



**Regular Meeting of the Valley Clean Energy Alliance  
Board of Directors  
Thursday, October 8, 2026 at 5:30 p.m.  
City of Davis Community Chambers  
23 Russell Boulevard, Davis, California 95616**

Board Members will be attending in-person and public participation will be in-person and available via Zoom Webinar (video/teleconference). VCE will, to the best of its ability, provide hybrid and remote options for VCE meeting participants and to the public; however, VCE cannot guarantee these options will be available due to technical limitations outside of our control. For assurance of public comment, VCE encourages in-person and written public comments to be submitted as described below when possible. VCE, to the best of its abilities, will provide participation via the Zoom platform.

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](mailto:Alisa.Lembke@ValleyCleanEnergy.org).

If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of VCEA staff who will distribute the information to the Board members and other staff.

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/81453439773>**

**Meeting ID: 814 5343 9773**

- b. By phone:**

**One tap mobile:**

**+1-669-444-9171,, 81453439773# US**

**+1-669-900-9128,, 81453439773# US**

**Or Dial:**

+1-669-444-9171 US

+1-669-900-9128 US

**Meeting ID: 814 5343 9773**

**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 (City of Winters, Chair), Tania Garcia-Cadena (City of Woodland, Vice Chair), Bapu Vaitla (City of Davis), Lucas Frerichs (Yolo County), Richard Casavecchia (City of Winters), Tom Stallard (City of Woodland), Donna Neville (City of Davis), Sheila Allen (Yolo County)

**Alternate Board Members:** Angel Barajas (Yolo County), Mayra Vega (City of Woodland), Linda Deos (City of Davis), Albert Vallecillo (City of Winters)

**5:30 p.m. Call to Order**

**1. Welcome, Approval of Agenda**

- 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 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. Approve September 10, 2026 Board meeting Minutes.**
- 4. Receive 2026 long range calendar.**
- 5. Receive Treasurer's Report: July 31, 2026.**
- 6. Receive September 2026 regulatory update dated September 30, 2026 provided by Keyes & Fox.**
- 7. Receive the Enterprise Risk Management biannual update. (Information)**

**REGULAR AGENDA**

- 8. Legislative End of Session update provided by Pacific Policy Group. (Information) (≈ 15 minutes)**
- 9. Adopt Power Project Selection Criteria Guidelines. (Discussion/Action) (≈ 20 minutes)**
- 10. 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 VCE 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.

- 11. Adjournment/Announcement:** The Board's next regular meeting has been scheduled for Thursday, November 12, 2026 at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695.

**PUBLIC PARTICIPATION: Public Comments:** 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](mailto: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. Written public comments that do not exceed 300 words will be read by the VCE Board Clerk, or other assigned VCE staff, to the Board 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 2, 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.* All written comments received will be posted to the VCE website.

**Verbal public participation during the meeting:**

- 1) **If attending in person**, please complete a **Comment Card** and return it to the Board Clerk.
- 2) **If attending remotely via Zoom**, there are two (2) ways for the public to provide verbal comments:
  - A. 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". When called upon, you will be "unmuted" to allow to speak.
  - B. If you are attending by phone only, you will need to press \*9 to raise your hand. When called upon, 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 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](mailto:Alisa.Lembke@ValleyCleanEnergy.org). The Valley Clean Energy website is located at: <https://valleycleanenergy.org/board-meetings/>.

## **VALLEY CLEAN ENERGY ALLIANCE**

### **Staff Report – Item 3**

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**TO:** Board of Directors

**FROM:** Alisa Lembke, Board Clerk / Administrative Analyst

**SUBJECT:** Approval of September 10, 2026 Board meeting Minutes

**DATE:** October 8, 2026

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#### **RECOMMENDATION**

Receive, review and approve the attached September 10, 2026 meeting Minutes.

Attachment: September 10, 2026 Board meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS REGULAR MEETING  
THURSDAY, SEPTEMBER 10, 2026**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, September 10, 2026 at 5:30 p.m. to be held at City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. Board Chair Jesse Loren established that there was a quorum present and began the meeting at 5:31 p.m.

Board Members Present: Jesse Loren (Chair), Tania Garcia-Cadena (Vice Chair), Lucas Frerichs, Tom Stallard, Shiela Allen, Richard Casavecchia, Bapu Vaitla (arrived at 5:33 p.m.)

Members Absent: Donna Neville

Item 1: Welcome and Approval of the Agenda Chair Loren welcomed everyone. Director Allen made a motion to approve the September 10, 2026 Agenda, seconded by Director Stallard. Motion passed with Director Neville absent.

Item 2. Public Comment – General and Consent Items There were no written or verbal public comments not on the agenda or on consent items.  
(Director Vaitla arrived at 5:33 p.m.)

Items 3-14. Approval of the Agenda and Consent Agenda Items / Resolution 2026-013 Motion made by Director Frerichs to approve the Consent agenda items, seconded by Director Stallard. Motion passed with Director Neville absent. The following items were:  
3. Approved July 9, 2026 Board meeting Minutes;  
4. Received 2026 long range calendar;  
5. Received Treasurer’s Report June 30, 2026;  
6. Received legislative update provided by Pacific Policy Group;  
7. Received August 2026 regulatory update dated September 2, 2026 provided by Keyes & Fox;  
8. Received Community Advisory Committee August 27, 2026 meeting summary;  
9. Received Board Workshop information;  
10. Received and approved Artificial Intelligence (AI) Usage IT Policy;  
11. Received and approved updated Collections Policy;



12. Ratified Amendment One (1) to First Principles Advisory Agreement extending term;
13. Approved the Chief Executive Officer to designate an alternate to California Community Power Board; and,
14. Authorized staff to proceed with discussions and due diligence regarding Gibson Solar and Battery Storage Project acquisition.

Item 15. California Community Power (CC Power) update. (Information)

Mitch Sears introduced CC Power General Manager Alex Morris. Mr. Morris provided an update on CC Power, including a list of CC Power's members; reviewed CC Power's Joint Action Model; and, highlighted VCE's participation in power contracts, possible future projects, and "bulk buys", such as getting information, data sets, and trainings by purchasing the information through those CCAs that are a part of CC Power. Lastly, Mr. Morris reviewed CC Powers' strategic priority for years 2026 through 2030.

The Board and Staff discussed the location of CC Powers' joint power contracts and the different types of energy storage. There were no written or verbal public comments.

Item 16. Accept and attest the accuracy of Valley Clean Energy's 2025 Power Content Label. (Action)

VCE Staff Chad Curran provided an overview of the 2025 Power Content Label (PCL) process of reporting VCE's 2025 energy purchases, which then needs to be filed with the California Energy Commission (CEC) and then distributed to VCE's Customers.

The Board and Staff discussed: current energy offerings and the need to reevaluate those offerings, format of the PCL and the need for a few revisions, and how the PCL is distributed to VCE's Customers.

There was no written public comment.

Verbal Public Comment: Christine Shewmaker expressed her happiness to see that VCE's Standard Green is up to 87% RPS, which has increased from where VCE was at in 2021 and 2022. She would like a commitment to allocated Indian Valley, Putah Creek, both local resources, and any other local power be allocated to UltraGreen. With the help of Yolo County opting up to UltraGreen in 2022 for their municipal power, that was not already covered by solar that they owned, all the power is renewable and local.



Motion made by Vice Chair Garcia-Cadena, seconded by Director Vaitla that the Board attest to the veracity of the information presented in VCE's 2025 Power Source Disclosure Annual Reports and Power Content Label for the Base Green, Standard Green, and UltraGreen products.

Motion passed by the following vote:

AYES: Garcia-Cadena, Frerichs, Stallard, Allen, Casavecchia, Vaitla, Loren

NOES: None

ABSENT: Neville

ABSTAIN: None

Item 17. Receive update on Residential Dynamic Pricing Pilot Program (HFP) and Vehicle-Grid Integration (VGI) Pilot Program. (Information)

VCE Staff Rebecca Kuczynski provided the background on the Hourly Flex Pricing Pilot (HFP) and Vehicle-Grid Integration (VGI) programs. Ms. Kuczynski provided an update on both HFP and VGI programs. And, she reviewed next steps. The Board and Staff briefly discussed active participants of the HFP program, and, the difference between Time of Use (TOU) and dynamic rate pricing. There was no written or verbal public comment.

Item 18. Board Member and Staff Announcements

Director Stallard invited those to attend tonight's Arte del Nuevo High School Event, which showcases youth art, held in Woodland from 5:30 p.m. until 8 p.m.

Chair Loren announced that the Carnitas Festival is scheduled for Saturday, September 26, 2026 in Winters. She informed those present that this event is free.

Mr. Sears provided a brief update on legislative bill AB1761 (Data Transparency), which the California Public Utilities Commission (CPUC) is in opposition of the bill. Also, the CPUC proceeding on Power Charge Indifference Adjustment (PCIA) Track 2, which will affect customers negatively and is not favorable to CCA's, is to be voted on by the CPUC under their consent agenda.

Mr. Sears announced upcoming events that VCE will be participating in: EV at the Pavilions (Davis) at Central Park on Sunday, September 29<sup>th</sup>, 2026; Salmon Festival (Winters) on Saturday, November 7<sup>th</sup> at Rotary Park, and Dia del Muertos Celebration (Woodland) on Saturday, November 10<sup>th</sup> at Woodland United Methodist Church.



Item 19.  
Announcement /  
Adjournment

Chair Loren announced that the Board's next regular meeting has been scheduled for Thursday, October 8, 2026 at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. There being no further regular business to discuss the meeting was adjourned at 6:22 p.m.

Alisa M. Lembke  
VCEA Board Secretary

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 4

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**TO:** Board of Directors

**FROM:** Alisa Lembke, Board Clerk/Administrative Analyst

**SUBJECT:** Board and Community Advisory Committee 2026 Long-Range Calendar

**DATE:** October 8, 2026

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#### Recommendation

Receive and file the 2026 Board and Community Advisory Committee (CAC) long-range calendar listing proposed meeting topics. Please note that meeting locations and topics may change.

Attachment: 2026 Board and CAC long range calendar

**VALLEY CLEAN ENERGY**  
**2026 Meeting Dates and Proposed Topics**  
**Board and Community Advisory Committee (CAC)**  
**(Note: Meeting locations and Topics are subject to change)**

| MEETING DATE                                   |                                                | TOPICS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ACTION                                                                                                                                                                                                              |
|------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <del>January 8, 2026</del><br><b>CANCELLED</b> | <b>Board</b><br><b>(Woodland)</b>              | <ul style="list-style-type: none"> <li><del>Oaths of Office for Board Members (Annual – new Members only) (R) (placeholder)</del></li> <li><del>Election of Officers for 2026 (Annual) (R) (placeholder)</del></li> <li><del>Customer Participation Update (4<sup>th</sup> Quarter 2025) (O) (placeholder)</del></li> <li><del>2025 Year-end review (R) (placeholder)</del></li> <li><del>VCE Employee Handbook Update (R) (placeholder)</del></li> <li>Annual Strategic Plan Report (R) (placeholder)</li> </ul> | <ul style="list-style-type: none"> <li><del>Action</del></li> <li><del>Nominations</del></li> <li><del>Information</del></li> <li><del>Information</del></li> <li><del>Action</del></li> <li>Information</li> </ul> |
| January 22, 2026                               | <b>Advisory Committee</b><br><b>(Woodland)</b> | <ul style="list-style-type: none"> <li>Rates/Budget 2026 Update (O)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2025) (O)</li> <li>Review and approve <b>2026</b> draft CAC Task Group(s) “Charges” (R)</li> <li>Power Portfolio update (R)</li> <li>2025 Year in review: Customer Care &amp; Marketing (R)</li> </ul>                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> <li>Information</li> <li>Information</li> </ul>                                                             |
| <b>February 12, 2026</b>                       | <b>Board</b><br><b>(Davis)</b>                 | <ul style="list-style-type: none"> <li>Oaths of Office for Board Members (Annual - new Members only) (R)</li> <li>Election of Officers for 2026 (Annual) (R)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2025) (O)</li> <li>2025 Year-end review (O)</li> <li>VCE Employee Handbook update (R)</li> <li>Annual Strategic Plan Report (R)</li> <li>Receive CAC 2025 Year-end Task Group Reports (O)</li> </ul>                                                                                  | <ul style="list-style-type: none"> <li>Action</li> <li>Nominations</li> <li>Information</li> <li>Information</li> <li>Action</li> <li>Information</li> <li>Information</li> </ul>                                   |
| <del>February 26, 2026</del><br>Cancelled      | <b>Advisory Committee</b><br><b>(Davis)</b>    | <ul style="list-style-type: none"> <li>This meeting has been cancelled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li></li> </ul>                                                                                                                                                                  |
| <del>March 12, 2026</del><br>Cancelled.        | <b>Board</b><br><b>(Woodland)</b>              | <ul style="list-style-type: none"> <li>This meeting has been cancelled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li></li> </ul>                                                                                                                                                                  |

