



**Regular Meeting of the Valley Clean Energy Alliance
Board of Directors
Thursday, November 10, 2022 at 5 p.m.
Via Video/Teleconference**

Pursuant to Assembly Bill 361 (AB 361), legislative bodies may meet remotely without listing the location of each remote attendee, posting agendas at each remote location, or allowing the public to access each location, with the adoption of certain findings. The Board of Directors found that the local health official recommended measures to promote social distancing and authorized the continuation of remote meetings for the foreseeable future. Any interested member of the public who wishes to listen in should join this meeting via teleconferencing as set forth below.

Please note that the numerical order of items is for convenience of reference. Items may be taken out of order on the request of any Board member with the concurrence of the Board. Staff recommendations are advisory to the Board. The Board may take any action it deems appropriate on any item on the agenda even if it varies from the staff recommendation.

Members of the public who wish to listen to the Board of Director’s meeting may do so with the video/teleconferencing call-in number and meeting ID code. Video/teleconference information below to join meeting:

Join meeting via Zoom:

- a. From a PC, Mac, iPad, iPhone, or Android device with high-speed internet.
(If your device does not have audio, please also join by phone.)**

<https://us02web.zoom.us/j/89306436811>
Meeting ID: 893 0643 6811

- b. By phone**

One tap mobile:
+1-669-900-9128,, 89306436811# US
+1-669-444-9171,, 89306436811# US

Dial:
+1-669-900-9128 US
+1-669-444-9171 US

Meeting ID: 893 0643 6811

Public comments may be submitted electronically or during the meeting. Instructions on how to submit your public comments can be found in the PUBLIC PARTICIPATION note at the end of this agenda.

Board Members: Jesse Loren, (Chair/City of Winters), Tom Stallard (Vice Chair/City Woodland), Don Saylor (Yolo County), Dan Carson (City of Davis), Wade Cowan (City of Winters), Mayra Vega (City of Woodland), Gary Sandy (Yolo County), and Lucas Frerichs (City of Davis)

5:00 p.m. Call to Order

1. **Welcome**
2. **Public Comment:** This item is reserved for persons wishing to address the Board on any VCE-related matters that are not otherwise on this meeting agenda, or are listed on the Consent portion of the agenda. Public comments on matters listed on the regular agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to two minutes per speaker, electronically submitted comments should be limited to approximately 300 words. Comments that are longer than 300 words will only be read for two minutes. All electronically submitted comments, whether read in their entirety or not, will be posted to the VCE website within 24 hours of the conclusion of the meeting. See below under **PUBLIC PARTICIPATION** on how to provide your public comment.

CONSENT AGENDA

3. **Renew authorization of remote public meetings as authorized by Assembly Bill 361.**
4. **Approve October 13, 2022 Board meeting Minutes.**
5. **Receive 2022 Long Range Calendar.**
6. **Receive Financial Updates September 20, 2022 (unaudited) financial statement.**
7. **Receive Legislative update provided by Pacific Policy Group.**
8. **Receive November 2, 2022 Regulatory update provided by Keyes & Fox.**
9. **Receive Community Advisory Committee October 27, 2022 meeting summary.**
10. **Approve minor increase in allocation from the Tumbleweed Long Duration Storage project originally approved by the Valley Clean Energy Board on May 12, 2022.**
11. **Approve participation in Phase 1 of Valley Clean Energy's (VCE's) Vehicle-Grid Integration (VGI) Pilot Program in partnership with Sacramento Municipal Utilities District (SMUD) and approve budget adjustment of \$125,000 to meet VCE's local match requirements and administrative costs associated with the pilot program.**

REGULAR AGENDA

12. **Approve 2023 Legislative Platform. (Action)**
13. **Receive 2023 Operating Budget update. (Information)**
14. **Board Member and Staff Announcements:** Action items and reports from members of the Board, including announcements, AB1234 reporting of meetings attended by Board Members of VCEA expense, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Board or the public.
15. **Adjournment:** The next regular meeting is scheduled for Thursday, December 8, 2022 at 5 p.m. via video/teleconference.

PUBLIC PARTICIPATION INSTRUCTIONS FOR VALLEY CLEAN ENERGY BOARD OF DIRECTORS SPECIAL MEETING ON THURSDAY, NOVEMBER 10, 2022 AT 5:00 P.M.:

PUBLIC PARTICIPATION. Public participation for this meeting will be done electronically via e-mail and during the meeting as described below.

Public participation via e-mail: If you have anything that you wish to be distributed to the Board and included in the official record, please e-mail it to VCE staff at Meetings@ValleyCleanEnergy.org. If information is received by 3:00 p.m. on the day of the Board meeting it will be e-mailed to the Board members and other staff prior to the meeting. If it is received

after 3:00 p.m. the information will be distributed after the meeting, but within 24 hours of the conclusion of the meeting.

Verbal public participation during the meeting: If participating during the meeting, there are two (2) ways for the public to provide verbal comments:

- 1) If you are attending by computer, activate the “participants” icon at the bottom of your screen, then raise your hand (hand clap icon) under “reactions”.
- 2) If you are attending by phone only, you will need to press *9 to raise your hand. When called upon, please press *6 to unmute your microphone.

VCE staff will acknowledge that you have a public comment to make during the item and will call upon you to make your verbal comment.

Public Comments: If you wish to make a public comment at this meeting, please e-mail your public comment to Meetings@ValleyCleanEnergy.org or notifying the host as described above. Written public comments that do not exceed 300 words will be read by the VCE Board Clerk, or other assigned VCE staff, to the Committee and the public during the meeting subject to the usual time limit for public comments [two (2) minutes]. General written public comments will be read during Item 3, Public Comment. Written public comment on individual agenda items should include the item number in the “Subject” line for the e-mail and the Clerk will read the comment during the item. Items read cannot exceed 300 words or approximately two (2) minutes in length. All written comments received will be posted to the VCE website. E-mail comments received after the item is called will be distributed to the Board and posted on the VCE website so long as they are received by the end of the meeting.

Public records that relate to any item on the open session agenda for a regular or special Board meeting are available for public review on the VCE website. Records that are distributed to the Board by VCE staff less than 72 hours prior to the meeting will be posted to the VCE website at the same time they are distributed to all members, or a majority of the members of the Board. Questions regarding VCE public records related to the meeting should be directed to Board Clerk Alisa Lembke at (530) 446-2750 or Alisa.Lembke@ValleyCleanEnergy.org. The Valley Clean Energy website is located at: <https://valleycleanenergy.org/board-meetings/>.

Accommodations for Persons with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Alisa Lembke, VCE Board Clerk/Administrative Analyst, as soon as possible and preferably at least two (2) working days before the meeting at (530) 446-2754 or Alisa.Lembke@ValleyCleanEnergy.org.

VALLEY CLEAN ENERGY ALLIANCE**Staff Report - Item 3**

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Renew Authorization to continue Remote Public Meetings as authorized by Assembly Bill 361

DATE: November 10, 2022

Recommendation

VCE Board renew authorization for remote (video/teleconference) meetings, including any standing or future committee(s) meetings and Community Advisory Committee meetings, by finding:

1. Pursuant to Assembly Bill 361 (AB 361), that the COVID-19 pandemic state of emergency is ongoing.

Background/Summary of AB 361

Pursuant to Government Code Section 54953(b)(3) legislative bodies may meet by “teleconference” only if the agenda lists each location a member remotely accesses a meeting from, the agenda is posted at all remote locations, and the public may access any of the remote locations. Additionally, a quorum of the legislative body must be within the legislative body’s jurisdiction.

Due to the COVID-19 pandemic, the Governor issued Executive Order N-29-20, suspending certain sections of the Brown Act. Pursuant to the Executive Order, legislative bodies no longer needed to list the location of each remote attendee, post agendas at each remote locations, or allow the public to access each location. Further, a quorum of the legislative body does not need to be within the legislative body’s jurisdiction. After several extensions, Executive Order N-29-20 expired on September 30, 2021.

On September 16, 2021, the Governor signed AB 361, which kept some of the provisions of Executive Order N-29-20. Pursuant to Government Code Section 54953(e), legislative bodies may meet remotely and do not need to list the location of each remote attendee, post agendas at each remote locations, or allow the public to access each location.

However, legislative bodies must first find either that: (1) the legislative body is meeting during a state of emergency and determine by majority vote that meeting in person would present an imminent risk to the health or safety of attendees; or (2) state or local health officials impose or recommend social distancing measures. Government Code Section 54953(e)(1). The legislative body must make the required findings every 30 days, until the end of the state of emergency or recommended or required social distancing. Government Code Section 54953(e)(3). On January 1, 2024, Government Code Section 54953(e) is repealed.

The recommended action is required by AB 361 to continue meeting remotely during a declared state of emergency. Since March 1, 2022, the Yolo County Health Officer is no longer expressly recommending social distancing, although she still encourages the use of facial coverings/masks indoors. The VCE Board retains discretion under AB 361 to independently determine that remote meetings should continue because meeting in person would present imminent risks to the health and safety of attendees. Staff recommends that the Board make a finding that holding meetings in person would present an imminent risk to the public for the following reasons:

- The facilities in which the VCE Board meet were not designed to prevent the spread of infection by promoting mask usage, social distancing (including between Board members), or by use of increased ventilation/air filtration or other sanitary measures.
- Some staff, Board members, and community members who would otherwise participate in VCE meetings to participate in Board meetings, and some of these community members are likely at high risk for serious illness from COVID-19 and/or live with someone who is high risk.

Staff continues to monitor the situation as part of our emergency operations efforts and will return to the Board every thirty (30) days or as needed with additional recommendations related to the conduct of public meetings.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 4

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from October 13, 2022 meeting
DATE: November 10, 2022

RECOMMENDATION

Receive, review and approve the attached October 13, 2022 meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, OCTOBER 13 2022**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, October 13, 2022 at 5:00 p.m., to be held via Zoom webinar. Chair Jesse Loren established that there was a quorum present and began the meeting at 5:00 p.m.

Board Members Present: Jesse Loren, Tom Stallard, Don Saylor, Dan Carson, Gary Sandy, Lucas Frerichs, Wade Cowan, Mayra Vega (arrived at 5:48 p.m.)

Members Absent: None

Welcome Chair Loren welcomed all. VCE Assistant General Manager Gordon Samuel introduced consultants: Miriam Makhyoun and Jason Hoyle of EQ Research (Keyes & Fox) and Jim Himelic of First Principles Advisory (IRP modeling).

Public Comment – General and Consent Board Clerk informed those present that there were no verbal or written public comments on general or consent items.

Approval of Consent Agenda / Resolution 2022-028 Motion made by Vice Chair Tom Stallard to approve the consent agenda items, seconded by Director Lucas Frerichs. Motion passed with Director Mayra Vega absent. The following items were:

3. Authorized to continue remote public meetings as authorized by Assembly Bill 361;
4. Approved September 8, 2022 Board meeting Minutes;
5. Received 2022 Long Range Calendar;
6. Received Financial Updates August 31, 2022 (unaudited) financial statement;
7. Received Legislative update from Pacific Policy Group;
8. Received September 2022 Regulatory update dated October 5, 2022 provided by Keyes & Fox;
9. Community Advisory Committee September 22, 2022 meeting summary;
10. Received quarterly Customer Participation update;
11. Received update on SACOG Electric Vehicle Charging Infrastructure Grant; and,



12. Approved agreement with James Marta & Company to perform auditing services for calendar years ending 2022 through 2024 with the option to extend as Resolution 2022-028.

