



**Regular Meeting of the Valley Clean Energy Alliance  
Board of Directors  
Thursday, November 14, 2024 at 5:30 p.m.  
City of Woodland Council Chambers  
300 First Street, Woodland, California 95695**

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/82006962548>

**Meeting ID: 820 0695 2548**

- b. By phone:**

One tap mobile:

+1-669-444-9171,, 82006962548# US

+1-669-900-9128,, 82006962548# US

**Or Dial:**

+1-669-444-9171 US

+1-669-900-9128 US

**Meeting ID: 820 0696 2548**

**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:** Lucas Frerichs (Yolo County, Chair), Bapu Vaitla (City of Davis, Vice Chair), Tom Stallard (City of Woodland), Jesse Loren (City of Winters), Jim Provenza (Yolo County), Will Arnold (City of Davis), Tania Garcia-Cadena (City of Woodland), Richard Casavecchia (City of Winters)

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

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

- 1. Welcome and Approval of the 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 October 10, 2024 Board meeting Minutes.**
- 4. Receive 2024 Long Range Calendar.**
- 5. Receive November 6, 2024 Regulatory update provided by Keyes & Fox.**
- 6. Receive Community Advisory Committee October 24, 2024 meeting summary.**
- 7. Receive copy of Second Amendment letter increasing the not to exceed amount and extending Jim Parks Consulting agreement one year.**
- 8. Receive copy of First Amendment letter increasing the not to exceed amount and extending Pacific Policy Group agreement one year.**
- 9. Approve Amendment One (1) to REACH Strategies agreement extending term one (1) year and increasing the not to exceed amount. (Action)**
- 10. Accept and attest the accuracy of Valley Clean Energy's 2023 Power Content Label. (Action)**

## REGULAR AGENDA

11. **Approve Phase 2 of Electric Vehicle Rebate Program. (Action)**
12. **Approve VCE's participation in Hourly Flex Pricing Pilots: Expanded Agricultural Flexible Irrigation Technology (AgFIT) Pilots 1 & 2 and Vehicle-to-Everything (V2X). (Action)**
13. **Receive 2025 Operating Budget and Customer Rates update. (Information)**
14. **Board Member and Staff Announcements:** Action items and reports from members of the Board, including announcements, AB1234 reporting of meetings attended by Board Members of 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.

## CLOSED SESSION

**Public comment on the closed session items only will be read at this time.**

15. **Public Employee Performance Evaluation (§ 54957)**  
Agency-designated evaluators: Lucas Frerichs (VCE Board Member) and Bapu Vaitla (VCE Board Member)  
Unrepresented Employee: Executive Officer
16. **Conference with Labor Negotiators Pursuant to Government Code Section 54957.6**  
Agency-designated Negotiators: Lucas Frerichs (VCE Board Member) and Bapu Vaitla (VCE Board Member)  
Unrepresented Employee: Executive Officer
17. **Reconvene in Open Session to Report from Closed Session, if needed.**
18. **Adjournment/Announcement:** The Board will adjourn their regular meeting to Thursday, December 12, 2024 at 5:30 p.m. at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616.

**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

---

**TO:** Board of Directors

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

**SUBJECT:** Approval of Minutes from October 10, 2024 meeting

**DATE:** November 14, 2024

---

#### RECOMMENDATION

Receive, review and approve the attached October 10, 2024 meeting Minutes.

Attachment: October 10, 2024 meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS MEETING  
THURSDAY, OCTOBER 10, 2024**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, October 10, 2024 at 4 p.m. to be held at City of Davis Community Chambers located at 23 Russel Boulevard, Davis, California 95616. Chair Lucas Frerichs established that there was a quorum present and began the meeting at 4:03 p.m.

Board Members Present: Lucas Frerichs, Bapu Vaitla (arrived at 4:13 p.m.) Tom Stallard (departed at 5:01 p.m.), Jesse Loren, Will Arnold, Richard Casavecchia

Members Absent: Tania Garcia-Cadena, Jim Provenza

Welcome and Approval of the Agenda	Chair Frerichs welcomed everyone to the meeting.
--	--

Public Comment – General, Consent, and Closed Session	Chair Frerichs opened up public comment on general, consent and Closed Session items. There were no written or verbal public comments.
---	--

Public Comment on Closed Session Items	Chair Frerichs announced that the Board will be going into Closed Session and that it is anticipated that no reportable action will be taken in Closed Session.
--	---

Adjournment	Chair Frerichs adjourned the regular meeting at 4:05 p.m. to go into Closed Session.
-------------	--

Items 3 – 6:	(Director Bapu Vaitla arrived at 4:13 p.m.)
--------------	---

**CLOSED SESSION**

Public Employee Performance Evaluation and Conference with Legal Counsel – Anticipated Litigation	The Board began Closed Session at 4:11 p.m. and adjourned their Closed Session at 4:43 p.m. The Board reopened the regular meeting at 4:48 p.m. Chair Frerichs stated that there was nothing to report out.
---	---



Approval of  
Consent Agenda

Motion made by Director Arnold to approve the consent agenda items, seconded by Director Tom Stallard. Motion passed with Directors Garcia-Cadena and Provenza absent. The following items were:

7. approved September 12, 2024 Board meeting Minutes;
8. received 2024 long range calendar;
9. received Treasurer's Report: August 31, 2024;
10. received legislative update provided by Pacific Policy Group;
11. received September 2024 regulatory update dated October 2, 2024 provided by Keyes & Fox;
12. received customer participation update (3<sup>rd</sup> quarter); and,
13. received SACOG Grant – Electrify Yolo project update.

Item 14: Receive  
Legislative End of  
Session update.  
(Information)

Mark Fenstermaker of Pacific Policy Group provided a legislative end of session update highlighting new leadership in Assembly Utilities (U&E) and Energy Chair; the budget deficit; and, the focus shifting from reliability to affordability. Mr. Fenstermaker provided information on the 2025-2026 Session and the "landscape" of the upcoming two (2) year period. He reviewed a few items, such as affordability, changes in representatives coming in, the regional grid, budget stability, regional grid initiative, and several other factors that may play a role in the upcoming legislative session.

(Tom Stallard departed at 5:01 p.m.)

The Board and Staff discussed: possible actions taken by the Governor on programs, the budget, and rebates; and Staff and CalCCA meeting with legislative staff to provide CCA education, discuss affordability, and other issues. There were no written or verbal public comments.

Item 15: Receive  
2024 Operating  
budget update and  
2025 Preliminary  
Operating budget.  
(Information)

VCE Executive Officer Mitch Seras introduced this item. VCE Staff Edward Burnham provided a brief overview of VCE's 2024 Operating Budget and short term outlook on the 2025 Budget. Mr. Burnham reviewed key factors influencing short-term operating budgets (load forecast, power prices, and budgeted revenues); 2024 financials update (VCE retail load update, 2024 budget proforma update); and the 2025 Preliminary Budget (inflation, Resources Adequacy) and multi-year outlook. He also reviewed other considerations and next steps.

There were no written or verbal public comments.



Item 16: Board  
Member and Staff  
Announcements

Jesse Loren thanked VCE for participating in the Festival de la Comunidad / Carnitas Festival. Director Loren thanked staff for attending next week's Winters Council meeting to provide a status report on VCE.

Mr. Sears informed those present that as a CalCCA Bord Member he attend CalCCA's 2 day conference held in Sacramento.

Announcement /  
Adjournment

Chair Frerichs announced that the Board's next regular meeting is scheduled for Thursday, November 14, 2024 at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. There being no further business to discuss the meeting was adjourned at 5:23 p.m.

Alisa M. Lembke  
VCEA Board Secretary



## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 4

---

**TO:** Board of Directors

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

**SUBJECT:** Board and Community Advisory Committee 2024 Long-Range Calendar

**DATE:** November 14, 2024

---

#### Recommendation

Receive and file the 2024 Board and Community Advisory Committee long-range calendar listing proposed meeting topics.

Attachment: 2024 Board and CAC long range calendar

**VALLEY CLEAN ENERGY**  
**2024 Meeting Dates and Proposed Topics**  
**Board and Community Advisory Committee (CAC)**  
**(Note: Meeting locations and Topics are subject to change)**

MEETING DATE		TOPICS	ACTION
January 11, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li>Oaths of Office for Board Members [new Members(s) only]</li> <li>Election of Officers for 2024 (Annual)</li> <li>2023 Year End Review: Customer Care and Marketing</li> <li>Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Nominations</li> <li>Information</li> <li>Information</li> </ul>
January 25, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>Customer Participation Update</li> <li>Brown Act &amp; Social Media Platforms</li> <li>Review CAC Task Group "Charges"</li> <li>AgFIT (Agriculture Flexible Irrigation Technology) Pilot Program – How it works</li> <li>2024 Budgets and Rates</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>
<del>February 8, 2024</del> CANCELLED	Board (Davis)	<ul style="list-style-type: none"> <li>MEETING CANCELLED</li> </ul>	
February 22, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Strategic Plan Update (Annual)</li> <li>Electrification Retrofit Rebate Outreach (ERRO) / Concierge Service (received public comment, tabled item)</li> <li>Resource Adequacy – Slice of Day</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Discussion/Action</li> <li>Information</li> </ul>
March 14, 2024 CANCELLED	Board (Woodland)	<ul style="list-style-type: none"> <li>Cancelled due to a lack of quorum</li> </ul>	
March 28, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>Electrification Retrofit Rebate Outreach (ERRO) / Concierge Service</li> <li>2023 Net Margin Allocation</li> <li>BioMAT Program</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discussion</li> <li>Information</li> </ul>
April 11, 2024	Board (Davis)	<ul style="list-style-type: none"> <li>Strategic Plan Update (Annual)</li> <li>Receive Enterprise Risk Management Report (Bi-Annual)</li> <li>Customer Participation update (1<sup>st</sup> Quarter 2024)</li> <li>Update to VCE Conflict of Interest Code</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Information</li> <li>Action</li> </ul>

		<ul style="list-style-type: none"> <li>Calendar Year 2023 Audited Financial Statements (James Marta &amp; Co.)</li> <li>2023 Net Margin Allocation</li> <li>ERRO/Concierge Service</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
April 16 – 18, 2024	CalCCA Annual Conference San Jose	VCE Staff and some Board and CAC members attending	
April 25, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>NO MEETING</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
May 9, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li>Update on SACOG Grant – Electrify Yolo</li> <li>Resource Adequacy “Slice-of-Day”</li> <li>Load Management Standards Plan</li> <li>Recap of CalCCA April 2024 Annual Conference</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> <li>Information</li> </ul>
May 23, 2024	Advisory Committee (Yolo County Community Services Dept., Cache Creek Room, Woodland)	<ul style="list-style-type: none"> <li>Load Management Standards</li> <li>Customer Participation update (1<sup>st</sup> Quarter 2024)</li> <li>Reserves Policy / Dividend Program update</li> <li>BioMAT Program</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
June 13, 2024	Board (Davis)	<ul style="list-style-type: none"> <li>Re/Appointment of Members to Community Advisory Committee (Annual)</li> <li>Mid-Year 2024 Financial Update</li> <li>Legislative update provided by Pacific Policy Group</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information</li> <li>Information</li> </ul>
June 27, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Power Procurement / Renewable Portfolio Standard Update</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> </ul>
July 11, 2024	Board UC Davis – CA Lighting Technology Center, Davis	<ul style="list-style-type: none"> <li>Status of SACOG Grant – Electrify Yolo</li> <li>Customer Participation Update (2<sup>nd</sup> Quarter 2024)</li> <li>Resource Adequacy “Slice of Day” update</li> <li>Updated VCE Financial Reserve Policy and Dividend Program Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion/Action</li> <li>Information</li> <li>Information/Discussion</li> <li>Action</li> </ul>
July 25, 2024	Advisory Committee	<ul style="list-style-type: none"> <li>NO MEETING*</li> </ul>	

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

	<b>(Woodland)</b>		
August 8, 2024	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• <b>NO MEETING*</b></li> </ul>	
August 22, 2024	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• Customer Participation Update (2<sup>nd</sup> Quarter 2024)</li> <li>• Outreach and Marketing Plan update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Discussion/Action</li> </ul>
September 12, 2024	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• Certification of 2023 Power Content Label (Annual)</li> <li>• Enterprise Risk Management Update (Bi-annual)</li> <li>• Treasurer's report</li> <li>• Outreach and Marketing Plan update</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
September 26, 2024 <b>CANCELLED</b>	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• MEETING CANCELLED DUE TO LACK OF AGENDA ITEMS</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> </ul>
October 10, 2024 <b>Scheduled to begin at 4 p.m.</b>	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• 2024 Operating Budget Update and 2025 preliminary Operating Budget</li> <li>• Customer Participation Update (3<sup>rd</sup> Quarter 2024)</li> <li>• Legislative End of Session Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
October 24, 2024	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• Customer Participation Update (3<sup>rd</sup> Quarter 2024)</li> <li>• Legislative End of Session Update</li> <li>• Draft 2025 Legislative and Regulatory Platform</li> <li>• Electric Vehicle Rebate Program (Phase 2) (placeholder)</li> <li>• Recommend participation in Hourly Flex Pricing Pilots AgFIT and Vehicle to Grid Integration</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> </ul>
November 14, 2024	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• 2025 Operating Budget and Customer Rates update</li> <li>• Certification of 2023 Power Content Label</li> <li>• Electric Vehicle Rebate Program (Phase 2)</li> <li>• Participation in Hourly Flex Pricing Pilots AgFIT and Vehicle to Grid Integration</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Action</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> </ul>
November 28, 2024 <b>November 21, 2024 (rescheduled due to Thanksgiving holiday on Nov. 28<sup>th</sup>)</b>	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• GHG Free Attributes</li> <li>• 2025 Budget Update/Preview</li> <li>• Redraft 2025 Legislative and Regulatory Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Action</li> </ul>
December 12, 2024	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Approve 2025 Operating Budget (Annual) and 2025 Customer Rates</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Action</li> </ul>

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

		<ul style="list-style-type: none"> <li>• GHG Free Attributes</li> <li>• 2025 Legislative and Regulatory Platform</li> <li>• Receive VCE Grant/Program activity summary</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> <li>• Information</li> </ul>
<p>December 26, 2023 December 19, 2024 (rescheduled due to Christmas holiday on Dec. 25<sup>th</sup>)</p>	<p><b>Advisory Committee (Davis)</b></p>	<ul style="list-style-type: none"> <li>• Review and finalize CAC Task Group Year-end Reports</li> <li>• Power Procurement / Renewable Portfolio Standard Update</li> <li>• Receive Board Staff Report on 2023 Power Content Label (PCL) Certification and 2023 PCL Outreach</li> <li>• Election of Officers for 2025 (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Information</li> <li>• Nominations</li> </ul>
<p>January 9, 2025</p>	<p><b>Board (Woodland)</b></p>	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members (Annual - new Members only)</li> <li>• Election of Officers for 2025 (Annual)</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2024)</li> <li>• Receive CAC Year-end Task Group Reports</li> <li>• 2024 Year in review: Customer Care &amp; Marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
<p>January 23, 2025</p>	<p><b>Advisory Committee (Woodland)</b></p>	<ul style="list-style-type: none"> <li>• 2025 CAC Task Group (s) formation (Annual)</li> <li>• Rates/Budget 2025 Update</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2024)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Discussion/Action</li> <li>• Discuss/Action</li> </ul>

**PLEASE NOTE:** *April 28-30, 2025: CalCCA Annual Conference in Irvine, California/More information will be provided as received*

<b>CAC PROPOSED FUTURE TOPICS</b> Topics and Discussion dates may change as needed	<b><u>ESTIMATED</u> MEETING DATE(S)</b>
Electric Vehicle Rebate Program – Phase 2	Oct. 2024 (Board in Nov. 2024) placeholders
Inflation Reduction Act (IRA) opportunities	TBD
Regionalization (Information)	TBD
Self Generation Incentive Program (SGIP)	TBD
Agri-voltaics (for information only)	TBD
Status of Net Billing Tariff (NBT)/Solar Billing Plan (SBP) (as needed)	
Legislative Items (as needed)	

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

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 5

---

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: November 14, 2024

---

Please find attached Keyes & Fox's October 2024 Regulatory Memorandum dated November 6, 2024 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

**Attachment:** Keyes & Fox Regulatory Memorandum dated November 6, 2024

## 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, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Update

Date: November 6, 2024

---

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.

### Demand Flexibility

**Background:** This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and the proceeding may also modify, consolidate, or eliminate existing dynamic rate pilots. Phase 1-Track A established an income-graduated fixed charge (IGFC) for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B first adopted rate design and demand flexibility principles and then expanded VCE's AgFIT Pilot throughout PG&E distribution territory.

**Recent Developments:** On October 2, PG&E submitted [AL 7395-E](#) to align its marginal cost signals for real-time pricing pilots, including the AgFIT pilot, with the rates in its Phase 2 general rate case (GRC). CalAdvocates submitted a [Protest](#) of AL 7395-E on October 22. On October 29, PG&E submitted a [Reply](#) to the Protest arguing that the Commission has the authority to make a determination as to just and reasonable rates via the advice letter process and pointing out that the only rates that would be affected are those within limited pilot programs and that participants in those programs also have bill protection.

