

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 9

(CORRECTED)

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

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

and inform decision making if VCE becomes more active in large-scale, long-term power contracting or 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 27, 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 27, 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 27, 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 provided by CCA Workforce & EJ Alliance on 8/26/26