As mentioned above, there were no verbal or written public comments.

Item 13: Approve VCE's Integrated Resource Plan and associated Action Plan to be submitted to the CPUC by November 1, 2022. / Resolution 2022-029

Mr. Samuel provided a summary of the draft 2022 Integrated Resource Plan (IRP) and reviewed Staff's recommendation to the Board.

The Board asked questions about assumptions used in modeling, availability of future resources, demand, and discussions at the California Public Utilities Commission's (CPUC) about the future of the IRP and where it is headed. There were no verbal or written public comments.

Motion made by Director Carson, seconded by Director Frerichs to:

- Approve the Integrated Resource Plan (IRP) in substantially the form attached and selects the "25MMT Portfolio" as Valley Clean Energy's (VCE's) preferred conforming resource portfolio and the Action Plan identified therein, for submission to the California Public Utilities Commission (CPUC).
- Authorize staff to make any non-substantial changes necessary to finalize the IRP as well as supplemental documents and work products to be submitted to the CPUC by November 1, 2022.

Motion passed as Resolution 2022-029 by the following vote:

AYES: Loren, Stallard, Saylor, Carson, Sandy, Frerichs, Cowan

NOES: None

ABSENT: Vega

ABSTAIN: None

Item 14: Receive VCE Strategic Plan update.

VCE Executive Officer Mitch Sears introduced this item and VCE Staff Edward Burnham provided a progress update of the Strategic Plan (Plan) by highlighting the accomplishments of Goals 1 through 6. Mr. Burnham reminded those present that the Strategic Plan is the basis for developing VCE's annual organization and individual goals, annual budgets, key decisions, and priorities. The current cadence of Plan updates is an annual report to the Board and Community Advisory Committee (CAC), with VCE Staff reporting quarterly to the Executive Officer on the status of goals, objectives, and metrics for which they are responsible.



Mr. Burnham is seeking feedback from the Board on options for extending the Plan beyond the current end of the planning period, which is November 2023, such as adopting a multi-year extension at the end of the current planning period or adopting one year “rolling” extensions each year.

The Board expressed their interest in looking at the Strategic Plan as needed on a rolling basis to be able to adjust and react as necessary to challenges that arise in the changing energy climate. The Board also recommended that Staff bring back the concept in a full-fledged form. There were no verbal or written public comments.

Item 15: Receive progress update on VCE 3-Year Programs Plan and 2023 program concepts.

Mr. Sears introduced this item and thanked VCE Staff Rebecca Boyles, Sierra Huffman and the VCE Team for their work on all of the programs that have been implemented. Ms. Boyles thanked the CAC Program’s Task Group and Staff for all of their work and assistance. Ms. Boyles highlighted VCE’s current programs and reviewed 2023 program concepts under consideration: continuing the OhmConnect program, Phase 2 of Electric Vehicle (EV) Rebate and Heat Pump programs, energy efficiency rebates for low-income customers, home energy ratings, agricultural electrification, self-generation incentive program (SGIP), and workforce development. Several Board Members expressed their interest in possible 2023 programs and commented on existing programs. There were no written public comments.

Verbal Public Comment: Christine Shewmaker commented that the outcomes of the Inflation Reduction Act (IRA) could be impactful on VCE’s programs, both in the short and long term. IRA’s goals are in alignment with VCE’s goals, and the rebates and tax credits could greatly assist in VCE’s program goals for 2023.

Item 16: Receive update on draft 2023 Operating Budget.

Mr. Sears introduced this information item and Mr. Burnham provided an overview of the draft 2023 Operating Budget by reviewing key factors influencing short-term operating budgets, 2022 financial update, impacts of additional factors, budget proforma update, and multi-year forecasting. Comments were provided by the Board on the possibility of reviewing current reserve goals and/or establishing a reserve policy. There were no verbal or written public comments.



Item 17: Board
Member and
Staff
Announcements

There were no Board announcements. Mr. Sears informed those present that Staff are currently seeking AgFIT program participants for next year's season. VCE Staff are working on price signals and adding VCE's voice to the process.

Chair Loren thanked VCE Staff for participating in Winters' Festival de la Comunidad held on Saturday, September 24th in Winters. She thanked VCE for being part of the event and the community.

Chair Loren announced that the Board's next regular meeting is scheduled for Thursday, November 10, 2022 at 5 p.m.

Adjournment

Chair Loren adjourned the regular Board meeting at 6:41 p.m.

Alisa M. Lembke
VCEA Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 5

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Board and Community Advisory Committee 2022 Long-Range Calendar

DATE: November 10, 2022

Recommendation

Receive and file the 2022 Board and Community Advisory Committee long-range calendar listing proposed meeting topics.

VALLEY CLEAN ENERGY
2022 Meeting Dates and *Proposed* Topics
Board and Community Advisory Committee (CAC)
(CAC: Topics and Discussion Dates may change as needed)

MEETING DATE		TOPICS	ACTION
January 13, 2022 Special Meeting scheduled for January 27, 2022	Board	<ul style="list-style-type: none"> • Election of Officers for 2022 (Annual) • Near-term Procurement Directives and Delegations for 2022 Power Procurement Activities • Calendar Year Budget and 2022 VCE customer rates • GHG Free Attributes • 2022 Legislative Platform • Receive CAC 2021 Calendar Year End Report (Annual) • 2021 Year End Review: Customer Care and Marketing 	<ul style="list-style-type: none"> • Action • Action • Action • Action • Action • Information • Information
January 27, 2022 January 20, 2022	Advisory Committee	<ul style="list-style-type: none"> • 2022 Task Groups Tasks/Charge (Annual) • Update on 2022 Power Charge Indifference Adjustment (PCIA) and Rates • Carbon Neutral by 2030 Study • CC Power long duration storage • Draft Collections Policy • Update on customer programs development (draft Heat Pump Pilot Program) 	<ul style="list-style-type: none"> • Action • Discussion/Action • Discussion/Action • Information • Information/Discussion • Information
February 10, 2022	Board	<ul style="list-style-type: none"> • CC Power long duration storage • Update on customer programs development • Update on 2022 PCIA and Rates • Update on Time of Use (TOU) • Update on SACOG Grant – Electrify Yolo • Strategic Plan Update (Annual) • Carbon Neutral Report 	<ul style="list-style-type: none"> • Action • Information • Information • Information • Information • Information • Information/Discussion
February 24, 2022	Advisory Committee	<ul style="list-style-type: none"> • Power Procurement / Renewable Portfolio Standard Update • Time of Use (TOU) and Bill Protection • Final Draft Collections Policy • Customer program concept (Heat Pump Pilot Program) • 2022 Task Group – energy resiliency 	<ul style="list-style-type: none"> • Information • Discussion/Action • Action • Discussion/Action • Discussion/Action

March 10, 2022	Board	<ul style="list-style-type: none"> • Receive Enterprise Risk Management Report (Bi-Annual) • Collections Policy • Presentment of customer program concept (Heat Pump Pilot Program) • Time of Use (TOU) Bill Protection • Ag FIT (Flexible Irrigation Technology) pilot program 	<ul style="list-style-type: none"> • Information • Discussion/Action • Action • Discussion/Action • Discussion/Action
March 24, 2022	Advisory Committee WOODLAND	<ul style="list-style-type: none"> • Customer program concept (draft EV Rebates Program) • CC Power long duration storage project • Overview of VCE Forecasting 	<ul style="list-style-type: none"> • Information • Information • Information/Discussion
April 14, 2022	Board	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • 7/1/21 thru 12/31/21 Audited Financial Statements (James Marta & Co.) • CC Power long duration storage project 	<ul style="list-style-type: none"> • Information • Action • Discussion/Action
April 28, 2022	Advisory Committee	<ul style="list-style-type: none"> • Program Concepts Development (EV Rebates Program) • Update on Customer Dividend and Programs Allocation • Forecasting – load and power costs • 	<ul style="list-style-type: none"> • Discussion/Action • Information • Information • Discussion
May 12, 2022	Board	<ul style="list-style-type: none"> • Update on Customer Dividend and Programs Allocation • Presentment of customer program concept (EV Rebates Program) • Appointment of At-Large Members to the CAC 	<ul style="list-style-type: none"> • Information • Action • Action
May 26, 2022	Advisory Committee	<ul style="list-style-type: none"> • Forecasting – financial modeling • Draft Rate Structure • Net Energy Metering (NEM) 3.0 Update 	<ul style="list-style-type: none"> • Information • Information/Discussion • Information
June 9, 2022	Board	<ul style="list-style-type: none"> • Opt-Out Fees • Update on 3-Year Programs Plan • Forecasting • Draft Rate Structure • Net Energy Metering (NEM) 3.0 Update 	<ul style="list-style-type: none"> • Information • Information • Information • Information/Discussion • Information
June 23, 2022	Advisory Committee	<ul style="list-style-type: none"> • Draft Rate Structure • Update 3-Year Programs Plan • Review CAC Charge (Annual) 	<ul style="list-style-type: none"> • Discussion/Action • Information/Discussion • Discussion
July 14, 2022	Board	<ul style="list-style-type: none"> • Re/Appointment of Members to Community Advisory Committee (Annual) • Update on SACOG Grant – Electrify Yolo 	<ul style="list-style-type: none"> • Action • Information

		<ul style="list-style-type: none"> • Draft Rate Structure • Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> • Discussion/Action • Information
July 28, 2022 NO MEETING	Advisory Committee	This meeting has been cancelled.	
August 11, 2022 NO MEETING	Board	This meeting has been cancelled.	
August 25, 2022	Advisory Committee	<ul style="list-style-type: none"> • Power Procurement / Renewable Portfolio Standard update • Mid-year 2022 rates update • Quarterly Customer Enrollment Update 	<ul style="list-style-type: none"> • Information • Information • Information
September 8, 2022	Board	<ul style="list-style-type: none"> • Certification of Standard and UltraGreen Products / 2021 Power Content Label (Annual) • Enterprise Risk Management Report (Bi-Annual) • Mid-year 2022 Customer rates review • Introduction to Rate Adjustment System concept 	<ul style="list-style-type: none"> • Action • Information • Information/Discussion • Information/Discussion
September 22, 2022	Advisory Committee	<ul style="list-style-type: none"> • Legislative End of Session update • 2022 Integrated Resource Plan (IRP <i>update</i> due 11/1/2022) • Update on Programs Plan and 2023 program concepts • Introduction to Rate Adjustment System concept 	<ul style="list-style-type: none"> • Information • Information/Discussion • Information/Discussion • Information/Discussion
October 13, 2022	Board	<ul style="list-style-type: none"> • Update on SACOG Grant – Electrify Yolo • Update on 2023 draft Operating Budget • Quarterly Customer Participation Update • Strategic Plan update • 2022 Integrated Resource Plan (IRP <i>update</i> due 11/1/22) • Update on Programs Plan and 2023 program concepts 	<ul style="list-style-type: none"> • Information • Information • Information • Information/Discussion • Discussion/Action • Information
October 27, 2022	Advisory Committee	<ul style="list-style-type: none"> • Update on Power Content Label Customer Mailer • SACOG Update • Quarterly Customer Participation Update • Legislative End of Session Update • Review CAC Task Group Year-end Reports • Rate Adjustment System • Draft 2023 Legislative Platform 	<ul style="list-style-type: none"> • Information • Information • Information • Information • Discussion • Discussion • Discussion/Action

