

Valley Clean Energy Board Meeting – December 10, 2020 Via Teleconference



Item 12 – 2021 Legislative Platform

Public Comments

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Background:

- The original 2020 Legislative Platform was prepared at request of Board Chair Don Saylor and was adopted at the July 8, 2020 board meeting.
- The Legislative Platform is to be updated annually and in advance of the new legislative session.
- VCE's Vision Statement and positions taken on past and current legislation serve as the basis for the proposed actions and positions outlined in the Legislative Platform.
- The VCE Board has adopted a strategic plan as well as a Statement on Environmental Justice; both documents are incorporated in this iteration of the Legislative Platform.
- The Legislative Platform will serve as a guide for VCE's lobbyist, Pacific Policy Group, to evaluate bills and positions to recommend to VCE staff and the Board.



Updated Issue Areas:

- Section 2 Restructuring the Electric Utility Sector
- c. Advocate for greater collaboration to occur between CCAs and incumbent IOUs, particularly in local planning efforts related to energy, EV charging, community resource centers, etc.
- d. <u>Support efforts that result in IOUs providing meter data in real time to enable CCAs</u> to better forecast and schedule load.
 - Section 3 Resource Adequacy
- c. Advocate for and support efforts to remove barriers to demand response, microgrids and behind the meter resources to provide Resource Adequacy.
 - Section 4 Power Cost Indifference Adjustment
 - Support efforts that create a pathway to wind down the PCIA.



New Issue Areas:

- Section 6 Covid-19 Response
- a. Support legislation or budget appropriations to alleviate residential and commercial financial hardship caused by the COVID-19 pandemic that could disrupt electricity service to VCE customers or restrict VCE customers accessing clean energy opportunities. This could include, for example, to avoid electric service disconnection or economic recovery funding for transportation electrification.
 - Section 9 Environmental Justice
- a. <u>Engage in legislation that directly or indirectly impacts the ability of underserved</u> <u>communities in the VCE service territory to have affordable, reliable and clean energy.</u>
- b. <u>Support legislation that strengthens the resilience of vulnerable communities to the impacts of climate change.</u>





New Issue Areas:

- Section 9 Environmental Justice (Continued)
- c. Support legislation that enables all communities, including emerging and historically marginalized communities, and individuals, regardless of race, color, national origin, religion, sexual orientation, sex, gender identity, age, disability or socioeconomic status, in California to participate in the transition to a zero carbon electrical grid in a cost-effective manner.
- d. <u>Support efforts to enable all communities, including emerging and historically marginalized communities, and individuals, regardless of race, color, national origin, religion, sexual orientation, sex, gender identity, age, disability or socioeconomic status, in California to participate in the decarbonization of the state's building stock and the transportation sector.</u>







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Item 13 – Enterprise Risk Management (ERM) Update

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Item 13 - Overview

- Background & Timing
- Summary of ERM activities
- Steps taken since last update
- Risk Matrix
- Key Risks:
 - Power Charge Indifference Adjustment (PCIA) increases
 - Commodity procurement
 - Regulatory & policy risk
 - Capital availability/cash flow
 - Economic uncertainty



Item 13 - Background & Timing

- In 2018, the Board approved VCE's Enterprise Risk Management (ERM) Policy
- Centered on energy best practices and modeled after SMUD's policy
- The ERM is a structured approach to managing risk that outlines a framework and processes
- The Enterprise Risk Oversight Committee (EROC) has primary responsibility for ERM implementation
- Staff is to provide a bi-annual risk report to the Board last update was in July 2019



Item 13 - Summary of ERM Activities Since Adoption

- Established Interim General Manager as Chief Risk Officer and establish Director of Finance & Internal Operations as risk process owner
- 2. Developed ERM framework and tools
- 3. Conducted a risk survey
- 4. Developed VCE's top risk portfolio
- 5. Surveyed staff and management for ongoing risk input
- 6. Held monthly EROC meetings



Item 13 - Steps Taken Since Last Board Update

Recent actions taken to address key risks:

- 1. Made progress in stabilizing PCIA via multi-party Settlement Agreement with CalCCA and PG&E.
- 2. Entered into six long-term agreements to procure power and resource adequacy (RA) addressing power cost volatility.
- 3. Have actively engaged from a regulatory and legislative standpoint on a variety of fronts
- 4. Secured another extension on the River City Bank line of credit, with Letter of Credit capability.