|                                                |                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                         |
|------------------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 26, 2026                                 | <b>Advisory Committee (Woodland)</b>         | <ul style="list-style-type: none"> <li>• Integrated Resource Plan (IRP) Update (O)</li> <li>• Local Energy Task Group Update (O)</li> <li>• Update on CalCCA sponsored legislative bills (O)</li> </ul>                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>                                                                                                           |
| April 9, 2026                                  | <b>Board (Davis)</b>                         | <ul style="list-style-type: none"> <li>• Receive Enterprise Risk Management Report (Bi-Annual) (R)</li> <li>• Customer Participation update (1<sup>st</sup> Quarter 2026) (O)</li> <li>• Receive Treasury and Financial update; ratify Investment Policy; and extend RCB Credit Agreement (R/O)</li> <li>• Update Exhibits C &amp; D of VCE's JPA (R)</li> <li>• Update VCE's Conflict of Interest Code (R)</li> <li>• Brown Act compliance (R)</li> <li>• Ratify VCE's position on legislative bills</li> </ul>                                            | <ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Action</li> <li>• Action</li> <li>• Action</li> <li>• Action</li> <li>• Action</li> </ul>                                        |
| April 23, 2026<br>Cancelled.                   | <b>Advisory Committee (Davis)</b>            | <ul style="list-style-type: none"> <li>• This meeting has been cancelled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                     |
| May 12-14, 2026                                | <b>CalCCA Annual Conference (Sacramento)</b> | VCE Staff and some Board and CAC members attending                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                         |
| May 14, 2026<br>Cancelled, may be rescheduled. | <b>Board (Woodland)</b>                      | <ul style="list-style-type: none"> <li>• * No meeting due to CalCCA Annual Conference. A special meeting may be scheduled if an urgent matter needs to be addressed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                     |
| May 28, 2026                                   | <b>Advisory Committee (Woodland)</b>         | <ul style="list-style-type: none"> <li>• 2025 Net Margin Allocation (R)</li> <li>• Customer Participation update (1st Quarter 2026) (O)</li> <li>• Seek feedback on updates to Integrated Resource Plan (O)</li> <li>• Receive update on three (3) legislative bills. (O)</li> <li>• Recap of CalCCA May 2026 Annual Conference (O)</li> </ul>                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> <li>• Information</li> </ul>                                                 |
| June 11, 2026                                  | <b>Board (Davis)</b>                         | <ul style="list-style-type: none"> <li>• Re/Appointment of Members to Community Advisory Committee (Annual) (R)</li> <li>• Calendar Year 2025 Audited Financial Statements (James Marta &amp; Co.) (placeholder) (R)</li> <li>• Mid-Year 2026 Financial Update (R)</li> <li>• 2025 Net Margin Allocation (R)</li> <li>• CC Power Amendment to Fish Lake Geothermal PPA</li> <li>• Summer Preparedness outlook (O)</li> <li>• Receive annual Load Management Standards (LMS) update (O)</li> <li>• Recap of CalCCA May 2026 Annual Conference (O)</li> </ul> | <ul style="list-style-type: none"> <li>• Action</li> <li>• Action</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Action</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul> |

\*No meeting unless an urgent matter needs to be addressed

|                                 |                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                          |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 25, 2026                   | <b>Advisory Committee (Davis)</b>                                                                                          | <ul style="list-style-type: none"> <li>• Receive Summer Preparedness outlook (O)</li> <li>• Receive annual Load Management Standards (LMS) update (O)</li> <li>• Seek recommendation to Board on updated Integrated Resource Plan (IRP) (O)</li> </ul>                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>                                                                                      |
| July 9, 2026                    | <b>Board (Woodland)</b>                                                                                                    | <ul style="list-style-type: none"> <li>• Customer Participation update (2<sup>nd</sup> Quarter 2026) (O)</li> <li>• Approve Integrated Resource Plan (IRP) updates (R)</li> <li>• Indian Valley Long Term PPA (placeholder) (O)</li> </ul>                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Information</li> <li>• Discussion/Action</li> <li>• Action</li> </ul>                                                                                           |
| July 23, 2026<br>Cancelled      | <b>Advisory Committee (Woodland)</b>                                                                                       | <ul style="list-style-type: none"> <li>• Cancelled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                          |
| August 13, 2026<br>Cancelled    | <b>Board (Davis)</b>                                                                                                       | <ul style="list-style-type: none"> <li>• Cancelled. A Special meeting may be scheduled if needed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                          |
| August 27, 2026                 | <b>Advisory Committee (Davis)</b><br>Yolo County<br>Dept. of<br>Community<br>Services,<br>Cache Creek<br>Room,<br>Woodland | <ul style="list-style-type: none"> <li>• Customer Participation Update (2<sup>nd</sup> Quarter 2026) (O)</li> <li>• Receive updated Integrated Resource Plan (IRP) (O)</li> <li>• Focus Group Engagement</li> <li>• Draft Power Project Selection Criteria Guidelines</li> <li>• Receive Distributed Energy Resource Management System (DERMS) Intern Update</li> </ul>                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>                                        |
| September 10, 2026              | <b>Board (Woodland)</b>                                                                                                    | <ul style="list-style-type: none"> <li>• Certification of 2025 Power Content Label (Annual) (R)</li> <li>• Residential Dynamic Pricing Pilot Program (HFP) and Vehicle-Grid Integration (VGI) Pilot Program update (placeholder) (O)</li> <li>• Approve AI Usage IT Policy</li> <li>• Approve updated Collections Policy</li> <li>• Approve Power Project Selection Criteria Guidelines</li> <li>• Ratify Amendment 1 to First Principles Advisory Agreement</li> <li>• Designate Alternate to California Community Power (CC Power) Board</li> <li>• Gibson Solar</li> </ul> | <ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> <li>• Action</li> <li>• Action</li> <li>• Discussion/Action</li> <li>• Action</li> <li>• Action</li> <li>• Action</li> </ul> |
| September 24, 2026<br>CANCELLED | <b>Advisory Committee (Woodland)</b>                                                                                       | <ul style="list-style-type: none"> <li>• Cancelled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                      |
| October 8, 2026                 | <b>Board (Davis)</b>                                                                                                       | <ul style="list-style-type: none"> <li>• Enterprise Risk Management Update (Annual) (R)</li> <li>• Customer Participation Update (3<sup>rd</sup> Quarter 2026) (O)</li> <li>• Legislative End of Session Update (O)</li> <li>• Draft Power Project Selection Criteria Guidelines</li> </ul>                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>                                                         |

\*No meeting unless an urgent matter needs to be addressed

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|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October 23, 2026                                                                                                                               | <b>Board Workshop (Winters)</b>              | <ul style="list-style-type: none"> <li>The Board will be holding a Workshop (Special Meeting) on VCE's strategic vision.</li> </ul>                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Discussion</li> </ul>                                                                                                                         |
| October 22, 2026                                                                                                                               | <b>Advisory Committee (Davis)</b>            | <ul style="list-style-type: none"> <li>Power Portfolio Update (O)</li> <li>2025 Power Content Label Outreach (O)</li> <li>Customer Participation Update (3<sup>rd</sup> Quarter 2026) (O)</li> <li>Legislative End of Session Update (O)</li> <li>Draft 2027 Legislative &amp; Regulatory Platform</li> </ul>                                                          | <ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> </ul>                              |
| November 12, 2026                                                                                                                              | <b>Board (Woodland)</b>                      | <ul style="list-style-type: none"> <li>2027 Preliminary Operating Budget (R)</li> <li>Contract Renewals (R) (placeholder)</li> <li>Approve 2027 Legislative and Regulatory Platform</li> <li>CC Power – Willow Rock PPA (placeholder) (O)</li> <li>Electric Vehicle (Charge Your Ride) Rebate Program (O) (placeholder)</li> </ul>                                     | <ul style="list-style-type: none"> <li>Information/Discussion</li> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul> |
| <del>November 26, 2026</del><br><b>November 19, 2026</b><br>(rescheduled to November 19 due to Thanksgiving holiday on Nov. 26 <sup>th</sup> ) | <b>Advisory Committee (Woodland) (Davis)</b> | <ul style="list-style-type: none"> <li>Review CAC Draft 2026 Task Group Year-end Reports (R)</li> <li>GHG Free Attributes (R) (placeholder)</li> </ul>                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>                                                                                       |
| December 10, 2026                                                                                                                              | <b>Board (Davis)</b>                         | <ul style="list-style-type: none"> <li>Approve 2027 Operating Budget (Annual) and 2027 Customer Rates (R)</li> <li>Receive VCE Grant/Program Annual Report (R)</li> <li>GHG Free Attributes (R) (placeholder)</li> <li>Contract Renewals (R) (placeholder)</li> <li>CC Power – Willow Rock PPA (placeholder) (O)</li> </ul>                                            | <ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Information</li> <li>Discussion/Action</li> <li>Action</li> <li>Discussion/Action</li> </ul>                       |
| <del>December 24, 2026</del><br><b>December 17, 2026</b><br>(rescheduled to December 17 due to Christmas Eve on Dec. 24 <sup>th</sup> )        | <b>Advisory Committee (Davis)</b>            | <ul style="list-style-type: none"> <li>Approve 2026 Task Group Year-end Reports (R)</li> <li>Power Portfolio Update (R)</li> <li>Election of Officers for 2027 (Annual) (R)</li> </ul>                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Information</li> <li>Nominations</li> </ul>                                                                        |
| January 14, 2027                                                                                                                               | <b>Board (Woodland)</b>                      | <ul style="list-style-type: none"> <li>Oaths of Office for Board Members (Annual - new Members only) (R)</li> <li>Election of Officers for 2027 (Annual) (R)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2026) (O)</li> <li>2026 Year in review: Customer Care &amp; Marketing (R)</li> <li>Receive 2026 Task Group Year-end Reports (R)</li> </ul> | <ul style="list-style-type: none"> <li>Action</li> <li>Nominations</li> <li>Information</li> <li>Information</li> <li>Information</li> </ul>                                         |

\*No meeting unless an urgent matter needs to be addressed

|                  |                                      |                                                                                                                                                                                                                     |                                                                                                                  |
|------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
|                  |                                      | <ul style="list-style-type: none"> <li>• VCE Employee Handbook Update (R)</li> <li>• Annual Strategic Plan Report (R)</li> </ul>                                                                                    | <ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> </ul>                                |
| January 28, 2027 | <b>Advisory Committee (Woodland)</b> | <ul style="list-style-type: none"> <li>• Rates/Budget 2027 Update (O)</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2026) (O)</li> <li>• Approve 2027 CAC Task Group(s) “Charges” (R)</li> </ul> | <ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discuss/Action</li> </ul> |

**PLEASE NOTE:** May 12-14, 2026: CalCCA Annual Conference in Sacramento, California

| <b>CAC PROPOSED FUTURE TOPICS</b><br>Topics and Discussion dates may change as needed | <b><u>ESTIMATED</u> MEETING DATE(S)</b> |
|---------------------------------------------------------------------------------------|-----------------------------------------|
|                                                                                       |                                         |
|                                                                                       |                                         |
|                                                                                       |                                         |

\*No meeting unless an urgent matter needs to be addressed

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 5**

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**TO:** Board of Directors

**FROM:** Edward Burnham, Chief Financial Officer / Treasurer  
Mitch Sears, Chief Executive Officer

**SUBJECT:** Monthly Treasurer's Report (Informational Item) – July 31, 2026

**DATE:** October 8, 2026

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**RECOMMENDATION:**

Accept the Treasurer's report on VCE's cash, investments, debt, and unaudited financial statements (with comparative year to date information) and Actual vs. Budget year to date for the month ending July 31, 2026.

**BACKGROUND & DISCUSSION:**

The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending July 31, 2026.

**Financial Statements for the period July 1, 2026 – July 31, 2026**

In the Statement of Net Position, VCE, as of July 31, 2026, has a total of \$80,619,916 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On July 31, 2026, VCE's net position was \$93,205,771.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$7,384,046 of revenue (net of allowance for doubtful accounts), of which \$6,752,438 was billed in, and \$3,107,951 represents estimated unbilled revenue. The cost of electricity for the July revenue totaled \$5,520,537. For July, VCE's gross margin was approximately 30% and the net income totaled \$1,560,679. The year-to-date change in net position was (\$2,085,001).

In the Statement of Cash Flows, VCE cash flows from operations were \$290,673 due to July cash receipts of revenues being more than the monthly cash operating expenses.

**Bank Account Balances (as of 07/31/2026):**

|                            |              |
|----------------------------|--------------|
| Operating Account          | \$41,983,925 |
| Insured Cash Sweep Account | \$39,832,346 |
| Debt Service Account       | \$1,100,000  |
| CAISO Operational Account  | \$8,040,305  |
| Total Cash on Deposit      | \$90,956,577 |

Note: VCE receives 5.72% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. July 2026 earnings were \$156,068.

**VCE's Outstanding Loan Balances (as of 06/30/2026):**

Valley Clean Energy Alliance has available at the financial institution a line of credit totaling \$11,000,000 with \$7,000,000 withdrawal limit, which expires on April 15, 2027. The related debt outstanding at the close of business on October 31, 2026 was \$0. VCE has issued, but undrawn, letters of credit for a total of \$266,989 for regulatory.