November 10, 2022	Board	<ul style="list-style-type: none"> • Preliminary 2023 Operating Budget (Annual) • 2023 Legislative Platform 	<ul style="list-style-type: none"> • Information/Discussion • Discussion/Action
November 17, 2022 (rescheduled November 24 th meeting due to the Thanksgiving holiday)	Advisory Committee	<ul style="list-style-type: none"> • GHG Free Attributes • Power Procurement / Renewable Portfolio Standard Update • Rate Adjustment System • Carbon Neutral by 2030 	<ul style="list-style-type: none"> • Information • Information • Discussion/Action • Discussion/Action
December 8, 2022	Board	<ul style="list-style-type: none"> • Rate Adjustment System (2023 Implementation) • 2023 Customer Rate Adoption • Approve 2023 Operating Budget (Annual) • Approve Procurement Directives and Delegations (Annual) • GHG Free Attributes • Carbon Neutral by 2030 • Brown Act / AB 2449 – New Legislation on Teleconferencing Meetings • Receive CAC Year-end Task Group Reports • Election of Officers for 2023 (Annual) 	<ul style="list-style-type: none"> • Action • Action • Discussion/Action • Action • Action • Discussion/Action • Discussion/Action • Information • Nominations
December 15, 2022 (rescheduled December 22 nd meeting due to the Christmas holiday)	Advisory Committee	<ul style="list-style-type: none"> • 2023 CAC Task Group(s) formation (Annual) • Strategic Plan update (Annual) • Election of Officers for 2023 (Annual) 	<ul style="list-style-type: none"> • Discussion/Action • Information • Nominations
January 12, 2023	Board	<ul style="list-style-type: none"> • Oaths of Office for Board Members (Annual - new Members only) • Brown Act / AB 2449 – New Legislation on Teleconferencing Meetings • Update on SACOG Grant – Electrify Yolo • Strategic Plan Update (Annual) • Quarterly Customer Participation Update • 2022 Year End Review: Customer Care and Marketing 	<ul style="list-style-type: none"> • Action • Discussion/Action • Information • Action • Information • Information
January 26, 2023	Advisory Committee	<ul style="list-style-type: none"> • Quarterly Customer Participation Update • Legislative Summary/Update (Pacific Policy Group) 	<ul style="list-style-type: none"> • Information • Information

- Notes:**
1. CalCCA Annual Meeting scheduled (tentatively) for May 17 - 19, 2023 (San Diego).
 2. Currently all meetings are held remotely via Zoom video/teleconference, "location" is subject to change.

CAC <i>PROPOSED</i> FUTURE TOPICS Topics and Discussion dates may change as needed	ESTIMATED MEETING DATE(S)
Net Energy Metering (NEM) 3.0 (Information/Discussion/Action)	As needed
Self Generation Incentive Program (SGIP)	TBD
Forecasting Customer Ag Energy Using Hydrological Conditions (research results) (Information)	November or December
2023 Customer Rates update (Information)	January 2023
Legislative Items (as needed)	
Strategic Plan additional updates (as needed)	
Time of Use (TOU) (as needed)	
SACOG Update (as needed)	

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 7**

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: November 10, 2022

Staff, VCE’s lobby services consultant at Pacific Policy Group, and the Community Advisory Committee’s Legislative - Regulatory Task Group continue to meet and discuss legislative matters. Below is a summary of recent activities.

As this report is being written, all eyes are on the November 8 election, as the Legislature is set to experience significant turnover. Both the Assembly and the Senate will have nearly a quarter of its members be new freshman. While both of VCE’s legislative representatives remain, the changing of legislators will have an impact on CCAs in general and VCE as well. The most notable affect will be the new faces on the Senate and Assembly energy committees, particularly a new Chair of the Senate Energy, Utilities and Communications Committee (EUC) where the longstanding chair Ben Hueso has termed out. Three other members of Senate EUC are also terming out, meaning 1/3 of the committee will be new members 2023. The Assembly Committee on Utilities & Energy will also see a minimum of four new members in 2023, including the replacement of Bill Quirk who has been one of the most outspoken anti-CCA members thus far. Mr. Quirk decided not to return to office despite not terming out until 2024.

In addition to the legislative races, the November ballot includes a multitude of ballot measures with Proposition 30 as the most relevant to CCAs. Proposition 30 proposes to increase taxes on personal income over \$2 million by 1.75% for individuals and married couples and allocates new tax revenues to proliferate zero-emission vehicles (ZEVs). The Governor has come out strongly against Prop 30 (arguing that it was “devised to benefit one single corporation,” Lyft) and his opposition campaign appears to be working as recent polling shows the measure is doomed to fail. But, the post-election results will reveal the outcome.

The Legislature will commence the 2023-24 legislative session on December 5, 2022. VCE Staff, PPG, and the CAC Legislative - Regulatory Task Group are discussing potential bill and budget concepts over in the upcoming weeks, as well as gazing into our crystal ball to understand what issues may arise that impact CCAs and VCE. One concept that we are exploring is to work through the state budget process to create new funding to expand the AgFIT to other CCAs. Staff has been working with CalCCA and other interested CCAs to determine if this is an effort CalCCA would be willing to sponsor and begin devising a strategy for substantiating the request, coalition building, messaging, and other pieces needed for success.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: November 10, 2022

Please find attached Keyes & Fox's October 2022 Regulatory Memorandum dated November 2, 2022, an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

Attachment: Keyes & Fox Regulatory Memorandum dated November 2, 2022.

Valley Clean Energy Alliance

Regulatory Monitoring Report

To: Valley Clean Energy Alliance (VCE) Board of Directors

From: Sheridan Pauker, Partner, Keyes & Fox LLP
Tim Lindl, Partner, Keyes & Fox LLP
Jason Hoyle, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Update

Date: November 2, 2022

Keyes & Fox LLP and EQ Research LLC are pleased to provide VCE's Board of Directors with this monthly informational memo describing key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC) over the past month.

IRP Rulemaking

Background: This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas reduction targets, and ongoing reliability obligations.

Recent Developments: On September 8, the ALJ issued a ruling seeking comments on a staff paper ([Staff Options Paper](#)) on four potential options for replacing the need for individual mid-term reliability procurement orders as have been issued in recent years (i.e. [D.19-11-016](#) and [D.21-06-035](#)) with ongoing, long-term, enforceable obligations for each LSE to procure its share of reliability and GHG-reduction requirements, and also proposing interim procurement options. VCE filed its 2022 Integrated Resource Plan (IRP) in this docket on November 1. On October 7, the ALJ issued a [Ruling \(Attachment – Busbar mapping\)](#) inviting comments on proposed electricity resource portfolios for use in the CAISO's 2023-2024 Transmission Planning Process (TPP). The Ruling proposes to accelerate the recent approach of the prior cycle's sensitivity portfolio typically serving as the base case portfolio in the following TPP cycle and recommends using the most aggressive portfolio currently being analyzed in the 2022-2023 TPP for purposes of assessing transmission needs in the 2023-2024 TPP. Opening comments on the October 7 Ruling were filed on October 31.

Analysis: The recommended accelerated approach to the TPP would result in more rapid development of transmission capability necessary for offshore wind and other renewable energy facilities, and likely increase the availability of new generation resources over the next decade.

Next Steps: Reply comments on proposed electricity resource portfolios for the 2023-24 TPP are due November 10. Comments in response to the LSEs' IRP filings are due December 2. Comments on the Staff Options Paper are now due December 12 and replies are due January 9, 2023.

Additional Information: ALJ [Ruling & Attachment](#) (Oct. 7, 2022); ALJ [Ruling & Reliable and Clean Power Procurement Program: Staff Options Paper](#) (Sep. 8, 2022); [2022 Incremental Procurement Compliance Filing](#) (Aug. 1, 2022); Docket No. [R.20-05-003](#).

RPS Rulemaking

Background: This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, aspects of the new Voluntary Allocation/Market Offer (VAMO) process, and other tariffs for the purchase of renewable energy.

Recent Developments: No new developments this past month. On September 29, the ALJs submitted a [Proposed Decision](#) that would approve Voluntary Allocations and modify the Market Offer process to require investor-owned utilities (IOUs) to offer 100% of their remaining PCIA-eligible short-term contracts and 35% of PCIA-eligible long-term contracts in the Market Offer. CalCCA generally supported the Proposed Decision but argued against the right of IOUs to establish bid floors for Market Offers and for changes to reduce delay in the issuance of the solicitation and to enable sales to take place in the first quarter of 2023. In response to IOU comments, CalCCA opposed an SDG&E proposal to allow IOU staff involved in preparing IOU bids to participate in bid evaluations in a potentially anti-competitive manner, as well as certain contractual language proposed by the IOUs.

Analysis: The proposed modifications to the Market Offer process would increase the quantity of short- and long-term resources made available to LSEs for purchase following the Voluntary Allocation process and facilitate LSEs' ability

to meet unexpected procurement needs. If the Proposed Decision to establish bid floors is approved, this could reduce the volume of RPS resources sold through Market Offers and increase the PCIA.

Next Steps: The Proposed Decision is on the agenda for the November 3 Commission meeting. A Proposed Decision on LSEs' draft RPS Procurement Plans is expected in Q4 2022, and final 2022 RPS Plans are due in Q1 2023.

Additional Information: [Proposed Decision](#) (Sep. 29, 2022); [Ruling](#) identifying RPS Plan requirements (Apr. 11, 2022); Docket No. [R.18-07-003](#).

RA Rulemaking (2023-2024)

Background: This proceeding considers resource adequacy (RA) requirements for LSEs and introduced the Central Procurement Entity (CPE). The proceeding is divided into an implementation track and a reform track.

Recent Developments: On September 30, CalCCA filed an [Emergency Petition](#) requesting the CPUC modify both the RA procurement timelines and penalty waivers. Responses to CalCCA's Petition were filed by seven parties, with the Independent Energy Producers Association supporting a suspension of the January-March month-ahead RA obligations but opposing the remaining requests; Shell Energy North America supporting the Petition's requested relief; and the Western Power Trading Forum, California Independent System Operator, PG&E, Alliance for Retail Energy Markets/Regents of the University of California, and SCE generally opposing the requested relief. The Petition remains pending and CalCCA held an ex parte meeting with Interim Chief of Staff and Legal Advisor to President Reynolds Anand Durvasula on October 19. On October 31, VCE filed its year-ahead system RA and flexible RA showings.