Item 13 - Risk Matrix

Risk	Description	Current Residual Risk	Target Residual Risk
PCIA	Risk that PCIA rate will increase as a result of CPUC decisions		
Commodity Procurement	Risk of extreme fluctuations associated with commodity prices, including energy prices, resource adequacy, and other components of the energy portfolio		\bigcirc
Regulatory & policy risk	Risk of additional regulatory requirements increasing complexity and cost of operations		\circ
Capital availability/cashflow	Risk that VCE is unable to secure affordable financing		
Economic Uncertainty	Risk that customers will be impacted by poor economy, lowering or flat revenue impacting VCE growth opportunities, ongoing Covid-19 related economy-wide and revenue impacts	<u> </u>	\circ
Rate structure	Risk of rate design not following cost of service (non-time of use (TOU), PCIA, demand charges, varying generation rates)	\bigcirc	
Cyber security & data privacy	Risk of data breach as a result of a cyber breach or physical attack	\circ	
Financial Markets Volatility	Swings in global financial markets and currencies may create significant challenges that VCE will have to address		
Changing customer expectations	Risk that customer's changing expectations as a result of innovation may result in reduced customer revenue and loyalty	\circ	
Opt-out rate	Risk of higher than expected opt-out level		
Business model	Ability to quickly identify and respond to business risks that have the potential to impact the ability to achieve VCE goals.		
Media & community	Risk of unfavorable public communications or events; spillover customer dissatisfaction related to PG&E's PSPS	\bigcirc	\bigcirc
Unknown risks	Business and utilities attempt to identify and adapt to known risks but there are potential events and happenings which could have a debilitating impact on utilities in general and VCE in particular.	0	0





High High/Moderate Low/Moderate

Low

Item 13 - Key Risks

- Key Risks:
 - Power Charge Indifference Adjustment (PCIA) increases
 - Commodity procurement
 - Regulatory & policy risk
 - Capital availability/cash flow
 - Economic uncertainty



Item 13 - Key Risk: PCIA

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
PCIA	Reduce risk	\triangle	1) Continue direct involvement with CalCCA task groups to seek favorable rulings and settlements in the PCIA, ERRA, and other filings, such as favorable PUBA payoff terms. 2) Work towards potential long-term goal of attaining an option for 1-time full PCIA buy-out. 3) Work towards stabilizations and reduction of the PCIA from a regulatory and legislative standpoint 4) Influence and monitor future long-term PCIA impacts, both favorable and unfavorable (such as retirement of Diablo Canyon units).	Risk of PCIA rate increases not only from the 2021 ERRA Forecast case (A.20-07-002) but also from PG&E's PUBA trigger. CPUCs annual approval of PG&E's PCIA rate within the Energy Resource Recovery Account (ERRA) forecast	Director of Finance

Item 13 - Key Risk: Commodity Procurement

Risk	Event	Response	Trend	Plan	Trigger/Control	Owner
Commod		Reduce & manage risk	\triangle	1) Continue to pursue long-term power purchase agreements to reduce the average cost of power in future years 2) Pursue regulatory and legislative avenues in addressing the extreme swings in pricing and requirements of Resource Adequacy (RA) costs. 3) Take an active role in regulatory proceedings at the CPUC, including appeals, on various regulations that impact the cost of electricity along with support from CalCCA Regulatory Committee 4) Follow the guidelines and recommendations of VCE's Wholesale Energy Risk Manual	Execution of PPA contracts Regulatory rulings that affect commodity procurement cost and RA cost	Director of Power Procurement

