

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 9

TO: Board of Directors

FROM: Chad Curran, Director of Power Services

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

DATE: October 8, 2026

RECOMMENDATION

Adopt the draft Power Project Selection Criteria Guidelines (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, VCE 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. the 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 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 or

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

ownership. Staff note 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 (CC Power).

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 or ownership of 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.

Community Advisory Committee (CAC) Feedback and Public Comment

On August 28, 2026, Staff presented the draft guidelines to the CAC for feedback. Staff also received one written public comment and one oral public comment from the CCA Workforce & EJ Alliance (CCAWEJA). A copy of CCAWEJA's written public comments is attached to this staff report.

During the August 28, 2026, meeting, the CAC discussed the draft guidelines and the public comments. The CAC, recognizing VCE's need for flexibility in selecting projects, unanimously recommended that the Board adopt the guidelines, with the following modifications.

The CAC recommended two changes to the guidelines:

1. Enhance the location criteria to clarify that the criteria do not exclude projects that are not connected to the transmission system or are not CAISO resources.
2. Accept CCAWEJA's suggestion to apply the guidelines to potential VCE-owned projects as well.

The attached redline of the current draft guidelines against the version presented to the CAC on August 28, 2026, shows incremental changes to the draft guidelines made in response to the CAC and CCAWEJA's feedback.

CONCLUSION

The Power Project Selection Criteria Guidelines are an important tool to document VCE's past and future efforts when selecting long-term power projects that meet its strategic goals and serve its customers and communities. Staff seeks the Board's approval of the resolution adopting the draft Power Project Selection Criteria Guidelines. If the Board adopts the guidelines, Staff will post the guidelines to VCE's website and include the guidelines in future solicitations.

Attachments:

1. Draft Power Project Selection Criteria Guidelines (Redline)
2. Draft Power Project Selection Criteria Guidelines (Clean)
3. Written public comment to the CAC from Leslie Austin of CCA Workforce & EJ Alliance on 8/28/26
4. Resolution 2026-XXX



VALLEY

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Draft Power Project Selection Criteria Guidelines

Adopted: _____ 2026

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1. Overview of Guidelines

Power Project Selection Guidelines

Overview

Valley Clean Energy's (VCE) power project selection criteria guidelines (the "Guidelines") ~~establishes~~establish guidelines that will inform VCE's decision-making process when procuring long-term power resources, to help 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 projects, as well as projects'~~ 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.

Applicability

These guidelines will be used in the selection process for long-term procurement of renewable energy and storage resources that provide bundled products including energy, capacity, renewable and carbon free attributes, and other power-related attributes. The guidelines will apply to the selection of projects considered for long-term contracting as well as VCE ownership. They will apply to front-of-the-meter

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 behind-the-meter projects, to new build projects and substantial repowering of existing resources, and to projects sourced through solicitations or bilateral negotiations. During solicitations, VCE will request information on participating projects' performance against the selection criteria.

2. Selection Criteria

Projects considered under these Guidelines will be evaluated based on the criteria described below. Aside from regulatory requirements, criteria are not necessarily presented in order of priority, and performance on one criterion does not necessarily take priority over performance on any other criteria.

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

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, 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~~ with closer proximity to VCE's service territory and in the California Independent System Operator (CAISO) control area and/. For projects in or certified deliverability to adjacent to VCE's service territory, VCE will also consider projects that are connected at the distribution level or behind the meter, and/or are not CAISO control area, giving priority to resources. VCE will prioritize projects in this order:

- Projects ~~within~~ in VCE's service territory.
- Projects adjacent to VCE's service territory.
- Projects ~~within~~ that are located in California and that will interconnect with the CAISO ~~control area.~~
- Projects ~~with the ability to~~ outside of California that will 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~~ For which 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. For projects at an earlier stage of the permitting process, VCE will prioritize projects for which the developer has assessed likely impacts to sensitive habitat or environmentally sensitive areas and has committed to mitigation measures.