**Actual vs. Budget Variances for the year to date ending July 31, 2026**

Below are the financial statement line items with variances >\$50,000 and 5%

- Electric Revenue – \$1,695,897 and 6% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments than forecasted, resulting from final actual results for PG&E included in the December true-up process and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – \$3,372,350 and 11% – Favorable mainly due to lower power costs resulting in less PPA cost recoveries, increased curtailment energy, and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Salaries & Wages – 173,987 and 14% favorable, driven by a vacancy in the Budgeted Policy Analyst role currently in recruitment and underfilled positions.
- Other Contracting Services \$66,620 and 76% Favorable due to the timing difference between amortization of budgeted expenses and actual expenses due to delayed regulatory proceedings.
- Programs \$724,288 – 90% Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.
- Marketing Plan / Focus Groups \$75,000 – 100% Favorable Variance due to being deferred to Q426.

**Attachments:**

- 1) Financial Statements (Unaudited) July 1, 2026 to July 31, 2026 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending July 31, 2026



# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF JULY 1 TO JULY 31, 2026**

**PREPARED ON SEPTEMBER 2, 2026**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
**JULY 31, 2026**  
**(UNAUDITED)**

**ASSETS**

Current assets:

|                                       |                    |
|---------------------------------------|--------------------|
| Cash and cash equivalents             | \$ 80,619,916      |
| Accounts receivable, net of allowance | 8,204,473          |
| Accrued revenue                       | 3,107,952          |
| Prepaid expenses                      | 271,512            |
| Inventory - Renewable Energy Credits  | -                  |
| Other current assets and deposits     | 9,847,188          |
| Total current assets                  | <u>102,051,041</u> |

Restricted assets:

|                           |                              |
|---------------------------|------------------------------|
| Debt service reserve fund | <u>1,102,881</u>             |
| Total restricted assets   | <u>1,102,881</u>             |
| <b>TOTAL ASSETS</b>       | <b><u>\$ 103,153,922</u></b> |

**LIABILITIES**

Current liabilities:

|                                     |                            |
|-------------------------------------|----------------------------|
| Accounts payable                    | 257,207                    |
| Accrued payroll                     | 36,378                     |
| Interest payable                    | -                          |
| Due to member agencies              | -                          |
| Accrued cost of electricity         | 5,487,483                  |
| Other accrued liabilities           | 2,297,157                  |
| Security deposits - energy supplies | 1,800,000                  |
| User taxes and energy surcharges    | 69,926                     |
| <b>TOTAL LIABILITIES</b>            | <b><u>\$ 9,948,151</u></b> |

**NET POSITION**

Net position:

|                           |                             |
|---------------------------|-----------------------------|
| Designated Funds          | \$ 18,849,585               |
| Local Programs Reserve    | 2,709,585                   |
| Rate Stabilization        | 12,284,000                  |
| Customer Distributions    | 3,856,000                   |
| Restricted                | 1,102,881                   |
| Unrestricted              | <u>73,253,305</u>           |
| <b>TOTAL NET POSITION</b> | <b><u>\$ 93,205,771</u></b> |

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**JULY 31, 2026**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

|                                               | FOR THE<br>PERIOD ENDING<br>JULY 31, 2026 | YEAR TO DATE         |
|-----------------------------------------------|-------------------------------------------|----------------------|
| <b>OPERATING REVENUE</b>                      |                                           |                      |
| Electricity sales, net                        | \$ 7,384,046                              | \$ 26,814,986        |
| Other revenue                                 | -                                         | 31,375               |
| <b>TOTAL OPERATING REVENUES</b>               | <u>7,384,046</u>                          | <u>26,846,361</u>    |
| <b>OPERATING EXPENSES</b>                     |                                           |                      |
| Cost of electricity                           | 5,520,537                                 | 26,887,416           |
| Contract services                             | 230,074                                   | 1,481,533            |
| Staff compensation                            | 147,776                                   | 1,068,367            |
| General, administration, and other            | 81,048                                    | 567,581              |
| <b>TOTAL OPERATING EXPENSES</b>               | <u>5,979,435</u>                          | <u>30,004,897</u>    |
| <b>TOTAL OPERATING INCOME (LOSS)</b>          | 1,404,611                                 | (3,158,537)          |
| <b>NONOPERATING REVENUES (EXPENSES)</b>       |                                           |                      |
| Interest income                               | 156,068                                   | 1,073,535            |
| Interest and related expenses                 | -                                         | -                    |
| Other Non Operating Revenues                  | <u>-</u>                                  | <u>-</u>             |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b> | <u>156,068</u>                            | <u>1,073,535</u>     |
| <b>CHANGE IN NET POSITION</b>                 | 1,560,679                                 | (2,085,001)          |
| Net position at beginning of period           | 91,645,092                                | 95,290,772           |
| Net position at end of period                 | <u>\$ 93,205,771</u>                      | <u>\$ 93,205,771</u> |

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**JULY 31, 2026**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

|                                                                             | FOR THE<br>PERIOD ENDING<br>JULY 31, 2026 | YEAR TO DATE         |
|-----------------------------------------------------------------------------|-------------------------------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                                           |                      |
| Receipts from electricity sales                                             | \$ 5,093,640                              | \$ 29,756,758        |
| Public purpose program receipts                                             | -                                         | -                    |
| Payments received from other revenue sources                                | -                                         | 31,375               |
| Receipts for security deposits with energy suppliers                        | -                                         | -                    |
| Payments to purchase electricity                                            | (4,390,541)                               | (25,611,088)         |
| Payments for contract services, general, and administration                 | (385,766)                                 | (2,109,678)          |
| Payments for member agency services                                         | -                                         | -                    |
| Payments for staff compensation                                             | (182,728)                                 | (1,152,833)          |
| Tax and surcharge payments to other governments                             | -                                         | -                    |
| Other cash payments                                                         | -                                         | -                    |
| <b>Net cash provided (used) by operating activities</b>                     | <b>134,605</b>                            | <b>914,533</b>       |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                     |                                           |                      |
| Principal payments of Debt                                                  | -                                         | -                    |
| Interest and related expenses                                               | -                                         | -                    |
| Other Non Operating Revenue                                                 | -                                         | -                    |
| <b>Net cash provided (used) by non-capital financing activities</b>         | <b>-</b>                                  | <b>-</b>             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>             |                                           |                      |
| Acquisition of nondepreciable assets                                        |                                           |                      |
| Acquisition of capital assets                                               |                                           |                      |
| <b>Net cash provided (used) by capital and related financing activities</b> |                                           |                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                                           |                      |
| Interest income                                                             | 156,068                                   | 1,073,535            |
| <b>Net cash provided (used) by investing activities</b>                     | <b>156,068</b>                            | <b>1,073,535</b>     |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                              | <b>290,673</b>                            | <b>1,988,069</b>     |
| Cash and cash equivalents at beginning of period                            | 81,432,123                                | 79,734,728           |
| <b>Cash and cash equivalents at end of period</b>                           | <b>81,722,797</b>                         | <b>81,722,797</b>    |
| Cash and cash equivalents included in:                                      |                                           |                      |
| Cash and cash equivalents                                                   | 80,619,916                                | 80,619,916           |
| Restricted assets                                                           | 1,102,881                                 | 1,102,881            |
| <b>Cash and cash equivalents at end of period</b>                           | <b>\$ 81,722,797</b>                      | <b>\$ 81,722,797</b> |

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**JULY 31, 2026**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

|                                                                                                   | FOR THE<br>PERIOD ENDING<br>JULY 31, 2026 | YEAR TO DATE           |
|---------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------|
|                                                                                                   | <hr/>                                     | <hr/>                  |
| <b>RECONCILIATION OF OPERATING INCOME TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                                           |                        |
| Operating Income (Loss)                                                                           | \$ 1,404,611                              | \$ (3,158,537)         |
| Adjustments to reconcile operating income to net cash provided                                    |                                           |                        |
| Depreciation expense                                                                              |                                           |                        |
| Increase (decrease) for uncollectible accounts                                                    | 67,300                                    | 277,100                |
| (Increase) decrease in net accounts receivable                                                    | (1,651,170)                               | 1,985,208              |
| (Increase) decrease in accrued revenue                                                            | (728,851)                                 | 655,726                |
| (Increase) decrease in prepaid expenses                                                           | (96,083)                                  | (77,479)               |
| (Increase) decrease in inventory - renewable energy credits                                       | -                                         | -                      |
| (Increase) decrease in other assets and deposits                                                  | -                                         | -                      |
| Increase (decrease) in accounts payable                                                           | (15,124)                                  | (35,329)               |
| Increase (decrease) in accrued payroll                                                            | (34,952)                                  | (84,466)               |
| Increase (decrease) in due to member agencies                                                     | -                                         | -                      |
| Increase (decrease) in accrued cost of electricity                                                | 1,166,559                                 | 1,328,573              |
| Increase (decrease) in other accrued liabilities                                                  | -                                         | -                      |
| Increase (decrease) security deposits with energy suppliers                                       | -                                         | -                      |
| Increase (decrease) in user taxes and energy surcharges                                           | 22,316                                    | 23,737                 |
| Increase (decrease) in security deposits from energy suppliers                                    | -                                         | -                      |
| Increase (decrease) in user taxes due to other governments                                        | -                                         | -                      |
| Increase (decrease) in advances from public purpose programs                                      | -                                         | -                      |
| <b>Net cash provided (used) by operating activities</b>                                           | <hr/> \$ 134,605 <hr/>                    | <hr/> \$ 914,533 <hr/> |

**VALLEY CLEAN ENERGY**  
**2026 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 07/31/2026**

| Description                                    | YTD Actuals    | YTD Budget     | YTD Variance   | % over /-under |
|------------------------------------------------|----------------|----------------|----------------|----------------|
| Total Revenues                                 | \$ 27,919,897  | \$ 26,224,000  | \$ 1,695,897   | 6%             |
| Electric Revenue                               | \$ 26,814,987  | \$ 25,450,000  | \$ 1,364,987   | 5%             |
| Interest Revenues                              | \$ 1,073,534   | \$ 760,000     | \$ 313,534     | 41%            |
| Reimbursable Revenues                          | \$ 31,375      | \$ 14,000      | \$ 17,375      | 124%           |
| Purchased Power                                | \$ 26,360,650  | \$ 29,633,000  | \$ (3,272,350) | -11%           |
| Purchased Power Base                           | \$ 26,360,650  | \$ 28,167,000  | \$ (1,806,350) | -6%            |
| Purchased Power Contingency 5%                 | \$ -           | \$ 1,466,000   | \$ (311,798)   | -21%           |
| Labor & Benefits                               | \$ 1,084,013   | \$ 1,258,000   | \$ (173,987)   | -14%           |
| Salaries & Wages/Benefits                      | \$ 882,189     | \$ 1,020,000   | \$ (137,811)   | -14%           |
| Contract Labor                                 | \$ 115,312     | \$ 126,000     | \$ (10,688)    | -8%            |
| Human Resources & Payroll                      | \$ 86,512      | \$ 112,000     | \$ (25,488)    | -23%           |
| Office Supplies & Other Expenses               | \$ 228,788     | \$ 325,000     | \$ (96,212)    | -30%           |
| Technology Costs                               | \$ 73,229      | \$ 50,000      | \$ 23,229      | 46%            |
| Office Supplies                                | \$ 13,085      | \$ 7,000       | \$ 6,085       | 87%            |
| Travel                                         | \$ 18,310      | \$ 23,000      | \$ (4,691)     | -20%           |
| CalCCA Dues                                    | \$ 122,500     | \$ 112,000     | \$ 10,500      | 9%             |
| CC Power                                       | \$ -           | \$ 126,000     | \$ (126,000)   | -100%          |
| Memberships                                    | \$ 1,665       | \$ 7,000       | \$ (5,336)     | -76%           |
| Contractual Services                           | \$ 1,374,183   | \$ 1,617,050   | \$ (242,867)   | -15%           |
| Other Contract Services (e.g. IRP)             | \$ 20,880      | \$ 87,500      | \$ (66,620)    | -76%           |
| Don Dame                                       | \$ 3,916       | \$ 21,000      | \$ (17,084)    | -81%           |
| Wholesale Energy Services (TEA)                | \$ 478,653     | \$ 504,000     | \$ (25,347)    | -5%            |
| 2030 100% Renewable & Storage                  | \$ -           | \$ 17,500      | \$ (17,500)    | -100%          |
| Customer Support Call Center                   | \$ 566,565     | \$ 563,500     | \$ 3,065       | 1%             |
| Operating Services                             | \$ 460         | \$ 70,000      | \$ (69,540)    | -99%           |
| Commercial Legal Support                       | \$ 57,302      | \$ 17,000      | \$ 40,302      | 237%           |
| Legal General Counsel                          | \$ 41,419      | \$ 46,000      | \$ (4,581)     | -10%           |
| Regulatory Counsel                             | \$ 123,298     | \$ 119,000     | \$ 4,298       | 4%             |
| Joint CCA Regulatory counsel                   | \$ -           | \$ 11,200      | \$ (11,200)    | -100%          |
| Legislative - (Lobbyist)                       | \$ 38,500      | \$ 40,250      | \$ (1,750)     | -4%            |
| Accounting Services                            | \$ -           | \$ 2,100       | \$ (2,100)     | -100%          |
| Financial Consultant                           | \$ -           | \$ 10,500      | \$ (10,500)    | -100%          |
| Audit Fees                                     | \$ 43,190      | \$ 55,000      | \$ (11,810)    | -21%           |
| Marketing                                      | \$ 157,483     | \$ 232,500     | \$ (75,017)    | -32%           |
| Marketing Collateral                           | \$ 157,483     | \$ 187,000     | \$ (29,517)    | -16%           |
| Community Engagement Activities & Sponsorships | \$ -           | \$ 45,500      | \$ (45,500)    | -100%          |
| Programs                                       | \$ 78,712      | \$ 803,000     | \$ (724,288)   | -90%           |
| Program Costs (Rebates, Incentives, etc.)      | \$ 45,710      | \$ 560,000     | \$ (514,290)   | -92%           |
| Member Agency Advisory Services                | \$ -           | \$ 14,000      | \$ (14,000)    | -100%          |
| AG Fit                                         | \$ 33,002      | \$ 154,000     | \$ (120,998)   | -79%           |
| PIPP Program                                   | \$ -           | \$ 75,000      | \$ (75,000)    | -100%          |
| Rents & Leases                                 | \$ 14,700      | \$ 30,450      | \$ (15,750)    | -52%           |
| Hunt Boyer Mansion                             | \$ 14,700      | \$ 16,450      | \$ (1,750)     | -11%           |
| Lease Improvement                              | \$ -           | \$ 14,000      | \$ (14,000)    | -100%          |
| Other A&G                                      | \$ 172,594     | \$ 418,300     | \$ (245,706)   | -59%           |
| Development - New Members                      | \$ -           | \$ 9,500       | \$ (9,500)     | -100%          |
| Strategic Plan Implementation                  | \$ 29,716      | \$ 44,800      | \$ (15,084)    | -34%           |
| Strategic Plan Update & Community Focus Group  | \$ -           | \$ 75,000      | \$ (75,000)    | -100%          |
| PG&E Data Fees                                 | \$ 66,327      | \$ 175,000     | \$ (108,673)   | -62%           |
| Insurance                                      | \$ 39,700      | \$ 56,000      | \$ (16,300)    | -29%           |
| Banking Fees                                   | \$ 36,852      | \$ 58,000      | \$ (21,148)    | -36%           |
| Miscellaneous Operating Expenses               | \$ 7,009       | \$ 7,000       | \$ 9           | 0%             |
| Contingency                                    | \$ -           | \$ 140,000     | \$ (140,000)   | -100%          |
|                                                | 0              | 0              |                |                |
| TOTAL OPERATING EXPENSES                       | \$ 29,478,132  | \$ 34,464,300  | \$ (4,986,168) | -14%           |
| Interest on RCB Term loan                      | \$ -           | \$ -           | \$ -           | 100%           |
| NET INCOME                                     | \$ (1,558,235) | \$ (8,240,300) |                |                |