Analysis: Multiple responses to CalCCA's Petition acknowledged the PG&E CPE's failure to meet its local RA procurement obligations and the resulting uncertainty faced by LSEs regarding the amount of system RA they will be provided when the CPE's obligation is fulfilled. The CAISO's response raised the possibility that the requested waivers and other relief could have unintended consequences and result in additional backstop procurement and associated costs beyond the level expected by CalCCA. PG&E's and SCE's responses cited procedural evidentiary rule violations and recommended the matter be addressed in a future phase of the proceeding. The responses generally reflected doubt regarding the effectiveness, efficiency, and efficacy of the current CPE structure which places LSEs in a position of either relying on CPE procurement or risk potential penalties and incur additional costs from over-procuring system RA.

Next Steps: Final proposals from the RA Reform workstreams 1-3 will be filed on November 15, comments on final proposals are due December 1, and reply comments on final proposals are due December 12. CalCCA's Petition and the joint motion of Central Coast Community Energy and Peninsula Clean Energy remain pending.

Additional Information: [Emergency Petition](#) (Sep. 30, 2022); [Ruling](#) on Motion to Shorten Time (Sep. 20, 2022); [Motion to Shorten Time / Joint Motion for Clarification](#) (Sep. 16, 2022); [Amended Scoping Memo and Ruling](#) (Sep. 2, 2022); Docket No. [R.21-10-002](#).

Building Decarbonization

Background: This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. [D.22-09-026](#) eliminated gas line extension allowances and subsidies for all customers, in all classes by July 1, 2023.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: There is no current procedural schedule for this docket.

Additional Information: [D.22-09-026](#) (Sep. 20, 2022); [Scoping Memo](#) (Mar. 22, 2022); [D.21-11-002 \(Appendices A-E\)](#) Decision on Building Decarb Phase II (Nov. 9, 2021); [D.20-03-027](#) Establishing Building Decarbonization Pilot Programs (Apr. 6, 2020); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

Transportation Electrification

Background: This rulemaking implements transportation electrification (TE) programs, tariffs, and policies and seeks to develop a comprehensive framework to guide the Commission's role in the electrification of California's transportation sector. A group of Joint CCAs are advocating for authority to design and implement transportation electrification programs utilizing ratepayer funds.

Recent Developments: On October 13, the CPUC's Energy Division issued a [disposition letter](#) approving vehicle-grid integration pilot programs under SB 676 (Ch. 484, Stats. 2019) proposed in PG&E's [AL 6259-E](#). On October 14, the CPUC issued a [Proposed Decision](#) on the CPUC's long-term TE policy framework focused on a five-year \$1 billion third-party administered statewide behind-the-meter rebate program for EV charging equipment focused on medium-

duty/heavy-duty vehicles and charging for multi-unit dwellings, with a significant focus on disadvantaged communities. The Proposed Decision would allow CCAs to subcontract with the statewide program administrator to administer marketing, education and outreach programs relating to the rebate program, and provides IOUs the sole authority to provide technical advice on the rebates to customers. The Proposed Decision would establish a competitive IOU-administered RFO for ratepayer-funded CCA or community-based organization pilot programs focused on disadvantaged communities and customer segments, with a cap of \$4 million per pilot and a total budget of \$25 million.

Analysis: The Proposed Decision does not provide CCAs with authority to design and allocate ratepayer-funded TE incentive programs via advice letter, and instead creates a competitive process for select 2-year pilots funded through contracts with the IOUs.

Next Steps: Comments on the Proposed Decision are due November 3, reply comments are due November 8, and the matter may be heard as soon as the November 17 Commission meeting.

Additional Information: [Proposed Decision](#) (Oct. 14, 2022); PG&E's [AL 6259-E](#) (Oct. 13, 2022); [Ruling](#) entering [Staff Proposal](#) on Transportation Electrification Framework to record (Feb. 25, 2022); Docket No. [R.18-12-006](#).

Commercial EV Real-Time Pricing Pilot

Background: This proceeding approved PG&E's proposed commercial EV rate pilot featuring day-ahead hourly real-time pricing (DAHRTP-CEV). This pilot includes real-time pricing for both imports from and exports to the grid by commercial EVs.

Recent Developments: On October 26, the CPUC issued [D.22-10-024](#) adopting the uncontested settlement and establishing export compensation rules for PG&E's bundled non-net metering customers who are eligible for the RTP rate approved in [D.21-11-017](#) on an opt-in basis and closing the proceeding. Eligibility for participation in the export compensation pilot by unbundled customers will be determined by the customers' retail generation electricity provider (i.e. whether the CCA participates in the pilot).

Analysis: This decision will increase the use of real-time pricing and encourage EV charging during times with lower electric demand. It also provides compensation for behind-the-meter PV exports for non-net metering customers with EVs. VCE will determine whether its customers are eligible to participate in the program.

Next Steps: Opt-in enrollment for the real-time pricing export compensation pilot begins October 1, 2023, otherwise the proceeding is closed.

Additional Information: [D.22-10-024 \(Export Compensation Settlement\)](#) (Oct. 26, 2022); PG&E [Proposal](#) (Mar. 24, 2022); [Corrected MGCC Study](#) (Mar. 17, 2022); [Application & Testimony](#) (Oct. 23, 2020); Docket No. [A.20-10-011](#).

Demand Flexibility

Background: This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and may also modify, consolidate, or eliminate existing dynamic rate pilots. VCE is a party to this proceeding as its scope relates to the AgFIT Pilot.

Recent Developments: On October 7, VCE and Polaris Energy Services held an ex parte meeting with advisors to CPUC President Reynolds and Commissioner Rechtschaffen to discuss their proposal to create a priority track of the proceeding to examine expansion of opt-in real-time pricing for agricultural customers in the near term.

Analysis: This proceeding will implement income-graduated fixed charge reform required by AB 205 and the development of principles to guide future dynamic rates and other demand flexibility measures. This proceeding may evaluate the results of VCE's AgFIT pilot and could explore expansion of the pilot to other LSE territories. The ALJ's proposed scope and schedule would mean that implementation of additional dynamic rates and pilots would not be likely to occur for several years.

Next Steps: A scoping memo is expected which will establish the initial scope and schedule for this proceeding.

Additional Information: [VCE and Polaris Ex Parte Notice](#) (Oct. 10, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

Demand Response Programs (2023-2027)

Background: This proceeding addresses the IOUs' Demand Response (DR) Portfolio Applications required under [D.17-12-003](#) for the years 2023-2027.

Recent Developments: On October 7, parties filed opening comments on an Energy Division staff proposal to utilize \$750,000 for Demand Response research in the 2023 Bridge Year. If approved, the 2023 research funding will be used to update a series of Demand Response Potential Studies produced by the Berkely National Lab in anticipation of the next Integrated Resource Planning cycle. On October 28 parties filed opening briefs on the Energy Division proposal along with reply briefs on the Demand Response Auction Mechanism.

Analysis: The Demand Response Auction Mechanism is one approach to bringing new third-party demand response providers and their customers into the capacity market for resource adequacy by allowing auction-based prices to be established outside the competitive wholesale market. Results from 2015-2017 contracts were mixed both in

performance and pricing competitiveness, but demand response demonstrated its effectiveness this past summer during times of grid stress. Demand response enables utility customers to serve as virtual capacity during peak demand times and offers the potential for electric providers like VCE to leverage their customer relationships as a grid resource.

Next Steps: Reply briefs on the Energy Division proposal are due on November 10, and a Proposed Decision on the Phase 1 Demand Response Auction Mechanism is expected in December. A Proposed Decision on Phase 1 Bridge Funding Applications is expected in November.

Additional Information: [Ruling](#) (Sep. 22, 2022); Assigned Commissioner's [Scoping Memo and Ruling](#) and DRAM Evaluation report by Nexant (Jul. 5, 2022); [Ruling](#) consolidating Applications (May 25, 2022); PG&E [Application](#) (May 2, 2022); Docket No. [A.22-05-002](#).

PG&E Asset Transfer

Background: This proceeding addresses PG&E's Application to transfer its non-nuclear generating assets to a new subsidiary, Pacific Generation, and sell up to 49.9% of its equity interest to third-party investors.

Recent Developments: The Commission preliminarily categorized this proceeding as ratesetting.

Analysis: This Application may impact CCAs in PG&E's service territory for a few key reasons. First, it could significantly impact PG&E's approach to and the overall structure of ongoing Commission proceedings and regulatory processes, including the Energy Resource Recovery Account proceedings, the Voluntary Allocation and Market Offer process, and the resource adequacy proceeding. Second, the transaction could result in various ratepayer impacts. At this stage of review, Keyes & Fox has identified an initial list of potential ratepayer impacts to investigate further, including the following: the rate impact of the new debt contemplated by the proposed structure, the rate impact of PG&E's proposed use of the associated proceeds (e.g., for capital investments versus paying dividends), the rate impact of PG&E and Pacific Generation having two different costs of capital, and the rate impact if PG&E's dispatch behavior changes as a result of the transaction (which could impact all California ratepayers).

Next Steps: Motions to Intervene in the docket and issuance of a procedural schedule are the next steps.

Additional Information: PG&E [Application](#) (Sep. 28, 2022); Docket No. [A.22-09-018](#).

PCIA Rulemaking

Background: The Power Charge Indifference Adjustment (PCIA) is a nonbypassable charge levied on electric bills of customers who have departed from IOU service, such as CCA customers, to compensate IOUs for resources procured on behalf of former customers prior to their departure. The new Voluntary Allocation/Market Offer process was authorized in [D.21-05-030](#). Phase 2 issues related to PCIA data access and voluntary allocations in market-price benchmark (MPB) calculations were resolved in [D.22-07-008](#). Currently, the proceeding is evaluating the calculation of the MPB charges.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: Reply comments on the August Ruling are due November 18. A November workshop will address staff proposals on GHG-free resources and long-term fixed-price RPS resources. On December 1, the joint CCA proposal for PCIA data access is due.

Additional Information: [Ruling](#) Requesting Comments and Staff Proposal for Long-Term RPS Transactions (Aug. 4, 2022); [D.22-01-023](#) on Phase 2 (Jan. 27, 2021); [D.18-09-013](#) Track 1 Decision approving PG&E Settlement Agreement (Sep. 20, 2018); Docket No. [R.17-06-026](#).

PG&E 2023 Phase 1 GRC

Background: Phase 1 General Rate Case (GRC) proceedings set PG&E's revenue requirement, including the functionalization of costs into categories such as electric distribution or generation, and impact the costs recovered through rates from customers (e.g., bundled, unbundled, or both) for 2023-2026. Phase 2 GRC proceedings determine cost allocation (i.e., assigning costs to customer classes, such as Residential) and rate design issues. PG&E will file its next Phase 2 GRC application by September 30, 2024. The proceeding is divided into two tracks. Track 1 addresses most matters, including PG&E's requested revenue requirement together with safety and environmental and social justice issues. Track 2 addresses the narrower matters of the reasonableness of the 2019-2021 actual costs recorded in the named memorandum accounts and balancing accounts and, to the extent relevant, safety and environmental and social justice.