Item 13 - Key Risk: Regulatory & Policy Risk

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
Regulatory & policy risk	Monitor risk & actively engage and respond	\triangle	1) Take an active role in legislative sessions (contract with lobbyist and engage Board members for support/opposition on bills) along with support from CalCCA legislative committee 2) Follow and continue to update annual VCE Legislative Platform 3) Take an active role in regulatory proceedings at the CPUC, including appeals, on various regulations that impact VCE and CC's that increase cost or bureaucracy without any significant safety or cost benefits to VCE and its customers along with support from CalCCA Regulatory Committee	Weekly CalCCA Regulatory and Legislative Committee meetings Regulatory rulings Legislative actions	General Manager

Item 13 - Key Risk: Capital Availability/Cash Flow

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
Capital Availability/ Cash Flow	Monitor risk & actively engage and respond		 Continue to work towards conserving cash reserves by lowering costs and increasing cash revenue collection Work towards the long-term goal of securing a credit rating Negotiate favorable terms with banks and contract counterparties Engage in regulatory policies that affect cash flow 	Line of credit agreements & renewals Monitor VCE's credit status and review goal of securing a credit rating on a regular basis. Monitor revenue collections	Director of Finance



Item 13 - Key Risk: Economic Uncertainty

Risk Event	Response	Trend	Plan	Trigger/Control	Owner
Economic Uncertainty	Accept & monitor risk	Û	 Monitor economic conditions in service territory and develop rate and program options that provide assistance Continue active role in influencing various regulations through the CPUC proceedings along with support from CalCCA Regulatory Committee in matters that would benefit the local customer base 	Economic outlook forecasts Regulatory proceedings	General Manager





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Item 14 – 2020 Year in Review: Customer Care & Marketing

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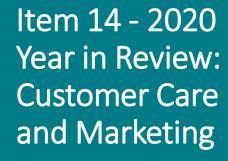
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We couldn't have done it without you. THANK YOU!

Energy even cleaner than promised

Supporting Yolo Food Bank Welcoming Winters customers in 2021

Buying renewables close to home Start-up loans repaid early

O Working hard for you

TOGETHER we're building a clean energy future!



The Future of Energy Valley Clean Energy fights for our clean energy future

markets, reaching

are our lives and

TOM STALLARD Board of Directors, VCE





Overview:

- 2020 Strategy and Priorities
- II. Customer Care Updates and Statistics
- III. Outreach for Brand Visibility
- IV. Enrollments: NEM and Winters
- V. Communications: Website, Publicity and Innovation
- VI. 2021 Planning



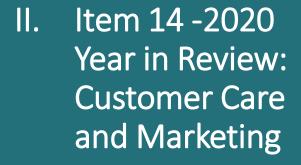


- New Director mid-year transition in roles and responsibilities of team
- Winters enrollment planning/scheduling
- Website improvements and planning
- Innovation: processes and content to stay ahead of the curve
- 2021 Strategic Marketing plan









2020 Customer Care and Billing Operations Support Staff





2020 Customer Care

Contact Center Customer Care

CSR Calls
Call Backs
Emails

Chat

IVR Self-serve

Web Transactions

Week ending 12/5/2020





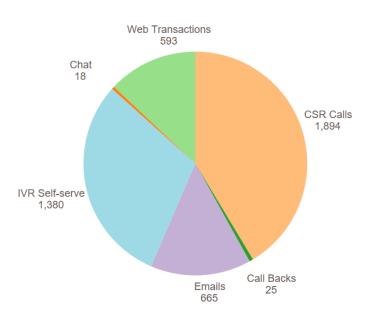






TOTAL CONTACTS

1/1/2020 - 12/5/2020



CSR Calls	41.4%
Call Backs	0.5%
Emails	14.5%
IVR Self-serve	30.2%
Web Transactions	13.0%
Chat	0.4%