**Analysis:** The PAO protest of AL 7395-E recommends the Energy Division reject PG&E's request to use rates from its Phase 2 GRC because those rates have not been adopted by the Commission. The Protest also recommended that PG&E be directed to use the values approved in its 2020 Phase 2 GRC until a decision is issued in the 2023 Phase 2 GRC proceeding.

**Next Steps:** A proposed decision on Track B Working Group 1 proposals regarding rate design for marginal generation capacity costs is expected by the end of this year.

**Additional Information:** PG&E [Reply](#) to Protest (Oct. 29, 2024); PAO [Protest](#) of AL 7395-E (Oct. 22, 2024); PG&E [AL 7395-E](#) (Oct. 2, 2024); (ALJ [Ruling](#) (Sep. 16, 2024); [Disposition Letter](#) on VCE AL 17-E (Sep. 3, 2024); PG&E [AL 7223-E-B](#) (Aug. 13, 2024); PG&E [AL 7351-E](#) (Aug. 13, 2024) and [AL 7351-E-A](#) (Sep. 13, 2024); [Letter](#) granting PG&E dynamic rate pilot enrollment extension (May 31, 2024); PG&E [Request](#) for dynamic rate pilot enrollment extension (May 24, 2024); [D.24-05-028](#) (May 15, 2024); VCE [Substitute Sheet](#) AL 17-E (Apr. 18, 2024); PG&E [AL 7222-E-A](#) (Apr. 17, 2024); [D.24-01-032](#) (Jan. 26, 2024); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

### **NEW** 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:** On October 23, PG&E submitted its [Application](#) requesting approval to recover 2023-2030 revenue requirements for its Billing Modernization Initiative. PG&E proposed a three-stage upgrade, starting with moving complex-billed customers out of the oldest system into a new system - Oracle's Billing Cloud Services (BCS), which is scheduled to be deployed in Q2 2025. The second stage, which began in Q3 2024 and is expected to be completed in Q3 2026, will upgrade the outdated version of the current CC&B system to version 25.1. Finally, the third stage will implement the more advanced C2M system, also from Oracle, starting in Q3 2026 and expected to be complete in Q4 2029.

**Analysis:** PG&E's outdated billing system is incapable of handling the quantity of customers or the increased complexity of more modern electricity rates, including income-graduated fixed charges and real-time pricing in many cases. Also,

the outdated billing system imposes significantly higher per-customer costs on CCAs in PG&E's territory than for CCAs elsewhere in the state.

**Next Steps:** Following protests and interventions, a status conference will be held, which will be followed by issuance of a procedural schedule.

**Additional Information:** [Application](#) (Oct. 23, 2024); Docket No. [A.24-10-014](#).

## **NEW Clean Power SF Municipalization**

**Background:** The City and County of San Francisco (SF or City) filed this Petition for a determination by the CPUC of just compensation for acquisition by the City of PG&E property (PG&E distribution system within SF transmission assets needed for operational control, a substation and related assets). The Petition was filed pursuant to Public Utilities Code §1401-1421, which gives political subdivisions the right to petition the CPUC to value IOU assets that the political subdivision seeks to acquire and fix the just compensation for those assets. In the initial Scoping Memo, Assigned Commissioner John Reynolds declined to consider public interest determinations under Public Utilities Code §851 which PG&E sought to interject ahead of the CPUC's consideration of the valuation of PG&E assets. Briefing was filed in August of 2022. In March of 2024, the ALJ issued a Ruling seeking Party comments on standards for just compensation.

**Recent Developments:** Comments in response to the March ALJ [Ruling](#) were filed in May and June of 2024. An ALJ [Ruling](#) on October 28 directed the City and County of San Francisco, by November 27, to provide information that was the subject of PG&E's previous motions to compel as part of the discovery process in the docket.

**Analysis:** This has been a fairly litigious, aggressive, and lengthy docket, with a series of PG&E motions to dismiss the Petition for various reasons, none of which have been granted, and a PG&E motion to compel discovery, which was partially granted and partially denied.

**Next Steps:** According to the most recent procedural schedule a Proposed Decision issuing a draft valuation was planned to be issued in Q4 2024, but given discovery disputes and the need for testimony, hearings, and briefing to precede this decision, this will likely be further delayed into 2025.

**Additional Information:** ALJ [Ruling](#) (Oct. 28, 2024); ALJ [Ruling](#) requesting comments (Mar. 27, 2024); [Amended Scoping Memo and Ruling](#) (Dec. 22, 2023); [Ruling](#) amending schedule (Nov. 9, 2022); [Scoping Memo and Ruling](#) (Jun. 24, 2022); [Petition](#) (Jul. 27, 2021); Docket No. [P.21-07-012](#).

## **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 2024 RPS Procurement Plans is expected in Q4 2024.

**Additional Information:** [D.24-10-009](#) (Oct. 18, 2024); VCE [Draft 2024 RPS Procurement Plan](#) (Jul. 22, 2024); PG&E [AL 7332-E](#) (Jul. 22, 2024); Resolution [E-5323](#) on ReMAT rates (Jun. 24, 2024); [Assigned Commissioner's Ruling](#) on 2024 RPS Procurement Plans (May 17, 2024); [Scoping Memo and Ruling](#) (May 9, 2024); ALJ [Ruling](#) (Mar. 7, 2024); [OIR](#) (Feb. 1, 2024); Docket No. [R.24-01-017](#).

## **RA Rulemaking (2025-2026)**

**Background:** This proceeding considers resource adequacy (RA) requirements for LSEs and will address the 2025 and 2026 RA compliance years, local RA procurement obligations for the 2025-2028 compliance years, and further development of the 24-hour Slice-of-Day (SOD) framework. Track 1 was focused on priority issues including RA capacity requirements, SOD framework implementation, and RA compliance and penalties. Track 2 is focused on Central Procurement Entity (CPE) framework issues, including potential structural modifications, and Track 3 will be focused on remaining RA capacity issues. The Commission issued a decision (D.24-06-004) on Track 1 on June 26, 2024.

**Recent Developments:** On October 29, the CPUC issued a [Proposed Decision](#) (PD) in Track 2 of the Resource Adequacy proceeding declining to eliminate the central procurement entity framework (CPE) but adopting minor modifications, such as eliminating the non-compensated self-show option of the CPE framework and locking in CPE allocations to load-serving entities (LSEs) one year earlier. The PD also considered the appropriate planning reserve margin for 2026 and beyond. Initially Energy Division proposed an 18.5% PRM for 2026, but after additional analysis Staff recommended a 26.5% PRM from January through May and a 23.5% PRM from June through December – all of which are higher than the 17% PRM adopted in recent years. In response, parties raised significant concerns with Energy Division's proposal. Given those concerns, the PD authorizes Energy Division to further revise the 2026 PRM level and submit the revisions in December 2024. On November 4, the Assigned Commissioner issued a [Scoping Memo](#)



[and Ruling](#) for Track 3 which will consider unresolved resource counting matters, the 2026 PRM, and time-sensitive modifications to the SOD framework, among other topics.

**Analysis:** The continued revisions and analysis of the 2026 PRM may result in a substantially smaller increase in the 2026 PRM than the 33%-50% increase in Energy Division's latest proposal, which would reduce the amount of additional RA needed to be procured for 2026. By requiring CPE allocations to be made known a year in advance, the PD would also assist load-serving entities with identifying and planning for RA procurement needs over a longer period, potentially resulting in a more flexible RA supply and possibly provide some downward price pressure in the RA market.

**Next Steps:** The first year-ahead SOD showing was due on October 31. The Proposed Decision may be heard as early as the December 5 Commission meeting. Comments on the Proposed Decision are due November 18 and reply comments are due November 25.

**Additional Information:** Track 3 [Scoping Memo and Ruling](#) (Nov. 4, 2024); Track 2 [Proposed Decision](#) (Oct. 29, 2024); PG&E [AL 7365-E](#) (Sep. 19, 2024); ALJ [Ruling](#) (Jul. 22, 2024); ALJ [Ruling](#) (Jun. 26, 2024); [D.24-06-004](#) (Jun. 26, 2024); [Scoping Memo and Ruling](#) (Dec. 18, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

## 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:** On October 3, the Commission issued [Draft Comment Resolution E-5358](#) that approves PG&E's request to transfer \$2.2 million in previously approved funding to support the Vehicle Grid Integration Pilot and approves PG&E's request to implement a \$20/kW-year incentive payment for the enrolled load of participating CCAs. On October 30, PG&E [announced](#) a new contract opportunity for community-based organizations (CBOs) to provide Marketing, Education & Outreach (ME&O) in support of its new EV Fleet Advisory Services program.

**Analysis:** N/A

**Next Steps:** There is no current procedural schedule for this proceeding. The Draft Resolution was scheduled to be heard at the November 7 Commission meeting but is being held over to the December 19 meeting. Suppliers interested in participating PG&E's ME&O Contract Opportunity must [register](#) for the Wood Mackenzie/PowerAdvocate workshop by November 15, and RFP responses are due by January 24 at 3 PM.

**Additional Information:** [Draft Comment Resolution E-5358](#) (Oct. 3, 2024); PG&E [Semi-Annual VGI Report](#) (Sep. 13, 2024); [Resolution E-5326](#) (Jul. 17, 2024); [Letter](#) granting extension (Jun. 5, 2024); ALJ [Ruling](#) (Jun. 3, 2024); [Vehicle-Grid Integration Forum Report](#) (May 21, 2024); [Resolution E-5314](#) (Apr. 19, 2024); [Scoping Memo and Ruling](#) (Apr. 12, 2024); [Draft Resolution E-5314](#) (Mar. 8, 2024); ALJ [Ruling](#) (Dec. 27, 2023); [OIR](#) (Dec. 20, 2023); Docket No. [R.23-12-008](#).

## IRP Rulemaking

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

**Recent Developments:** On October 30, an ALJ [Ruling](#) invited one further round of comments from parties on the preliminary mapping of resources to busbars on the transmission system.

**Analysis:** N/A

**Next Steps:** Comments on the busbar mapping information provided by Commission staff in the workshop are due November 19 and there will be no reply comments. By March 1, 2025, the CPUC may request that the Division of Water Resources exercise the centralized procurement mechanism for long-lead-time resources. VCE's Mid-Term Reliability filing was submitted on November 1, 2024.

**Additional Information:** ALJ [Ruling](#) (Oct. 30, 2024); [D.24-09-006](#) (Sep. 17, 2024); ALJ [Ruling](#) (Sep. 12, 2024); [D.24-08-064](#) on central procurement of LLT resources (Aug. 29, 2024); [Proposed Decision](#) on bridge resources (Aug. 9, 2024); ALJ [Ruling](#) (May 21, 2024); [Amended Scoping Memo and Ruling \(Correction/Clarification\)](#) (Apr. 18, 2024); [D.24-02-047](#) (Feb. 20, 2024); [D.23-12-014](#) (Dec. 19, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); Docket No. [R.20-05-003](#).

## Diablo Canyon Cost Recovery

**Background:** This proceeding will establish rates effective January 1, 2025 to recover the forecast costs associated with extended operations of the Diablo Canyon Power Plant (DCPP) during the September 2023-December 2025 time period. Customers across the state – including CCA customers - will pay for the costs of extended operations at DCPP, and will be allocated the resource adequacy (RA) and greenhouse gas (GHG)-free benefits associated with those operations. PG&E proposes, in its application, certain changes to the allocation of RA and GHG-free benefits to load

serving entities (LSEs). It also proposes specific uses for the volumetric performance fee revenue it will collect from customers in 2025.

**Recent Developments:** PG&E filed its Fall Update testimony in early October, and parties filed opening and reply comments. The sharp increase in the RA market price benchmark, which affects PG&E's forecast substitution capacity costs (and as a result, its forecast revenue requirement) and PG&E's cost effectiveness analysis, were the focus of parties' comments.

**Analysis:** N/A

**Next Steps:** A proposed decision is expected by the end of 2024.

**Additional Information:** PG&E [AL 7295-E-A](#) (Aug. 30, 2024); ALJ [Ruling](#) (Aug. 27, 2024); ALJ [Ruling](#) (Aug. 15, 2024); [Scoping Memo and Ruling](#) (Jun. 18, 2024); PG&E [AL 7295-E](#) (Jun. 12, 2024); ALJ [Ruling](#) (May 15, 2024); [Amended Application](#) (Apr. 8, 2024); [Application](#) (Mar. 29, 2024); Docket No. [A.24-03-018](#).

## Microgrids

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

**Recent Developments:** On September 17, the CPUC issued a [Proposed Decision](#) (revised November 4) adopting implementation rules for multi-property microgrid tariffs and closing the proceeding.

**Analysis:** N/A

**Next Steps:** This proceeding will conclude following the approval of the proposed decision scheduled to be heard at the November 7 Commission meeting.

**Additional Information:** [Revised Proposed Decision](#) (Sep. 17, 2024); PG&E [AL 7042-E-B](#) (Jul. 23, 2024); CALSSA [PFM](#) (Jun. 11, 2024); [Order](#) denying Joint Application for Rehearing (Apr. 19, 2024); ALJ [Ruling](#) (Mar. 27, 2024); Microgrid Resources Coalition [proposal](#), Green Power Institute [proposal](#), Clean Coalition [proposal](#) (Dec. 15, 2023); PG&E [MIP Handbook](#) (Oct. 12, 2023); [Scoping Memo and Ruling](#) (Jul. 18, 2023); [D.23-04-034](#) on Microgrid Incentive Program Implementation (Apr. 14, 2023); Docket No. [R.19-09-009](#).

## Provider of Last Resort Rulemaking

**Background:** A Provider of Last Resort (POLR) is the utility or other entity that has the obligation to serve all customers (PG&E currently serves in this role for VCE's service area). Phase 1 of this proceeding concluded in April 2024 and addressed POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned customer migration to the POLR. Phase 2 will build on Phase 1 to set the requirements and application process for non-IOU entities to serve as the POLR. Phase 3 will address specific issues not resolved in Phase 1 or 2.

**Recent Developments:** On October 24, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) in Phase 2 of the POLR proceeding. The Ruling identifies a set of threshold questions and two primary topic areas for Phase 2. The two primary topic areas are: 1) the regulatory framework for non-IOU POLRs; and 2) the development of the joint IOU-non-IOU application California law requires before the Commission may allow a non-IOU Load-Serving Entity (LSE) to serve as a POLR. The threshold questions, which will be addressed before the primary topics, focus on questions such as whether any non-IOU LSE is interested in and able to accept POLR responsibilities, and other foundational jurisdictional questions.

**Analysis:** N/A

**Next Steps:** Comments on the Threshold Questions are due January 10 and reply comments are due January 24. A ruling on the need for legal briefs is expected in Q1 2025 and resolution of the Threshold Questions is expected in Q2 2025, after which the primary topic areas will be addressed. The first revised FSR posting under this Decision is due March 1, 2025, and subsequent FSR postings are due July 1 and January 1 of each year.

**Additional Information:** [Scoping Memo and Ruling](#) (Oct. 24, 2024); ALJ [Ruling](#) (Aug. 6, 2024); Joint CCA [Advice Letter](#) on new registration (Jul. 17, 2024); [Joint CCA Advice Letter](#) on financial modeling and reporting guidelines (Jul. 1, 2024); [D.24-04-009 / Appendix](#) (Apr. 22, 2024); [Amended Scoping Ruling and Memo](#) (Jun. 19, 2023); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

## 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).

**Recent Developments:** Protests of the Application were filed on November 4.

**Analysis:** N/A

**Next Steps:** Following the submission of protests and responses to the Application, the Commission will hold a prehearing conference and then issue a Scoping Memo setting a procedural schedule.

**Additional Information:** [Application](#) (Sep. 30, 2024); Docket No. [A.24-09-014](#).

## PG&E 2024 ERRR Forecast

**Background:** The annual Energy Resource and Recovery Account (ERRR) 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.

The April 2 [Scoping Memo and Ruling](#) consolidated all three major IOUs' ERRR forecast proceedings for the sole purpose of addressing issues related to the definition of and accounting for "fixed generation costs" in a Track 2.

**Recent Developments:** On October 11, the Assigned Commissioner issued a [Scoping Memo & Ruling](#) for the consolidated portion of the 2024 ERRR Forecast proceedings to address outstanding issues related to the definition of and accounting for fixed generation costs.

**Analysis:** N/A

**Next Steps:** Rebuttal testimony in Track 2 is due November 22, a status conference is set for December 3, and evidentiary hearings may be held, if needed, in January 2025. A proposed decision is expected in April 2025.

**Additional Information:** [Scoping Memo & Ruling](#) (Oct. 11, 2024); ALJ [Ruling](#) on Track 2 schedule (May 1, 2024); Joint CCA [Motion](#) (Apr. 26, 2024); IOU [Motion](#) (Apr. 25, 2024); [Scoping Memo and Ruling](#) (Apr. 2, 2024); [Joint Prehearing Conference Statement](#) (Mar. 26, 2024); PG&E [AL 7180-E](#) (Feb. 15, 2024); [D.23-12-022](#) (Dec. 19, 2023); ALJ [Ruling](#) (Dec. 18, 2023); ALJ [Ruling](#) (Nov. 20, 2023); [Market Price Benchmarks](#) (Oct. 2, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERRR Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERRR Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

## PG&E 2025 ERRR Forecast

**Background:** The annual Energy Resource and Recovery Account (ERRR) 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 October 23, PG&E submitted its [Fall Update](#) including several "mitigations" to the updated market price benchmarks. Specifically, PG&E recommended an alternative scenario that holds the Resource Adequacy Market Price Benchmarks (RA MPBs) constant at the level of the most recently adopted RA MPBs (i.e., the 2024 Forecast RA MPBs for each System, Local, and Flexible), which would result in net lower costs to PG&E's bundled service customers by lowering the net cost of retaining RA from the portfolio for compliance purposes and would increase the PCIA rate for departing load customers (e.g., CCA customers). PG&E's mitigation proposals closely resemble the RA MPB cap proposal PG&E made in its Application and direct testimony, and that proposal was ruled out of the scope of this proceeding. CalCCA and the Direct Access Customer Coalition therefore filed a Motion to Strike the portions of PG&E's Fall Update discussing its proposed mitigations.