2.8 Community Engagement

VCE will prioritize projects that:

- ~~Demonstrate~~ 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~~ VCE will prioritize projects as follows:

- Projects that have committed to defined financial investments to ensure these benefits are realized.
- Projects that 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~~ 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 seek and consider ~~these Guidelines~~ information on performance against the selection criteria when ~~determining whether to participate in project~~ evaluating projects 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, or~~ when procuring long-term power contracts through its wholesale energy services provider or other third parties.

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.
- **Priority Worker**
An individual who is designated as a targeted hire or priority worker through a state-certified career training and placement program.
- **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) pre apprenticeship program or programs, or equivalent industry and state-recognized certificated career training and placement program or programs that recruits, supports, and places targeted workers Priority Workers in skilled construction trades; and
 - Creates opportunities for certified MC3 graduates a Priority Worker to enter Registered Apprenticeship Programs registered apprenticeship programs and/or obtain work hours needed to successfully complete their apprenticeship ; or
 - Recruits and places income-qualified Journey persons.
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Power Project Selection Criteria Guidelines

(Adopted _____, 2026)

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

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VCE will prioritize projects with closer proximity to VCE's service territory and in the CAISO control area. For projects in or adjacent to VCE's service territory, VCE will also consider projects that are connected at the distribution level or behind the meter, and/or are not CAISO resources. VCE will prioritize projects in this order:

- Projects in VCE's service territory.
- Projects adjacent to VCE's service territory.
- Projects that are located in California and that will interconnect with the CAISO.
- Projects outside of California that will interconnect with the CAISO.
- All other projects.

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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.

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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.

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- That are proposed on currently developed or previously disturbed sites; and
- For which 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. For projects at an earlier stage of the permitting process, VCE will prioritize projects for which the developer has assessed likely impacts to sensitive habitat or environmentally sensitive areas and has committed to mitigation measures.

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.

VCE will prioritize projects as follows:

- Projects that have committed to defined financial investments to ensure these benefits are realized.
- Projects that commit to meaningful engagement with local communities throughout the planning, evaluation, development, and construction processes.

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
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VCE may seek and consider information on performance against the selection criteria when evaluating projects sourced through joint procurement activities with California Community Power (CC Power), other Community Choice Aggregation (CCA) entities, other opportunities to jointly procure power, or when procuring long-term power contracts through its wholesale energy services provider or other third parties.

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A worker who either:
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 - 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.
- **Priority Worker**
An individual who is designated as a targeted hire or priority worker through a state-certified career training and placement program.
- **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**
A workforce pipeline program which:
 - Partners with a Multi-Craft Core Curriculum (MC3) pre apprenticeship program or programs, or equivalent industry and state-recognized certificated career training and placement program that recruits, supports and places Priority Workers in skilled construction trades; and
 - Creates opportunities for a Priority Worker to enter registered apprenticeship programs and/or obtain work hours needed to successfully complete their apprenticeship; or
 - Recruits and places income-qualified Journey persons.



August 26, 2026

Valley Clean Energy Alliance
Community Advisory Committee
604 2nd Street
Davis, CA 95616

Re: August 27, 2026 CAC Meeting—Item 7, Draft Power Project Selection Criteria Guidelines

Dear Chair Taylor and Members of the Community Advisory Committee,

We begin with sincere appreciation for Chad Curran, Mitch Sears, and the VCE staff who prepared the draft Power Project Selection Criteria Guidelines. The draft reflects a careful review of the criteria adopted over the past two years by Ava Community Energy, Sonoma Clean Power, Silicon Valley Clean Energy, and San José Clean Energy, and it positions VCE to join its peers in California Community Power with a clear, public statement of what a great project looks like. We strongly support the draft's core elements: its prioritization of multi-trade project labor agreements, prevailing wage, and apprenticeship; its recognition of distributed energy resources under Technology Diversity; and its Community Engagement section, which is among the strongest we have seen because it begins at the planning and evaluation stage rather than at permitting.

We respectfully ask the CAC to recommend approval of the Guidelines to the Board with the refinements below. Each draws directly on language already adopted by VCE's peer CCAs, so none would put VCE ahead of the market. They would simply bring VCE's Guidelines to the level its peers have already reached.