2020 Customer Care

Contact Center Customer Care

Week ending 12/5/2020

Rolling 12-Month

LANGUAGE TRANSLATION TRENDS

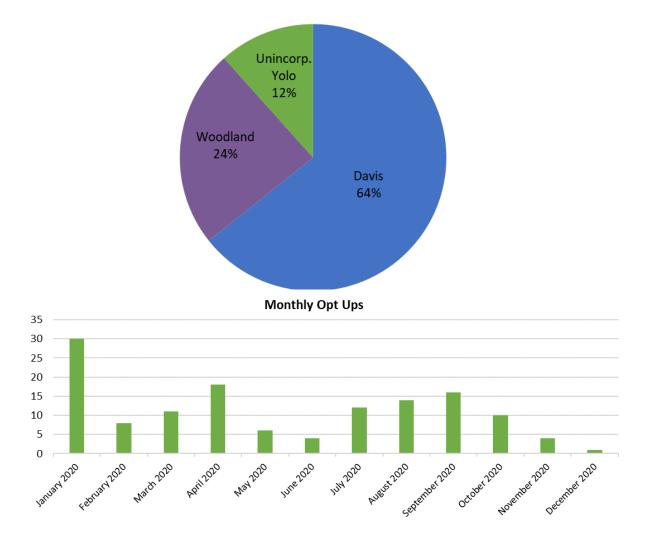






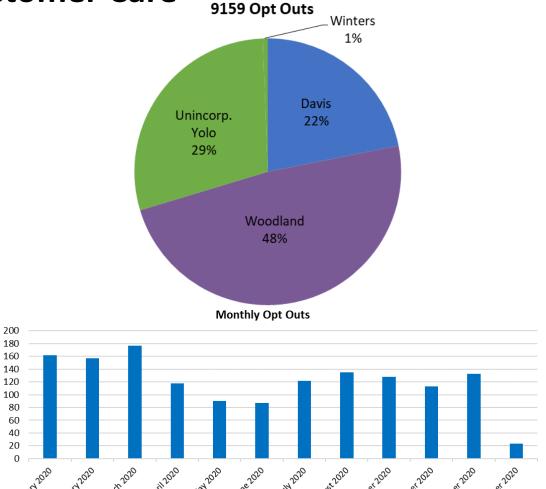


2020 Customer Care 378 Opt Ups



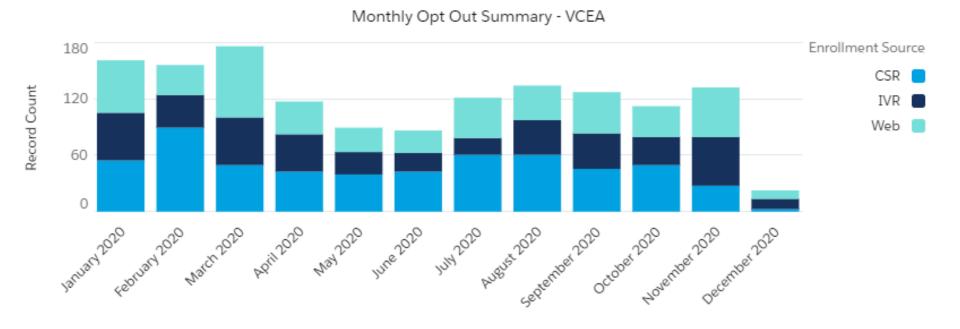


2020 Customer Care





2020 Customer Care





III. Outreach for Brand Visibility

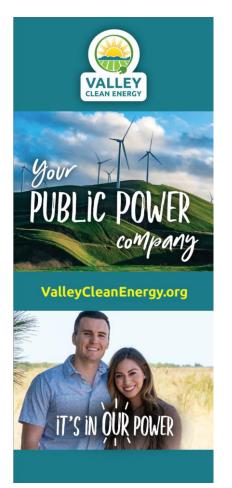
Promotional and outreach efforts have included:

- Standing banner redesign
- Social media: inform, promote, build a following
- Digital quarterly newsletter: inform and educate
- Window clings
- Winters pole banners
- Digital holiday card





Bilingual Pole Banners



Standing banners

2020 Outreach tasks have included:

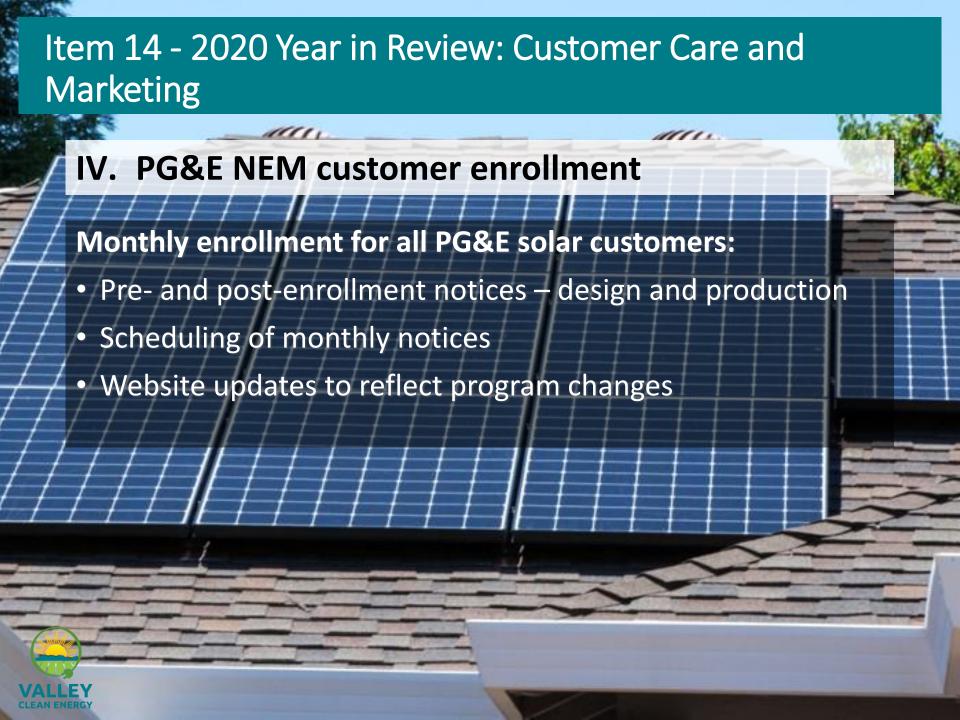
- Strategic and tactical planning
- PG&E NEM customer enrollment
- Winters outreach, enrollment planning and notices (bilingual)
- Website updates, expansion, graphics and translation
- Brand-building work print and digital ads and banners
- Publicity Op-eds and news releases, donations
- Outreach materials newsletters, direct mail, window clings and stickers



Key Support for Staff:

- Community Advisory Committee
 - Evaluation of strategic planning efforts
 - Institutional memory, organizational context
 - Photography for website, collateral, advertisements
- Task Groups: Outreach Task Group, Programs Task Group, Environmental Justice Working Group
 - Content review: website, collateral, enrollment materials
 - VCE EJ Statement
 - Outreach-focused SWOT analysis





IV. Winters Enrollment

- Pre- and post-enrollment compliance notices – scheduling, design and production for general and NEM customers
- Website updates to reflect program changes
- Print ads to announce community workshops
- Rotary and Hispanic Advisory Committee presentations
- Pole banners designed for downtown
- Interviews for future testimonial campaigns