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 6

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To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: October 8, 2026

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Please find attached Keyes & Fox’s September 2026 Regulatory Memorandum dated September 30, 2026 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 September 30, 2026

## Valley Clean Energy Alliance

### Regulatory Monitoring Report

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

From: Sheridan Pauker, Partner, Keyes & Fox LLP  
Jason Hoyle, Director of Research, EQ Research LLC

Subject: Monthly Regulatory Update

Date: September 30, 2026

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

### PCIA/ERRA Reform

**Background:** This Rulemaking considers updates and reforms to the ERRA and Power Charge Indifference Adjustment (PCIA) rules and processes with the objectives of improving existing rules, mitigating rate volatility, and ensuring indifference among bundled and departing customers. Track 1 concluded in 2025, Track 2's scope was revised to consider issues related to the valuation of pre-2019 RECs arising from 2026 ERRA forecast proceedings, and Track 3 will address broader issues in Track 3A and Track 3B.

**Recent Developments:** On September 22, the CPUC issued [D.26-09-047](#) resolving Track 2 issues and setting the value of pre-2019 banked RECs at zero dollars.

**Analysis:** A zero-dollar valuation for pre-2019 banked RECs means that CCA customers who departed IOU generation service after 2019 paid for the RECs at the time they were created and will receive no compensation from the remaining IOU bundled customers who will now use them to reduce RPS compliance costs.

**Next Steps:** A staff report or proposal in Track 3A is expected in October, followed by party proposals in late 2026/early 2027, and a Q1 2027 workshop.

**Additional Information:** [D.26-09-047](#) (Sep. 22, 2026); [Scoping Memo and Ruling](#) (Aug. 18, 2026); [Ruling](#) (Jun. 19, 2026); [Ruling](#) on hearing (May 28, 2026); Track 3 Workshop [Ruling](#) (May 13, 2026); [Ruling](#) (Apr. 24, 2026); [Ruling](#) and [Staff Report](#) (Mar. 27, 2026); [Ruling](#) (Feb. 20, 2026); [Amended Scoping Memo](#) (Feb. 3, 2026); [Ruling](#) (Dec. 26, 2025); CalCCA [Petition for Writ of Review](#) (Dec. 1, 2025); [D.25-06-049](#) (Jun. 27, 2025); [Scoping Memo](#) (Apr. 8, 2025); ALJ [Ruling](#) (Mar. 21, 2025); [Ruling & Staff Report](#) on RA MPB (Feb. 26, 2025); [OIR](#) (Feb. 26, 2025); Docket No. [R.25-02-005](#).

### RA Rulemaking

**Background:** This proceeding is the successor to R.23-10-011, and it will address the 2027 and 2028 RA compliance years, local RA obligations for the 2027-2029 and 2028-2030 compliance years, further refinements to the 24-hour Slice-of-Day (SOD) framework. Track 1 considered accreditation for long-duration energy storage, unforced capacity outage rates for thermal resources, accreditation for solar and wind resources, and transactability within the SOD framework during the first half of 2026. Track 2 addresses the planning reserve margin and coordination with the integrated resource plan proceeding.

**Recent Developments:** A September 25 [Ruling](#) modified the Track 2 schedule extending the deadlines for party proposals and comments on the Planning Reserve Margin (PRM) and Loss of Load Expectation (LOLE) studies.

**Analysis:** N/A.

**Next Steps:** A final PRM recommendation for the 2028-2029 RA years will be included in the final report from Energy Division, expected to be released in October. Party proposals on the Final 2028 LOLE studies and PRM are due November 2.

**Additional Information:** [Ruling](#) (Sep. 25, 2026); [Scoping Memo and Ruling](#) (Aug. 25, 2026); [Ruling](#) and Draft [Loss of Load Expectation Study](#) for 2028 (Aug. 17, 2026); [D.26-07-008](#) (Jul. 2, 2026); [Scoping Memo](#) (Dec. 12, 2025); [OIR](#) (Oct. 15, 2025); Docket No. [R.25-10-003](#).

## PG&E 2027 ERRA Forecast

**Background:** The annual Energy Resource and Recovery Account (ERRA) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other non-bypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates.

**Recent Developments:** On September 22, the CPUC issued a [Notice](#) of the evidentiary hearing scheduled for October 2.

**Analysis:** N/A.

**Next Steps:** The evidentiary hearing is scheduled for October 2. The Fall Update is due October 16 to be followed by a proposed decision in November with issuance of a final decision in late 2026.

**Additional Information:** [Notice](#) (Sep. 22, 2026); PG&E AL [7972-E](#) (Aug. 28, 2026); [Scoping Memo and Ruling](#) (Aug. 3, 2026); [Ruling](#) (Jun. 18, 2026); [Application](#) (May 15, 2026); Docket No. [A.26-05-007](#).

## IRP Rulemaking (2025)

**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 (GHG) reduction targets, ongoing reliability obligations, and the Commission's oversight of the IOUs' bundled procurement plans. This proceeding continues the work of R.20-05-003 and will be the primary forum for most future CPUC work on the Reliable and Clean Power Procurement Program framework (RCPPP).

**Recent Developments:** Opening comments on IRP filings were submitted on September 21.

**Analysis:** Comments on IRP filings raised concerns about aggregation of LSE plans to inform development of the Integrated Energy Policy Report (IEPR) resource portfolio for the next IRP cycle because LSE plans in the aggregate would procure more out-of-state wind and geothermal resources than are possible to import into California. Additional concerns were raised with respect to uncertainty in how the IRP portfolios will be integrated into the forthcoming RCPPP and the extent to which procurement requirements may be established based on near-term IRP portfolios.

**Next Steps:** Comments on the Bundled Procurement Plans (BPPs) are due November 13, and reply comments are due November 30. A proposed decision on the IOUs' proposed BPP updates is expected in Q4. Reply comments on the Transmission Planning Process portfolios are due October 12.

**Additional Information:** [Ruling](#) (Aug. 31, 2026); 2030-2031 [ELCC Study](#) and [Staff Memo](#) (Aug. 28, 2026); [Ruling](#) (Aug. 17, 2026); VCE's [2026 IRP](#) (Jul. 29, 2026); [Ruling](#) on RCPPP (Jul. 13, 2026); [Scoping Ruling](#) (Oct. 28, 2025); [OIR](#) (Jul. 2, 2025); Docket No. [R.25-06-019](#).

## PG&E 2027 Phase 1 GRC

**Background:** Phase 1 General Rate Case (GRC) proceedings determine PG&E's overall revenue requirement and classification of costs by function for a set period (in this case, 2027-2030).

**Recent Developments:** A September 23 [Ruling](#) modified the schedule for the Update Phase and cancelled the evidentiary hearing for the Update Phase. Also on September 23, the CPUC issued a [Proposed Decision](#) authorizing PG&E to recover up to \$456 million through an interim rate increase beginning January 1, 2027. The increase will remain in effect until a final decision concluding this proceeding is implemented.

**Analysis:** The Proposed Decision will increase PG&E's electric distribution revenue requirement by \$397 million.

**Next Steps:** The Proposed Decision authorizing PG&E's interim rate increase may be heard as soon as the Commission's October 8 meeting. Update Phase Opening briefs are due October 7 and reply briefs are due October 28. A proposed decision on Phase 1 is expected in March 2027. The Proposed Decision authorizing an interim rate increase may be heard as early as the October 29 Commission meeting. Comments on the proposed decision are due October 12 and reply comments are due October 19.

**Additional Information:** [Proposed Decision](#) (Sep. 23, 2026); [Ruling](#) (Sep. 23, 2026); [Ruling](#) (Aug. 11, 2026); [Proposed Decision](#) (Aug. 4, 2026); [Ruling](#) (Jun. 18, 2026); [Ruling](#) (Apr. 24, 2026); [Ruling](#) on schedule (Feb. 26, 2026); [Amended Scoping Memo and Ruling](#) (Jan. 26, 2026); [Scoping Memo and Ruling](#) (Jul. 31, 2025); [Application](#) (May 16, 2025); Docket No. [A.25-05-009](#).

## PG&E 2023 Phase 2 GRC

**Background:** Phase 2 General Rate Case (GRC) proceedings determine PG&E's marginal cost of service and revenue requirement allocation among customer classes for a set period (in this case, 2023-2026). This proceeding is also considering extension of existing dynamic rate pilots (including VCE's AgFIT pilot, now expanded across PG&E territory) and other real-time pricing (RTP) pilots as well as post-pilot dynamic rates required by the CEC's Load Management Standards.

**Recent Developments:** On September 24, an ALJ [Ruling](#) directed PG&E to submit revised workpapers supporting PG&E's dynamic rate pilot extension proposal by October 16 in the Dynamic Rate Options track.

**Analysis:** PG&E's revised workpapers will standardize the presentation of data underlying its dynamic rate design to allow cross-utility comparisons and allow parties to test the model's rate components, such as marginal cost inputs,

distribution capacity, and customer bill impacts, including load data. The revisions will enable meaningful evaluation of PG&E's Stop-Gap Interim RTP Pilot Extension Proposal.

**Next Steps:** Rebuttal testimony in the Primary Track is due October 9, and a meet and confer will be held October 19. A Ruling on the need for evidentiary hearings in the Primary Track is expected November 20. Testimony on PG&E's RTP Pilot stop-gap proposal is due September 30 for CalAdvocates and October 30 for other intervenors.

**Additional Information:** [Ruling](#) (Sep. 24, 2026); Fourth [Status Report](#) (Sep. 4, 2026); [Ruling](#) (Jul. 22, 2026); [Ruling](#) modifying schedule (Jun. 17, 2026); PG&E [Supplemental Testimony](#) (Jun. 8, 2026); [Motion](#) for bifurcated track (Nov. 6, 2025); PG&E [Testimony](#) and [Change Tables](#) (Oct. 29, 2025); [Scoping Memo](#) (Mar. 21, 2025); [Application](#) (Sep. 30, 2024); Docket No. [A.24-09-014](#).