Recent Developments: On October 7, PG&E, The Utility Reform Network, and the Public Advocates Office filed a joint motion for the expedited approval of a settlement agreement resolving disputed issues regarding the structure and funding of excess wildfire liability insurance. On October 21, the ALJ issued a Ruling granting an extension of time to propose settlements (until December 2). The Joint CCAs had an ex parte meeting on October 11 with advisors from

President Reynolds and Commissioner Reynolds' offices, during which the Joint CCAs discussed their vintaging proposals in the docket.

Analysis: The resolution of the issues covered in the Joint CCAs' direct testimony will impact how certain generation-related costs in PG&E's current and future applications will be vintaged for purposes of PCIA cost recovery. It will also impact how the costs associated with an energy storage project are functionalized.

Next Steps: The deadline for proposing settlements is December 2, 2022. In Track 1, opening briefs are due November 4, and a Proposed Decision is expected in Q2 2023. In Track 2, intervenor opening testimony is due November 14, followed by evidentiary hearings on January 23-27, 2023, and a Proposed Decision is expected in Q2 2023.

Additional Information: ALJ [Ruling](#) (Oct. 21, 2022); [Joint Motion for Approval of Settlement](#) (Oct. 7, 2022); PG&E's [Amended Application](#) (Mar. 10, 2022); PG&E [Affordability Metrics Report](#) (Feb. 23, 2022); [PG&E Application](#) (Jun. 30, 2021); 2023 Cost of Capital Docket No. [A.22-04-008](#); Docket No. [A.21-06-021](#).

PG&E ERRA Forecast (2023)

Background: Annual Energy Resource and Recovery Account (ERRA) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other nonbypassable customer charges for the upcoming year as well as fuel and purchased power costs associated with serving bundled customers that a utility may recover in rates.

Recent Developments: On October 17, PG&E filed its October Update to its forecast that uses the 2023 Forecast Market Price Benchmarks and 2022 Final Market Price Benchmarks. The updated 2023 ERRA Forecast Application requested a net 2023 revenue requirement of \$1.996 billion, a 2.25% increase over the original request.

Analysis: This proceeding will determine PG&E's rates for 2023 based on its revenue requirement forecast. PG&E's updated forecasted rates for CCA customers decline 13.1% to \$0.12704/kWh based on a \$936.2 million revenue requirement reduction.

Next Steps: The procedural schedule is condensed to meet the deadline for the final 2022 Commission Meeting and allow for new rates to be effective January 1, 2023. A Proposed Decision is expected November 29 in time for the matter to be heard at the December 15 Commission meeting.

Additional Information: PG&E [Updated Forecast](#) (Oct. 17, 2022); [Scoping Memo](#) (Aug. 4, 2022); [Application](#) (May 31, 2022); Docket No. [A.22-05-029](#).

PG&E 2019 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries. Phase 1 of the proceeding was resolved with issuance of [D.21-07-013](#). Phase 2 is ongoing and is addressing issues related to the 2019 Public Safety Power Shutoff (PSPS) events.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: The Commission is expected to establish a common accounting methodology for Public Safety Power Shutoff events in Q4 2022.

Additional Information: [D.22-07-009](#) extending statutory deadline (Jul. 18, 2022); [Ruling](#) amending schedule (Apr. 6, 2022); [Joint Case Management Statement](#) (Feb. 25, 2022); [D.21-07-013](#) resolving Phase 1 (Jul. 16, 2021); PG&E's [Application](#) and [Testimony](#) (Feb. 28, 2020); Docket No. [A.20-02-009](#).

PG&E 2020 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries. Phase 1 of this proceeding concluded in April 2022 with issuance of [D.22-04-041](#) approving a settlement agreement. Phase 2 issues related to unrealized sales and revenues resulting from PG&E's Public Safety Power Shutoff events in 2020 has yet to begin.

Recent Developments: No recent developments in the past month.

Analysis: N/A.

Next Steps: Phase 2 will not begin until after the Commission resolves issues related to the establishment of a common accounting methodology for Public Safety Power Shutoff events in Phase 2 of the 2019 ERRA Compliance proceeding, which is expected in Q4 of 2022.

Additional Information: [D.22-08-009](#) extending statutory deadline (Aug. 11, 2022); [Scoping Memo and Ruling](#) (Jun. 21, 2021); [Application](#) (Mar. 1, 2021); Docket No. [A.21-03-008](#).

PG&E 2021 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

Recent Developments: On October 31, intervenors ([CalCCA](#), Alliance for Nuclear Responsibility, and the [Public Advocates Office](#)) filed direct testimony.

Analysis: N/A

Next Steps: PG&E's rebuttal testimony is due December 9, a status conference is scheduled for January 6, 2023, and, if no settlement is reached by January 11, 2023 evidentiary hearings will be held on January 17-19, 2023 followed by Opening Briefs on February 17, 2023 and a target date for a Proposed Decision of May-June 2023.

Additional Information: Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERRA Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

PG&E Regionalization Plan

Background: The CPUC directed PG&E to develop a regionalization plan in [D.20-05-051](#) as part of its post-bankruptcy reorganization. That plan creates five regions (VCE is located in Region 2 - North Valley & Sierra), each of which includes region-focused staff from five functional areas such as maintenance and construction, planning, and customer engagement. PG&E is required by [D.22-06-028](#) to convene quarterly "town hall" meetings in each region and conduct broader meetings with the Regionalization Stakeholder Group.

Recent Developments: On October 19, the CPUC issued a Disposition Letter accepting PG&E [AL 6705-E / 4654-G](#) on the required update on the status of its regionalization implementation activities. PG&E's first Regionalization Stakeholder Group meeting was held on October 20. On October 28, PG&E submitted its [Town Hall Report](#) for the third quarter.

Analysis: PG&E's AL 6705-E updates stakeholders on planned and undertaken regionalization activities, including 1) organizational changes being made, 2) new, increased, or decreased operations because of the Regionalization effort, 3) a timeline, and 4) impacts on improving utility safety.

Next Steps: PG&E is required to submit a report on its quarterly townhall meetings in each region within 45 days following the end of each quarter, otherwise the proceeding is closed.

Additional Information: [Town Hall Report Q3](#) (Oct. 28, 2022); PG&E [AL 6705-E / 4654-G \(Disposition Letter\)](#) (Sep. 22, 2022); PG&E [Presentation to Regionalization Stakeholder Group](#) (Aug. 25, 2022); [D.22-06-028](#) on Regionalization (Jun. 24, 2022); [PG&E Updated Regionalization Proposal](#) (Feb. 26, 2021); [Application](#) (Jun. 30, 2020); [A.20-06-011](#).

Utility Safety Culture Assessments

Background: This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC's Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054. Additionally, an independent third-party evaluator will also conduct safety culture assessments every five years as required by SB 901. Currently, this proceeding is focused on developing the rules, policies, and procedures for these safety culture assessments.

Recent Developments: [Draft Resolution SPD-3](#) (issued September 16) Adopting Performance Metrics and Retaining Existing Requirements for the 2023 Wildfire Mitigation Plans of Electrical Corporations was held over from the October 20 Commission meeting until the November 3 meeting. If approved by the Commission, the Resolution will adopt the proposals of the CPUC's Office of Energy Infrastructure Safety for performance metrics and requirements for the 2023 Wildfire Mitigation Plans of electrical corporations.

Analysis: Development of the guidelines and performance metrics proposed in the Draft Resolution will provide a framework for safety assessments and evaluation. It could impact VCE and its customers to the extent it succeeds or fails to influence PG&E's safety culture and hence the safety of VCE customers. The Draft Resolution could also impact the rates VCE customers pay to PG&E to mitigate or address safety issues (e.g., wildfires caused by PG&E transmission equipment, explosions from PG&E natural gas infrastructure, etc.).

Next Steps: The Commission is scheduled to vote on the Draft Resolution at its November 3 meeting.

Additional Information: [Draft Resolution SPD-3](#) (Sep. 16, 2022); ALJ [Ruling](#) (Sep. 13, 2022); [Scoping Ruling](#) with procedural schedule (April 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

Provider of Last Resort Rulemaking

Background: A Provider of Last Resort (POLR) is the utility or other entity that has the obligation to serve all customers (e.g., PG&E is currently the POLR for VCE's territory). Phase 1 of this proceeding will address POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned

customer migration to the POLR. Phase 2 will build on the Phase 1 to set the requirements and application process for non-IOU entities to serve as the POLR. Phase 3 will address specific issues not resolved in Phase 1 or 2.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: A staff proposal on FSR requirements was expected in August but is delayed.

Additional Information: PG&E [AL 6589-E-B](#) and Disposition Letter (Jul. 7, 2022); [POLR webpage](#) with workshop content; [Scoping Memo and Ruling](#) (Sep. 16, 2021); [Order Instituting Rulemaking](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

Microgrids

Background: This proceeding was opened to implement the requirements of SB 1339 (Stern, 2018), regarding the commercialization of microgrids for distribution customers of the large IOUs. The initial three tracks have concluded, and Track 4 and Track 5 address the establishment of a Microgrid Incentive Program, potential contributions that microgrids can make to mitigating capacity shortages in the near-term, the development of a multi-property microgrid framework, and examination of the value of resiliency from microgrids.

Recent Developments: The CPUC issued a Disposition Letter approving PG&E [AL 6486-E](#) in which PG&E informed the Commission it was not seeking authority to reserve temporary generation for the purpose of energizing safe-to-energize substation load subject to Public Safety Power Shutoff (PSPS) outages in 2022.

Analysis: The CPUC is evaluating details of the Microgrid Incentive Program design that will determine what information is considered in evaluating microgrid opportunities and how the incentives will be allocated.

Next Steps: In Track 4, an ALJ Ruling providing an Energy Division Staff Proposal for a Microgrid Multi-Property Tariff is expected. In Track 5, a staff proposal on Definitions, Metrics, Tools, and Methods and Informing Grid Planning is expected in late 2022. An ALJ Ruling establishing 2023 scheduling & activities is expected in Q1 2023.

Additional Information: [Disposition Letter](#) for PG&E [AL 6486-E](#) (Oct. 13, 2022); ALJ [Ruling Requesting Comments](#) on attached Staff Proposal for Microgrid Incentive Program (Jul. 6, 2022); [Scoping Memo](#) (Dec. 17, 2021); Docket No. [R.19-09-009](#).

Investigation into PG&E Organization, Culture, and Governance

Background: This proceeding was opened as part of an investigation into whether PG&E's organizational culture and governance prioritize safety. Currently, the proceeding serves as a vehicle to monitor the progress of PG&E in improving its safety culture, and to address any relevant issues that arise, with the consultant NorthStar continuing in its monitoring role of PG&E.

Recent Developments: On September 16, the ALJ issued a [Ruling](#) requesting comments on the Final Report on consultant NorthStar's assessment of PG&E's safety culture and implementation of recommendations. The report includes 65 recommendations for PG&E, five of which are classified as critical. The critical recommendations include developing an implementation plan for NorthStar's recommendations, clearly defining supervisory requirements, expediting completion of safety leadership training for crew leads and foremen, developing a comprehensive safety strategy, and improved coordination between business lines and corporate safety office.