**Analysis:** Under the currently approved common cost allocation methodology, average 2025 CCA rates including the GHG revenue return for non-CARE residential customers are expected to decline by 5.3% to \$0.25699/kWh and to decline by 12.4% for CARE residential customers to \$0.09792/kWh. Average 2025 CCA rates without the GHG revenue return for non-CARE residential customers are expected to decline by 4.5% to \$0.28226/kWh and to decline by 9.2% for CARE residential customers to \$0.12346/kWh. PG&E's alternative proposals would result in higher rates for CCA customers than rates under the currently approved methodology.

**Next Steps:** A proposed decision is expected in November 2024.

**Additional Information:** PG&E [Fall Update](#) (Oct. 23, 2024); [Joint Case Management Statement](#) (Sep. 27, 2024); [Scoping Memo and Ruling](#) (Aug. 1, 2024); ALJ [Ruling](#) (Jun. 13, 2024); PG&E's [Amended Application](#) (May 24, 2024); PG&E 2025 ERRR Forecast [Application](#) (May 15, 2024); Docket No. [A.24-05-009](#).

## PG&E 2021 ERRR Compliance

**Background:** The annual ERRR 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:** A proposed decision was expected in early 2024 but is delayed.

**Additional Information:** ALJ [Ruling](#) (Nov. 9, 2023); ALJ [Ruling](#) (Sep. 27, 2023); [ALJ Ruling](#) on schedule (Jan. 6, 2023); Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERRR Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

## PG&E 2022 ERRR Compliance

**Background:** The annual ERRR 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:** Opening briefs were filed October 4 and reply briefs were filed October 11.

**Analysis:** N/A

**Next Steps:** N/A

**Additional Information:** ALJ [Ruling](#) (Sep. 3, 2024); ALJ [Ruling](#) (Jul. 26, 2024); ALJ [Ruling](#) (May 22, 2024); ALJ [Ruling](#) (May 16, 2024); ALJ [Ruling](#) (Apr. 16, 2024); PG&E and CalAdvocates' [Joint Motion](#) for Settlement (Mar. 7, 2024); CalCCA [Motion](#) (Mar. 1, 2024); ALJ [Ruling](#) (Feb. 15, 2024); ALJ [Ruling](#) (Sep. 25, 2023); [Scoping Memo and Ruling](#) (Jun. 2, 2023); PG&E 2022 ERRR Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

## PG&E 2023 ERRR Compliance

**Background:** The annual ERRR 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:** An October 21 ALJ [Ruling](#) extended the date for filing the Joint Case Management Statement to November 6 and cancelled the previously scheduled evidentiary hearings pending a determination of whether there are disputed issues of fact.

**Analysis:** N/A

**Next Steps:** A Joint Case Management Statement is due November 6, opening briefs are due December 19, and a proposed decision is expected by mid-March 2025.

**Additional Information:** ALJ [Ruling](#) (Oct. 21, 2024); [Scoping Memo and Ruling](#) (Jun. 12, 2024); [Joint Prehearing Conference Statement](#) (Apr. 15, 2024); CalCCA's [Protest](#) (Apr. 5, 2024); PG&E 2023 ERRR Compliance [Application](#) (Feb. 28, 2024); Docket No. [A.24-02-012](#).

## Building Decarbonization

**Background:** This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. 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:** No recent developments.

**Analysis:** N/A

**Next Steps:** A proposed decision on Phase 4 Track A considerations is expected in 2024, and a Phase 4 Track B staff proposal is expected in Q4 2024, followed by proposed decisions in Q2 2025.

**Additional Information:** ALJ [Ruling](#) and Track A [Staff Proposal](#) (Jul. 18, 2024); [Scoping Memo and Ruling](#) (Jul. 1, 2024); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

## Utility Safety Culture Assessments

**Background:** This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC's Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054, and an independent third-party evaluator will conduct safety culture assessments every five years per SB 901. Phase 1 of this proceeding is focused on developing safety culture assessments for the large investor-owned electric and natural gas corporations, and Phase 2 of this proceeding will be focused on developing safety culture assessments for the small multi-jurisdiction utilities and the gas storage operators.

**Recent Developments:** No recent developments.

**Analysis:** N/A

**Next Steps:** A proposed decision on Phase 1 is expected later this year.

**Additional Information:** ALJ [Ruling](#) (Jun. 10, 2024); ALJ [Ruling](#) (May 8, 2023); [Scoping Ruling](#) with procedural schedule (Apr. 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).



## Other Dockets

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

Docket	Name	Status
<a href="#">R.23-03-007</a>	Wildfire Fund NBC 2024-2026	The CPUC issued a <a href="#">Proposed Decision (PD)</a> (Oct. 25, 2024) adopting a \$5.95/MWh Wildfire NBC for 2025 - a slight increase from the 2024 WF NBC charge of \$5.61/MWh. This matter may be heard as soon as the <b>December 5</b> Commission meeting. Comments on the PD are due <b>November 14</b> and reply comments are due <b>November 19</b> . The 2025 NBC is expected to generate \$922.8 million in revenue, with \$20.4 million allocated to make up for the projected under-collection in 2024.
<a href="#">R.17-06-026</a>	PCIA Rulemaking	The proceeding was closed by <a href="#">D.23-06-006</a> . <a href="#">D.24-08-004</a> (issued Aug. 2, 2024) denied SCE's <a href="#">Petition for Modification</a> of D.23-06-006 and re-closed the proceeding. Final <a href="#">Market Price Benchmarks</a> (MPBs) for 2024 and forecast 2025 MPBs were issued on October 4.
<a href="#">A.22-05-002</a>	Demand Response Programs (2023-2027)	<a href="#">D.24-04-006</a> , issued April 24, 2024, ended the Demand Response Auction Mechanism (DRAM) pilot programs of PG&E, SCE, and SDG&E and closed the proceeding. The proceeding was re-opened to address the June 27 <a href="#">Petition for Modification</a> filed by Leapfrog Power.
<a href="#">A.21-06-021</a>	PG&E 2023 Phase 1 GRC	This proceeding is inactive, but it remains open to provide further guidance on metrics relevant to auditor reports, to consider revising the energization cost recovery mechanism, and to establish reporting requirements for reviewing the reasonableness of PG&E's interim rate recovery in its next GRC.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 6

---

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summary of Community Advisory Committee (CAC) October 24, 2024 meeting

DATE: November 21, 2024

---

This report summarizes the Community Advisory Committee’s meeting held in person and via Zoom webinar on Thursday, October 24, 2024. The CAC did not meet in September 2024.

- A. Received Legislative End of Session update provided by Mark Fenstermaker of Pacific Policy Group.** Mr. Fenstermaker of Pacific Policy Group provided a legislative end of session update highlighting new leadership in Assembly Utilities (U&E) and the Energy Chair; the budget deficit; and, the focus shifting from reliability to affordability. Mr. Fenstermaker provided information on the 2025-2026 Session and the “landscape” of the upcoming two (2) year period. He reviewed a few items, such as affordability, changes in representatives coming in, the regional grid, budget stability, regional grid initiative, and several other factors that may play a role in the upcoming legislative session. The CAC briefly discussed: affordability, distributed energy, local resources, and rate costs for transmission and distribution and energy.
- B. Review, provide feedback and make recommendation to the Board on draft 2025 Legislative and Regulatory Platform.** Staff presented highlights of the Legislative/Regulatory Task Group’s draft of the 2025 Legislative and Regulatory Platform. Staff pointed out that the 2024 Platform did not include Regulatory verbiage and the draft 2025 Platform does. The CAC and Staff discussed possible additions and clarifications to the draft. Afterwards, the CAC agreed that the 2025 Platform be redrafted to incorporate additional information and provide clarification, then return with the redraft to the CAC at their November 2024 meeting.
- C. Review and recommend to the Board VCE’s participation in Hourly Flex Pricing Pilots.** Staff provided the background and context of the Hourly Flex Pricing (HFP) Pilots. Staff reviewed the HFP Pilots’ goals, design, how the customer will interface, and structure. CAC and Staff discussed: shifting load, rates, difference between Time of Use (TOU) and dynamic rates, bidirectional charging, participation numbers, and charging station projects. The CAC approved recommending to the Board that VCE participate in the Hourly Flex Pricing Pilots. (7-0-0)
- D. Review and recommend to the Board to approve VCE’s Phase 2 of the Electric Vehicle Rebate Program.** Staff provided the background and context of Phase 2 of VCE’s Electric Vehicle Rebate Program. Staff reviewed program design, incentives, proposed budget

and the next steps. CAC and Staff discussed: outreach efforts, previously received applications on waiting list from Phase 1, efficacy of the program, time and form of the incentive, buyer uncertainty of receiving rebate, impact of the program, possible additional funding for the program, customer equity, next steps after Phase 2, and the benefits to the community of this program. The CAC approved recommending to the Board that Phase 2 of VCE's Electric Vehicle Rebate Program be approved. (6-1-0)

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

---

To: Board of Directors

From: Rebecca Kuczynski, Director of Customer Care & Marketing

Subject: Extension of the consultant agreement with Jim Parks for energy advisory services for one (1) year to expire December 31, 2024

Date: November 14, 2024

---

**RECOMMENDATION**

Receive copy of Second Amendment Letter between Jim Parks and VCE agreeing to extend the consultant agreement one (1) year expiring December 31, 2025 and increasing the not to exceed amount to \$45,000.

**BACKGROUND**

Since June 2020, VCE has had an agreement with Jim Parks to provide energy advisory services, including customer care and marketing duties, SACOG grant and other program activities, and key account services. The Agreement originally expired in December 2022.

In December 2022, the Board approved a new agreement with Mr. Parks that aligns with VCE's fiscal year. This current Agreement continues with Mr. Parks providing energy advisory services focusing on key account services for designated commercial, industrial, and agricultural customer outreach; programmatic work for the SACOG grant and VCE programs; participation in grant activities; and, review and verification of PG&E rate changes to develop rate tables for the VCE website. The December 2022 Agreement included a not to exceed amount of \$30,000, an expiration date of December 31, 2023, and two (2) one-year options to extend.

In December 2023, after consultation with legal counsel and in accordance with the Agreement, both parties agreed to exercise the option to extend the term of the Agreement through December 31, 2024. The First Amendment to the Agreement was entered into on December 3, 2023. There were no changes to the not to exceed amount or to the scope of services or compensation.

In October 2024, after consultation with legal counsel and in accordance with the Agreement, both parties agreed to exercise the 2<sup>nd</sup> option to extend the term of the Agreement another year and increased the not to exceed amount by 15,000. The Second Amendment to the Agreement was entered into on October 28, 2024. There were no changes to the scope of



services. Attached is a copy of the Second Amendment to the Agreement Letter extending the Agreement for an effective date of January 1, 2025 expiring December 31, 2025 and increasing the not to exceed amount to \$45,000.

**Attachment:**

1. Amendment Two (2) Letter extending Consultant Agreement with Jim Parks



October 18, 2024

Via Email Only

Jim Parks  
4478 G Street  
Sacramento, CA 95819

**Second Amendment to Agreement Between  
Valley Clean Energy Alliance and Jim Parks for Energy Advisory Services**

Dear Jim:

The Agreement Between the Valley Clean Energy Alliance (“VCE”) and Jim Parks for Energy Advisory Services (“Agreement”) was entered into on December 9, 2022 and became effective on January 1, 2023 for a term of one year with two (2) one-year options to extend. Effective January 1, 2024, the First Amendment to the Agreement extended the Agreement for one year for a new expiration date of December 31, 2024.

**Section 1 of the Agreement and Exhibit B – Schedule of Performance** provide two (2) one-year options to extend the term of the Agreement. Exhibit B provides that if the parties wish to exercise the option to extend the term of the Agreement, they must mutually agree to do so in writing.


**Section 3 of the Agreement and Exhibit C – Compensation** provide a not to exceed amount of Thirty Thousand and no/100 Dollars (\$30,000).

You and VCE agree to exercise the second option to extend the Agreement for an effective date of January 1, 2025 expiring December 31, 2025; increase the not to exceed amount by \$15,000 for a new not to exceed amount of Forty-five Thousand dollars (\$45,000); and agree that all other provisions of the Agreement will remain in effect.

If these terms are acceptable, please sign below and return the copy to me.

Thank you for all of your services.

Sincerely,  
VALLEY CLEAN ENERGY

By:   
\_\_\_\_\_  
Mitch Sears, Executive Officer

**ACCEPTANCE**

Jim Parks accepts this Second Amendment to the agreement.

Dated: 10/22/24

JIM PARKS

By: James M Parks

Name: Jim Parks

Its: Owner

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

---

To: Board of Directors

From: Mitch Sears, Executive Officer

Subject: Extension of the consultant agreement with Pacific Policy Group for lobbying services for one (1) year to expire December 31, 2025 and increase the not to exceed amount

Date: November 14, 2024

---

**RECOMMENDATION**

Receive copy of First Amendment Letter between Pacific Policy Group and VCE agreeing to extend the consultant agreement one (1) year expiring December 31, 2025 and increase the not to exceed amount to \$198,000.

**BACKGROUND**

Since February 2019, VCE has had an agreement with Mark Fenstermaker / Pacific Policy Group (PPG) to provide lobbying services. The current Agreement includes a not to exceed amount of \$132,000, an expiration date of December 31, 2024, and two (2) one-year options to extend.

After consultation with legal counsel and in accordance with the Agreement, both parties agreed to exercise the option to extend the term of the Agreement and increase the not to exceed amount by \$66,000 (\$5,500/month). \$5,500 is the current monthly rate for 2024. There are no changes to the scope of services. Attached is a copy of the First Amendment to the Agreement Letter extending the Agreement for an effective date of January 1, 2025 expiring December 31, 2025 and increasing the not to exceed amount to \$198,000.

**Attachment:**

1. Amendment One (1) Letter dated October 25, 2024 extending Consultant Agreement with Pacific Policy Group for one year and increasing the not to exceed amount



October 25, 2024

Via Email Only

Mark Fenstermaker  
Pacific Policy Group  
1121 L Street, Suite 700  
Sacramento, CA 95814

**First Amendment to Agreement Between  
Valley Clean Energy Alliance and Pacific Policy Group for Lobbying Services**

Dear Mark:

The Agreement between the Valley Clean Energy Alliance ("VCE") and Pacific Policy Group ("Consultant") for Lobbying Services ("Agreement") became effective on December 9, 2022 for a two year period terminating on December 31, 2024. VCE and Consultant wish to extend the term of the Agreement and add compensation to the Agreement through this First Amendment to the Agreement. The parties acknowledge and agree to the following:

**Sections 1 and 24 of the Agreement and Exhibit B – Schedule of Performance** provide two one-year options to extend the term of the Agreement. Section 24 provides that if the parties wish to modify the Agreement, they must mutually agree to do so in writing.

**Section 3 of the Agreement and Exhibit C – Compensation** provide that VCE is to pay Consultant a flat monthly fee of \$5,500 and a not to exceed total amount of One Hundred Thirty-two Thousand dollars (\$132,000) for services provided under the Agreement for the term expiring December 31, 2024.

Consultant and VCE agree to exercise the first option to extend the Agreement for one year, with an effective date of January 1, 2025 expiring December 31, 2025; increase the not to exceed amount by \$66,000 (\$5,500 monthly) for a new not to exceed amount of One Hundred Ninety-eight Thousand dollars (\$198,000); and agree that all other provisions of the Agreement will remain unchanged and in full effect.

If these terms are acceptable, please sign below and return the copy to me.

Thank you for all of your services.

Sincerely,  
VALLEY CLEAN ENERGY

By:   
\_\_\_\_\_  
Mitch Sears, Executive Officer

**ACCEPTANCE**

Pacific Policy Group accepts this First Amendment to the agreement.

Dated: 11/7/2024

PACIFIC POLICY GROUP

By: 

Name: Mark Fenstermaker

Its: Principal

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 9

---

**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Officer  
Rebecca Kuczynski, Director of Customer Care and Marketing

**SUBJECT:** Extension of Agreement with REACH Strategies for Communications and Outreach Services

**DATE:** November 14, 2024

---

#### RECOMMENDATION

Adopt a resolution approving Amendment One (1) to the REACH Strategies Agreement for communications and outreach services extending the Agreement one (1) year and increasing the not to exceed amount.

#### BACKGROUND AND ANALYSIS

In December 2022, [VCE entered into a two \(2\) year Agreement](#) with a one-year option to extend with REACH Strategies to provide marketing, website and social media services. In April 2024, with [the approval of the Electrification Retrofit Rebate Outreach \(ERRO\) Pilot](#), REACH Strategies' scope of work expanded to include duties associated with pilot launch. The Agreement will expire December 31, 2024.