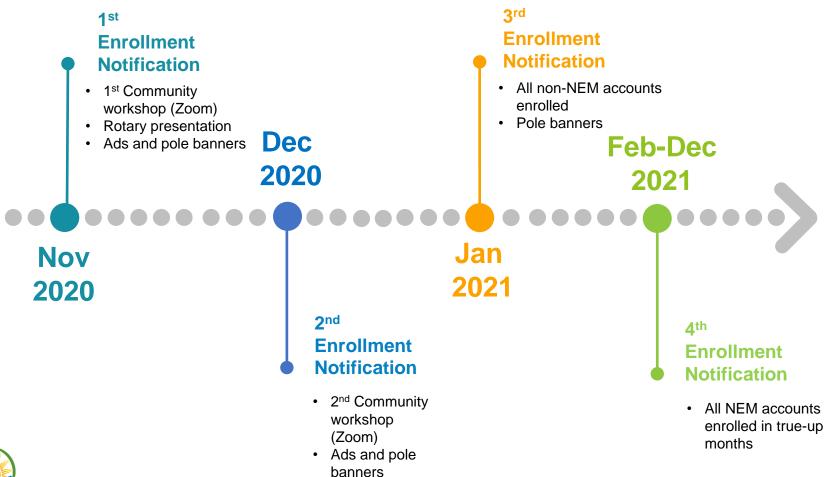








Winters Enrollment Timeline





V. Website: a Critical Communication Tool

Design, functionality updates:

- New photos fresh, local and optimistic
- News features
- Interactive Energy Efficiency program page
- Navigation improvements/expansion
- Staff and Board member headshots/links
- Expanded Spanish sections
- Customer-friendly NEM page edits
- City of Winters page expanded content and functionality
 - Compliance updates

CLEAN ENERGY



Website Analytics: Page Views



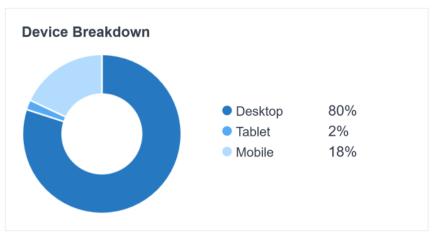


Website Analytics Example: Page Views

(other data available includes page visit detail and download information)

Sessions 1,563	Pageviews 3,583	Avg. Session Duration 2m 55s	Bounce Rate 51.82%
	↓ -8% vs. Previous 30 Days	↑ 7% vs. Previous 30 Days	↑ 4% vs. Previous 30 Days

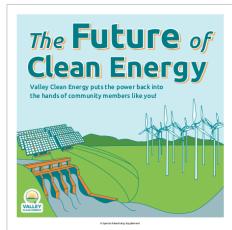






V. Building Brand Awareness

- 2nd Anniversary Celebration print ads
- Newspaper insert
- Window clings and decals to welcome new customers
- Social media Twitter (Dec 2019-Dec 2020): 106.224% increase in followers
 - Over 51 million impressions
- Clean Energy Mascot contest



Newspaper insert - cover



Newspaper insert – inside spread





Publicity: Keeping the Local Papers Busy

Op-eds and News Releases were distributed across the county:

- 3 Op-eds from Board and CAC **Members**
- 14 Press Releases
- Almond Festival ads
- Print ads announcing City of Winters community workshops

County health officer recommends quarantine after travel out of state

Yolo County's health officer is recommend-ingresidents who trav-el to areas outside of California with high-er risk of COVID-19

california (Controlled Controlled Controlled

iey return. Individuals should quarantine regardrisks presented by es-sential and non-essen-tial travel are idenegative test during uarantine does not

in the purple tier just like most of the rest of the state, there is no need to quarantine af-ter travel within California, the advisor said. But for those leaving the state, "residents, employ-

ous one to two weeks rather than total cas

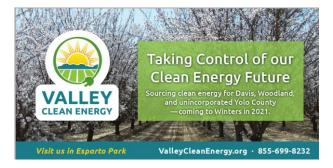




TOGETHER we're building a clean energy future!