Analysis: The implementation of safety recommendations directly impacts PG&E workers as well as all utility customers in its territory. Catastrophic wildfires threaten lives and property, and the power shutoff events designed to prevent wildfires are both disruptive and potentially harmful to consumers' health when people are exposed to high temperatures and dry conditions, particularly when shutoffs occur without advance notice. The safety threats resulting power disruptions present opportunities for CCAs to further engage their customers with information, incentives, and other programs focused on distributed generation and other resilience strategies.

Next Steps: The CPUC will consider the final report in a future decision.

Additional Information: ALJ [Ruling](#) and final NorthStar Report (Sep. 16, 2022); [Letter](#) from President Batjer to PG&E on Fast Trip issues (Oct. 25, 2021); [Letter](#) from President Batjer to PG&E (Aug. 18, 2021); [Resolution M-4852](#) (Apr. 15, 2021); [Letter](#) from President Batjer to PG&E (Nov. 24, 2020); [Ruling](#) updating case status (Sep. 4, 2020); [Ruling](#) on case status (Jul. 15, 2020); [Ruling](#) on proposals to improve PG&E safety culture (Jun. 18, 2019); [D.19-06-008](#) directing PG&E to report on safety experience and qualifications of board members (Jun. 18, 2019); [Scoping Memo](#) (Dec. 21, 2018); Docket No. [I.15-08-019](#).

Other Dockets

The following table identifies other tracked dockets that are closed or inactive.

Docket	Name	Status
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R.21-03-001	Wildfire Fund NBC (2022-2023) Rulemaking	A Proposed Decision scheduled to be heard at the December 1 CPUC meeting would set the 2023 Wildfire NBC at \$5.30/MWh (\$0.00537/kWh) effective as of January 1, 2023. The 2023 Wildfire NBC is \$1.22/MWh, or 18.7%, less than the current 2022 Wildfire NBC of \$6.52/MWh. This reduction is mostly due to the fund having completed recovery of all prior period under-collections. The Wildfire NBC is set at a level sufficient to fund an annual \$902.4 million revenue requirement.
R.20-11-003	Ensuring Summer 2021 Reliability	D.22-06-005 closed the proceeding.
A.19-11-019	PG&E 2020 Phase 2 GRC	D.22-08-002 closed the docket; all current activity is now covered under the Commercial EV Real-Time Pricing docket. PG&E AL 6690-E electric home tariffs
A.21-06-001	PG&E 2020 ERRRA Forecast	D.22-02-002 closed the proceeding, although there is a pending Rehearing Request (filed March 14, 2022).
R.19-03-009	Direct Access Rulemaking	D.21-06-033 closed the proceeding, but a Petition for Rehearing (July 29, 2021) remains outstanding.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 9

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Community Advisory Committee October 27, 2022 Meeting Summary

DATE: November 10, 2022

This report summarizes the Community Advisory Committee’s meeting held via Zoom webinar on Thursday, October 27, 2022.

- A. Reviewed draft Rate Adjustment System (RAS).** Staff provided an overview on a Rate Adjustment System, its use and purpose. Staff sought feedback on the draft RAS before the RAS is presented to the Board. Members asked numerous questions and discussed the possible frequency of rate adjustments, the percentage of increase or decrease, frequency of informing the Board, the role and members of the Energy Risk Oversight Committee (EROC), and concerns with outreach to VCE’s customers.
- B. Review draft CAC Year-end Task Group Reports.** The CAC reviewed the draft reports prepared by the Task Groups. A few suggestions were provided on formatting to have the reports consistent with one another. The CAC approved the reports as amended and directed Staff to provide a copy for the Board’s information at their December meeting. (9-0-0)
- C. Reviewed and asked to provide recommendation on draft VCE 2023 Legislative Platform.** CAC Members reviewed, discussed, and provided comments on the draft VCE 2023 Legislative Platform. The CAC approved the VCE 2023 Legislative Platform and made a recommendation to the Board to adopt the 2023 Legislative Platform. (9-0-0)
- D. Discussed quarterly Customer Participation update.** Members suggested that information on opt ups by percentage of load be added to the update, similar to the load information provided on opt outs: opt ups load percentage by customer type (residential, commercial, agriculture) and jurisdiction. Staff will look into providing this information in the next quarter’s update. Staff also clarified that Yolo County’s recent opt ups are not included in the Q3 data.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 10

TO: Board of Directors

FROM: Gordon Samuel, Assistant General Manager & Director of Power Services

SUBJECT: CC Power Tumbleweed Energy Storage Project Increased Capacity

DATE: November 10, 2022

Recommendation

Contingent on the CC Power Board approval of the increased capacity in the Tumbleweed project, authorize the Executive Officer to execute on behalf of Valley Clean Energy as a member of CC Power the necessary agreements for the Tumbleweed long duration storage project resulting in a slight increase in capacity and cost for VCE.

Background

In February 2022, the VCE Board approved VCE's participation in the Tumbleweed long duration storage (LDS) project. This project was a result of a CC Power solicitation conducted 2020 and 2021. VCE is one of seven participating CCAs in this project.

Overview of Project

Project Name	Tumbleweed Energy Storage, LLC
Technology	Li-Ion Storage
Storage Capacity	69 MW / 552 MWh (orig); 75 MW / 600 MWh (proposed)
Commercial Operation Date	6/1/2026
Developer	REV Renewables, a subsidiary of LS Power
Location	Kern County, CA

The project is being developed by REV Renewables, which is a subsidiary of LS Power. The developer has an opportunity to slightly increase the size of the project from 69 MW to 75 MW. The participating CCAs have expressed interest in this additional capacity, including VCE. The slight increase amounts to 0.25 MW for VCE bringing VCE's project share to 3.11 MW.

Participating CCAs

Seven of the CC Power CCAs are participating in this contract. The CCAs and their incremental shares of the project are identified in the table below. This table represents the capacity amounts for each entity based on their original shares (note: some entities may elect to take a different amount of the proposed capacity, but VCE will elect 0.25 MW keeping consistent with the 4% of project size).

CCA	Orig. Entitlement Share	Orig. Tumbleweed Allocation (MW)	New MW Allocation (based on orig. share)	Incremental Increase (MW)
CPSF	16.06%	11.08	12.05	0.97
PCE	19.69%	13.59	14.77	1.18
RCEA	3.62%	2.50	2.72	0.22
SJCE	22.28%	15.37	16.71	1.34
SVCE	21.25%	14.66	15.94	1.28
SCPA	12.95%	8.94	9.71	0.77
VCE	4.15%	2.86	3.11	0.25
Total	100.00%	69.00	75.00	6.00

Discussion/Conclusion

VCE’s expected share of the Tumbleweed project is approximately 4% of the project which is equivalent to 3.11 MW nameplate capacity. The original project size, which was presented to the Board and subsequently approved in February 2022 was for 2.86 MW.

Staff is asking the Board to approve VCE’s incremental MW portion of this project. Staff is also recognizing that the CC Power Board will vote on this increased project size at an upcoming meeting and has written the Resolution to be contingent on the CC Power Board decision.

Attachment

1. Resolution

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022- _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
AFFIRMING THE INCREASED CAPACITY AND PARTICIPATION IN THE TUMBLEWEED LONG
DURATION STORAGE PROJECT AND AUTHORIZING THE EXECUTIVE OFFICER IN
CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE NECESSARY
AGREEMENTS.**

WHEREAS, VCE is a member of California Community Power (CC Power) joint powers authority; and

WHEREAS, VCE in coordination with CC Power conducted a request for offers for long duration storage (LDS) projects and engaged in negotiations for the Tumbleweed project; and

WHEREAS, CC Power seeks to execute agreements to effectuate its purchase of its storage resource from the Tumbleweed storage project based on the project's desirable offering of products, pricing and terms; and

WHEREAS, the Tumbleweed project will contribute to the regulatory requirement to procure LDS for each of the CCAs that are participating in this project through CC Power by providing energy storage resources for a term of fifteen years starting on or about June 1, 2026; and

WHEREAS, on February 10, 2022 staff presented to the Board for its review the Energy Storage Services Agreement, Buyer Liability Pass Through Agreement and the Project Participation Share Agreement the Board approved authorization to participate; and

WHEREAS, the May 12, 2022 Resolution reaffirmed the Board's February 10, 2022 action approving participation in the CC Power Tumbleweed project and authorizing its Executive Officer to execute Agreements and any ancillary documents associated with its action; and

WHEREAS, the Tumbleweed project is able to increase the overall size from 69 MW to 75 MW resulting in additional capacity for the participating CCAs which equates 0.25 MW for VCE.

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance reaffirms the following:

1. Contingent on the CC Power Board approval of the increased capacity in the Tumbleweed Long Duration Storage project, the Executive Officer is authorized to execute the Agreements and any ancillary documents with the Tumbleweed Energy Storage LLC, California Community Power and participating CCAs with the terms generally consistent with those presented, in a form approved by legal counsel

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCE Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 11

To: Board of Directors

From: Mitch Sears, Executive Officer
Rebecca Boyles, Director of Customer Care and Marketing
Sierra Huffman, Program and Community Engagement Analyst

Subject: Vehicle-Grid Integration (VGI) Pilot Program

Date: November 10, 2022

RECOMMENDATIONS

1. Adopt a resolution approving Valley Clean Energy’s Vehicle-Grid Integration (VGI) Pilot Program in partnership with Sacramento Municipal Utilities District (SMUD) and authorizing the Executive Officer to take actions necessary to participate in the application and Pilot.
2. Approve a budget adjustment of \$125,000 to meet VCE’s local match requirements and administrative costs associated with participation in the Pilot.

BACKGROUND

As the importance of enhanced electrification and grid reliability continue to be discussed throughout California, VCE is focused on exploring solutions by developing and implementing a range of Pilot programs, among other actions. VCE and member jurisdictions have been working on the installation of electric vehicle (EV) chargers throughout VCE’s service territory through the Sacramento Area Council of Governments (SACOG) grant. VCE launched an electric vehicle rebate program to incentivize local residents to electrify their transportation, funded through its programs fund. Additionally, VCE is running the Agricultural Flexible Irrigation Technology (AgFIT) Pilot, a CPUC-funded Pilot program designed to enhance grid reliability by shifting or reducing agricultural load through hourly price signals and irrigation automation to agricultural customers.

Vehicle-Grid Integration, or VGI, is an emerging solution to challenges involved with increasing the electrification of transportation while also enhancing grid reliability. VGI involves installation of equipment that allows EV owners to charge their vehicle from the grid, but also to use the car battery for electricity storage, and either discharge to their home (“island”) or to the grid during times when renewable electricity is scarce and expensive. VGI is sometimes coupled with price signals or managed charging to further incentivize customer load-shifting or reduction. It is estimated that by 2050 VGI could reduce wholesale electricity prices by 0.6–0.7% relative to an equivalent scenario without VGI¹.

¹

SMUD Pilot

SMUD has decided to pursue grant funding under the Advanced Transportation Technologies and Innovative Mobility Deployment (ATTIMD) Program. Applications are due November 18, 2022. SMUD has hired a third-party grant writing company to help craft the grant application. The US Department of Transportation requires a minimum 20% match and SMUD has committed to the match. SMUD program staff approached VCE staff (as well as other CCAs), to vet interest in participating in the Pilot alongside SMUD, thereby widening the geographical reach of the Pilot.