## Demand Response Enhancements

**Background:** This proceeding seeks to enhance demand response (DR) resources by updating guiding principles, policies, and data system and process requirements. Demand response development is closely connected to the implementation of dynamic rates and real-time pricing (RTP), similar to VCE's AgFIT Pilot, but across all customer classes.

**Recent Developments:** On September 25, the CPUC issued a [Proposed Decision](#) (PD) authorizing bridge funding maintaining the 2027 funding levels for the IOUs' 2028-2029 DR programs and modifying the deadline for filing the next IOU DR applications to November 1, 2028 for program years 2030-2034.

**Analysis:** Bridge year funding will ensure program continuity while additional program refinements and related proceedings are resolved for incorporation into the next program application filings.

**Next Steps:** The PD may be heard as early as the October 29 Commission meeting. Comments on the PD are due October 15 and reply comments are due October 20.

**Additional Information:** [Proposed Decision](#) (Sep. 25, 2026); [Ruling](#) (Jul. 7, 2026); [Joint Case Management Statement](#) (Jun. 11, 2026); [Ruling](#) (Apr. 8, 2026); [D.26-03-016](#) on Flex Alert Funding (Mar. 26, 2026); [Ruling](#) on Staff [Proposal](#) on IOUs Bridge Year Funding (Mar. 10, 2026); [Scoping Memo and Ruling](#) (Feb. 12, 2026); [OIR](#) and [Guiding Principles](#) (Sep. 29, 2025); Docket No. [R.25-09-004](#).

## Advanced Electric Rate Design

**Background:** This proceeding will establish advanced electric rate design policies, including rate structures and components such as time-of-use (TOU), demand charges, and the design of demand flexibility and dynamic rates. Additionally, rate design options to support electrification for large commercial and industrial (C&I) customers, as well as rate design options for data centers and other large load customers will also be addressed.

**Recent Developments:** On September 3, an ALJ [Ruling](#) directed the IOUs to file a Joint Proposal addressing Assembly Bill 2109's requirements for the implementation of the Industrial Process Heat Recovery technology customer exemption from nonbypassable charges. On September 22, the CPUC issued a [Scoping Memo and Ruling](#) establishing four tracks for the proceeding and a tentative 24-month timeframe. Track 1 will address data center tariffs, contracts, exit fees and customer protections, Track 2 will address residential rate modernization including TOU timeframes, inclusion of wildfire costs as fixed costs and adjustment to the Base Services Charge (formerly the income-graduated fixed charge), Track 3 will address modernization of non-residential rates, and Track 4 will address dynamic rates including marginal cost inputs, transmission revenue requirements and other rate design elements.

**Analysis:** Track 4 will address dynamic rates and the marginal cost framework, including results of expanded pilots such as VCE's AgFIT Pilot.

**Next Steps:** The Joint IOU Proposal is due October 19, comments on the Joint Proposal are due November 18, and reply comments are due December 3. A Track 1 workshop on large load tariffs is planned for October. A Track 2 staff proposal is expected in Q1 2027.

**Additional Information:** [Scoping Memo and Ruling](#) (Sep. 22, 2026); [Ruling](#) (Sep. 3, 2026); [Ruling](#) (May 22, 2026); [OIR](#) (Apr. 10, 2026); Docket No. [R.26-04-009](#).

## PG&E 2024 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:** No recent developments.

**Analysis:** N/A.

**Next Steps:** The parties anticipate the next step in this proceeding will be the issuance of a Proposed Decision.

**Additional Information:** [Joint Settlement Motion](#) (May 22, 2026); [Ruling](#) (Feb. 2, 2026); [Ruling](#) requiring supplemental testimony (Dec. 22, 2025); [Joint Status Conference Statement](#) (Nov. 25, 2025); [Scoping Memo and Ruling](#) (May 2, 2025); PG&E 2024 ERRa Compliance [Application](#) (Feb. 28, 2025); Docket No. [A.25-02-013](#).

## PG&E 2025 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:** Intervenor testimony was filed on September 11.

**Analysis:** N/A.

**Next Steps:** A joint status conference is scheduled for October 30, and a proposed decision is expected in 2Q 2027.

**Additional Information:** [Scoping Memo and Ruling](#) (May 26, 2026); [Application](#) (Feb. 27, 2026); Docket No. [A.26-02-019](#).

## Climate Credit OIR

**Background:** This rulemaking will explore potential approaches to supporting customer affordability through cap-and-trade program proceeds returned to electric consumers via the state Climate Credit. The proceeding is divided into two tracks, and the current Track 1 has a Phase 1A and a Phase 1B. Phase 1A addressed the timing of the distribution of climate credits in 2026 and Phase 1B addresses broader changes in the residential Climate Credit.

**Recent Developments:** Party proposals for changes to the Climate Credit were filed on September 14. The [Joint Proposal](#) of CalCCA and Southern California Edison recommended the Commission maintain the status quo or, alternatively, provide customers enrolled in the CARE or FERA programs a higher-value Climate Credit up to twice the value of the credit received by other customers. A September 25 [Ruling](#) provided directions for utility implementation assessments of party proposals.

**Analysis:** N/A.

**Next Steps:** Utility implementation assessments on party proposals are due October 9, and a proposed decision is expected in Q1 2027.

**Additional Information:** [Ruling](#) (Sep. 25, 2026); [Joint Proposal](#) (Sep. 14, 2026); [Ruling](#) (Aug. 17, 2026); [Ruling](#) (Jul. 9, 2026); [D.26-04-036](#) (May 4, 2026); [D.26-03-013](#) (Mar. 25, 2026); [Scoping Memo and Ruling](#) (Feb. 3, 2026); [Ruling](#) (Oct. 31, 2025); [OIR](#) (Aug. 20, 2025); Docket No. [R.25-07-013](#).

## Distribution Interconnection Rules

**Background:** This rulemaking will review and refine distribution-level interconnection rules under Electric Rule 21, particularly those for distributed energy resources (DER) for PG&E, SCE, SDG&E and the small and multijurisdictional electric utilities. Phase 1 will consider interconnection timelines and evaluation screens, and the interconnection process for resources not interconnecting under the net billing or net metering tariffs. Subsequent phases are undefined at present, but may address issues related to interconnection processes, pathways, and standards; sharing of upgrade costs; net billing and net metering interconnections; among other topics.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** A scope for Phase 2 will be developed based on comments and workshop feedback from Phase 1.

**Additional Information:** [Ruling](#) (Jul. 14, 2026); [Resolution E-5436](#) (May 4, 2026); [Scoping Memo and Ruling](#) (Mar. 3, 2026); [OIR](#) (Jul. 25, 2025); Docket No. [R.25-08-004](#).

## Building Decarbonization

**Background:** This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. The current Phase 4 will consider whether modifications to electric line extension rules would assist under-resourced customers, electric baseline allowance modifications to encourage building decarbonization, and new programmatic approaches to building decarbonization.

**Recent Developments:** On September 25, an ALJ [Ruling](#) provided notice of consultations held with Tribal representatives and provided parties an opportunity to comment on notes ([Attachment 1](#), [Attachment 2](#)) from consultations.

**Analysis:** The consultations included discussion of either modifying utility tariffs or an advice letter process to provide Tribes the required opportunity for consultation about project activities on Tribal lands.

**Next Steps:** Comments on notes from Tribal consultations are due October 5. A proposed decision on the amended scope is expected in Q4 2026.

**Additional Information:** [Ruling](#) (Sep. 25, 2026); [Ruling](#) (Aug. 14, 2026); [Scoping Ruling](#) (Jul. 23, 2026); ([Ruling on Extension](#) (Apr. 7, 2026); [Scoping Ruling](#) (Mar. 30, 2026); PG&E [AL 7642-E](#) (Jul. 15, 2025); [D.25-06-034](#) (Jun. 20, 2025); PG&E [AL 5074-G/7615-E](#) (Jun. 5, 2025); [Scoping Memo and Ruling](#) (Jul. 1, 2024); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

## RPS Rulemaking

**Background:** This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, including legislative mandates, and other matters related to the purchase of renewable energy. This proceeding is the forum for review of VCE's RPS Procurement Plan and RPS Compliance reports.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** A proposed decision on Draft RPS Plans is expected in Q4 2026.

**Additional Information:** VCE's [Final Compliance Report](#) for CP4 (Aug. 24, 2026); [Final Resolution E-5457](#) (Jun. 12, 2026); VCE [Draft 2026 RPS Procurement Plan](#) (Jun. 12, 2026); [Scoping Memo and Ruling](#) (May 9, 2024); [OIR](#) (Feb. 1, 2024); Docket No. [R.24-01-017](#).

## City and County of San Francisco Municipalization

**Background:** The City and County of San Francisco (City or CCSF) filed this Petition in 2021 for a determination by the CPUC of just compensation for acquisition by the City of PG&E property (PG&E distribution and transmission assets to serve San Francisco) pursuant to Public Utilities Code §1401-1421.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** PG&E's opening testimony is due October 20 and intervenor testimony is due December 22.

**Additional Information:** CCSF [Notice](#) of Testimony (Apr. 20, 2026); [Ruling](#) (Apr. 2, 2026); PG&E [Motion](#) (Mar. 30, 2026); [Ruling](#) (Mar. 10, 2026); [Ruling](#) (Feb. 18, 2026); [Ruling](#) on CCSF Motion to Compel (Jan. 12, 2026); [D.25-10-039](#) (Nov. 6, 2025); [Amended Scoping Memo](#) (Jul. 1, 2025); [Petition](#) (Jul. 27, 2021); Docket No. [P.21-07-012](#).

## PG&E Diablo Canyon 2027 & VPF

**Background:** During the period of extended operations for the Diablo Canyon Nuclear Plant, PG&E submits an annual application forecasting its costs, market revenues from CAISO, net costs allocated to ratepayers of each large IOU, and its plan for use of volumetric performance fees (VPFs) in the upcoming calendar year.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** A proposed decision is expected in late October.

**Additional Information:** Joint Meet and Confer [Report](#) (Aug. 28, 2026); [Scoping Memo and Ruling](#) (Jun. 16, 2026); [Application](#) (Mar. 27, 2026); Docket No. [A.26-03-031](#).

## PG&E Billing System Modernization

**Background:** This proceeding addresses PG&E's plan to upgrade its legacy billing system, some portions of which date back to the mid-1990s. PG&E proposed a three-stage upgrade that would ultimately be complete in Q4 2029 and cost an estimated \$761.3 million.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** A ruling on the August 25 Motion to reopen the record to allow the Joint CCAs to submit a breakdown of the \$24 million incremental cost forecast associated with the proposals in the Partial Settlement Agreement filed July 9 is expected.

**Additional Information:** [Motion](#) (Aug. 25, 2026); [Joint Motion](#) (Jul. 9, 2026); [Joint Case Management Statement](#) (May 7, 2026); [Ruling](#) (Mar. 10, 2026); [D.25-08-008](#) (Aug. 19, 2025); Joint CCA [Testimony](#) (Jun. 30, 2025); [Scoping Memo](#) (Mar. 27, 2025); [Application](#) (Oct. 23, 2024); Docket No. [A.24-10-014](#).

## Disconnections and Reconnections

**Background:** This proceeding addresses approaches to the disconnection and reconnection of electric customers with a focus on improving energy access and cost containment.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** A ruling or proposed decision on the joint emergency Motion is expected.

**Additional Information:** [D.26-08-009](#) (Aug. 20, 2026); [Ruling](#) (Jun. 4, 2026); Joint Emergency [Motion](#) (May 28, 2026); PG&E [Arrearage Management Plan Annual Report](#) (May 1, 2026); CBO [Pilot Recommendations](#) (Dec. 11, 2025); [Ruling](#) granting extension (Oct. 21, 2025); [Ruling](#) (Oct. 13, 2025); [D.25-06-012](#) (Jun. 17, 2025); Phase 2 [Scoping Memo](#) (Jul. 15, 2022); [OIR](#) (Jul. 20, 2018); Docket No. [R.18-07-005](#).

## EV Rates & Infrastructure

**Background:** This rulemaking is the successor to [R.18-12-006](#) and will focus on issues related to 1) timely energization of electric vehicle (EV) charging, 2) transportation electrification grid planning to support charging infrastructure deployment, 3) deployment of behind-the-meter (BTM) charging infrastructure to support state goals, 4) vehicle-grid integration (VGI), and 5) ongoing transportation electrification policy development and collaboration.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** N/A.

**Additional Information:** [VGI Workshop Report](#) (May 27, 2026); PG&E [AL 7884-E](#) Technical Assistance Program Handbook (Apr. 6, 2026); [Resolution E-5434](#) (Feb. 27, 2026); [D.25-12-005](#) (Dec. 5, 2025); [Ruling](#) (Oct. 14, 2025); [Ruling](#) (Oct. 1, 2025); [Joint Report](#) on the CPUC's Submetering and Telematics Workshop (Jun. 16, 2025); [Scoping Memo and Ruling](#) (Apr. 12, 2024); [OIR](#) (Dec. 20, 2023); Docket No. [R.23-12-008](#).