#### Scope of Work

In summary, the scope that REACH performs under the existing Agreement that would be extended includes the following key activities:

1. Program Branding, Website and Social Media:
  - a. Working with existing program mission and branding style guides, refine style guides, and ensure alignment with VCE's Strategic Plan and Outreach and Marketing Plans.
  - b. Maintain and update multi-functional, multi-lingual website (English and Spanish).
  - c. Maintain and improve social media presence for VCE utilizing existing platforms in VCE member communities. Work with VCE staff to measure and improve marketing/communications analytics.
  - d. Develop/update program collateral including FAQs, program brochures, fact sheets and PowerPoint templates.

2. Marketing, Advertising and Press:

- a. Manage and conduct press outreach - schedule editorial meetings; draft press releases, op-eds and news articles.
- b. Maintain a social media presence for VCE on Facebook, Twitter, Instagram, and other platforms as requested.

REACH Strategies has performed very well under the current services agreement, meeting or exceeding expectations on the Scope of Services. Staff has received positive feedback on the improvements to website design, newsletters, and social media brought by REACH Strategies, and REACH Strategies has demonstrated its ability and commitment to working with staff to implement changes in a quick, efficient and stylistically congruent manner.

**CONCLUSION**

Based on consultant performance, staff is recommending that the term of the REACH Strategies Agreement be extended one (1) year for a new expiration date of December 31, 2025, and the not to exceed amount associated with the extension be increased by \$219,000. With the additional year extension, the total not to exceed amount for the services agreement would increase from \$425,000 to \$644,000.

**Attachments:**

1. Amendment 1 to REACH Strategies Agreement
2. Resolution 2024-XXX



**FIRST AMENDMENT**  
**TO THE AGREEMENT FOR MARKETING, WEBSITE, AND SOCIAL MEDIA SERVICES**  
**BETWEEN**  
**VALLEY CLEAN ENERGY ALLIANCE**  
**AND**  
**REACH STRATEGIES**

**1. Parties and Date.**

This Amendment No. One (1) to the Consultant Services Agreement (“First Amendment”), is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ 2024, by and between Valley Clean Energy Alliance, a Joint Powers Agency, existing under the laws of the State of California with its principal place of business at 604 2<sup>nd</sup> Street, Davis, California 95616 (“VCE”) and Consultant, REACH Strategies, with its principal place of business at 100 Shoreline Hwy., Suite 100, Building B, Mill Valley, California 94941 (“REACH”). VCE and REACH are sometimes individually referred to as “Party” and collectively as “Parties.”

**Recitals.**

1. VCE and REACH entered into an “Agreement for Consultant Services,” (“Agreement”) dated December 9, 2022, and effective January 1, 2023, for the purpose of retaining REACH to provide marketing, website and social media services described in Exhibit A of the Agreement. The Agreement was for a term of two (2) years, with an option to extend one (1) additional year, and a total amount not to exceed \$425,000.

2. VCE and REACH now desire to extend the term by an additional one (1) year, through December 31, 2025 and replace Exhibit C – Compensation with an updated Exhibit C, with the not to exceed amount increased by \$219,000 for a new not to exceed amount of \$644,000.

**Now therefore**, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties agree as follows:

2.1 **Extension of Term.** The Parties mutually agree to extend the term of the Agreement for one additional year until December 31, 2025, as allowed by Section 1 of the Agreement.

2.2 **Replacement of Exhibit C.** Exhibit C of the Agreement is hereby replaced in its entirety by Exhibit C attached hereto.

3. Except as amended by this First Amendment, all other provisions of the Agreement will remain in full force and effect.

4. If any portion of this First Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**[Signatures on Next Page]**

**SIGNATURE PAGE FOR FIRST AMENDMENT  
TO THE AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN VALLEY CLEAN ENERGY ALLIANCE  
AND REACH STRATEGIES**

IN WITNESS WHEREOF, the Parties have entered into this First Amendment as of the \_\_\_\_\_ day of \_\_\_\_\_ 2024.

**VALLEY CLEAN ENERGY ALLIANCE**

**REACH STRATEGIES**

By: \_\_\_\_\_  
Mitch Sears  
Executive Officer

By: \_\_\_\_\_  
Its: \_\_\_\_\_ C.E.O.

Printed Name: Kirk Brown

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Inder Khalsa  
VCE Attorney

**Exhibit C**  
**Compensation**

VCE shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of Six Hundred Forty-Four Thousand dollars (\$644,000), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to VCE unless previously approved in writing by VCE.

<b>Task</b>	<b>Estimated Budget</b>
1. Marketing, Website, and Social Media Services	\$15,000/month
<b>Total Not To Exceed Amount</b>	<b>\$644,000</b>

**Rates**

<b>Personnel</b>	<b>Title</b>	<b>Hourly</b>
Kirk Brown	CEO and Project Lead	\$150.00
Amanda Scarborough	Project Director	\$145.00
Michelle Davis	Project Manager	\$125.00
Web & Graphic Design		\$75.00
Finance Support		\$50.00
Project Support		\$50.00

**Invoices**

**Monthly Invoicing:** In order to request payment, Consultant shall submit monthly invoices to VCE describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). VCE shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. VCE does not pay interest on past due amounts.

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by VCE.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from VCE Representative prior to commencement of any additional services. Consultant shall submit, at the VCE Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2024-\_\_\_\_**

**A RESOLUTION OF VALLEY CLEAN ENERGY ALLIANCE APPROVING AMENDMENT ONE (1) TO THE AGREEMENT WITH REACH STRATEGIES FOR MARKETING, WEBSITE AND SOCIAL MEDIA SERVICES AND AUTHORIZING THE EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE AMENDMENT**

**WHEREAS**, 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;

**WHEREAS**, after a Request for Proposal (RFP) was released by VCE staff seeking proposals to provide customer outreach and marketing services, in December 2022 via Resolution 2022-036, VCE entered into an agreement with REACH Strategies; and

**WHEREAS**, the Agreement was for a term of two (2) years ending December 31, 2024, with a one-year option to extend and for a not to exceed amount of \$425,000; and,

**WHEREAS**, staff recommend that VCE take the one-year option to extend for a new expiration date of December 31, 2025 and increase the not to exceed amount by \$219,000.

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

1. The VCE Executive Officer, in consultation with VCE Legal General Counsel, is authorized to finalize, approve, execute, and extend on behalf of VCE Amendment One (1) to the Agreement with REACH Strategies for marketing, website and social media services for an additional one (1) year ending December 31, 2025 and for a total not to exceed amount of \$644,000.

**PASSED, APPROVED AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_ day of \_\_\_\_\_ 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Lucas Frerichs, VCE Board Chair

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

Exhibit A: Amendment One (1) to the REACH Strategies Consultant Agreement

**EXHIBIT A**

**AMENDMENT ONE (1) TO THE REACH STRATEGIES CONSULTANT AGREEMENT**

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 10

---

TO: Board of Directors

FROM: Gordon Samuel, Chief Operating Officer

SUBJECT: Accept and attest to the veracity of VCE’s 2023 Power Source Disclosure Reports for the Base Green, Standard Green, and UltraGreen products and 2023 Power Content Label

DATE: November 14, 2024

---

**RECOMMENDATION:**

Attest to the veracity of the information presented in Valley Clean Energy’s 2023 Power Source Disclosure Annual Reports and Power Content Label for the Base Green, Standard Green, and UltraGreen products.

**BACKGROUND:**

California Public Utilities Code requires all retail sellers of electric energy, including VCE, to disclose “accurate, reliable, and simple-to-understand information on the sources of energy, and the associated emissions of greenhouse gases,” that are delivered to their respective customers.<sup>1</sup> Applicable regulations direct retail sellers to provide such communications no later than October 1<sup>st</sup> of each year.<sup>2</sup> The format for requisite communications is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. This format has been termed the “Power Content Label” by the California Energy Commission (CEC).

Information presented in the Power Content Label includes the appropriate share of total energy supply based on resource type, including both renewable and conventional fuel sources. In the event that a retail seller meets a certain percentage of its supply obligation from unspecified resources, the report must identify such purchases as “unspecified sources of power.” “Unspecified sources of power” refers to electricity that cannot be sourced back to a specific generator, such as energy purchased through open market transactions.

During the 2023 calendar year, VCE delivered a substantial portion of its electric energy supply from various renewable energy sources, including eligible hydroelectric and solar resources. For VCE Base Green customers, 26.3% of the energy delivered was from renewable energy resources with a greenhouse gas emissions intensity of 695 lbs CO<sub>2</sub>e/MWh. For VCE Standard

---

<sup>1</sup> California Public Utilities Code Section 398.1(b).

<sup>2</sup> This year, the California Energy Commission extended this deadline due to WREGIS reporting delays. For the 2023 compliance year, the Power Content Labels and self-attestation is due January 31, 2025.



Green customers, 39.5% of the energy delivered was from renewable energy resources with a greenhouse gas emissions intensity of 449 lbs CO<sub>2</sub>e/MWh. For UltraGreen customers, 100% of the energy delivered was generated from renewable energy resources with a greenhouse gas emissions intensity of 0 lbs CO<sub>2</sub>e/MWh. A copy of VCE's Power Content Label listing the energy resources used during 2023 is attached.

Consistent with applicable regulations and CEC guidance, VCE will complete required customer communications in accordance with the January 31, 2025 deadline. All customers currently enrolled in the VCE program will receive the Power Content Label via mail or e-mail, as applicable.

To fulfill its Power Content Label reporting obligation, VCE may provide the CEC with the Board's attestation regarding the veracity of the information presented in VCE's 2023 Power Source Disclosure Annual Reports and Power Content Label for the Base Green, Standard Green, and UltraGreen products. Staff recommends VCE self-certify the Base Green, Standard Green, and UltraGreen products in lieu of submitting them to a third-party Certified Public Accountant for a formal audit. VCE's technical consultants (The Energy Authority) prepared the Power Source Disclosure annual reports, which were subsequently reviewed by another VCE consultant (EQ Research). EQ Research's review, as detailed in the attached report, verified that the information contained in the annual reports and Power Content Label is accurate.

Based on the foregoing, staff requests that the Board accept this determination and attest to the veracity of the information included in VCE's Power Source Disclosure annual reports and Power Content Label for the Base Green, Standard Green and Ultra Green products for the 2023 calendar year.

**ATTACHMENTS:**

- 1) 2023 Annual Power Source Disclosure Report for the Base Green Product
- 2) 2023 Annual Power Source Disclosure Report for the Standard Green Product
- 3) 2023 Annual Power Source Disclosure Report for the Ultra Green Product
- 4) 2023 Power Content Label
- 5) EQ Research Report re 2023 Power Source Disclosure Annual Reports and Power Content Label

## 2023 POWER SOURCE DISCLOSURE ANNUAL REPORT

### For the Year Ending December 31, 2023

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

## GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME	
Valley Clean Energy Alliance	
ELECTRICITY PORTFOLIO NAME	
Base Green	
CONTACT INFORMATION	
NAME	Gordon Samuel
TITLE	Chief Operating Officer
MAILING ADDRESS	604 2nd Street
CITY, STATE, ZIP	Davis, CA 95616
PHONE	(530) 446-2750
EMAIL	<a href="mailto:info@valleycleanenergy.org">info@valleycleanenergy.org</a>
WEBSITE URL FOR PCL POSTING	<a href="https://valleycleanenergy.org/power-sources/">https://valleycleanenergy.org/power-sources/</a>

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov). Remember to complete the Retail Supplier Name, Electricity Portfolio Name, and contact information above, and submit separate reports and attestations for each additional portfolio if multiple were offered in the previous year.

**NOTE:** Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at <https://www.energy.ca.gov/about/divisions-and-offices/chief-counsels-office>.

If you have questions, contact Power Source Disclosure (PSD) staff at [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov) or (916) 639-0573.

Retail Sales (MWh)	110
Net Specified Procurement (MWh)	29
Unspecified Power (MWh)	81
Procurement to be adjusted	-
Net Specified Natural Gas	-
Net Specified Coal & Other Fossil Fuels	-
Net Specified Nuclear, Large Hydro, Renewables, and ACS Power	29
GHG Emissions (excludes grandfathered emissions)	35
GHG Emissions Intensity (in MT CO <sub>2</sub> e/MWh)	0.3154

[illegible]

[illegible]

**2023 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 3: POWER CONTENT LABEL DATA**  
**For the Year Ending December 31, 2023**  
**Valley Clean Energy Alliance**  
**Base Green**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
<b>Renewable Procurements</b>	29	26.3%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	-	0.0%
Solar	29	26.3%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	-	0.0%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	81	73.7%
<b>Total</b>	<b>110</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>110</b>
---------------------------------	------------

<b>GHG Emissions Intensity (converted to lbs CO<sub>2</sub>e/MWh)</b>	<b>695</b>
---	------------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>15.5%</b>
---	--------------

**2023 POWER SOURCE DISCLOSURE ANNUAL REPORT  
ATTESTATION FORM  
For the Year Ending December 31, 2023  
Valley Clean Energy Alliance  
Base Green**

I, Gordon Samuel, Chief Operating Officer, declare under penalty of perjury, that the information provided in this report is true and correct and that I, as an authorized agent of Valley Clean Energy Alliance, have authority to submit this report on the retail supplier's behalf. I further declare that all of the electricity claimed as specified purchases as shown in this report was sold once and only once to retail customers.

Name: Gordon Samuel

Representing (Retail Supplier): Valley Clean Energy Alliance



Signature: \_\_\_\_\_

Dated: August 21, 2024

Executed at: Davis, California

## 2023 POWER SOURCE DISCLOSURE ANNUAL REPORT For the Year Ending December 31, 2023

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

### GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME	
Valley Clean Energy Alliance	
ELECTRICITY PORTFOLIO NAME	
Standard Green	
CONTACT INFORMATION	
NAME	Gordon Samuel
TITLE	Chief Operating Officer
MAILING ADDRESS	604 2nd Street
CITY, STATE, ZIP	Davis, CA 95616
PHONE	(530) 446-2750
EMAIL	<a href="mailto:info@valleycleanenergy.org">info@valleycleanenergy.org</a>
WEBSITE URL FOR PCL POSTING	<a href="https://valleycleanenergy.org/power-sources/">https://valleycleanenergy.org/power-sources/</a>

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov). Remember to complete the Retail Supplier Name, Electricity Portfolio Name, and contact information above, and submit separate reports and attestations for each additional portfolio if multiple were offered in the previous year.

**NOTE:** Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at <https://www.energy.ca.gov/about/divisions-and-offices/chief-counsels-office>.

If you have questions, contact Power Source Disclosure (PSD) staff at [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov) or (916) 639-0573.

**2023 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 1: PROCUREMENTS AND RETAIL SALES**  
For the Year Ending December 31, 2023  
Valley Clean Energy Alliance  
Standard Green

Instructions: Enter information about power procurements underlying this electricity portfolio for which your company is filing the Annual Report. Insert additional rows as needed. All fields in white should be filled out. **Fields in grey auto-populate as needed and should not be filled out.** For EIA IDs for unspecified power or specified system mixes from asset-controlling suppliers, enter "Unspecified Power", "BPA", or "Tacoma Power" as applicable. For specified procurements of ACS power, use the ACS Procurement Calculator to calculate the resource breakdown comprising the ACS system mix. **Procurements of unspecified power must not be entered as line items below; unspecified power will be calculated automatically in cell N9.** Unbundled RECs must not be entered on Schedule 1; these products must be entered on Schedule 2. At the bottom portion of the schedule, provide the other electricity end-uses that are not retail sales including, but not limited to transmission and distribution losses or municipal street lighting. Amounts should be in megawatt-hours.

