

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report – Item 8

TO: Community Advisory Committee (CAC)

FROM: Mitch Sears, Interim General Manager
Edward Burnham, Director of Finance & Internal Operations

SUBJECT: Customer Dividend and Programs Allocation Report

DATE: September 23, 2021

RECOMMENDATIONS

Informational Report

OVERVIEW

The Board adopted the VCE Rate Structure & Dividend Program Guidelines on June 17, 2019, to be effective starting at the beginning of the following fiscal year on July 1, 2019. FY 2020/21 actuals resulted in a total net loss of \$3.5M for the fiscal year ending in June. The annual net margin loss of \$3.5M for FY 2020/21 did not meet the threshold (profitability) to allocate reserves to customer dividend(s) and the local program reserve.

The Board adopted FY 2020/21 and FY2021/22 budgets included anticipated losses to support rate stabilization as per VCE Rates Policy to match PG&E generation rates. The FY2021/22 budget includes \$135K from existing local program reserves, leaving a balance of \$90K for future programs.

CONCLUSION

No cash reserve allocation will be contributed to customer dividends and the local program reserve.