## Other Dockets

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

| Docket                      | Name                        | Status                                                                                                                                                                                                                                                                                   |
|-----------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">R.19-09-009</a> | Microgrids                  | <a href="#">D.24-11-004</a> adopting implementation rules for multi-property microgrid tariffs closed the proceeding. An <a href="#">Application for Rehearing</a> was denied by <a href="#">D.25-06-067</a> , and CalSSA's <a href="#">Petition for Modification</a> remains pending.   |
| <a href="#">R.23-03-007</a> | Wildfire Fund NBC 2024-2026 | A September 9 <a href="#">Ruling</a> allows comments on the Department of Water Resources' 90-day <a href="#">Notice</a> Regarding 2027 Wildfire Non-bypassable Charge (NBC), which estimates the 2027 Wildfire NBC at \$5.42/MWh, a slight decrease from the 2026 charge of \$5.91/MWh. |

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

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**TO:** Board of Directors

**FROM:** Edward Burnham, Chief Financial Officer

**SUBJECT:** Bi-annual Enterprise Risk Management Report

**DATE:** October 8, 2026

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**RECOMMENDATION**

Accept the Bi-annual Enterprise Risk Management Report – September 2026.

**BACKGROUND & DISCUSSION**

In 2018, the Board approved VCE's Enterprise Risk Management (ERM) Policy. The policy is centered on risk management best practices and policies for the energy sector. In summary, the VCE ERM policy contains the following sections:

- **Introduction:** This section introduces the value of ERM as a structured approach to managing risk and uncertainty. It lays out the objectives of VCE's ERM function, providing the framework for evaluating and managing risk in the organization's decision-making process.
- **ERM Roles and Responsibilities:** The ERM roles are consistent with the Board-approved Wholesale Power Procurement & Risk Management Policy. The Enterprise Risk Oversight Committee (EROC) has primary responsibility for the implementation of ERM. The policy lays out the scope of the EROC's risk management authority.
- **Business Practices:** This section identifies the steps of risk management and the basic process associated with each step. The intent is to provide a high-level framework. Specific tools and techniques for implementing enterprise risk management will be recommended by the portfolio manager following approval of the policy.
- **Management Reporting and Metrics:** The policy defines an enterprise risk report that will be provided bi-annually to the Board.

Staff has used the consistent framework described in the ERM policy to identify various risks and related mitigations, and to ensure effective mitigation and communication across all levels of the organization. The attached ERM bi-annual report describes the activities that have taken place since

September 2025 and the actions VCE is and will be taking to manage the top risks that have been identified.

Prior to this report, staff most recently presented the bi-annual update to the Board in March 2026, describing progress on the ERM plan since inception. Bi-annual updates are provided in March and September of each year.

**ATTACHMENT**

1. Bi-annual Enterprise Risk Management Report – September 2026

Valley Clean Energy

# Enterprise Risk Management Report

September 2026

## Executive Summary

### Introduction and Background

In 2018, the Valley Clean Energy (VCE) Board adopted an Enterprise Risk Management (ERM) framework based on the best industry practices structure developed by SMUD. The objective was to provide the Board with insight into risks that could impact the ability to execute VCE's mission and build credibility and sustain confidence in VCE's governance. In addition, the framework and reports are designed to enhance the understanding of significant risks to VCE, develop the capacity for continuous monitoring, provide for periodic reporting of risks, and establish a platform for responding to changing risk circumstances. This report is the 1st of VCE's biannual risk reports for 2026; the prior ERM biannual Report was issued in September 2025.

ERM is a strategic approach to risk management that supports the achievement of organizational objectives through the management of integrated impacts of risks as an interrelated risk portfolio. ERM is a coordinated effort by management to treat all risks effectively, thereby reducing the overall cost of risk to the organization. The Chief Executive Officer has charged functional leaders to oversee the treatment of known major risk categories and provide a risk overview to the Enterprise Risk Oversight Committee (EROC).

### ERM Philosophy

VCE's ERM philosophy includes the following principles:

1. Identify, assess, prudently manage, monitor, and report on a variety of business-critical risks;
2. Provide enterprise risk context and linkage to existing core business processes to improve the allocation of limited resources;

### ERM Approach

Staff has applied a multi-perspective approach to evaluate and estimate the trade-off between risk and cost of mitigation across VCE business functions. This approach addresses the following issues:

- Roles and responsibilities

- Definitions and language
- Risk heat map and risk exposure inventory
- Risk exposure monitoring, updating, and reporting
- Integration of ERM with key business processes
- Integration of risk awareness within corporate culture
- This framework supports the Board in exercising its overall responsibility to:
  - Regulate opportunities and risks for VCE;
  - Develop a better understanding of appropriate opportunities and risks for VCE;
  - Promote active management of risk exposure down to acceptable levels; and
  - Assist VCE in its achievement of business plan objectives and operational performance.

## Summary of Activities through September of 2026

From an implementation perspective, progress continues on multiple fronts. Significant effort has been invested in creating an enterprise risk register. Risks to VCE have been identified, categorized, and rated. Existing risk controls and risk treatment measures implemented/proposed have also been identified. The risk register provides VCE's management with a consolidated view of risks being faced by VCE, the potential impact of those risks, mitigation actions, and assessment of short-term risk trends (i.e., higher/lower/steady).

Staff is using a consistent framework to identify various risks and related mitigations, and to ensure effective communication across all levels of the organization. In doing so, staff has completed the following developmental tasks:

1. Established the Chief Executive Officer as Chief Risk Officer and the Chief Financial Officer as risk process owner, focusing on day-to-day monitoring and coordination.
2. Developed ERM framework and tools
3. Conducted a risk survey
4. Developed VCE's top risk portfolio
5. Surveyed staff and management for ongoing risk input
6. Held monthly EROC meetings

## Key Steps Taken Since the Last Biannual Update

Some actionable steps that VCE has taken since the last Board update in September 2025 include:

1. Have actively engaged from a regulatory and legislative standpoint, including support for AB 1761 (Rogers) to improve PCIA Transparency (CalCCA Sponsored) and SB 1138 (Padilla) Resource Adequacy (RA) Transactability. (CalCCA Sponsored).
2. Approved 2025 Net Margin Allocation to preserve long-term Rate Credits of 5% for all customers and 10% for CARE/FERA customers and maintain VCE's strong "A-" S&P Credit Rating.
3. Successful recruitment and retention of key personnel, including the Policy Analyst – Legislative and Regulatory position, to strengthen organizational continuity, expertise, and strategic objectives.
4. VCE initiated a finance modernization effort focused on upgrading core financial systems (Enterprise Resource Planning software, Banking and Line of Credit, and Investments), improving operational efficiency, strengthening internal controls, and positioning the organization for future growth.
5. Delivered 86% renewable and 100% clean electricity service in 2025, reinforcing customer value, environmental leadership, and community trust.

## Key Risks

Key risks are those risks that, given VCE's current position, could negatively impact VCE's business model, future performance or prospects, solvency, liquidity, reputation, or prevent it from delivering on its local control commitment. These key risks are updated on an ongoing basis and look forward over a 5-year horizon to identify the:

- Nature and extent of risks facing VCE
- Likelihood and velocity of the risks and potential impacts
- VCE's ability to reduce or control such risks

## Key Priorities for Risk Management in 2026:

1. Maintain the operational risk management process
2. Provide regular updates to the Board
3. Continue to take specific actions to mitigate risks as outlined in this document
4. Begin to develop contingency plans for unexpected and emergent events

## Risk Portfolio

Top 5 Risks for VCE:

1. 2026 PCIA Increases (net revenue reductions)
2. Rate Affordability and Stabilization
3. Legislative & Regulatory Policy Risk
4. Resource Adequacy (Planning Reserve Margin)
5. Large Load and Commodity procurement Impacts

The following tables outline current risks (Table 1) and summarize VCE's response plan for it's top identified risks (Table 2).

**Table 1: Risk Description/Level**

| Risk                                               | Description                                                                                                                                                                                                                                                                                 | Current Residual Risk                                                                 | Target Residual Risk                                                                  |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Power Charge Indifference Adjustment (PCIA)</b> | The PCIA rate for 2026 increased significantly with revised market price benchmarks (MPB) formulas. Risk of increased customer costs and reduced rate competitiveness resulting from proposed CPUC PCIA OIR Track 2 and Track 3 decisions that may increase PCIA charges for VCE customers. |    |    |
| <b>Resource Adequacy (RA)</b>                      | RA supply remains constrained; however, market conditions have stabilized, and procurement costs have become more predictable                                                                                                                                                               |   |   |
| <b>Commodity Procurement</b>                       | the 2026 market has experienced improved stability, with lower energy and resource adequacy costs contributing to a reduction in overall portfolio expenses                                                                                                                                 |  |  |
| <b>Regulatory &amp; Policy risk</b>                | Risk of additional regulatory requirements increasing VCE's operational complexity and costs. The CPUC continues to adopt positions and policies that have shift costs from the IOUs to the CCA community.                                                                                  |  |  |

| Risk                           | Description                                                                                                                                                                                                                                                                          | Current Residual Risk                                                                 | Target Residual Risk                                                                  |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Capital availability/cashflow  | Capital / Cashflow Risk has remained low through VCE's rate, auto rate adjustment, and reserve policies. The 2026 Budget included rates and reserve policies to meet, obtain, and maintain credit rating agency requirements.                                                        |    |    |
| Economic Uncertainty           | The risks from the ongoing geopolitical climate increase the impacts on natural gas prices, the general economy, and the renewable sector, specifically through tax reform, trade agreements, war(s), and import tariffs.                                                            |    |    |
| Rate structure                 | The risk of rate design for cost of service has been reduced with an updated rate policy and additional implementation of the "Base Green" rate option. VCE rate stabilization funds are anticipated to be used in 2026 with changing PCIA and PG&E generation rates.                |    |    |
| Cyber security & data privacy  | Cybersecurity, data privacy, and public records risks continue to evolve with increasing cyber threats and the growing use of artificial intelligence. VCE has adopted an AI Policy to guide responsible use, protect sensitive information, and mitigate emerging technology risks. |    |    |
| Financial Markets Volatility   | Swings in global energy markets, financial markets, and currencies due to current geopolitical events (e.g. Ukraine/Iran (Middle East) and trade tariffs) have created challenges that impact VCE's power costs.                                                                     |   |   |
| Changing customer expectations | The risk that customers' changing expectations, driven by innovation, may lead to reduced revenue and loyalty.                                                                                                                                                                       |  |  |
| Opt-out rate                   | Recent customer opt-out activity suggests heightened risk associated with affordability challenges and billing presentation issues. VCE continues to focus on competitive rates, customer outreach, and the Base Green product option to support customer retention                  |  |  |

| Risk              | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Current Residual Risk                                                               | Target Residual Risk                                                                |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Business model    | Ability to quickly identify and respond to business risks that have the potential to impact the ability to achieve VCE goals.                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
| Media & Community | Risk of unfavorable public communications or events; spillover customer dissatisfaction related to PG&E's PSPS events and affordability.                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| Unknown risks     | Businesses and utilities attempt to identify and adapt to known risks, but some potential events outside of VCE's control could have a debilitating impact on utilities in general and VCE in particular. Load Serving Entities, like VCE, are facing new operational, financial, and reliability challenges from unknown impacts from large loads, such as increased demand volatility, potential grid congestion, higher procurement costs, and the need for enhanced infrastructure and forecasting capabilities. |  |  |

|                                                                                   |                    |
|-----------------------------------------------------------------------------------|--------------------|
|  | High Risk          |
|  | High/Moderate Risk |
|  | Low/Moderate Risk  |
|  | Low Risk           |

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Table 2: Summary of VCE top risk response plan

| Risk Event            | Response                                   | Trend <sup>1</sup>                                                                | Plan                                                                                                                                                                                                                                                         | Trigger/Control                                                                                                                                                                                                                                     | Owner                       |
|-----------------------|--------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| PCIA                  | Monitor risk & actively engage and respond |  | <p>1) Continue direct involvement with CalCCA task groups to seek favorable rulings and settlements in the PCIA, ERRA, and other filings.</p> <p>2) Work towards the potential long-term goal of attaining an option for a PCIA buy-out and sunset date.</p> | <p>Pending CPUC PCIA OIR Track 2 and Track 3 proceedings may increase future PCIA costs and customer rates.</p> <p>VCE will continue to monitor the ERRA and PCIA proceedings and participate in advocacy efforts to mitigate potential impacts</p> | Chief Financial Officer     |
| Commodity Procurement | Reduce & manage risk                       |  | <p>1) Continue to pursue long-term power purchase agreements to reduce the average cost of power in future years</p> <p>2) Pursue regulatory and legislative avenues in addressing the extreme swings in pricing.</p>                                        | <p>Management and optimization of PPA contracts</p> <p>Pursue long-term RA agreements to provide cost stability and mitigate risks associated</p>                                                                                                   | Director of Power Resources |