After consideration of the potential costs and benefits, VCE staff is recommending that VCE participate in the Pilot, conditional on an 80% funding match (VCE's contribution would be 20%), secured by the grant application with SMUD. Staff has completed a draft Program Design/Implementation Form and analyzed the Pilot program concept with VCE's Program Scoring Criteria. Based on this analysis, staff has determined that the Pilot is aligned with current Programs and Strategic Plan priorities.

PROGRAM DESIGN

SMUD's VGI Pilot is designed with priorities such as customer bill savings and reducing on-peak demand. SMUD is proposing a tiered incentive structure giving income-qualified customers a higher incentive amount that would cover the entire cost of equipment and installation as well as a monthly bill credit (up to \$10,000). Standard applicants could receive (for example) a \$2,500 incentive toward equipment and installation and a monthly bill credit over the 3-year Pilot. VCE's target for the Pilot would be up to 50 vehicles (5 of which would be income-qualified). Metrics employed to measure outcomes would include the number of participating vehicles and amount of kWh shifted or reduced (compared to usage history where data is available). VCE is exploring the potential of including vehicles other than cars, but that inclusion would not materially affect the budget or match requirement.

FINANCIAL IMPACT

Total proposed Pilot budget is a one-time \$125,000 (20% match) contribution from VCE, and Pilot participation is conditional on receipt of 80% match funding from the ATTIMD grant. Funds would cover equipment, installation, and ongoing bill credits while the Pilot is active. Administrative expenses are also included in this budget, and VCE may have the opportunity to work with SMUD staff on administration of this Pilot, keeping administrative costs low.

CONCLUSION

Staff is recommending approval of the resolution and budget adjustment as outlined in this staff report.

Attachment:

Resolution 2022-XXX

Michael Wolinetz, et al. (2018, February 5). Simulating the value of electric-vehicle-grid integration using a behaviourally realistic model. Retrieved from Nature: <https://www.nature.com/articles/s41560-017-0077-9>

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2022- _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE
APPROVING PARTICIPATION IN THE VEHICLE-GRID INTEGRATION (VGI) PILOT PROGRAM IN
PARTNERSHIP WITH SACRAMENTO MUNICIPAL UTILITIES DISTRICT (SMUD) AND AUTHORIZE
THE EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO TAKE ACTIONS
NECESSARY TO PARTICIPATE IN THE APPLICATION AND PILOT PROGRAM.**

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, throughout California, the importance of enhanced electrification and grid reliability is being discussed and VCE is focused on exploring solutions by developing and implementing a range of pilot programs; and

WHEREAS, VCE and its member jurisdictions have been working on the installation of electric vehicle (EV) charges throughout VCE’s service territory through the Sacramento Area Council of Governments (SCACOG) grant; and

WHEREAS, VCE launched an electric vehicle rebate program to incentivize local residents to electrify their transportation and an Agricultural Flexible Irrigation Technology (AgFIT) pilot program designed to enhance grid reliability by shifting and reducing agricultural load; and

WHEREAS, VCE is partnering with Sacramento Municipal Utilities District (SMUD) to pursue grant funding under the Advance Transportation Technologies and Innovative Mobility Deployment (ATTIMD) Program, which is designed to increase the electrification of transportation while enhancing grid reliability known as Vehicle-Grid Integration (VGI); and,

WHEREAS, the total proposal Pilot budget is a one-time \$125,000 (20% match) contribution from VCE, and Pilot participation is conditioned on receipt of 80% match funding from the ATTIMD grant.

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

1. Approves Valley Clean Energy’s participation in Valley Clean Energy’s Vehicle-Grid Integration (VGI) Pilot Program in partnership with Sacramento Municipal Utilities District (SMUD);
2. Authorizes the Executive Officer, in consultation with legal counsel, to take actions necessary to participate in the application and pilot program.

PASSED, APPROVED AND ADOPTED, at a regular meeting of the Valley Clean Energy Alliance, held on the ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesse Loren, VCE Chair

Alisa M. Lembke, VCE Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 12

TO: Board of Directors

FROM: Mitch Sears, General Manager
Yvonne Hunter, Legislative and Project Specialist
Mark Fenstermaker, Pacific Policy Group (PPG)

SUBJECT: Legislative Platform – 2023

DATE: November 10, 2022

Recommendation

Approve the proposed 2023 VCE legislative platform outlining policy and legislative issues and positions VCE would take on each.

The CAC reviewed the proposed 2023 VCE Legislative Platform and recommends that the Board approve it.

Background

At the July 8, 2020 Board Meeting, the VCE Board of Directors adopted VCE's first legislative platform. The Community Advisory Committee (CAC) reviewed and provided feedback on the draft legislative platform at the June 25, 2020 CAC Meeting. The staff recommendation included a provision that the legislative platform would be updated annually in advance of the next legislative session to reflect ongoing and new legislative priorities. The legislative platform serves as a guide for legislative engagement in each legislative session. It is based on positions that VCE has taken on past legislation, as well as the principles set forth in VCE's Vision Statement, Strategic Plan, and Environmental Justice Statement.

For the updated 2023 legislative platform, VCE staff, Pacific Policy Group (PPG), and the Legislative/Regulatory Task Group evaluated the 2022 Platform to identify if changes are needed in advance of the 2023 legislative session. As CAC members will notice, the draft 2023 Legislative Platform proposes a number of minor wording and technical changes as well as several new issues areas. They all reflect existing VCE policy and activity and the document as a whole continues to formalize and organize VCE's approach to legislative activity.

The platform is meant to be an inward facing document to provide guidance to PPG for the 2023 legislative session and beyond. PPG will use the platform to help structure VCE's efforts and

communications with legislators to work toward outcomes. The platform is based on previous direction from the VCE Board and the CAC and primarily reflects existing areas of interest identified either formally or informally by the VCE Board and the CAC.

Highlights of Changes in 2023 Legislative Platform

The following highlights key proposed changes incorporated in the 2023 platform, compared to the 2022 version.

- **Introduction.** Updates information to reflect VCE’s current membership, reorganizes the section and makes miscellaneous edits.
- **Section 2. Restructuring the Electric Utility Sector.** Adds clarifying wording as needed.
- **Section 3. Resource Adequacy.** Adds clarifying wording as needed.
- **Section 5. Load Shaping/Shifting and Dynamic Time Pricing.** A new section to reflect the importance of dynamic pricing (i.e. AgFIT type programs).
- **Section 6. Public Safety Power Shut-Offs (PSPS) and Flex Alerts.** Adds Flex Alerts to this section title and adds provision related IOUs providing CCAs better customer contact information.
- **Old Section 6. Covid 19 Response.** Deletes this as a stand-alone item and adds a slightly edited version to the revised Section 9 (Energy Justice – formerly Environmental Justice).
- **Section 7. Community Resilience.** Adds “extreme temperatures” to the first bullet. Adds clarifying edits to the second bullet related to the role of IOUs in developing microgrids and makes minor clarifying edits to the third bullet related to distributed energy.
- **Section 9. Energy Justice.** Renames the 2022 section title of “Environmental Justice” to “Energy Justice” and makes related minor edits. The change to “Energy Justice”, recommended by Leg/Reg Task Group member Lorenzo Kristov, reflects a new and emerging perspective that focuses specifically on energy issues. Energy Justice is an emerging academic and policy framework. The Initiative for Energy Justice (<https://iejusa.org/>) defines energy justice as the “goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those disproportionately harmed by the energy system. Energy justice explicitly centers the concerns of community at the frontline of pollution and climate change..., working class people, indigenous communities, and those historically disenfranchised by racial and social inequity. Energy justice aims to make energy accessible, affordable, clean, and democratically managed for all communities.”

The updated sections also add a slightly edited version of the Covid-19 statement from the section 6 in the 2022 platform.

- **Section 10. Local Economic Development and Environmental Objectives.** Adds new provision related to the ability of CCAs to plan, own and operate clean energy resources. Adds new provision related to ensuring that CCAs, their member agencies and customers have access to existing and new state and federal energy-related grant and loan funds.
- **Miscellaneous.** Adds minor clarifying edits as needed throughout the document.

Conclusion

Staff and the CAC recommend that the Board approve the attached 2023 Legislative Platform to help guide VCE’s legislative, as well as VCE’s regulatory activities.

Attachment

Draft 2023 Legislative Platform

2023~~2~~ Valley Clean Energy Legislative Platform

Adopted ~~January 27, 2022~~

DRAFT

Introduction

Valley Clean Energy is a joint-powers authority organized pursuant to California law that includes the cities of Davis, Woodland, Winters and the unincorporated areas of ~~County of Yolo~~ County. ~~(and the city of Winters as of January 2021)~~. 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 customers in the VCE service territory. VCE is governed by a Board of Directors consisting of city council members and county supervisors from its member jurisdictions.

PG&E, the incumbent Investor Owned Utility (IOU), 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 may opt-out of VCE and remain a PG&E electricity customer. ~~VCE is governed by a Board of Directors consisting of council members and supervisors from its member jurisdictions.~~

The mission of VCE is to provide cost-competitive clean electricity, product choice, price stability, energy efficiency, and greenhouse gas emission reductions to residents and businesses in its member agencies. In addition, VCE provides a greater level of transparency and accountability in regard to energy sources and prices ~~because as~~ VCE's board consists of local elected officials and its deliberations and decisions are conducted in public in accordance to California law.

This Legislative Platform serves as a guide for legislative engagement in the 2023~~2~~ legislative session. ~~that~~ It is based on positions that VCE has taken on past legislation, as well as the principles set forth in VCE's Vision Statement, Strategic Plan, and Environmental Justice Statement. It will be updated annually to reflect new issues that VCE will address each legislative session. To review VCE's ~~v~~ision ~~s~~tatement, Strategic Plan and Environmental Justice Statement, please see <https://valleycleanenergy.org/wp-content/uploads/VCEA-Vision-Statement-11-16-17.pdf>, <https://valleycleanenergy.org/wp-content/uploads/Valley-Clean-Energy-Statement-on-Environmental-Justice-Adopted-10-8-2020-1.pdf>, insert Strategic Plan URL.

Issue Areas

1. Governance and Statutory Authority

VCE will:

- a. Oppose legislation that limits the local decision-making authority for CCAs, including rate-setting authority and procurement of energy and capacity to serve their customers.
- b. Oppose legislation that limits VCE's ability to effectively serve its customers.

- c. Support efforts of CCAs to engage with their customers and promote transparency in their operations. Similarly, VCE will oppose legislation that restrict or limit these abilities.
- d. Support legislation that makes it easier for other cities and counties to form a CCA, become members of VCE or other CCAs, and oppose legislation that restricts that ability.