Recommended Refinements at a Glance

Issue	Why it matters	Requested refinement
Application of Guidelines	"Can be applied" and "may be evaluated" make their use optional.	State that the Guidelines will be applied, with documented exceptions for regulatory, reliability, or cost needs.
Reporting and accountability	The Board and CAC need to know how projects were evaluated and whether commitments were met.	Report project evaluation and commitments at contract approval; request performance reporting after commercial operation.

Issue	Why it matters	Requested refinement
Joint procurement	VCE's standards should continue to guide decisions when projects are sourced through CC Power or other partners.	Apply the Guidelines when deciding whether to join jointly procured projects and advocate for consistent criteria at CC Power.
Workforce Pipeline	The proposed 5% target is below peer standards, and "targeted workers" is undefined.	Increase the target to 10% and define the workers the provision is intended to benefit.
Community benefits	Community engagement does not by itself guarantee a tangible community benefit.	Prioritize measurable benefits—including targeted hire—in affected low-income and environmental justice communities.
Location	The draft recognizes CAISO geography but does not expressly prefer California projects.	Give in-state California projects preference over out-of-state projects interconnected or able to interconnect with CAISO.
VCE-owned projects	The draft addresses contracted resources but not generation or storage VCE may develop or own.	Apply appropriate labor and workforce standards to VCE-owned projects.
Environmental responsibility	Projects may be evaluated before enforceable mitigation agreements exist.	Recognize early assessment and mitigation commitments, including compliance with applicable Habitat Conservation Plans.

Recommended Refinements Expanded

1) Make clear that the Guidelines will be applied. The draft's "can be applied" and "may be evaluated" leave the criteria optional, and sit inconsistently beside each criterion's "VCE will prioritize." SVCE's policy, which the draft most closely tracks, provides that it "shall be applied as part of the process of acquiring energy and capacity resources"; Ava, Sonoma, and SJCE likewise use affirmative language. We suggest: *"These Guidelines will be applied to the selection of long-term purchases of energy, capacity, renewable and carbon-free attributes, and other power-related attributes. Where staff determine that an exception is necessary to meet regulatory, reliability, or cost requirements, staff will document the basis for the exception when seeking Board approval."* This preserves the flexibility staff have rightly emphasized while making the Guidelines a real part of decision-making.

2) Report how projects were evaluated and whether commitments were met. The draft includes no reporting provision, so neither the Board nor the CAC can tell whether the criteria are working. Every peer reports: Ava at Board approval and after construction, SVCE at project approval and annually thereafter, and SJCE at approval with developer performance reporting within 90 days of commercial operation. We suggest a new Section 4: *“Staff will describe how each project was evaluated against these Guidelines, and the commitments the project has made, at the time it seeks Board approval of a long-term contract. Staff will request that project developers report on performance against those commitments within ninety days after the Commercial Operation Date.”*

3) Strengthen the joint procurement language. Section 3.1 has VCE only “may consider” the Guidelines in joint procurement—yet CC Power is where much of the large-scale, long-term contracting will occur. In March 2024 the CC Power Board agreed its members “abide by their governing board’s policies” and that CC Power “is not and cannot be a conduit for circumventing locally adopted policies.” SJCE commits to “seek to apply” its criteria in cooperative procurement, and Ava directs its representative to advocate for consistent criteria. We suggest: *“VCE will apply these Guidelines when determining whether to participate in projects sourced through joint procurement with CC Power, other CCAs, or third parties, and VCE’s representative to CC Power will advocate for project selection criteria consistent with these Guidelines.”*

4) Set the Workforce Pipeline target at 10 percent and define the workers it is meant to serve. The draft sets a 5 percent target and references “targeted workers” without defining them. Ava and Sonoma both set 10 percent of project labor hours and define a Priority Worker—Ava through categories such as veterans, the long-term unemployed, and former foster youth; Sonoma through residency in its designated communities or completion of a state-certified training program. We recommend a 10 percent target tied to a Priority Worker definition drawn from these models.