<sup>1</sup> Current trend of risk for VCE- increasing  , no change  or decreasing 

| Risk Event                              | Response                                   | Trend <sup>1</sup>                                                                  | Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Trigger/Control                                                                                                  | Owner                   |
|-----------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------|
| <b>Regulatory &amp; Policy risk</b>     | Monitor risk & actively engage and respond |    | 1) Take an active role in legislative sessions (contract with lobbyist and engage Board members for support / opposition on bills) along with support from CalCCA legislative committee<br><br>2) Follow and continue to update the annual VCE Legislative Platform<br><br>3) Take an active role in regulatory proceedings at the CPUC, including appeals, on various regulations that impact VCE and CCA's that increase cost or bureaucracy without any significant safety or cost benefits to VCE and its customers along with support from CalCCA Regulatory Committee | Weekly CalCCA Regulatory and Legislative Committee meetings<br><br>Regulatory rulings<br><br>Legislative actions | Chief Executive Officer |
| <b>Capital Availability / Cash Flow</b> | Monitor risk & actively engage and respond |  | 1) Continue towards conserving cash, reducing debt, and lowering cash requirements.<br><br>2) Evaluate reserve policy changes.<br><br>3) Work to maintain investment-grade credit rating.                                                                                                                                                                                                                                                                                                                                                                                   | VCE Line of credit agreements & extension to 2027.<br><br>Implement VCE Rate adjustment and Collections Policy   | Chief Financial Officer |

| Risk Event        | Response             | Trend <sup>1</sup>                                                                  | Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Trigger/Control                                                                                                                                                                                                                                    | Owner                         |
|-------------------|----------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Resource Adequacy | Reduce & manage risk |    | <ol style="list-style-type: none"> <li>1) Take an active role in regulatory proceedings at the CPUC, including appeals, on various regulations that impact the cost of electricity along with support from the CalCCA Regulatory Committee.</li> <li>2) Monitor and participate in CalCCA activities related to regional developments in RA.</li> <li>3) Continue to develop portfolio of resources that satisfy various future RA program scenarios.</li> </ol> | <p>Execution of PPA contracts</p> <p>Regulatory rulings that affect RA cost, including non-compliance penalty structure</p> <p>Annual review of VCE PPA RA resources</p>                                                                           | Director of Power Procurement |
| Rate Structure    | Reduce & manage risk |  | <ol style="list-style-type: none"> <li>1) Monitor and update Board based on analyst forecasts for ERRRA proceeding.</li> <li>2) Identify and mitigate risks outside of VCE control to limit impacts and frequency of rate changes.</li> <li>3) Review and update rates for rate adjustment policy.</li> </ol>                                                                                                                                                    | <p>Economic outlook and Rate forecasts</p> <p>Monitor Regulatory proceedings that impact PCIA, RA, and ERRRA.</p> <p>Monitor cash short-term and long-term impacts to reserve funds, credit lines, commercial negotiations, and PPA covenants.</p> | Chief Financial Officer       |

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 8**

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To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative End of Session Update – Pacific Policy Group

Date: October 8, 2026

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Pacific Policy Group, VCE’s lobby services consultant, continues to work with Staff and the Community Advisory Committee’s Legislative - Regulatory Task Group (LRTG) continues to meet and discuss legislative matters. Below is a summary.

The 2025-26 legislative session concluded on September 1, 2026, the second year in a row that that session concluded a day later than planned. The final days of session focused on Governor Newsom’s push to reduce Investor-Owned Utilities’ (IOUs) liability for the wildfires they start in a proposal that was ultimately, and unexpectedly, rejected by the Legislature.

CalCCA sponsored two bills this session, AB 1761 (Rogers) and SB 1138 (Padilla). Unfortunately, neither bill proved successful in becoming law. AB 1761 was able to navigate the entire legislative process; however, Governor Newsom vetoed the bill. In his veto message, Governor Newsom stated that he is “concerned that this legislation will result in improper dissemination of market sensitive information and benefit a limited subset of market participants.” It is important to note that AB 1761 included provisions to protect market sensitive information, per existing CPUC requirements. SB 1138 was held on the Assembly Appropriations Committee suspense file.

Elsewhere on the Legislative front, CalCCA and VCE engaged on bills regarding data centers. In the end, Assemblymember Zbur and Senator Padilla coordinated their efforts that resulted in a set of bills to address data centers. VCE, and CalCCA, initially opposed AB 2383 (Zbur) unless it was amended and after the requested amendments were accepted, removed its opposition and took a neutral position. AB 2383 proposes new tariff rules for IOUs and CCAs to provide transmission, distribution, and generation services to data centers. SB 886 (Padilla) proposes new tariff rules for retail electric service at the transmission level. AB 2383 bifurcates the provisions for new tariff rules so that CCAs must follow the same criteria as those specified for the IOUs, but through their own regulatory authority, and not by rules established by the CPUC. Importantly, the language of AB 2383 makes clear that the California Public Utilities Commission is not authorized to regulate the rates or terms and conditions of service offered by a CCA. Governor Newsom signed both bills as part of a package of legislation on data center development.

Lastly, the end-of-session drama over IOU liability for the wildfires they are responsible for starting pitted the insurance industry, local governments, trial attorneys, and wildfire victims on one side with the IOUs, labor, and the California Building Industry Association on the other. Rumored for months, the Governor proposed in the final week of the session a bill to eliminate the ability for insurance companies to sue an IOU for wildfire claims (a process known as subrogation), reduce the amount of infrastructure damages and lost property tax revenue that local governments could sue an IOU for, and restrict attorneys' fees. Ultimately, everyone lost. The Legislature rejected the Governor's proposals related to the insurance companies and local governments and subsequently produced SB 492 (Becker & Petri-Norris), a last-minute deal introduced 72 hours before the end of the session. It would have limited attorneys' fees, set up a process to expedite payment to fire victims and tied IOU executive pay to several criteria related to wildfire safety. The bill was cast as a compromise, but Assembly Speaker Robert Rivas decided to not have the bill brought up in front of the Assembly on the final day of session; thus, SB 492 died. In the initial aftermath, rumors spread widely that the Governor would call a special session but those have all but vanished. In addition, Assembly Utilities & Energy Committee Chair Cottie Petrie-Norris has publicly stated that she will hold informational hearings on the topic, but so far, no hearings have been scheduled. This issue will surely resurface in 2027.

Looking forward, the November election in which Californians will select a new Governor is the most prevalent conversation. While the polls indicate Democrat Xavier Bacerra as the front runner, nothing is certain in this topsy-turvy political climate. Observers are waiting and pondering details about Mr. Bacerra's potential energy policies, as well as those of his opponent, Republican Steve Hilton. Regardless, in 2027 we will enter a new legislative session with unknown and familiar policies competing for our attention.

Looking a bit farther forward, the Legislature will convene the 2027-28 legislative session on December 7, 2026, at which time new legislators will be sworn in, and some bills will be introduced. The Legislature will then adjourn for winter holidays before resuming session in early January. The new governor will be sworn in on January 4, 2027.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 9

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**TO:** Board of Directors

**FROM:** Chad Curran, Director of Power Services

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

**DATE:** October 8, 2026

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#### RECOMMENDATION

Adopt the draft Power Project Selection Criteria Guidelines (the “draft guidelines”).

#### OVERVIEW

Valley Clean Energy’s (VCE) primary purpose is to procure electricity for its customers from the wholesale energy market. Based on its strategic vision and Mission, VCE has successfully built a robust clean and affordable portfolio of long-term energy contracts that is responsive to local goals and regulatory realities. The recommended procurement guidelines help memorialize VCE’s past efforts to build its portfolio while maintaining the flexibility needed to adjust to a highly volatile energy sector and associated regulatory landscape.

#### BACKGROUND AND ANALYSIS

Valley Clean Energy (VCE) has a robust contracted renewable energy portfolio and is currently well-positioned in the near- and medium-term to meet its customers’ demand and strategic plan goals for the procurement of renewable and carbon free energy. For example, in 2025 VCE met approximately 87% of its retail customer load with renewable energy, and approximately 96% of its wholesale customer load with carbon free energy. As a result, VCE is not currently holding any solicitations for the bulk procurement of long-term power contracts and is not actively planning for any solicitations.

However, from time to time, VCE does engage in bilateral discussions for the procurement of long-term power contracts, such as for the recontracting in July 2026 of the 3 MW Indian Valley Hydro Facility in Yolo County<sup>1</sup>. As with previous solicitations (e.g. the 2020 Local Projects Solicitation) and bilateral engagements, the foundation for these negotiations was VCE’s strategic vision and Mission with final approval determined by the VCE Board. Based on input from outside groups and the relative lull in active long-term procurement, Staff believes it is appropriate timing for VCE to memorialize its past work that led to the construction of its current portfolio. The proposed guidelines will help clarify and inform decision making if VCE becomes more active in large-scale, long-term power contracting or

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

ownership. Staff note that while establishing these guidelines, it is important for VCE to maintain the flexibility needed to adjust to a highly volatile energy sector and associated regulatory landscape.

#### Recent CCA Adoption of Project Selection Criteria

The recommended draft guidelines are generally consistent with similar criteria adopted by other community choice aggregators (CCAs). These actions have taken place in the context of CCA discussions with labor and environmental groups with a focus on CCAs that, like VCE, are members of the California Community Power Joint Power Agency (CC Power).

Recent example CCA actions:

- January 17, 2024 - Ava Community Energy's Board adopted Workforce and Environmental Justice Project Selection Criteria<sup>2</sup>.
- April 3, 2025 - Sonoma Clean Power's Board adopted Energy Project Selection Criteria<sup>3</sup>.
- April 9, 2025 - Silicon Valley Clean Energy's Board adopted a Power Purchase Agreement Project Selection Policy<sup>4</sup>.
- April 25, 2025 - San Jose Clean Energy approved its Workforce and Environmental Stewardship Project Selection Criteria<sup>5</sup>.

#### Draft Guidelines

VCE's development of the draft guidelines includes criteria that matter most for VCE's community. They are intended to provide increased clarity into VCE's decision making process when considering long-term contracts for or ownership of power projects and help ensure that VCE selects projects that provide diverse benefits to the customers and communities it serves.

The draft guidelines are designed to provide factors for VCE to consider when selecting long-term power projects. They are intended to be flexible enough to allow VCE to consider the unique circumstances under which it considers each long-term power project. But the draft guidelines are also intended to help VCE be holistic in what factors it considers when selecting projects.

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<sup>2</sup> <https://avaenergy.org/wp-content/uploads/2024/07/P-2024-20-Workforce-and-EJ-Project-Policy.pdf>

<sup>3</sup> <https://sonomacleanpower.org/uploads/documents/SCPA-BOD-2025.04.03-Meeting-Agenda-Packet-with-Teleconference-Instructions.pdf>

<sup>4</sup> <https://www.svcleanenergy.org/wp-content/uploads/2025-0409-SVCE-April-BOD-Agenda-Packet-scrubbed.pdf>

<sup>5</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=14145212&GUID=5C39D187-D67C-465B-A844-F1FF6ED29BD5>

The attached draft guidelines include criteria addressing:

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

The draft guidelines are generally based on power project selection criteria recently approved by other CCAs. By using those criteria as a starting point, VCE will be generally consistent with other CCAs while maintaining its primary focus on VCE's locally derived goals and the flexibility necessary to adapt to a volatile regulatory landscape.

### **Community Advisory Committee (CAC) Feedback and Public Comment**

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

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

The CAC recommended two changes to the guidelines:

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

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

### **CONCLUSION**

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

### **Attachments:**

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



VALLEY

CLEAN ENERGY

## Draft Power Project Selection Criteria Guidelines

Adopted: \_\_\_\_\_ 2026

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# 1. Overview of Guidelines

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## Power Project Selection Guidelines

### Overview

Valley Clean Energy's (VCE) power project selection criteria guidelines (the "Guidelines") ~~establishes~~establish guidelines that will inform VCE's decision-making process when procuring long-term power resources, to help ensure projects selected best align with the mission, vision, and goals described in VCE's Strategic Plan<sup>1</sup>. ~~These guidelines can be applied to the selection of long-term purchases of energy, capacity, renewable and carbon free attributes, and other power-related attributes; to front-of-the-meter new build power resources and/or power storage projects, as well as substantial repowering of existing power supply resources; and to projects sourced through solicitations or bilateral negotiations. Projects considered under these Guidelines may be evaluated based on the criteria described below, though not necessarily in order of priority:~~

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

Projects will be selected based on their contributions toward VCE's mission of providing clean, reliable, and affordable energy. VCE will assess the cost, products, and operational and regulatory characteristics of ~~each project to maximize the projects, as well as projects'~~ contribution toward each of these selection criteria. Evaluation and selection of projects will be consistent with and subject to VCE's Wholesale Energy Procurement Risk Management Policy<sup>2</sup> and other VCE Board approved policies.