Retail Sales (MWh)	645,384
Net Specified Procurement (MWh)	338,052
Unspecified Power (MWh)	307,332
Procurement to be adjusted	-
Net Specified Natural Gas	-
Net Specified Coal & Other Fossil Fuels	-
Net Specified Nuclear, Large Hydro, Renewables, and ACS Power	338,052
GHG Emissions (excludes grandfathered emissions)	131,538
GHG Emissions Intensity (in MT CO <sub>2</sub> e/MWh)	0.2038

DIRECTLY DELIVERED RENEWABLES													
Facility Name	Fuel Type	State or Province	WREGIS ID	RPS ID	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	N/A
Indian Valley Hydro	Eligible hydro	CA	W607	60161A		50129	1,987		1,987	1,987	-	-	
Resurgence Solar I, LLC	Solar	CA	W16178	65013A		64489	140,897		140,897	140,897	#N/A	-	
Aquamarine Westside, LLC	Solar	CA	W12082	64553A		62547	112,095		112,095	112,095	-	-	
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	

FIRMED AND-SHAPED IMPORTS													
Facility Name	Fuel Type	State or Province	WREGIS ID	RPS ID	EIA ID of REC Source	EIA ID of Substitute Power	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	Eligible for Grandfathered Emissions?
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	
									-	-	#N/A	-	

SPECIFIED NON-RENEWABLE PROCUREMENTS													
Facility Name	Fuel Type	State or Province	N/A	N/A	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	N/A
Balch #1 PH	Large hydro	CA				217	1,800		1,800	1,800	-	-	
Balch #2 PH	Large hydro	CA				218	4,951		4,951	4,951	-	-	
Belden	Large hydro	CA				219	2,122		2,122	2,122	-	-	
Bucks Creek	Large hydro	CA				220	705		705	705	-	-	
Butt Valley	Large hydro	CA				221	1,454		1,454	1,454	-	-	
Caribou 1	Large hydro	CA				222	1,955		1,955	1,955	-	-	
Caribou 2	Large hydro	CA				223	4,192		4,192	4,192	-	-	
Cresta	Large hydro	CA				231	1,217		1,217	1,217	-	-	
Drum #1	Large hydro	CA				235	853		853	853	-	-	
Drum #2	Large hydro	CA				236	2,659		2,659	2,659	-	-	
Electra	Large hydro	CA				239	3,849		3,849	3,849	-	-	
Haas	Large hydro	CA				240	4,946		4,946	4,946	-	-	
James B Black	Large hydro	CA				249	4,600		4,600	4,600	-	-	
Kerckhoff #2 PH	Large hydro	CA				682	5,257		5,257	5,257	-	-	
Kings River	Large hydro	CA				254	2,091		2,091	2,091	-	-	
Pit 1	Large hydro	CA				265	1,879		1,879	1,879	-	-	
Pit 3	Large hydro	CA				266	3,303		3,303	3,303	-	-	
Pit 4	Large hydro	CA				267	3,859		3,859	3,859	-	-	
Pit 5	Large hydro	CA				268	6,677		6,677	6,677	-	-	
Pit 6	Large hydro	CA				269	2,463		2,463	2,463	-	-	
Pit 7	Large hydro	CA				270	2,739		2,739	2,739	-	-	
Poe	Large hydro	CA				272	6,270		6,270	6,270	-	-	
Rock Creek	Large hydro	CA				275	4,326		4,326	4,326	-	-	
Salt Springs	Large hydro	CA				279	1,948		1,948	1,948	-	-	
Stanislaus	Large hydro	CA				285	3,221		3,221	3,221	-	-	
Tiger Creek	Large hydro	CA				287	2,431		2,431	2,431	-	-	
NID-Chicago Park	Large hydro	CA				412	1,307		1,307	1,307	-	-	

PROCUREMENTS FROM ASSET-CONTROLLING SUPPLIERS													
Facility Name	Fuel Type	N/A	N/A	N/A	N/A	EIA ID	Gross MWh Procured	MWh Resold	Net MWh Procured	Adjusted Net MWh Procured	GHG Emissions Factor (in MT CO <sub>2</sub> e/MWh)	GHG Emissions (in MT CO <sub>2</sub> e)	N/A
										-	#N/A	-	
										-	#N/A	-	
										-	#N/A	-	
										-	#N/A	-	

<b>END USES OTHER THAN RETAIL SALES</b>	<b>MWh</b>
Distribution Losses	132,390



[illegible]

**2023 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 3: POWER CONTENT LABEL DATA**  
**For the Year Ending December 31, 2023**  
**Valley Clean Energy Alliance**  
**Standard Green**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
<b>Renewable Procurements</b>	254,979	39.5%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	1,987	0.3%
Solar	252,992	39.2%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	83,073	12.9%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	307,332	47.6%
<b>Total</b>	<b>645,384</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>645,384</b>
---------------------------------	----------------

<b>GHG Emissions Intensity (converted to lbs CO<sub>2</sub>e/MWh)</b>	<b>449</b>
---	------------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>15.5%</b>
---	--------------

**2023 POWER SOURCE DISCLOSURE ANNUAL REPORT  
ATTESTATION FORM  
For the Year Ending December 31, 2023  
Valley Clean Energy Alliance  
Standard Green**

I, Gordon Samuel, Chief Operating Officer, declare under penalty of perjury, that the information provided in this report is true and correct and that I, as an authorized agent of Valley Clean Energy Alliance, have authority to submit this report on the retail supplier's behalf. I further declare that all of the electricity claimed as specified purchases as shown in this report was sold once and only once to retail customers.

Name: Gordon Samuel

Representing (Retail Supplier): Valley Clean Energy Alliance

*Gordon Samuel*

Signature: \_\_\_\_\_

Dated: August 21, 2024

Executed at: Davis, California

## 2023 POWER SOURCE DISCLOSURE ANNUAL REPORT

### For the Year Ending December 31, 2023

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

## GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME	
Valley Clean Energy Alliance	
ELECTRICITY PORTFOLIO NAME	
UltraGreen	
CONTACT INFORMATION	
NAME	Gordon Samuel
TITLE	Chief Operating Officer
MAILING ADDRESS	604 2nd Street
CITY, STATE, ZIP	Davis, CA 95616
PHONE	(530) 446-2750
EMAIL	<a href="mailto:info@valleycleanenergy.org">info@valleycleanenergy.org</a>
WEBSITE URL FOR PCL POSTING	<a href="https://valleycleanenergy.org/power-sources/">https://valleycleanenergy.org/power-sources/</a>

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov). Remember to complete the Retail Supplier Name, Electricity Portfolio Name, and contact information above, and submit separate reports and attestations for each additional portfolio if multiple were offered in the previous year.

**NOTE:** Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at <https://www.energy.ca.gov/about/divisions-and-offices/chief-counsels-office>.

If you have questions, contact Power Source Disclosure (PSD) staff at [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov) or (916) 639-0573.

Instructions: Enter information about power procurements underlying this electricity portfolio for which your company is filing the Annual Report. Insert additional rows as needed. All fields in white should be filled out. **Fields in grey auto-populate as needed and should not be filled out.** For EIA IDs for unspecified power or specified system mixes from asset-controlling suppliers, enter "Unspecified Power", "BPA", or "Tacoma Power" as applicable. For specified procurements of ACS power, use the ACS Procurement Calculator to calculate the resource breakdown comprising the ACS system mix. **Procurements of unspecified power must not be entered as line items below; unspecified power will be calculated automatically in cell N9.** Unbundled RECs must not be entered on Schedule 1; these products must be entered on Schedule 2. At the bottom portion of the schedule, provide the other electricity end-uses that are not retail sales including, but not limited to transmission and distribution losses or municipal street lighting. Amounts should be in megawatt-hours.

[illegible]

[illegible]

**2023 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 3: POWER CONTENT LABEL DATA**  
**For the Year Ending December 31, 2023**  
**Valley Clean Energy Alliance**  
**UltraGreen**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
<b>Renewable Procurements</b>	9,141	100.0%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	3,922	42.9%
Solar	5,219	57.1%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	-	0.0%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	-	0.0%
<b>Total</b>	<b>9,141</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>9,141</b>
---------------------------------	--------------

<b>GHG Emissions Intensity (converted to lbs CO<sub>2</sub>e/MWh)</b>	<b>-</b>
---	----------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>0.0%</b>
---	-------------

**2023 POWER SOURCE DISCLOSURE ANNUAL REPORT  
ATTESTATION FORM  
For the Year Ending December 31, 2023  
Valley Clean Energy Alliance  
UltraGreen**

I, Gordon Samuel, Chief Operating Officer, declare under penalty of perjury, that the information provided in this report is true and correct and that I, as an authorized agent of Valley Clean Energy Alliance, have authority to submit this report on the retail supplier's behalf. I further declare that all of the electricity claimed as specified purchases as shown in this report was sold once and only once to retail customers.

Name: Gordon Samuel

Representing (Retail Supplier): Valley Clean Energy Alliance



Signature: \_\_\_\_\_

Dated: August 21, 2024

Executed at: Davis, California



2023 POWER CONTENT LABEL								
Valley Clean Energy Alliance								
<a href="https://valleycleanenergy.org/power-sources/">https://valleycleanenergy.org/power-sources/</a>								
Greenhouse Gas Emissions Intensity (lbs CO <sub>2</sub> e/MWh)				Energy Resources	Standard Green	UltraGreen	Base Green	2023 CA Power Mix
Standard Green	UltraGreen	Base Green	2023 CA Utility Average	Eligible Renewable <sup>1</sup>	39.5%	100.0%	26.3%	36.9%
449	0	695	373	Biomass & Biowaste	0.0%	0.0%	0.0%	2.1%
				Geothermal	0.0%	0.0%	0.0%	4.8%
				Eligible Hydroelectric	0.3%	42.9%	0.0%	1.8%
				Solar	39.2%	57.1%	26.3%	17.0%
				Wind	0.0%	0.0%	0.0%	11.2%
				Coal	0.0%	0.0%	0.0%	1.8%
				Large Hydroelectric	12.9%	0.0%	0.0%	11.7%
				Natural Gas	0.0%	0.0%	0.0%	36.6%
				Nuclear	0.0%	0.0%	0.0%	9.3%
				Other	0.0%	0.0%	0.0%	0.1%
				Unspecified Power <sup>2</sup>	47.6%	0.0%	73.7%	3.7%
				TOTAL	100.0%	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs <sup>3</sup> :					16%	0%	16%	
<sup>1</sup> The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.								
<sup>2</sup> Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.								
<sup>3</sup> Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.								
For specific information about this electricity portfolio, contact:					Valley Clean Energy Alliance 1-855-699-8232			
For general information about the Power Content Label, visit:					<a href="https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program">https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program</a>			

# Valley Clean Energy Alliance

## POWER SOURCE DISCLOSURE INDEPENDENT REVIEW OF STANDARD GREEN, ULTRAGREEN, AND BASE GREENS PRODUCTS FOR REPORTING YEAR 2023

---

To: Gordon Samuel, Chief Operating Officer

From: Miriam Makhoun, CEO, EQ Research, LLC

Date: October 31, 2024

---

### Introduction

Valley Clean Energy Alliance (VCE) has engaged EQ Research, LLC (EQ Research) to assist with an independent review of VCE's Base Green, Standard Green, and UltraGreen Power Source Disclosure (PSD) Annual Reports (together, the "Annual Reports") and Power Content Label (PCL) for the year ending December 31, 2023. EQ Research performed the procedures enumerated below to assist VCE with complying with the auditing and verification requirements of the PSD Program, as defined in Section 1394.2 of the California Code of Regulations, Title 20.

EQ Research obtained the underlying documentation<sup>1</sup> used by VCE's consultant, The Energy Authority (TEA), to complete the Annual Reports and accepts the accuracy of the information provided by VCE and TEA. EQ Research did not access VCE's Western Renewable Energy Generation Information System (WREGIS) account information to verify the authenticity of the information provided by VCE but was provided an export of information from WREGIS.<sup>2</sup>

---

<sup>1</sup> All files referenced in this report can be accessed at: <https://eq-research.sharefile.com/public/share/web-s7f2a2b1531d042bcb77cfcc8b558a703>

<sup>2</sup> See the file entitled, "2023 PSD Supply Product Allocations.xlsx" in the ShareFile link.

## Review Procedures and Findings

EQ Research based its detailed review of the Annual Reports on the audit procedures detailed in Section 1394.2(b) of the PSD program regulations. The procedures and associated findings for the Annual Reports are detailed below.

### Base Green, Standard Green, and UltraGreen PSD Report Review

#### *Audit Procedures (1)(A)*

EQ Research used the following publicly available sources in order to validate the information in the Annual Reports:

Source 1 (EIA): Energy Information Administration (EIA) Form 923 detailed data, *EIA923\_Schedules\_2\_3\_4\_5\_M\_12\_2023\_Final.xlsx*, Page 1 Generation and Fuel Data, accessed on October 27, 2024 from <https://www.eia.gov/electricity/data/eia923/>

Source 2 (EIA): EIA Form 860 detailed data, *3\_1\_Generator\_Y2023.xlsx*, Operable tab, accessed on September 24, 2024 from <https://www.eia.gov/electricity/data/eia860/>

Source 3 (CEC): California Energy Commission (CEC), California's Renewables Portfolio Standard (RPS) Public Search exported to Excel, accessed on September 24, 2024 from <https://rps.energy.ca.gov/Pages/Search/SearchApplications.aspx>

EQ Research agreed the specified purchases<sup>3</sup> by (a) facility name, (b) facility number provided by EIA and/or RPS ID, (c) kilowatt-hours, and (d) fuel type from the information used to prepare used to prepare the Annual Reports is consistent with what is presented in the Annual Reports Schedule 1<sup>4</sup> with one note and two minor exceptions:

- Note: The listed EIA Plant ID # 64489 for Resurgence Solar I, LLC includes two rows in the EIA data: one for the battery portion showing negative MWh and another for the solar portion showing only positive MWh. The solar portion was used to validate the contents of this report.
- Exception 1: There is no EIA Form 923 generation data for Putah Creek Solar Farm North so the kWh could not be cross-verified with EIA data.
- Exception 2: Aquamarine Westside, LLC was reported to supply 112,095 MWh and this is shown in the WREGIS REC export but invoices show it to be 0.44 MWh less than reported (112,094.56 MWh). This is likely an artifact of rounding from the invoice process and is inconsequential to the filing.

EQ Research verified that the MWh listed in the Annual Reports do not exceed the annual MWh from EIA 923 data as expected (see Appendix A. Specified Facility Review Results) with two minor exceptions:

- Resurgence Solar I (EIA Plant ID # 64489) solar row shows 98,700 MWh in months August through December 2023 instead of the expected 140,925.93 MWh shown as retired 2023 RECs (140,897 MWh for the Standard Green tariff and 28.93 MWh for the Base Green tariff). This is because test energy of 42,354.29 MWh produced between May and July 2023 was not reported to the EIA. If it had been reported, 141,054.29 would be the total amount of MWh in EIA 923 for Resurgence Solar 1 which is an excess of 128.36 MWh.
- There is no EIA Form 923 generation data for Putah Creek Solar Farm North so the kWh could not be cross-verified with EIA data.

---

<sup>3</sup> There were no resales.

<sup>4</sup> This information was checked against information in the following links: Source for RPS IDs: <https://rps.energy.ca.gov/Pages/Search/SearchApplications.aspx>; Source for EIA IDs: <https://www.eia.gov/electricity/data/eia923/>. (Last accessed September 24, 2024).

EQ Research also tested the mathematical accuracy of each Annual Report and noted no exceptions.

*Audit Procedures (1)(B)(1)*

EQ Research agreed the facility name, facility numbers provided by EIA and RPS, kilowatt-hours, and the fuel type from the invoice match the information used to prepare Schedule 1 of the Annual Reports.

EQ Research verified the above information by comparing information from all 42 invoices for power purchases represented in the 2023 Annual Reports and the information used to prepare Schedule 1 of the Annual Reports along with the CEC and EIA data mentioned in (b) Audit Procedures (1)(A) above. The invoices were for purchases of 364,150.15 MWh, which is 16,928.24 MWh more than reported. For reference, 264,150.15 MWh of the total 347,221.915 MWh reported or 76% were for PCC1 renewable energy. The other 100,000 MWh shown on one of the invoices was for unbundled PCC3 RECs from carbon-free power sources.

See Appendix B. Sample of Purchases VCE used to Prepare Schedule 1.

*Audit Procedures (1)(B)(2)*

This is not applicable since there are no facilities in the Annual Reports owned by VCE.

*Audit Procedures (1)(B)(3)*

EQ Research verified a match between the date of generation from the 41 PCC1 invoices in the sample to the reporting period of the information used to prepare Schedule 1.

See the “Energy Delivery Term” column in Appendix B. Sample of Purchases VCE used to Prepare Schedule 1 and review the PCC1 delivery dates.

*Audit Procedures (1)(B)(4)*

VCE used 83,072.99 MWh of unbundled PCC3 RECs for the Base Green and Standard Green products in 2023 and these RECs were retired in 2023 according to WREGIS statements.

*Audit Procedures (1)(C)*

Section 1393(d) provides that the emissions from purchases of eligible firm-and-shaped products under a purchase agreement or ownership arrangement executed prior to January 1, 2019 are excluded from a portfolio’s emissions intensity calculation. As shown on Schedule 1 of the Annual Reports, VCE did not claim any purchases from firm-and-shaped imports for the Base Green, Standard Green, or UltraGreen products.

