptions has elevated concerns about energy resilience — ensuring continuous electric service especially for vulnerable customers during climate-driven utility grid outages. As VCE drafts this major strategic plan update, climate scientists are pointing to likely 3-degree C global warming, with severe impacts occurring more rapidly than was anticipated just a few years ago. At the same time, electricity customers in IOU service areas are experiencing an energy affordability crisis, driven mainly by escalating delivery charges. This plan therefore increases VCE's emphasis on climate resilience (ensuring continuous electric service during heat extremes and utility grid outages) and affordability (engaging with our CCA allies to focus state policy makers on measures to reduce major cost drivers, rather than cutting needed services like low-income bill relief and energy efficiency).

METHODOLOGY AND ORGANIZATION

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A) FINANCIAL STRENGTH

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Goal 1: Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health.

- 1.1. Objective: ~~Maintain consistently healthy~~Develop a cash model to maintain reserves policies to fund VCE's mission, vision, and goals.
- 1.2. Objective: ~~Achieve an~~Maintain investment-grade credit rating ~~by end of 2028~~.
- 1.3. Objective: Commit to fiscal efficiencies to build a program foundation from which to deliver customer and community value.
- 1.4. -Objective: Manage customer rates to optimize VCE's financial goals while maintaining rate affordability and competitiveness with PG&E ~~and lowering customer costs~~.
- 1.5. Objective: Develop a long range financial model for financial health and rate stability.
- 1.6. Objective: Develop a long term cash reserve and community investment strategy for reserve management.

B) PROCUREMENT AND POWER SUPPLY

Navigating the world of wholesale power markets and state-mandated power mix and reliability requirements while fulfilling our commitment to sourcing low/no-carbon electricity requires a constant search for the right resources to meet sustainability and value proposition goals. The threat of losing load, either to Direct Access or the investor-owned utility (IOU) presents ~~new~~ challenges and opportunities to enhance product offerings to meet VCE's decarbonization goals and our customers' own environmental goals while considering financial and risk impacts. VCE is committed to providing carbon free electricity through a balanced approach that considers cost, risk, long-term value and best fit in meeting community goals while exceeding California's RPS mandates.

Goal 2: Manage power supply resources to consistently exceed California’s Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is a minimum 90% 100% Rrenewable and 100% Carbon Free by 2030.

2.1 Objective: Continue to identify and pursue cost effective local renewable energy and storage resources.

2.2 Objective: ~~Through strategic procurement~~ Acquire sufficient ~~carbon neutral~~ clean energy and ~~bundled energy~~ and renewable resources including storage and other resource adequacy products to achieve VCE’s greenhouse gas reduction targets and regulatory requirements.

~~2.3 Objective: Deploy storage and other strategies to achieve renewable, carbon neutral, resource adequacy, and resiliency objectives.~~

~~2.3~~ Objective: Identify and pursue cost effective, local distributed energy (e.g., behind the meter rooftop solar+storage) resources to help meet reliability needs. Develop strategies to identify and pursue cost-effective, local distributed energy resources. Strategies could include, but are not limited to, an allocation of resource portfolio investment in cost-effective local energy and storage resources even though such local investment may affect achievement of overall resource portfolio goals. Identify and pursue cost-effective, local distributed energy resources, including both front-of-meter solar+storage resources for VCE’s renewable energy supply portfolio, as well as behind-the-meter solar+storage aggregations (VPPs) to help reduce RA requirements.

~~2.4~~ Evaluate and pursue opportunities for shared investment and procurement strategies with other CCAs.

~~2.2~~ Objective: Study and present options for achieving a 100% carbon neutral resource portfolio as well as 100% carbon free resource portfolio (carbon free hour by hour) by 2030.² [LK — Upon rereading, perhaps 2.5 is not needed (redundant) given the changes to the goal statement and the text of 2.3 and 2.4.]

~~2.5~~ Develop strategies to cost-effectively achieve the intent of the 100% renewable target while incorporating both utility-scale, front of meter, resources as well as behind the meter resources minimum

2.6 Objective: Optimize the hedging strategy to mitigate risk in accordance with the energy risk guidelines and procurement plan.

C) CUSTOMERS AND COMMUNITY

VCE is a customer- and community-focused organization. We ~~will~~ use all available channels and platforms to cultivate relationships with, and bring customer value to, all segments of the communities we serve – including those that have been historically underserved/under-resourced. These channels include leveraging existing outlets established by our member agencies, partnering with commercial customers to enhance their community presence, and re-engaging with those who have opted out. Partnerships with commercial and agricultural customers are particularly important to building VCE’s brand in a region rooted in food production and innovation. Focusing on affordability for customers wherever possible will help us to continue to build a loyal and satisfied customer base. Communicating our competitive rates and product and service benefits in clear and accessible ways will strengthen customer loyalty and enhance our financial standing, enabling us to better serve our communities ~~while ensuring rate affordability.~~

Goal 3: Enhance and amplify ~~Prioritize enhancing and marketing~~ VCE’s community benefits, and increase customer satisfaction and retention.