2. Restructuring the Electricity Utility Sector

VCE will:

- a. Work with other local governments interested in forming municipal electric utilities, as well as the California Municipal Utilities Association, to expand opportunities for municipalization. This includes supporting legislation that expands opportunities for CCAs to become municipal electric utilities.
- b. Support legislation and advocate for reforms to the utility regulatory and business model to transform Investor Owned Utilities (IOUs) so that they must deliver greater benefits to ratepayers, increase safety and reliability, ~~and~~ reduce costs and support the successful performance of CCAs.
- c. Advocate for greater collaboration to occur between CCAs and incumbent IOUs, particularly in local planning efforts related to energy, EV charging, community resource centers, etc.
- d. Support efforts that result in IOUs providing CCA customer meter data to the CCA in real time to enable CCAs to better forecast and schedule load.
- e. Support effective legislation that would transform PG&E to a public power or customer owned entity.

3. Resource Adequacy

VCE will:

- a. Support ~~the~~ efforts of ~~CalCCA~~ to create a functional central procurement entity for residual Resource Adequacy needs.
- b. Oppose legislation that would negatively impact supplant ~~CCAs'~~ procurement authority for Resource Adequacy.
- c. Advocate for and support efforts to remove barriers to demand response, microgrids and ~~behind-the-meter~~ resources to provide Resource Adequacy.

4. Power Cost Indifference Adjustment (PCIA)

VCE will:

- a. Support CalCCA efforts to increase the transparency of IOU electricity contracts and any other factors that provide the basis for Power Cost Indifference Adjustment (PCIA) charges that VCE (and its customers) and other CCAs must pay.
- b. Support efforts to that create a pathway to wind down the PCIA.
- c. Support legislation that would bring stability to the PCIA and/or provide new mechanisms for CCAs to securitize PCIA charges.

- d. Oppose legislation that would increase or expand exit fees, including PCIA, on CCA customers.
- e.

5. Load Shaping/Shifting and Dynamic Time Pricing

- a. Support legislation and regulatory provisions that create viable opportunities for CCAs to shape or shift load to support grid operations.
- b. Support legislation and regulatory provisions that recognize and assign Resource Adequacy value to load shaping or load shifting programs.
- c. Support legislation and regulatory provisions that enable customers of VCE and other CCAs to participate in dynamic pricing plans to shift load away from peak, including the use of automated systems.

5.6. Public Safety Power Shut-Offs (PSPS) and Flex Alerts

VCE will:

- a. Support legislation that increases the notification and transparency requirements on IOUs as they implement a PSPS.
- b. Support legislation that creates standards for PSPS implementation and penalties on IOUs that execute PSPS below those standards.
- c. Support legislation that creates rules and procedures to ensure PSPSs are implemented narrowly and only as absolutely necessary.
- d. Support legislation that requires IOUs to notify impacted cities, counties and CCAs of impending PSPS.
- e. Support legislation and regulations that require IOUs to provide CCAs with better customer contact information so that CCAs may more effectively engage their customers in a timely manner.

~~6. COVID-19 Response~~

- ~~a.f. Support legislation or budget appropriations to alleviate residential and commercial financial hardship caused by the COVID-19 pandemic that could disrupt electricity service to VCE customers or restrict VCE customers accessing clean energy opportunities. This could include, for example, assistance to avoid electric service disconnection or economic recovery funding for transportation electrification.~~

7. Community Resilience

VCE will:

- a. Advocate for and ~~S~~support funding for programs implemented by CCAs and their member jurisdictions to increase community resilience to extreme temperatures, wildfires, PSPS events and other potential service disruptions.
- b. Support legislation that reduces barriers to microgrid development by CCAs.

- c. Oppose legislation that would enable IOUs to dominate or restrict microgrid development. to be the only developer of microgrids.
- d. Support legislation that facilitates increases development of community level resources and distributed energy resources and that recognizes their value in reducing the need for new transmission and distribution infrastructure.

8. Renewable Energy Generation Sources

VCE will:

- a. Support legislation that expands opportunities for or reduces barriers to the development of renewable energy sources, including, but not limited to, wind, solar, bioenergy, battery storage, small hydro, and geothermal, as long as local development and siting criteria are consistent with city and county land use authority and other local and state regulatory requirements.
- b. Oppose legislation that requires CCAs to purchase specific renewable energy products or technologies, thus limiting the ability of CCAs to meet local energy needs in a cost-effective manner and in conflict with their local procurement and rate setting authority.

9. Environmental Energy Justice

- a. Engage in legislation that directly or indirectly impacts the ability of underserved communities in the VCE service territory to have affordable, reliable and clean energy.
- b. Support legislation that strengthens the resilience of vulnerable communities to adapt to the impacts of climate change.
- c. Support legislation that enables all California communities, including emerging and historically especially marginalized communities, and individuals, regardless of race, color, national origin, religion, sexual orientation, sex, gender identity, age, disability or socioeconomic status, in California to participate in the transition to a zero carbon electrical grid in a cost-effective manner.
- d. Support legislation that efforts to enables all California communities, including emerging and especially historically marginalized communities, and individuals, regardless of race, color, national origin, religion, sexual orientation, sex, gender identity, age, disability or socioeconomic status, in California to participate in the decarbonization of the state's building stock and the transportation sector.
- d.e. Support legislation or budget appropriations to alleviate residential and commercial energy insecurity or financial hardships, including impacts of events such as the Covid-19 pandemic that could disrupt electricity service to VCE customers or restrict VCE customers' access to clean energy opportunities. This could include, for example, assistance to avoid electric service disconnections or economic recovery funding for transportation electrification.

10. Local Economic Development and Environmental Objectives

VCE will:

- a. Support legislation that enhances opportunities for CCAs to promote local economic development through locally designed programs that meet the unique needs of its member agencies and customers.
- b. Support legislation that ~~efforts to~~ enhances development of local and regional sources of renewable energy.
- c. Support legislation that enables CCAs to collaborate with their member jurisdictions on local energy resources and projects to advance environmental objectives.
- d. Support legislation and regulations to enable CCAs to plan, own and operate clean energy resources that serve local needs while contributing to the local economy.
- e. Support legislation and other programs that ensure that CCAs and their member agencies have access to existing and new state and federal energy-related grant and loan funds, including programs for residential, commercial, industrial and agricultural customers.

11. Miscellaneous

VCE will:

- a. Oppose legislation that expands direct access or the ability or economic incentives for electric service providers to selectively recruit CCA or IOU customers.
- b. Support legislation that would create renewable content and environmental standards for electric service providers to match the products offered by CCAs.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 13

TO: Board of Directors

FROM: Edward Burnham, Director of Finance & Internal Operations
Mitch Sears, Executive Officer

SUBJECT: 2023 Operating Budget Update

DATE: November 10, 2022

RECOMMENDATION

Informational – no action requested.

OVERVIEW

This update is the second of three discussions leading to the Board's consideration of VCE's 2023 budget. The purpose of this staff report is to update the 2023 operating budget and multi-year forecast (2023 through 2025) in preparation of the 2023 Budget Adoption and rate setting.

At the VCE board meeting on October 13, 2022, Staff introduced the key factors influencing the 2022 and 2023 Operating Budgets on [Item 16](#) (e.g. Ukrainian conflict). In 2022 VCE has been able to mitigate the financial impacts from these factors, provide competitive rates compared to PG&E, and continue to increase cash reserves.

BACKGROUND

At the October Board meeting, staff provided an introduction to the 2023 budget forecast and a multi-year outlook. The VCE 2023 financial forecast, informed by VCE's analysts (CalCCA, MRW), indicates that lower Power Charge Indifference Adjustment (PCIA) and stabilized customer rates will allow VCE to reestablish strong reserve levels in 2023.

As noted in the October Board staff report, the utility sector, including VCE, has experienced significant volatility during 2020-2022 in power market prices due to the COVID-19 pandemic, climate change impacts, and global events. These events have created financial challenges to maintain reserves and competitive customer rates. In contrast, the near and longer-term outlook from 2023 to 2025 shows VCE continuing to overcome the increased power market price forecasts and building reserves to support establishing an investment-grade credit rating. Beginning in 2023, additional significant long-term renewable Power Purchase Agreements (PPAs) will be coming online, helping mitigate power market volatility and contributing to VCE's ability to continue to build reserves and maintain positive margins for the longer term (2024+).

ANALYSIS

This report updates information previously provided to the Board during the October 2022 Budget Update. The section below provides updates on the 2023 Budget Update and Multi-year Outlook.

2023 Operating Budget Update

As noted in the prior budget update, 2022 actual power cost increases and high forward power market prices create downward pressure on the PCIA. Based on analysis by CalCCA, Staff

anticipates a near zero to negative PCIA rate for 2023. The net result is \$10M+ in net income initially forecast for 2022, being recovered in 2023.

Most recently, Staff has updated the forecasts to incorporate additional PG&E actuals, an error by PG&E's in their cost information, and the impacts of September's heat storm on PG&E's power costs. These factors result in a revised forecast resulting in the 2023 PCIA dropping to zero and PG&E rate changes from a 3% reduction to 0% for 2023. As displayed below in Table 1 – Multi-Year Forecast, the changes to PCIA and VCE's long-term renewable PPA contracts are forecasted to provide near/long-term financial relief, allowing the establishment of stronger reserves. VCE's long-term renewable contracts will also have rate stabilization effects while significantly increasing VCE's renewable content.

Key Assumptions included in the 2023 Budget and Multi-year forecast (Table 1):

- 2023 PCIA decrease Forecast –The updated PCIA decreased to zero. Although current PCIA rates are forecasted to go negative, this requires approval by the CPUC and is not assumed in the table below.
- 2023 Customer Rates Forecast – The updated forecast for PG&E rates results in no change for 2023.
- 2023-2025 Power Costs Contingencies – Staff has increased power cost contingencies from 2.5% for 2022 to 5% for 2023-2025. This results in an approximately \$3M contingency that allows for additional buffers for impacts outside of VCE's control (e.g. power cost increases due to heat storms).

Table 1 – Multi-Year Forecast

Description	Actuals				2022 Proforma*	2023 Budget	Preliminary Forecast**	
	FY2019	FY2020	FY2021	FY2022	2022	2023	2024	2025
Customer Revenue	51,035	55,249	54,657	29,366	86,760	107,040	73,500	71,050
Power Cost	38,540	41,538	54,234	30,139	75,050	69,500	52,800	55,600
Other Expenses	3,850	4,346	4,267	2,285	5,080	5,938	6,100	6,178
Net Income	8,646	9,365	(3,844)	(3,058)	6,630	31,602	14,600	9,272

*2022 Proforma includes nine months of actual financial results and three months of updated power cost forecasts.

** The preliminary forecast is based on analysis by CalCCA and MRW and power cost forwards.

As shown in the table, the loss in net income during 2022 would be recovered by the end of 2023 due to PCIA decreases and customer rate stabilization. Staff will provide additional detail in its informational presentation at the meeting, including background information/assumptions associated with the projected net income for 2024 to 2025.

CONCLUSION

Staff will present the 2023 draft rates and budget for Board consideration in December. The draft budget will incorporate financial results from October and PG&E's annual rate and PCIA proceeding with the CPUC. Though the table above indicates continued profitability and building of reserves for our credit rating in 2023 and 2024, staff notes that market volatility and PPAs coming online may change or delay expected results.