*Audit Procedures (2)*

EQ Research obtained a copy of the 2023 Power Content Label to be provided to VCE customers for the Base Green, Standard Green, and UltraGreen products. EQ Research verified that the resource portfolio percentages listed for each product on the 2023 Power Content Label match the respective percentages listed in Schedule 3 of the Power Source Disclosure Annual Reports. EQ Research also verified that the greenhouse gas emissions intensity for each product listed on the Power Content Label match those calculated on the Power Source Disclosure Annual Reports.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than those specified parties

# Appendix A. Specified Facility Review Results

RPS	Standard			EIA Plant ID	RPS ID	Facility Name Vlookup using EIA ID	Facility Name VLOOKUP using RPS ID	Facility Name from VCEA Annual Reports	EIA Net Generation (MWh)	Gross MWh Generation	Net MWh Procured by VCEA	% Resource MWh VCEA Reported of	RPS ID Technology	EIA Technology	VCEA Fuel Type
	Ultra Green	Green	Base							VCEA		Total			
1	1			66088	64810A	Putah Creek Solar Farm North	Putah Creek Solar Farm North	Putah Creek Solar Farm North	N/A	5,219	5,219	N/A	Photovoltaic	Solar Photovoltaic	Solar
1	1			50129	60161A	Indian Valley Dam Hydro Project	Indian Vly Hydro Elec Ptn.	Indian Valley Hydro	5,909	3,922	3,922	100.0%	Small Hydroelectric	Conventional Hydroelectric	Eligible hydro
1		1		50129	60161A	Indian Valley Dam Hydro Project	Indian Vly Hydro Elec Ptn.	Indian Valley Hydro	5,909	1,987	1,987		Small Hydroelectric	Conventional Hydroelectric	Eligible hydro
1			1	64489	65013A	Resurgence Solar	Resurgence Solar I, LLC	Resurgence Solar I, LLC		140,897	140,897		Photovoltaic	Solar Photovoltaic	Solar
1			1	64489	65013A	Resurgence Solar	Resurgence Solar I, LLC	Resurgence Solar I, LLC	98,700	29	29	142.8%	Photovoltaic	Solar Photovoltaic	Solar
1				62547	64553A	Aquamarine	Aquamarine Westside, LLC	Aquamarine Westside, LLC	560,174	112,095	112,095	20.0%	Photovoltaic	Solar Photovoltaic	Solar
	1			217		0 Balch 1		Balch #1 PH	64,353	1,800	1,800	2.8%		Conventional Hydroelectric	Large hydro
	1			218		0 Balch 2		Balch #2 PH	226,603	4,951	4,951	2.2%		Conventional Hydroelectric	Large hydro
	1			219		0 Belden		Belden	174,359	2,122	2,122	1.2%		Conventional Hydroelectric	Large hydro
	1			220		0 Bucks Creek		Bucks Creek	67,850	705	705	1.0%		Conventional Hydroelectric	Large hydro
	1			221		0 Butt Valley		Butt Valley	74,617	1,454	1,454	1.9%		Conventional Hydroelectric	Large hydro
	1			222		0 Caribou 1		Caribou 1	57,797	1,955	1,955	3.4%		Conventional Hydroelectric	Large hydro
	1			223		0 Caribou 2		Caribou 2	283,724	4,192	4,192	1.5%		Conventional Hydroelectric	Large hydro
	1			231		0 Cresta		Cresta	155,228	1,217	1,217	0.8%		Conventional Hydroelectric	Large hydro
	1			235		0 Drum 1		Drum #1	41,615	853	853	2.0%		Conventional Hydroelectric	Large hydro
	1			236		0 Drum 2		Drum #2	261,235	2,659	2,659	1.0%		Conventional Hydroelectric	Large hydro
	1			239		0 Electra		Electra	332,444	3,849	3,849	1.2%		Conventional Hydroelectric	Large hydro
	1			240		0 Haas		Haas	171,261	4,946	4,946	2.9%		Conventional Hydroelectric	Large hydro
	1			249		0 James B Black		James B Black	310,697	4,600	4,600	1.5%		Conventional Hydroelectric	Large hydro
	1			682		0 Kerckhoff 2		Kerckhoff #2 PH	296,716	5,257	5,257	1.8%		Conventional Hydroelectric	Large hydro
	1			254		0 Kings River PH		Kings River	75,624	2,091	2,091	2.8%		Conventional Hydroelectric	Large hydro
	1			265		0 Pit 1		Pit 1	108,234	1,879	1,879	1.7%		Conventional Hydroelectric	Large hydro
	1			266		0 Pit 3		Pit 3	112,121	3,303	3,303	2.9%		Conventional Hydroelectric	Large hydro
	1			267		0 Pit 4		Pit 4	272,952	3,859	3,859	1.4%		Conventional Hydroelectric	Large hydro
	1			268		0 Pit 5		Pit 5	471,431	6,677	6,677	1.4%		Conventional Hydroelectric	Large hydro
	1			269		0 Pit 6		Pit 6	170,647	2,463	2,463	1.4%		Conventional Hydroelectric	Large hydro
	1			270		0 Pit 7		Pit 7	207,624	2,739	2,739	1.3%		Conventional Hydroelectric	Large hydro
	1			272		0 Poe		Poe	330,608	6,270	6,270	1.9%		Conventional Hydroelectric	Large hydro
	1			275		0 Rock Creek		Rock Creek	264,501	4,326	4,326	1.6%		Conventional Hydroelectric	Large hydro
	1			279		0 Salt Springs		Salt Springs	128,143	1,948	1,948	1.5%		Conventional Hydroelectric	Large hydro
	1			285		0 Stanislaus		Stanislaus	203,421	3,221	3,221	1.6%		Conventional Hydroelectric	Large hydro
	1			287		0 Tiger Creek		Tiger Creek	226,110	2,431	2,431	1.1%		Conventional Hydroelectric	Large hydro
	1			412		0 Chicago Park		NID-Chicago Park	102,290	1,307	1,307	1.3%		Conventional Hydroelectric	Large hydro
TOTALS									5,752,379	347,222	347,222	6.04%			

# Appendix B. Sample of Purchases VCE used to Prepare Schedule 1

Invoice File Name	VCEA MWh on Invoice	Energy Delivery Term	Invoice or PO#	PCC1/2/3	Resource	VCEA PCL Total MWh	Invoice Total MWh	Invoice Total >= PCL Total	Delta
Aquamarine Inv MONEY OWED TO VCE Jan 2023 US 2023FEB21 AQUA-01-017 FINAL	4,049.70	January 2023	AQUA-01-017						
AQUA-01-018 Feb 2023 31430.92CREDIT TO VCE dtd 3-20-23	5,979.63	February 2023	AQUA-01-018						
Aquamarine Inv AQUA-01-019 March 2023 38187.18 dtd 4-21-23 due 5-21-23	6,170.19	March 2023	AQUA-01-019						
Aquamarine AQUA-01-020 April 2023 dtd 5-18-23 321770.52 due 6-17-23	9,630.31	April 2023	AQUA-01-020						
Aquamarine Inv AQUA-01-021 May 2023 272180.22 dtd 6-21-23 due 7-21-23 PAID 11-15-2023	9,916.43	May 2023	AQUA-01-021						
Aquamarine Inv AQUA-01-022 June 2023 296834.59 dtd 7-19-23 due 8-18-23	13,359.48	June 2023	AQUA-01-022						
Aquamarine Inv AQUA-01-023 CREDIT OF 211333.15 July 2023 dtd 8-16-23 due 9-15-23	16,269.14	July 2023	AQUA-01-023						
Aquamarine CREDIT TO VCE Inv AQUA-01-024 August 2023 Power 234770.59 dtd 9-20-23 due 10-20-23	14,643.96	August 2023	AQUA-01-024						
Aquamarine Inv AQUA-01-025 September 2023 153913.64 dtd 10-20-23 due 11-19-23	11,346.24	September 2023	AQUA-01-025						
Aquamarine AQUA-01-026 October 2023 27028.54 dtd 11-21-23 due 12-21-23 PAID 12-19-23	9,320.41	October 2023	AQUA-01-026						
Aquamarine November 2023 Power Inv AQUA-01-027 8055.04 dtd 12-19-23 due 1-18-24	6,862.21	November 2023	AQUA-01-027						
Aquamarine Dec 2023 Power CREDIT TO VCE Inv AQUA-01-028 15630.23	4,546.86	December 2023	AQUA-01-028	1	Aquamarine Westside, LLC	112,095.00	112,094.56	FALSE	(0.44)
Indian Valley Jan 2023 ZERO OWED dtd 2-23-23	-	January 2023	23-Feb-23						
Indian Valley Feb 2023 ZERO OWED dtd 3-21-23	-	February 2023	21-Mar-23						
Indian Valley ZERO OWED March 2023 dtd 4-20-23	-	March 2023	20-Apr-23						
India Valley April 2023 Inv dtd 5-17-23 ZERO OWED	-	April 2023	17-May-23						
Indian Valley June 2023 71912.03 dtd 6-30-23 due 9-29-31 recd 9-25-23	1,500.47	June 2023	30-Jun-23						
Indian Valley July 2023 120471.03 dtd 7-31-23 due 9-29-23 recd 9-25-23	2,135.50	July 2023	31-Jul-23						
Indian Valley August 2023 84608.14 dtd 8-31-23 due 9-29-23 recd 9-25-23	1,923.57	August 2023	31-Aug-23						
Indian Valley September 2023 6117.09 dtd 9-30-23 due 10-31-23 recd 10-17-23	349.67	September 2023	30-Sep-23						
Indian Valley October 2023 Services CREDIT TO VCE 560.22 dtd 10-31-23	-	October 2023	31-Oct-23						
Indian Valley Nov 2023 CREDIT-OWED TO VCE 73.45 dtd 11-30-23 Rcd 12-18-23	-	November 2023	30-Nov-23						
Indian Valley December 2023 CREDIT 5.20 dtd 12-31-23	-	December 2023	31-Dec-23	1	Indian Valley Hydro	5,909.00	5,909.21	TRUE	0.21
Putah Creek Solar Inv 23-1 34421.40 dtd 2-22-23 January 2023	171.48	January 2023	23-1						
Putah Creek Solar Inv 23-2 40739.80 dtd 3-8-23 February 2023	286.36	February 2023	23-2						
Putah Creek Solar Farms Inv 23-3 March 2023 46495 dtd 4-4-23	391.00	March 2023	23-3						
Putah Creek Solar Farms Inv 23-4 April 2023 48105.95 dtd 5-16-23	420.29	April 2023	23-4						
Putah Creek Solar Farms Inv 23-5 May 2023 49978.70 dtd 6-8-23	454.34	May 2023	23-5						
Putah Creek Solar Farms Inv 23-6 June 2023 Power 69212.75 dtd 7-7-23	804.05	June 2023	23-6						
Putah Creek Solar Farms Inv 23-7 July 2023 69210 dtd 8-14-23	804.00	July 2023	23-7						
Putah Creek Solar Farms Inv 23-8 August 2023 59596 dtd 9-8-23	629.20	August 2023	23-8						
Putah Creek Solar Farms Inv 23-9 September 2023 Power 46594 dtd 10-17-23	392.80	September 2023	23-9						
Putah Creek Solar Farm Inv 23-10 October 2023 Power 49698.20 dtd 11-13-23	449.24	October 2023	23-10						
Putah Creek Solar Inv 23-11 November 2023 Power 35715 dtd 12-18-23	195.00	November 2023	23-11						
Putah Creek Solar Farms Inv 23-12 December 2023 37216.50 dtd 1-17-24	222.30	December 2023	23-12	1	Putah Creek Solar Farm North	5,219.00	5,220.06	TRUE	1.06
Resurgence Solar Inv 808528 5-22-23 thru 7-31-23 Charges 822943.92 dtd 8-3-23 due 9-7-23	42,354.29	May-July 2023	808528						
Resurgence Solar I Inv 1721 August 2023 Power 1161558.10 dtd 9-6-23 due 10-5-23	26,303.74	August 2023	1721						
Resurgence Solar - NextEra Inv 1906 September 2023 1155198.63 dtd 10-12-23 due 11-10-23	24,380.50	September 2023	1906						
Resurgence Solar October 2023 Power Inv 2033 1072465.51 dtd 11-10-23 due 11-30-23 PAID 11-27-23	21,187.40	October 2023	2033						
Resurgence Solar I Inv 2360 November 2023 Power 920380.27 dtd 12-8-23 due 1-2-24	15,317.65	November 2023	2360						
Resurgence Solar December 2023 Power Inv. 2616 dtd 1-11-24 818795.22 due 1-30-24	11,382.74	December 2023	2616	1	Resurgence Solar I, LLC	140,925.93	140,926.32	TRUE	0.39
2023 PCC3 Invoice_RPS_VCE	100,000.00	2022 - Retired 2023	400	3	Unbundled Recs	83,072.99	100,000.00	TRUE	16,927.02
<b>TOTALS</b>						<b>347,221.92</b>	<b>364,150.15</b>	<b>TRUE</b>	<b>16,928.24</b>

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 11**

---

To: Board of Directors

From: Mitch Sears, Executive Officer  
Rebecca Kuczynski, Director of Customer Care and Marketing  
Mary-Kathryn Rueff, Program & Community Engagement Associate Analyst

Subject: Phase 2 of the Electric Vehicle Rebate Pilot Program

Date: November 14, 2024

**RECOMMENDATION**

Review and approve Phase 2 of Valley Clean Energy's Electric Vehicle Rebate Pilot Program.

**BACKGROUND**

In September 2022, VCE launched an Electric Vehicle (EV) Rebate Pilot Program to align with member jurisdictions' transportation electrification goals and the state and national movement toward transportation electrification. VCE designed a program that stacked with existing EV rebates and incentives, providing VCE customers with additional funding opportunities.

Phase 1 provided rebates for new electric vehicles with proof that the customer received a rebate from the California Vehicle Rebate Project (CVRP). The program was very successful, with 10 low-income rebates and 31 standard rebates disbursed. VCE received positive feedback from participating customers, and at least one previously opted-out customer returned to VCE to qualify for the rebate. In May 2023, the Board extended Phase 1 funding by \$20,000 and approved the reallocation of an additional unused \$20,000 allotted to program administration for rebates. This funding was exhausted within two months, demonstrating a growing demand for EV Rebates among VCE customers.

In August 2023, the Community Advisory Committee (CAC) provided feedback on and recommended Board approval of Phase 2 of the EV Rebate Pilot Program. The staff proposal was developed based on the performance of Phase 1 and feedback from the CAC's Programs and Outreach Task Group (POTG). Staff also integrated feedback from a survey on EV Program Design that received nearly 550 completed responses as of September 1, 2023. Shortly before the Board was able to review phase 2, the CVRP program temporarily suspended its rebates and no new applicants have been accepted since November 2023. A waiting list of VCE applicants were previously informed they would be first to determine rebate eligibility should phase 2 be approved by VCE's Board, and staff will prioritize applications from this waiting list before considering new, Phase 2, applicants. Since VCE relied on the CVRP EV purchase and income verification to approve its rebate recipients' eligibility, phase 2 was delayed until there

was sufficient staff time to implement an alternative program design. Staff has been finalizing proposed program elements, and the Community Advisory Committee has provided feedback on, and recommended approval of, the proposed program design at its October 24, 2024 meeting.<sup>1</sup>

## PHASE 2 PROGRAM DESIGN

Phase 2 includes three components:

1. Incentives for vehicle purchase
2. Incentives for at-home and workplace charging systems
  - a. Bonus for VGI-capable charging equipment
3. Incentives for panel upgrades

### Vehicle Incentives

Staff recommends adjustment of the amounts of the EV Rebates in Phase 2, while continuing to provide a larger incentive for low-income customers.<sup>2</sup> Staff believes that the lower amounts will still provide adequate incentives while providing a greater number of overall rebates to VCE customers. Due to the continuous growth of the EV Rebate Program Waitlist (55+ customers), staff recommends adjusting the rebate amounts for the battery electric vehicle (BEV) and plug-in hybrid to \$1,000 for standard applicants, and the battery electric vehicle (BEV) and plug-in hybrid low-income rebate amount to \$2,000.

### Charging System Incentives

According to the US Department of Energy, 80% of EV charging is done at home.<sup>3</sup> Without incentives for charging, the transition to an electric vehicle can seem out of reach for many customers. Staff recommends providing incentives for in-home residential charging installations and panel upgrades in Phase 2. Customers would be able to stack the incentives for charging and panel upgrades because the need for panel upgrades can sometimes stall the charger installation process. VCE customers would be eligible for charging incentives, as well as panel upgrades, even if they do not apply for EV Rebates. Charging availability in multi-family housing and for workplace charging is very important to incentivize, as EVs are sometimes inaccessible for customers who do not own their home or have easy access to charging.

### Bidirectional Charging Bonus

When phase 2 of this pilot was reviewed by the CAC in 2023, the importance of bidirectional charging was emphasized. Bidirectional charging is charging equipment that is capable of using energy from the grid, but also can put energy back on the grid or power a customer's home or business in peak (expensive) times or in times when there is a power shutoff. Since the CAC's 2023 review, VCE launched a CEC-funded electric tractor charging incentive program with bidirectional charging capability (REACT) and is planning to participate in the upcoming PG&E-

---

<sup>1</sup> The CAC put forth a Phase 2 recommendation that only included multi-family (not workplace) charging incentives for the non-residential component. After receiving feedback, staff modified the eligibility criteria to include workplace charging incentives.

<sup>2</sup> Low-income customers are customers that are enrolled in the CARE (California Alternate Rates for Energy) or FERA (Family Electric Rate assistance) programs. Income eligibility requirements here:

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>

<sup>3</sup> <https://www.nrel.gov/docs/fy21osti/78540.pdf>



administered Vehicle-to-Grid pilots, also with bidirectional charging capability. However, the technology is still somewhat new, is not widely adopted by customers, and could benefit from additional incentives. To this end, staff proposes a \$500 bidirectional charging bonus rebate be given to customers that install bidirectional charging equipment and agree to participate in one of the dynamic rate pilots (e.g. Hourly Flex Pricing, VGI, etc.)

Proposed incentive amounts are as follows:

Proposed Incentive	Proposed Amount	Proposed Budget
EV Rebates	\$2,000 (low-income); \$1,000 (standard)	\$120,000
VGI Bonus with HFP Participation	\$500	
In-home residential charging	\$500	\$40,000
In-home panel upgrades	\$500	
Multi-family housing or workplace charging	\$3,000 each, up to \$21,000/property	\$100,000
Program Admin	---	\$20,000
Program Contingency	---	\$20,000
<b>Total</b>	---	<b>\$300,000</b>

#### Customer Eligibility

Staff recommends working with a third party to certify income eligibility, as well as potentially certifying the purchase of vehicles or installation of panel upgrades. This could save staff time as well as minimize any liability that may result from retaining confidential customer information such as income.