3.1 Objective: Develop and implement engagement strategies to increase awareness of, and participation in, local control of VCE’s energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.

² Carbon neutral electricity is net zero carbon electricity that may include the use of carbon credits and/or higher production of carbon free electricity that averages out to provide a carbon free portfolio over a period of time whereas carbon free hour-by-hour means all electricity consumed by VCE customers will be from carbon free and/or renewable resources.

- 3.2 Objective: Develop and implement programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.
- 3.3 Objective: Design and implement a strategy to more effectively engage local business and agricultural customers.
- 3.4 Objective: Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations in VCE's service territory.
- 3.5 Objective: Develop and implement customer programs and initiatives that prioritize decarbonization, community resiliency, energy efficiency, building weatherization, rate affordability, and customer savings, including focused efforts on low-income and medically vulnerable customers.
- 3.6 Objective: Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.
- 3.7 Objective: Develop a roadmap to integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE's services and programs.
- 3.6-3.8 Objective: Consider affordability when making rates, services, and program design decisions.

~~3.7—Objective: Develop and implement customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.~~

~~3.8—Objective: Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.~~

~~3.9—Objective: Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE's services and programs.~~

D) DECARBONIZATION AND ENERGY SERVICE RESILIENCE~~GRID INNOVATION~~

One of the key factors driving the formation of VCE was to address climate change and improve local resiliency. We will play a vital role in this decades-long endeavor, with the ongoing support of our community and our Board. In addition to providing carbon-free electricity, we are reinvesting in our region and expanding our toolset for furthering emissions reductions and energy resiliency by launching decarbonization and grid innovation programs. These programs represent the next stage in VCE's maturity and are the mechanism by which VCE will further engage our communities to achieve our mission. We will leverage partnerships, prioritize innovation and use data science to manage and influence carbon-free energy use. We will embody the entrepreneurial and innovative spirit of the community in which we live and work, the spirit of Yolo County, to bend the carbon curve downwards and improve the lives of our community members while maintaining rate affordability.

Goal 4. Promote and deploy local decarbonization and grid innovation~~energy resilience~~ programs to improve grid stability, reliability, ~~community energy resilience~~, and safety.

- 4.1 Objective: Working with a variety of local, regional and state partners, to develop strategies and initiatives to pressure state policy makers to remove barriers to technical feasibility and economic viability of local renewable and storage resources, both FOM and BTM. ~~Working with a variety of local, regional and state partners, to develop strategies and initiatives to pressure state policy makers to remove barriers to technical feasibility and economic viability of local solar+storage resources, both FOM and BTM, a grid innovation roadmap for VCE's service territory that supports community energy resilience and reliability.~~
- 4.2 Objective: Work with member jurisdictions (e.g., city and school district planning staff) to help plan and implement local energy resilience, decarbonization and electrification initiatives and where practical, powered by local supply resources. ~~Work with member jurisdictions (e.g., city and school district planning staff) to help plan and implement local energy resilience, decarbonization and electrification initiatives powered by local supply resources. Develop a VCE decarbonization roadmap to guide near and long term program decisions and offerings.~~
- 4.3 Objective: Increase participation in VCE's UltraGreen 100% renewable product.

- 4.4. Objective: Identify external funding sources to support decarbonization, community energy resilience and grid-related programs and initiatives.
- 4.5 Objective: Identify and pursue cost effective, local distributed energy (e.g., behind the meter opportunities) resources to help meet reliability needs.

E) STATEWIDE ISSUES: REGULATORY AND LEGISLATIVE AFFAIRS

The regulatory and legislative processes wield critical influence over VCE's ability to serve our customers and fulfill our core goals and mission. Working with CalCCA and other operating CCAs, VCE will actively engage with the regulatory and legislative communities in order to advance a positive narrative on the value of CCA, manage operational risk, protect the interests of our customers, enhance our ability to mitigate greenhouse gas emissions, and help build a regulatory framework that supports innovation and customer choice in an equitable and cost-effective manner while preserving reliability and universal access.

Goal 5. Strongly advocate for public policies that support VCE's Vision/Mission.