5) Prioritize measurable community benefit in low-income and environmental justice communities. Engagement alone does not guarantee benefit. SJCE gives first priority to projects that “commit to defined financial investments in low-income and environmental justice communities,” and Ava prioritizes projects that “invest in” them. We suggest adding a first bullet under Section 2.8: *“Commit to defined financial investments or other measurable benefits (including targeted hire) to low-income and environmental justice communities affected by the project.”*

6) Prefer in-state California projects. Under Location, the draft prioritizes grid geography but never mentions California. Ava ranks in-state projects ahead of out-of-state, and SJCE gives first priority to projects located in California and interconnected with CAISO. We recommend adding in-state California projects as a tier after adjacent projects, subject to reliability and cost needs so VCE’s procurement supports California’s labor and environmental standards as well as its grid.

7) Apply the Guidelines to generation VCE develops or owns. The draft addresses offtake agreements only. Section 2.6 notes VCE’s Strategic Plan calls for pursuing local distributed energy resources, and if VCE develops or owns generation or storage, the Guidelines should apply. Ava and Sonoma each include separate standards for larger and smaller owned projects. A short section applying prevailing wage, apprenticeship, and local and targeted hire to VCE-owned projects—with a project labor agreement for larger ones—would close this gap.

8) Recognize early-stage mitigation and Habitat Conservation Plan compliance. Section 2.7 rewards projects that already have an enforceable mitigation agreement, but many will not have reached that stage when VCE evaluates them. Ava and SJCE both provide that projects in an HCP area commit to compliance, and that earlier-stage projects earn priority for having assessed impacts and identified mitigation. We suggest adding: *“For projects at earlier stages of the permitting process, where the developer has assessed likely impacts to sensitive habitat or environmentally sensitive areas and committed to mitigation measures, including compliance with any applicable Habitat Conservation Plan.”*

Flexibility and Cost

Staff have emphasized, correctly, that VCE must retain flexibility in a volatile energy and regulatory environment. Our refinements are designed to honor that. These Guidelines are preferences, not mandates: they tell developers at the outset what VCE values alongside cost, development risk, and regulatory fit, and VCE retains full discretion to select any project it needs. If the Board wants an explicit safety valve, Ava and SJCE both include a reservation of authority to waive the criteria for emergencies, regulatory orders, or unforeseen market changes that would unduly raise customer rates. A waiver provision of that kind is a far better way to preserve flexibility than leaving it uncertain whether the Guidelines apply at all.

The timing is also favorable. As the staff report notes, VCE is not currently in an active procurement cycle and is well positioned on its renewable and carbon-free goals. Adopting clear criteria now carries no cost today and shapes the proposals VCE sees when it next goes to market. Clear upfront preferences attract stronger, better-prepared proposals and help avoid the community opposition and permitting conflicts that have delayed or defeated projects across the state. VCE’s peers have already shown that these provisions are practical and achievable; the refinements above simply bring VCE’s draft to the standard those peers have set.

We urge the CAC to recommend that the Board approve the Guidelines with these refinements, and we thank VCE staff and the Committee for their leadership. We welcome the opportunity to work with staff on final language before the item reaches the Board.

Respectfully submitted,

Eric Veium, Tim Frank, Leslie Austin
Co-Directors, CCA Workforce & EJ Alliance
strongerCCAs.org

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2026-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
ADOPTING THE POWER PROJECT SELECTION CRITERIA GUIDELINES**

WHEREAS, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019; and,

WHEREAS, in 2024 and 2025, several CCAs developed and adopted criteria for the selection of power projects; and,

WHEREAS, adopting guidelines for power project selection criteria will increase alignment with VCE’s strategic plan, vision and mission, memorialize VCE’s past procurement practices, and provide increased clarity into VCE’s decision making process when selection power projects; and,

WHEREAS, VCE Staff have developed draft Power Project Selection Criteria Guidelines after consideration of feedback from VCE’s Community Advisory Committee and public comments.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. The Board hereby adopts the Power Project Selection Criteria Guidelines attached hereto.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the _____ day of _____ 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCE Board Secretary

Attachment: Power Project Selection Criteria Guidelines