If Board approval were given for Phase 2 implementation, the terms and conditions from Phase 1 would be modified to clarify:

- Eligibility criteria and timing among the various incentives
- Diverse geographical distribution of multi-family and workplace charging incentives
- Efficient administrative process for customers and staff
- Security of confidential customer information

#### **FINANCIAL IMPACT**

Total proposed Phase 2 program budget is \$300,000. Should demand for rebates be high, staff has reserved \$20,000 in the budget for additional as-needed consultant support. That amount would be reallocated to rebates should staff not need the support. As with Phase 1, 25% of EV rebate funds (\$30,000) would be reserved for income-qualified applicants. If these reserved funds were not exhausted 6 months after Phase 2 launch, the funds would be released for standard applications.

#### **CONCLUSION**

Staff is recommending that the Board approve Phase 2 of Valley Clean Energy's Electric Vehicle Rebate Pilot Program.

**Attachment:** Phase 2 - EV Rebates Program Design/Implementation Form Draft



**Program Preliminary Design/Implementation Form**

**Program Concept: Phase 2 - Electric Vehicle (EV) Rebates Pilot**

**Date:** 11/14/24

**Staff Resources and Support:**

Assigned Program Managers: Rebecca Kuczynski, Mary-Kathryn Rueff

Programs and Outreach Task Group members: David Springer, Keith Taylor, Diccon Westworth

Consultant names: *(potentially; still TBD)* SMUD, Jim Parks

**Scope:** Continue to disburse rebates for Electric Vehicles, add incentives for charging infrastructure, VGI charging capability and electrical panel upgrades for qualifying customers until allocated program funds are exhausted. Income-qualified customers are eligible for higher EV rebates.

**Timing:** Announce phase 2 program roll-out after Board approval in Fall 2024. Begin phase 2 of program implementation in January/February 2025 (pending Board approval). Begin providing rebates at the start of implementation, and close rebate application process when funds are provisionally allocated, and before funds are exhausted.

**Program Design Criteria Evaluation:**

	Criteria 1	Criteria 2	Criteria 3
Criteria Type	<u>Availability of Funds</u>	<u>Staff Time</u>	<u>Strategic Plan Alignment</u>
<b>Reasoning for Program Score</b>	Scored high; we have internal funds set aside for such programs and have used few funds due to most programs in 2023-2024 receiving reimbursable (grant) funds	Scored high with third party assistance	<p>Scored medium to high on strategic plan alignment:</p> <p><u>Reduces GHG Emissions</u> Higher penetration of EVs in Yolo County would lead to less emissions from transportation. Incentivizing bidirectional charging is innovative and could help market penetration</p> <p><u>Customer Satisfaction</u> Addresses an issue of importance to customers as stated in a customer survey</p> <p><u>Addresses Environmental Justice</u> Addresses the needs of the underserved, underprivileged and/or lower-income customers by making EVs more accessible</p> <p><u>Regulatory &amp; Legislative Goals Alignment</u> Aligns with state goals of increasing penetration of EVs in CA</p> <p><u>Strategic Partnerships</u> Level of collaboration with local organizations: we could potentially work with California Air Resources Board, EV dealers, Yolo-Solano Air Quality Management District, low-income communities, community-based organizations, and additional stakeholders</p>

**Program Metrics and Goals:**

Metrics: The total number of EVs purchased utilizing VCE's rebate program; number of EVs purchased and total dollars provided to low-income qualified applicants; number of charging incentives provided.

Goals:

- 50 EVs incentivized, including 10 income-qualified recipients
- 30 residential charging installations, including 10 panel upgrades
- 20 multi-family or workplace charging installations

**Proposed Programs Budget:**

Resource	Source	Proposed Budget
Rebates and Incentives	Programs Budget	\$260,000
Program Admin & Support	Programs Budget	\$20,000
Program Contingency	Programs Budget	\$20,000
	Total	\$300,000

**Budget details:**

\$2,000 rebate for new or leased Battery Electric Vehicles (BEV) or Plug-In Hybrid Electric Vehicles (PHEV) for income-qualified customers. \$1,000 for standard applicants (not low-income) for new or leased Battery Electric Vehicles (BEV) or Plug-In Hybrid Electric Vehicles (PHEV). \$500 bonus incentive for bidirectional charging capable charging equipment. \$500 incentive for in-home electrical panel upgrades. \$3,000 for multi-family or workplace charging installation (up to \$21,000 per property). \$20,000 for third-party program administration, and \$20,000 contingency for program admin (both of which can be reallocated to rebates if not used).

**Organizational Goals Addressed:**



Alignment with VCE's Strategic Plan? Yes

- **Goal 3.** Prioritize VCE's community benefits and increase customer satisfaction and retention and;
  - 3.2 **Objective:** *Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.*
  - 3.5 **Objective:** *Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.*

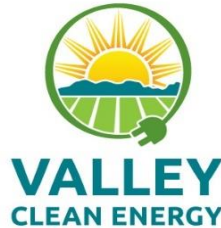
### Phase 2 Program Eligibility:

1. For residential customers:
  - a. Must be a Yolo County resident and an existing customer of Valley Clean Energy; one vehicle rebate per household. Vehicle rebate may be combined with all charging and panel upgrade rebates.
    - i. Please note that for all charging and panel upgrade incentives, the customer need not qualify for the VCE Electric Vehicle rebate to be eligible.
  - b. Must apply and be approved by Valley Clean Energy.
  - c. Low-income eligibility requirements must be verified.
  - d. Purchase an eligible vehicle:
    - i. New or leased EV
      1. Not all EV models are eligible
      2. Includes a luxury vehicle cap, currently set at \$45,000
  - e. Must be a plug-in hybrid or battery-powered EV
2. For non-residential customers:
  - a. Must be a Yolo County housing development or workplace, and an existing customer of Valley Clean Energy; up to seven charger rebates per property (\$21,000 per property). Non-residential charging rebate may not be combined with residential charging rebates.

### Application Process:

Applications will be processed on a first-come, first-served basis until the budget is exhausted. As with Phase 1, 25% of rebate funds would be reserved for income-qualified applicants. If these reserved funds were not exhausted (or "on hold") 6 months after program launch, the funds are released for standard applications. Customer applications will be available on VCE website in both English and Spanish. Delivery by email is preferred but applications will also be accepted by mail, fax, or drop-off.

Valley Clean Energy or a contracted 3<sup>rd</sup> party will provide application support to our interested customers, as well as help them find information on and apply for additional EV rebates. We encourage all applicants, especially low-income, to apply for additional rebate programs.



**Dispersal of funds:**

VCE will write a check using the applicant's information.

**Marketing, Education and Outreach (ME+O) Strategy:**

Until Phase 1 waitlist is exhausted, no additional ME+O is recommended. Once the waitlist is cleared and EV Rebate funds remain, strategy could be as follows: promote on social media, website, and evaluate cross-promotion with aligned organizations (e.g. RISE, Inc., Mutual Housing, Grid Alternatives, Davis Electric Vehicle Associations). Potential to initiate targeted mail and/or email campaigns, print or radio advertisement campaigns, as well as create marketing materials for use in car dealerships.

**Board, CAC, POTG Input:**

The Programs and Outreach Task Group (POTG) has played a fundamental role in the development of this rebate pilot from its conception in early 2021.

**Next Steps:** Seek Board approval, formalize budget; develop full list of eligibility criteria and terms & conditions; refine ME+O Strategy; implement pilot Phase 2.

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report - Item 12**

---

**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Officer  
Rebecca Kuczynski, Director of Customer Care and Marketing  
Sierra Huffman, Program and Community Engagement Analyst

**SUBJECT:** Approve Participation in the Hourly Flex Pricing (HFP) Pilot Programs

**DATE:** November 14, 2024

---

**RECOMMENDATION**

Staff requests that the Board approve VCE's participation in the Hourly Flex Pricing (HFP) Pilot Programs.

**BACKGROUND**

The Hourly Flex Pricing (HFP) Pilot Programs, also known as Real-Time Pricing, consist of 2 sets of pilots, all with a "dynamic rate"<sup>1</sup> rate design model.

1. Hourly Flex Pricing (a.k.a. Expanded Agricultural Flexible Irrigation Technology, or AgFIT, Pilots)
  - a. Agricultural ("Expanded Pilot 1")
  - b. Residential and Non-Residential (Expanded Pilot #2)
2. Vehicle-to-Everything (V2X) Pilots
  - a. Residential
  - b. Non-Residential

**Hourly Flex Pricing (HFP) Pilots:**

VCE's successful leadership administering the original AgFIT Pilot (authorized by Decision 21-12-015) led to the California Public Utilities Commission (CPUC) decision expanding the pilots in January 2024. In Decision 24-01-032, the CPUC expanded the pilots by removing the original 5MW cap, expanding the geographic eligibility beyond VCE's service territory to PG&E's entire service territory, and expanding eligibility beyond the ag customer class.

D.24-01-032 authorized VCE to administer Expanded Pilot #1, targeting agricultural customers for retail electric generation customers of VCE in its service area, and awarded VCE up to \$750,000 for administrative expenses related to program implementation, depending on amount of customer enrolled load. For Expanded Pilot #2, designed for residential and non-residential (non-ag) customers, the decision authorized PG&E to administer the Pilot, and authorizes PG&E to disburse customer incentives via Automation Service Providers (ASPs), and

---

<sup>1</sup> Dynamic rates are rates that change price depending on the time energy is used, and the grid conditions at that time. Several factors affect the rates: weather forecasts, grid congestion, etc.

authorizes an amount to be paid to CCAs of \$20/kW/year enrolled for participation in the pilot.

The objective of all of the HFP Pilots is to test the interest and ability of customers in VCE's service territory to respond to hourly price signals (i.e. shift load when prices are most expensive). It should be noted that program design and implementation are almost entirely limited to PG&E-approved methodologies. While VCE technically has the authority to make changes in Expanded Pilot #1 because of its administrator status, the difficulty and cost associated with the implementation timeline make it infeasible to deviate from PG&E's program design.

The Pilot presents participants with day-ahead, hourly dynamic prices (and in some cases, incentives for automation) to assist with the following goals:

- Reduce congestion on the grid (infrastructure costs), greenhouse gas (GHG) emissions.
- Improve reliability, integration of renewables.
- Facilitate greater integration, fair compensation of distributed energy resources (DERs)

The Decision states that the Pilot “provides an opportunity to assess the potential of a dynamic retail rate approach to incentivizing load shift” and that “[i]f loads do respond to the dynamic prices, then the Pilot will have achieved the intended purpose of shifting load to enhance system reliability.”<sup>2</sup> Customers can access the all HFP daily prices by going to PG&E's website here: <https://www.pge.com/en/account/rate-plans/find-your-best-rate-plan/current-hourly-flex-pricing.html>.

Objectives of VCE Participation in Hourly Flex Pricing (HFP) Pilots:

- Compliance with the CEC's Load Management Standards (LMS):
  - The CEC's LMS require CCAs to evaluate and adopt hourly marginal cost-based rates/programs by 2027. CEC Staff have indicated that VCE's participation in HFP pilots is key to maintaining LMS Standards compliance.
- To offer rate options comparable to PG&E:
  - If VCE does not participate in the HFP pilots, interested customers would need to opt out of VCE's service to receive those rates through PG&E's generation service.
- To inform future rate design: HFP rates, and performance on the rates, are key to informing VCE's decision of whether to eventually adopt hourly (non-pilot) rates, and how to otherwise comply with the Load Management Standards.
- To incentivize customer participation in dynamic rates, which can be challenging. State regulatory agencies have continued to emphasize the importance of dynamic rate design in grid reliability and affordability concerns.

#### Vehicle-to-Everything (V2X) Pilots:

Senate Bill (SB) 676, which directs the California Public Utilities Commission (CPUC) to “establish strategies to maximize the use of feasible and cost-effective EV integration into the electric grid by January 1, 2030 (Bradford, 2019),” was passed in 2019. The CPUC adopted Decision 20-12-

---

<sup>2</sup> CPUC Decision 21-12-015, p. 91.

029 to meet the directives of SB 676 in 2020. However, in 2024, Vehicle-to-Grid, or Vehicle to Everything (V2X) programs remain limited in scope and scale, and consumer adoption is lagging. PG&E is launching 2 V2X pilots in Fall 2024, for residential and non-residential customers, and VCE staff recommends participation in all four HFP pilots.

[New bidirectional charging technology](#) allows customers to use the power in an electric vehicle's battery, and the V2X pilots help customers access this technology to do things such as:

- Power property (home or business) temporarily in the event of an electrical outage
- Charge the vehicle when electricity is less expensive and use/discharge vehicle power when it's more expensive (e.g. 4-9 p.m.)
- Earn additional incentives by sending electricity to the grid during times of high demand

#### Marketing, Education and Outreach:

VCE has been engaged with PG&E on the preliminary planning for co-marketing for all of the HFP pilot rates. VCE and PG&E have dedicated webpages for all pilots, and VCE plans to launch a social media campaign to inform customers of the HFP pilot opportunities. Additionally, some of the HFP pilots dovetail with existing VCE programs (e.g. REACT, ERRO/Electric Advisor Service), which will make cross-marketing a good strategy.

#### **FISCAL IMPACT**

Pilot Name	Potential Fiscal Impact	Notes
HFP Pilot #1 (ag)	Net neutral	The CPUC awarded VCE up to \$745,000 for its administrative expenses for the pilot (reimbursable funds).
HFP Pilot #2 (res+comm)	Minimal (staff time)	PG&E is administering this pilot and is in charge of submitting incentives to customers (via Automation Service Providers).
VGI residential	Minimal (staff time)	PG&E is administering this pilot and is in charge of submitting incentives to customers.
VGI non-residential	Minimal (staff time)	PG&E is administering this pilot and is in charge of submitting incentives to customers.

The Community Advisory Committee issued a recommendation that the Board approve VCE's participation in the HFP pilots at its October 24, 2024 meeting.

#### **CONCLUSION**

In conclusion, staff requests that the Board approve participation in all four (4) HFP pilots.

**ATTACHMENT:** HFP Eligibility & Enrollment Details



Pilot Rate Name	Eligibility	Incentives	Pilot Duration
HFP #1, aka Expanded AgFIT Pilot #1	Ag <35 kW Low Use ( <b>AG-A1</b> ) Ag <35 kW High Use ( <b>AG-A2</b> ) Ag 35+ kW Medium Use ( <b>AG-B</b> ) Ag 35+ kW High Use ( <b>AG-C</b> )	\$160/kW (~\$120/HP) of enrolled customer controllable load	November/December 2024 through December 31, 2027
HFP #2, aka Expanded AgFIT Pilot #2	Electric Home ( <b>E-ELEC</b> ) rate plan Home Charging ( <b>EV2-A</b> ) Business Low Use Alternative ( <b>B6</b> ) Business Medium Use ( <b>B10</b> ) Business Medium-High Use ( <b>B19</b> ) Business High Use ( <b>B20</b> )	\$100,000 per year and an enrollment incentive of \$20/kW-year of controllable load payable to the ASP for load that the ASP has enrolled.	
VGI - Res	E-ELEC or EV2A	Incentives Per Charger Upfront + Kicker for DAC Customers: \$2,500 + \$500. Performance (up to) \$2,175	Until funds are exhausted or December 31, 2027
VGI - Non-Res	Small Business – B6 Medium Business – B10 Large – B19 or B20 Business Electric Vehicle – BEV-1 or BEV-2	EVSE <50 kW \$2,500 + \$500. Performance (up to) \$3,625 EVSE ≥50 kW \$4,500 + \$500 \$5,000	

Dual participation in all Hourly Flex Pricing pilots and the following programs is prohibited:

- Base Interruptible Program, Capacity Bidding Program, Demand Response Automation Mechanism Demand Response Resource Adequacy Contracts, Demand Side Grid Support
- Flex Market Pilot
- Emergency Load Reduction Program except for Subgroup A5, which is a pilot requirement
- Optional Binding Mandatory Curtailment, Scheduled Load Reduction Program
- Any supply-side Demand Response programs or event-based load-modifying programs, regardless of the Load Serving Entity

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 13**

---

**TO:** Board of Directors

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

**SUBJECT:** Draft 2025 Operating Budget & Customer Rates – Update

**DATE:** November 14, 2024

---

**RECOMMENDATION**

Informational – no action requested.

**OVERVIEW**

This update is the second of three discussions leading to the Board's consideration of VCE's 2025 budget and customer rates. The purpose of this staff report is to: (1) provide an updated overview of key factors influencing the operating budgets and customer rates, and (2) present an analysis of three draft budget and rate discount/revenue investment scenarios for Board discussion and feedback.

The three 2025 budget scenarios outlined in the analysis section of this report meet VCE's financial policies, updated reserve targets, and customer program expansions with a range between \$27.8M net income to \$38.8M based on net rate discounts.

VCE's longer-term outlook (2026+), indicates continued financial stability and cost certainty due to long-term PPA's and cost-based rate structure allowing VCE to maintain cash reserves and positive margins.