### Applicability

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

<sup>1</sup> <https://valleycleanenergy.org/wp-content/uploads/VCE-Strategic-Plan-2026-2029-Major-Update-approved-10-14-2025.pdf>

<sup>2</sup> <https://valleycleanenergy.org/wp-content/uploads/VCE-Wholesale-Energy-Procurement-Risk-Management-Policy-Revised-Sept.-2023.pdf>

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

## 2. Selection Criteria

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

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

### 2.1 Regulatory Requirements

VCE must comply with all regulatory procurement requirements and orders, including renewable portfolio standards (RPS) targets, greenhouse gas reduction (GHG) targets, CPUC procurement orders, and any other regulatory requirements. VCE will select projects based on their contribution towards its regulatory procurement requirements.

### 2.2 Cost

VCE's mission includes providing affordable power to its current and future customers. The net cost of a project will be a key selection criterion. Net cost will consist of the contracted cost of the project minus the forecast value of any products received under the contract.

### 2.3 Development Risk

VCE will select projects based on their development risk, giving preference to projects with the greatest likelihood of a project coming online on schedule. Criteria evaluated for development risk will include interconnection status, deliverability, site control, permitting, construction status, developer experience, financing, and any other criteria relevant to determining a project's ability to deliver the project on or ahead of the anticipated online date.

### 2.4 Greenhouse Gas Emissions Impact

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

## 2.5 Location

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

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

## 2.6 Technology Diversity

VCE recognizes the importance of diversifying generation technology in its portfolio to help diversify technology-specific risk, and to promote technologies with diverse values and benefits.

All else equal, VCE will prioritize projects that will diversify its current technology portfolio, enhance local reliability, and reduce or control costs for VCE customers, when compared to other available alternative technologies.

VCE's strategic plan goals include developing strategies to identify and pursue cost-effective, local distributed energy resources (DERs). VCE recognizes DERs as an important tool in diversifying its energy portfolio.

## 2.7 Environmental Responsibility

VCE is committed to providing customers with energy that delivers benefits for air, water, and the natural environment while avoiding, to the extent reasonable, negative impacts on lands, species, and waters. VCE, without diminishing or interfering with permitting, land use or development requirements of jurisdictional authorities including local, state, and federal agencies or Tribes prioritizes projects:

- That are proposed on currently developed or previously disturbed sites; and
- ~~Where~~ For which the developer(s) and local land use authority(ies) have established an enforceable development agreement or equivalent agreement which includes measures to mitigate impacts to sensitive habitats or environmentally sensitive areas. For projects at an earlier stage of the permitting process, VCE will prioritize projects for which the developer has assessed likely impacts to sensitive habitat or environmentally sensitive areas and has committed to mitigation measures.

## 2.8 Community Engagement

VCE will prioritize projects that:

- ~~Demonstrate~~ demonstrate contact and collaboration with local community organizations and stakeholder groups representing a broad diversity of demographic and local interests, particularly low

income and environmental justice communities, to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to local citizens and businesses.

~~Commit~~ VCE will prioritize projects as follows:

- Projects that have committed to defined financial investments to ensure these benefits are realized.
- Projects that commit to meaningful engagement with local communities throughout the planning, evaluation, development, and construction processes ~~to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.~~

## 2.9 Workforce Development

VCE is committed to stimulating its service area's economy through supporting local projects when feasible, committing to prevailing wage rates as required by law, and supporting a local Skilled and Trained Workforce, including construction efforts performed by appropriate Journeypersons and ~~Apprentices~~ apprentices from a state-approved apprenticeship training program.

VCE will prioritize projects as follows:

- High-priority projects will commit to a multi-trade project labor agreement with additional preference given to projects committing to target 30% Local Hire and a target of 5% Workforce Pipeline participation, using prevailing hourly wage and benefit rates as determined by: (1) the California Department of Industrial Relations for California projects or (2) respective state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects;
- Medium-priority projects will commit to:
  - Using prevailing hourly wage and benefit rates as determined by: (1) the California Department of Industrial Relations for California projects or (2) respective state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects.
  - Additional preference will be given to projects that use apprentices at the same ratio of apprentice hours to Journeyperson hours as required for public works projects under Section 1777.5 of the California Labor Code; and
- Low-priority projects may demonstrate other commitments to local workforce development.

## 3. Joint Procurement

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### 3.1 Joint and Third-Party Procurement Efforts

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

## 4. Definitions

The following are definitions of terms utilized in this document:

- **Journey person:**  
A worker who either:
  - Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, approved for federal purposes pursuant to apprenticeship regulations adopted by the U.S. Secretary of Labor, or
  - Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.
- **Local Hire:**  
A qualified worker that meets one of the following criteria in descending priority:
  - A resident within the nearest communities in proximity to the project, by a radius as reasonably determined on a project-by-project basis. Such radius will target a distance that is within reasonable daily commuting distance.
  - A resident within the county where the project is constructed.
- **Priority Worker**  
An individual who is designated as a targeted hire or priority worker through a state-certified career training and placement program.
- **Skilled and Trained Workforce**  
A workforce in which all workers performing work in apprentice-able occupations in the building and construction trades are either skilled Journey persons or Apprentices registered in an apprentice program approved by the Chief of the Division of Apprenticeship Standards, as defined in Chapter 2.9 of Part 1 of Division 2 of the California Public Contracts Code.
- **Workforce Pipeline Program Hires**  
An individual who is a participant in a workforce pipeline program which:
  - Partners with a structured, Multi-Craft Core Curriculum (MC3)-certified construction careers) pre apprenticeship program or programs, or equivalent industry and state-recognized certificated career training and placement program or programs that recruits, supports, and places targeted workers Priority Workers in skilled construction trades; and
  - Creates opportunities for certified MC3 graduates a Priority Worker to enter Registered Apprenticeship Programs registered apprenticeship programs and/or obtain work hours needed to successfully complete their apprenticeship-; or
  - Recruits and places income-qualified Journey persons.
  -



VALLEY

CLEAN ENERGY

## Power Project Selection Criteria Guidelines

(Adopted \_\_\_\_\_, 2026)

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## 1. Overview of Guidelines

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### Overview

Valley Clean Energy's (VCE) power project selection criteria guidelines (the "Guidelines") establish guidelines that will inform VCE's decision-making process when procuring long-term power resources, to help ensure projects selected best align with the mission, vision, and goals described in VCE's Strategic Plan<sup>1</sup>. Projects will be selected based on their contributions toward VCE's mission of providing clean, reliable, and affordable energy. VCE will assess the cost, products, and operational and regulatory characteristics of projects, as well as projects' contribution toward each of these selection criteria. Evaluation and selection of projects will be consistent with and subject to VCE's Wholesale Energy Procurement Risk Management Policy<sup>2</sup> and other VCE Board approved policies.

### Applicability

These guidelines will be used in the selection process for long-term procurement of renewable energy and storage resources that provide bundled products including energy, capacity, renewable and carbon free attributes, and other power-related attributes. The guidelines will apply to the selection of projects considered for long-term contracting as well as VCE ownership. They will apply to front-of-the-meter and behind-the-meter projects, to new build projects and substantial repowering of existing resources, and to projects sourced through solicitations or bilateral negotiations. During solicitations, VCE will request information on participating projects' performance against the selection criteria.

## 2. Selection Criteria

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

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

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<sup>1</sup> <https://valleycleanenergy.org/wp-content/uploads/VCE-Strategic-Plan-2026-2029-Major-Update-approved-10-14-2025.pdf>

<sup>2</sup> <https://valleycleanenergy.org/wp-content/uploads/VCE-Wholesale-Energy-Procurement-Risk-Management-Policy-Revised-Sept.-2023.pdf>

## 2.1 Regulatory Requirements

VCE must comply with all regulatory procurement requirements and orders, including renewable portfolio standards (RPS) targets, greenhouse gas reduction (GHG) targets, CPUC procurement orders, and any other regulatory requirements. VCE will select projects based on their contribution towards its regulatory procurement requirements.

## 2.2 Cost

VCE's mission includes providing affordable power to its current and future customers. The net cost of a project will be a key selection criterion. Net cost will consist of the contracted cost of the project minus the forecast value of any products received under the contract.

## 2.3 Development Risk

VCE will select projects based on their development risk, giving preference to projects with the greatest likelihood of a project coming online on schedule. Criteria evaluated for development risk will include interconnection status, deliverability, site control, permitting, construction status, developer experience, financing, and any other criteria relevant to determining a project's ability to deliver the project on or ahead of the anticipated online date.

## 2.4 Greenhouse Gas Emissions Impact

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

## 2.5 Location

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

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

## 2.6 Technology Diversity

VCE recognizes the importance of diversifying generation technology in its portfolio to help diversify technology-specific risk, and to promote technologies with diverse values and benefits.

All else equal, VCE will prioritize projects that will diversify its current technology portfolio, enhance local reliability, and reduce or control costs for VCE customers, when compared to other available alternative technologies.

VCE's strategic plan goals include developing strategies to identify and pursue cost-effective, local distributed energy resources (DERs). VCE recognizes DERs as an important tool in diversifying its energy portfolio.

## 2.7 Environmental Responsibility

VCE is committed to providing customers with energy that delivers benefits for air, water, and the natural environment while avoiding, to the extent reasonable, negative impacts on lands, species, and waters. VCE, without diminishing or interfering with permitting, land use or development requirements of jurisdictional authorities including local, state, and federal agencies or Tribes prioritizes projects:

- That are proposed on currently developed or previously disturbed sites; and
- For which the developer(s) and local land use authority(ies) have established an enforceable development agreement or equivalent agreement which includes measures to mitigate impacts to sensitive habitats or environmentally sensitive areas. For projects at an earlier stage of the permitting process, VCE will prioritize projects for which the developer has assessed likely impacts to sensitive habitat or environmentally sensitive areas and has committed to mitigation measures.

## 2.8 Community Engagement

VCE will prioritize projects that demonstrate contact and collaboration with local community organizations and stakeholder groups representing a broad diversity of demographic and local interests, particularly low income and environmental justice communities, to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to local citizens and businesses.

VCE will prioritize projects as follows:

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

## 2.9 Workforce Development

VCE is committed to stimulating its service area's economy through supporting local projects when feasible, committing to prevailing wage rates as required by law, and supporting a local Skilled and Trained Workforce, including construction efforts performed by appropriate Journeypersons and apprentices from a state-approved apprenticeship training program.

VCE will prioritize projects as follows:

- High-priority projects will commit to a multi-trade project labor agreement with additional preference given to projects committing to target 30% Local Hire and a target of 5% Workforce Pipeline participation, using prevailing hourly wage and benefit rates as determined by: (1) the California Department of Industrial Relations for California projects or (2) respective state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects;
- Medium-priority projects will commit to:
  - Using prevailing hourly wage and benefit rates as determined by: (1) the California Department of Industrial Relations for California projects or (2) respective state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects.

- Additional preference will be given to projects that use apprentices at the same ratio of apprentice hours to Journeyperson hours as required for public works projects under Section 1777.5 of the California Labor Code; and
- Low-priority projects may demonstrate other commitments to local workforce development.

### 3. Joint Procurement

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#### 3.1 Joint and Third-Party Procurement Efforts

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

## 4. Definitions

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The following are definitions of terms utilized in this document:

- **Journey person:**  
A worker who either:
  - Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, approved for federal purposes pursuant to apprenticeship regulations adopted by the U.S. Secretary of Labor, or
  - Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.
- **Local Hire:**  
A qualified worker that meets one of the following criteria in descending priority:
  - A resident within the nearest communities in proximity to the project, by a radius as reasonably determined on a project-by-project basis. Such radius will target a distance that is within reasonable daily commuting distance.
  - A resident within the county where the project is constructed.
- **Priority Worker**  
An individual who is designated as a targeted hire or priority worker through a state-certified career training and placement program.
- **Skilled and Trained Workforce**  
A workforce in which all workers performing work in apprentice-able occupations in the building and construction trades are either skilled Journey persons or apprentices registered in an apprentice program approved by the Chief of the Division of Apprenticeship Standards, as defined in Chapter 2.9 of Part 1 of Division 2 of the California Public Contracts Code.
- **Workforce Pipeline**  
A workforce pipeline program which:
  - Partners with a Multi-Craft Core Curriculum (MC3) pre apprenticeship program or programs, or equivalent industry and state-recognized certificated career training and placement program that recruits, supports and places Priority Workers in skilled construction trades; and
  - Creates opportunities for a Priority Worker to enter registered apprenticeship programs and/or obtain work hours needed to successfully complete their apprenticeship; or
  - Recruits and places income-qualified Journey persons.



August 26, 2026

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

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

Dear Chair Taylor and Members of the Community Advisory Committee,

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

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

**Recommended Refinements at a Glance**

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

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

### Recommended Refinements Expanded

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

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

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

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

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

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

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

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

### **Flexibility and Cost**

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

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

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

Respectfully submitted,

Eric Veium, Tim Frank, Leslie Austin  
Co-Directors, CCA Workforce & EJ Alliance  
[strongerCCAs.org](http://strongerCCAs.org)

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2026-\_\_\_\_**

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

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

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

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

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

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

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

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

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Jesse Loren, VCE Chair

\_\_\_\_\_  
Alisa M. Lembke, VCE Board Secretary

Attachment: Power Project Selection Criteria Guidelines