- ~~5.1 Work with a variety of local, regional and state partners, to develop strategies and initiatives to pressure state policy makers to remove barriers to technical feasibility and economic viability of local solar+storage resources, both FOM and BTM.~~
- ~~5.2 As state's search for affordability solutions proceeds, work with statewide allies to oppose false solutions (e.g., cutting energy efficiency or low income assistance) and promote the benefits of local energy resources, including climate resilience (reducing cost impacts of outages) and reducing transmission needs.~~
- 5.13 Objective: Work with CalCCA and other partners to proactively engage State regulators, legislators, and other State authorities in developing policy that furthers VCE's mission and facilitates our contributions to decarbonization, grid reliability, energy resiliency, affordability, local programs and social equity.
- ~~5.21~~ Objective: Work with partners and policy makers at the a variety of local, regional and state levels partners, to develop strategies and initiatives to pressure state policy makers to remove barriers to the technical feasibility and economic viability of local solar+storage and other renewable resources, for both in front of the meter and behind the meter installations FOM and BTM.
- ~~5.32~~ Objective: As state's search for affordability solutions proceeds, Wwork with statewide allies to develop utility cost reduction rate affordability oppose false solutions, including promotion of local energy resources to enhance climate resilience, reduce cost impacts of grid outages, and reduce needs for transmission investment. (e.g., cutting energy efficiency or low income assistance) that and promote the benefits of local energy resources, including climate resilience (reducing cost impacts of outages), while and reducing transmission needs.
- 5.42 Objective: Develop relationships with and provide energy education for community stakeholder organizations that foster support for VCE's mission and vision.
- 5.53 Objective: Optimize regulatory compliance activities.

F) ORGANIZATION, WORKPLACE, AND TECHNOLOGY

Human capital is a successful organization's greatest asset, and at VCE we've built a highly talented and dedicated team that will ensure the success and prosperity of our organization. ~~Contracting with Sacramento Municipal Utility District (SMUD) to deliver high quality services and personnel support during launch and early operations has allowed VCE to realize these objectives from the outset. Over the period of this strategic plan, VCE will explore transition from a contract dependent organization to one that balances the values and efficiencies of development and retention of high quality in-house staff supported by high quality outside services.~~ Building, valuing, and nurturing this team's talent will require an start-up adaptive culture that supports creativity, open communication, and the free flow of ideas to spur mission-focused innovation. We will provide an infrastructure within VCE that supports and cultivates our employees through professional and personal development,

recognizes and rewards their contributions to achieving our mission, and offers opportunities that position our people, as well as VCE, for success. In attracting and maintaining skilled employees, VCE will continue to provide a rewarding workplace experience.

VCE will develop a decision support system that will enable it to nimbly assess and react to expansion opportunities as they arise. In addition, VCE will assess opportunities for shared services with other CCAs to optimize function and efficiency of service.

We also take customer information, privacy, and security seriously. Our systems and processes follow best practices and industry standards. Performance metrics are in place to ensure resiliency and high system availability on standard and mobile platforms. Periodic upgrades to IT resources will ensure continued adherence to these high standards. This strategic plan provides the approach that VCE is taking to address the challenges of delivering IT services in a dynamic environment with new regulations and continuous advancements in science and technology.

Goal 6: Analyze and implement optimal long-term organizational, management, and information technology structure at VCE.

- 6.1 Objective: Develop a roadmap to evaluate and guide future steps toward formation of a local Publicly Owned Utility (POU).
- 6.2 Objective: Evaluate and pursue opportunities for shared services with other CCAs for certain functions.
- 6.3 Objective: Develop an evaluation framework to guide future expansion opportunities beyond the existing service territory.
- 6.4 Objective: Identify optimal management, staffing and contracting structure of VCE in the near and long term; factors include balance of internal staff vs. consultant support services, transition of leadership positions to permanent internal employees.
- 6.5 Objective: Promote diversity, equity and inclusion in leadership, hiring, promotion, and contracting policies.
- 6.6 Objective: Support Develop a performance reward system that promotes health, wellness, and a productive workplace.
- 6.7 Objective: Create an innovation-focused culture that rewards based on active proactive participation, proactive problem solving, new ideascustomer-focused initiatives, and creative use of partnerships and member agencies.
- 6.8 Objective: Deploy a modernized IT infrastructure Enterprise Resource Planning (ERP) approach that enables knowledge management, dashboard analytics, and collaboration through robust use of live data and information resources.
- ~~6.8.6.9~~ Objective: Develop a quality management system (QMS) to improve effectiveness and efficiency continuously to meet customer and regulatory requirements.

TIMING, MEASUREMENT AND UPDATES

VCE's Strategic Plan is a living document that will be revisited and updated regularly. At a minimum, staff will review and update the Plan on an annual basis, including goals, objectives and metrics. In addition, staff will establish an implementation timeline and appropriate reporting format to use in reporting performance against the Plan's goals and objectives to VCE leadership and Board. The reports, commencing in 2021, will show metrics, status and mitigations where appropriate. Consolidated summary reporting on the status of all high-priority enterprise goals and objectives will be reported out as follows:

- **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.

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