**BACKGROUND**

At the VCE board meeting on October 13, 2024, Staff provided [Item 15](#) which included an update on the 2024 Operating Budget, introduced the 2025 preliminary draft operating budget, and updated the multi-year outlook based on analysis by CalCCA, MRW, and TEA. The 2024 Operating Budget included rate discounts to PG&E's rates by 2% for all customers, maintained the 2.5% rate credit for CARE/FERA and Medical Baseline customers, and directed all other revenues to cash reserves to achieve a target of ~180+ days cash on hand by the end of 2024 for VCE.

As discussed in the budget monitoring process in 2024, the California Public Utilities Commission (CPUC) slice of day resource adequacy (RA) requirements for 2025 have increased price volatility in the forward curve for RA costs. Staff has provided updates in July and September on power cost strategies for optimizing the sale of renewable energy credits (RECs) above compliance requirements and to help maintain long-term positive financial outlooks and competitive customer rates. This power cost management approach is similar to other CCA's strategies for the above compliance portfolio RA, RECs, Energy, etc. attributes.

VCE continues to set customer rates to collect sufficient revenue from participating customers to fully fund VCE's Budget while contributing to reserve funds to obtain an initial investment grade credit rating and increase its ability to implement programmatic objectives.

## **ANALYSIS**

This report updates information previously provided to the Board during the October Preliminary Operating Budget Update and Multi-year Outlook (2026 through 2028). To construct the initial 2025 preliminary operating budget estimates staff has incorporated the following assumptions:

- 2025 Power Charge Indifference Adjustment (PCIA) (Revenue reducing): significant increase due to under-collection in 2024 and lower power cost forwards for 2025.
- PG&E Bundled rates (PCIA & Generation): 2% decrease – Results in approximately \$2M reduced gross revenue for 2025
- Resource Adequacy (RA). The CPUC slice-of-day RA model driving Rising RA cost increases has outpaced PPA savings for 2025.
- 2025 Programs Expenditures – VCE has been able to make significant contributions in support of customer programs. VCE anticipates spending \$1M in designated program funds in 2025 from non-reimbursable programs and \$2M including reimbursable programs (i.e. grants).

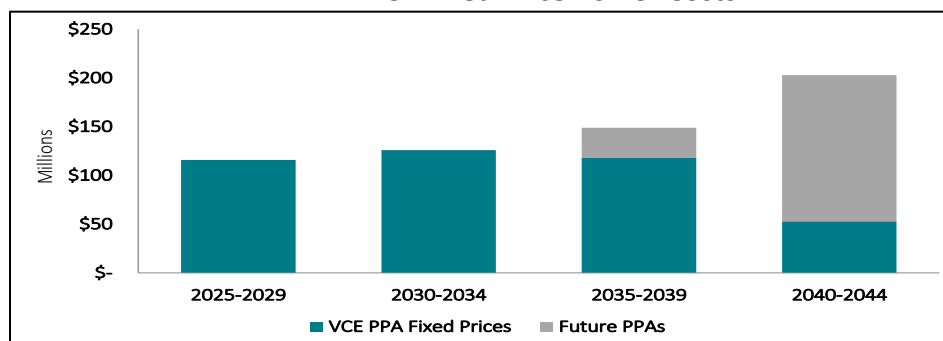
### **1. Updated 2025 Operating Budget Key Factors:**

VCE, along with all other California CCAs, receives PG&E PCIA and generation rate modeling produced by financial analysts under contract with CalCCA. This updated forecast incorporates updated information based on PG&E's October filing from the annual Energy Resource Recovery Account (ERRA) Proceeding as part of the annual rate and PCIA rate setting process. Based on the most updated PG&E filing and market price benchmarks for RA and RECs set by the CPUC's energy division, PCIA has moved from a significant increase forecasted at 150% to a decrease to near zero.

As previously experienced, real-time power market increases drive future decreases to PG&E's PCIA due to the fact that power market increases make PG&E's portfolio more valuable. As discussed in mid-year updates, counter acting the PCIA decrease are RA and RECs cost increases in 2024 and 2025 hedging. The forecasted decrease in the PCIA has resulted in a ~\$23M increase in gross revenues to VCE compared to prior forecasts for 2025. PCIA is outside of VCE's control and influence. Additional consideration of VCE's long-term fixed prices and policy requirements (e.g. 100% renewable portfolio goals), are additional factors incorporated into the budget adoption and rates-setting process.

### **VCE's Long-term Fixed Costs**

VCE's fixed price renewable contracts have rate stabilization effects while significantly increasing VCE's renewable content. This has been a primary driver in VCE's ability to continue to recover costs and build healthy cash reserves for maintaining its financial strength, renewable portfolio standards, and customer rate discounts. Staff does note that VCE, along with all other California CCAs, will face increased PPA prices in the longer horizon based on current PPA market price forwards as displayed in Table 1. These higher costs for new PPA's are driven in large part by delays in interconnecting to the transmission and distribution grid.

**TABLE 1 – VCE Fixed Price Power Costs**

Note: The above table does not include additional PPA or REC costs related to VCE's strategic goal of 100% renewable by 2030

### VCE's Reserve and Dividend Policy Revisions

VCE has been in operation now for multiple years post-adoption of the initial reserve policy and dividend program guidelines. Both require routine updates to reach VCE's strategic goal of financial strength including reaching VCE's initial investment-grade credit rating. The proposed Reserve and Dividend policy modifications are listed below. Staff has presented the draft revisions to the CAC which made a unanimous recommendation to the Board in support of the proposed policy updates. Staff will be bringing a final recommendation to the Board at the December meeting based on final analysis and budget recommendations.

The proposed policy modifications include:

1. An increased Operational Financial Reserve minimum from 30 days to 120 days
2. An Increased Operational Financial Reserve Target of 180 from 90 days (this increase aligns with current minimums typically seen for CCA qualification for investment grade credit ratings)
3. Addition of a Rate Stabilization Reserve minimum target of 60 days
4. Increased the minimum net margin allocation of 75% from 50% towards financials reserves of net margin above > 5%
5. Administrative updates and references to VCE cost recovery rate policy and rate adjustment policy.
6. Definitions of uses for Operational Financial Reserves and Rate Stabilization Reserves.

As noted, the creation of a Rate Stabilization fund is included in the proposed draft updates to the policies. VCE's current operational reserve funds would be used to meet VCE's strategic objectives, secure favorable commercial terms, secure future stand-alone VCE credit rating(s), and provide a source of funds for unanticipated expenditures. VCE's Rate Stabilization fund would be a contingency to provide rate stability for VCE customers given increasing regulations, power costs, and Power Charge Indifference Adjustment (PCIA) charges from the investor-owned utility (PG&E).

///

## 2. Draft 2025 Operating Budget & Rate Discount/Revenue Investment Scenarios

Staff have developed three budget scenarios to model various rate discounts/revenue investments to show impacts to VCE's short-term and long-term financial outcomes. All scenarios incorporate the same power cost assumptions based on the best available market information and forecasts for the PCIA and PG&E generation rates. Based on the direction received from the Board at the July meeting, 2025 budget forecasts incorporate the initial sale of 50K RECs (\$4.6M). Note: VCE retains 160K RECS above compliance under each of modeled 2025 fiscal scenarios analyzed in this report.

Consistent with prior Board direction, staff believes that these scenarios represent a disciplined and financially prudent approach.

### Rate Discounts/Revenue Investment

- Revenues can be "invested" in rate discounts, programs, increased procurement of clean energy resources (e.g. short-term RECs), or a combination of these and other elements.
- Every 1% discount results in approximately \$1.50/month reduction in the average residential customer bill and approximately \$3.75/month reduction in the average small commercial customer bill
- Every 1% discount would be approximately \$1M in reduced net income available for cash reserves, rate stabilization, programs, and procurement of additional clean energy resources. Net Income allocations for reserves and programs are normally evaluated in May as part of VCE's audited financial results.
- If selected, rate discounts are best implemented during PG&E rate changes (e.g. January), to minimize billing efforts, risk of errors, and customer messaging.

Anecdotal information from other CCAs indicates that customer dividends/discounts while helpful in communicating a CCA's value do not have significant impacts on customer retention or new customer recruitment. Staff would note that there is currently a high degree of customer sensitivity to costs in all economic sectors, including electricity. Therefore, while past feedback from other CCA's is important to consider, staff believes that affordability is a key consideration. In addition, as noted in previous analyses, rate discounts can also help demonstrate and communicate the value of CCAs to other potential member agencies, legislative representatives, and regulatory bodies furthering environmental mission impacts.

### The budget options detailed in Table 2 below incorporate the following rate forecasts:

- Scenario 1: Continuation of current rate 2% rate discounts to PG&E generation rate; approximately \$3.5M net revenue reduction in 2025;
- Scenario 2: Increase to a 5% rate discount to PG&E generation rate; approximately \$6.5M net revenue reduction in 2025;
- Scenario 3: Increase to a 10% rate discount to PG&E generation rate<sup>1</sup>; approximately \$11.5M net revenue reduction in 2025;

///

---

<sup>1</sup> This option is a rate discount which is considered by staff as an aggressive and potentially less sustainable rate discount in future years.

**Table 2 – Customer Rate Discount Comparison**

			Actual YTD August 31 (8 MO) + Forecast (4 MO)	Budget Scenarios	Preliminary Forecast*		
Scenario 1	2022	2023	2024	2025	2026	2027	2028
Customer Revenue	85,323	95,430	103,478	109,930	95,810	99,350	100,140
Power Cost	75,130	68,528	80,490	63,970	75,090	72,080	68,800
Other Expenses	4,469	6,030	6,250	7,200	7,200	7,920	8,712
Net Income	5,724	20,872	16,738	38,760	13,520	19,350	22,628
Scenario 2	2022	2023	2024	2025	2026	2027	2028
Revenue	85,323	95,430	103,478	104,430	91,020	94,380	95,130
Power Cost	75,130	68,528	80,490	63,970	75,090	72,080	68,800
Other Expenses	4,469	6,030	6,250	7,200	7,200	7,920	8,712
Net Income	5,724	20,872	16,738	33,260	8,730	14,380	17,618
Scenario 3	2022	2023	2024	2025	2026	2027	2028
Revenue	85,323	95,430	103,478	98,940	86,230	89,420	90,130
Power Cost	75,130	68,528	80,490	63,970	75,090	72,080	68,800
Other Expenses	4,469	6,030	6,250	7,200	7,200	7,920	8,712
Net Income	5,724	20,872	16,738	27,770	3,940	9,420	12,618

\* Revenues are highly subject to VCE seasonal load variation and PG&E filings that impact generation rates and PCIA.

Note: forecasted financials are based on the most current available data and assumptions, as displayed in Table 2 – Customer Rate Discount Comparison. These scenarios rely on the use of future rate adjustments, reserves, or both to mitigate future power cost volatility.

**Additional Considerations** – Preliminary 2025 Budget Other operating expenses (not including power costs) are nearly flat compared to the 2024 budget, reflecting only a 3% increase – equal to 2024 CPI at ~3.5%. Staff is evaluating market adjustments resulting from a salary survey that may be proposed in the December proposed budget. The primary factors of increased costs are related to programs and the addition of one full-time analyst position to power cost management and financial analysis. Other categories include strategic plan development and execution, initial investment grade credit rating, consultants, and other administrative costs.

## CONCLUSION

The draft 2025 operating budget scenarios meet VCE's current and anticipated fiscal policy updates while providing funds for rate relief and/or other customer focused investments (e.g. programs, additional clean energy procurement).

Staff has prepared the draft 2025 operating budget/rate scenarios based on the best available information on PG&E generation rates and PCIA as of October 2024 CPUC filings. PG&E's 2025 PCIA and rates are scheduled to be released in late November, allowing VCE to set 2025 rates at the December Board meeting. Based on the Board's feedback and direction, staff will return with an updated Operating Budget/customer rates recommendation for 2025 in December.

**Draft 2025 Operating Budget & Customer Rates Scenario 1:**

Budget Scenario 1 incorporates a net rate discount of 2% for all customers and an additional 2.5% discount to CARE/FERA/Medical baseline customers (4.5% total); the net impact for 2025 is a reduction of \$3.5M. This option includes a current rate discount from the current ERRA forecasts, which is considered by staff as a solid baseline outcome.

**Table 3 – Budget Scenario 1 (2% net rate discount for all - baseline)**

VALLEY CLEAN ENERGY DRAFT BUDGET SUMMARY 2025 - BUDGET SCENARIO 1			
	APPROVED BUDGET 2024	ACTUAL YTD AUG (8 MO) + FORECAST (4 MO) 2024	DRAFT BUDGET 2025
<b>OPERATING REVENUE</b>	<b>\$ 106,500</b>	<b>\$ 102,808</b>	<b>\$ 109,930</b>
<b>OPERATING EXPENSES:</b>			
Cost of Electricity	75,200	80,490	63,970
Contract Services	2,261	2,154	2,350
Outreach & Marketing	300	247	300
Programs	2,018	1,680	2,200
Staffing	1,632	1,628	1,860
General, Administration and other	1,139	1,141	1,310
<b>TOTAL OPERATING EXPENSES</b>	<b>82,550</b>	<b>87,340</b>	<b>71,990</b>
<b>TOTAL OPERATING INCOME</b>	<b>23,950</b>	<b>15,468</b>	<b>37,940</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	550	670	820
Interest expense			
<b>TOTAL NONOPERATING REV/(EXPENSES)</b>	<b>550</b>	<b>670</b>	<b>820</b>
<b>NET MARGIN</b>	<b>\$ 24,500</b>	<b>\$ 16,138</b>	<b>\$ 38,760</b>
<b>NET MARGIN %</b>	<b>23%</b>	<b>16%</b>	<b>35%</b>

///

///

///

///

**Draft 2025 Operating Budget & Customer Rates Scenario 2:**

Budget Scenario 2 incorporates a net rate discount of 5% for all customers and an additional 2.5% discount to CARE/FERA/Medical baseline customers (7.5% total); the net impact for 2025 is a reduction of \$6.5M. This option includes a current rate discount from the current ERRA forecasts, which is considered by staff as a moderate and sustainable rate discount based on current financial projections.

**Table 4 – Budget Scenario 2 (5% net rate discount for all - Moderate)**

VALLEY CLEAN ENERGY DRAFT BUDGET SUMMARY 2025 - BUDGET SCENARIO 1			
	APPROVED BUDGET 2024	ACTUAL YTD AUG (8 MO) + FORECAST (4 MO) 2024	DRAFT BUDGET 2025
<b>OPERATING REVENUE</b>	<b>\$ 106,500</b>	<b>\$ 102,808</b>	<b>\$ 104,430</b>
<b>OPERATING EXPENSES:</b>			
Cost of Electricity	75,200	80,490	63,970
Contract Services	2,261	2,154	2,350
Outreach & Marketing	300	247	300
Programs	2,018	1,680	2,200
Staffing	1,632	1,628	1,860
General, Administration and other	1,139	1,141	1,310
<b>TOTAL OPERATING EXPENSES</b>	<b>82,550</b>	<b>87,340</b>	<b>71,990</b>
<b>TOTAL OPERATING INCOME</b>	<b>23,950</b>	<b>15,468</b>	<b>32,440</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	550	670	820
Interest expense			
<b>TOTAL NONOPERATING REV/(EXPENSES)</b>	<b>550</b>	<b>670</b>	<b>820</b>
<b>NET MARGIN</b>	<b>\$ 24,500</b>	<b>\$ 16,138</b>	<b>\$ 33,260</b>
<b>NET MARGIN %</b>	<b>23%</b>	<b>16%</b>	<b>32%</b>

///

///

///

///

///



**Draft 2025 Operating Budget & Customer Rates Scenario 3:**

Budget Scenario 3 incorporates a net rate discount of 10% for all customers and an additional 2.5% discount to CARE/FERA/Medical baseline customers (12.5% total); the net impact for 2025 is a reduction of \$11.5M. This option includes a current rate discount from the current ERRA forecasts, which is considered by staff as an aggressive and potentially less sustainable rate discount based on current financial projections.

**Table 5 – Budget Scenario 3 (10% net rate discount for all - aggressive)**

VALLEY CLEAN ENERGY DRAFT BUDGET SUMMARY 2025 - BUDGET SCENARIO 1			
	APPROVED BUDGET 2024	ACTUAL YTD AUG (8 MO) + FORECAST (4 MO) 2024	DRAFT BUDGET 2025
<b>OPERATING REVENUE</b>	<b>\$ 106,500</b>	<b>\$ 102,808</b>	<b>\$ 98,940</b>
<b>OPERATING EXPENSES:</b>			
Cost of Electricity	75,200	80,490	63,970
Contract Services	2,261	2,154	2,350
Outreach & Marketing	300	247	300
Programs	2,018	1,680	2,200
Staffing	1,632	1,628	1,860
General, Administration and other	1,139	1,141	1,310
<b>TOTAL OPERATING EXPENSES</b>	<b>82,550</b>	<b>87,340</b>	<b>71,990</b>
<b>TOTAL OPERATING INCOME</b>	<b>23,950</b>	<b>15,468</b>	<b>26,950</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	550	670	820
Interest expense			
<b>TOTAL NONOPERATING REV/(EXPENSES)</b>	<b>550</b>	<b>670</b>	<b>820</b>
<b>NET MARGIN</b>	<b>\$ 24,500</b>	<b>\$ 16,138</b>	<b>\$ 27,770</b>
<b>NET MARGIN %</b>	<b>23%</b>	<b>16%</b>	<b>28%</b>