Winters workshop ad

ValleyCleanEnergy.org

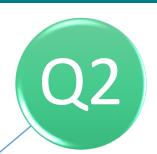


Almond Festival ad





- RE Purchase
- Gordon Samuel Hire
- PG&E Discount Programs
- Yolo Food Bank Donation
- COVID-19 Response



- FERA Discount Program
- Discounted Utility Rates
 - Rebecca Boyles Hire
 - Utility Bill Scam Alert
 - Mask Donation to RISE, Inc.
 - Conserve Electricity in Summer
 - VCE Supports
 Wildfire Victims
 - Flatten Your
 Electricity Curve

Op-eds & Press Releases, 2020

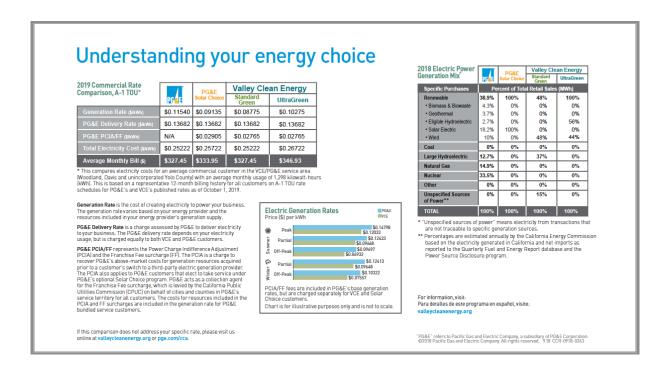




- SMUD Repayment
- (TBD) Local PPAs



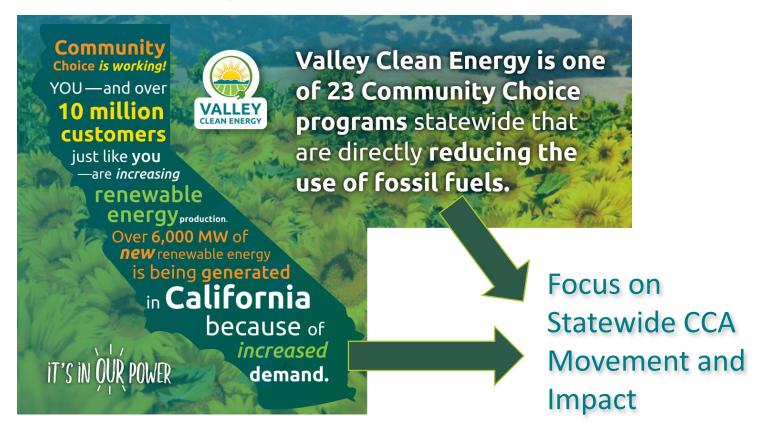
V. Innovation in Compliance Mailers



Joint Rate Mailer: Saved ~\$6,800 by sending via email



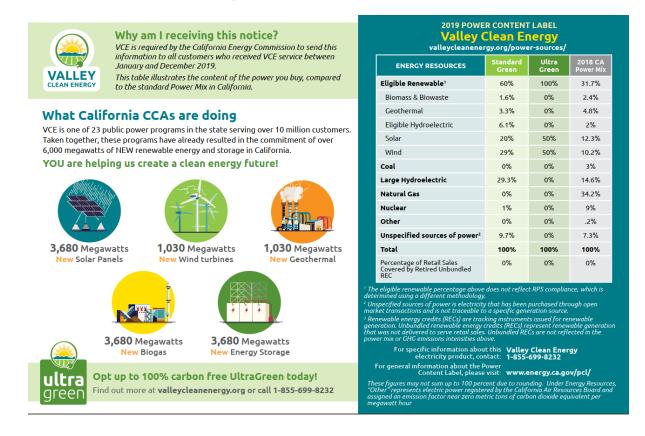
Innovation in Compliance Mailers





Power Content Label Redesign

Innovation in Compliance Mailers





Power Content Label Redesign

New Emphasis on Environmental Justice

Valley Clean Energy's Statement on Environmental Justice

Valley Clean Energy (VCE) is a mission-driven community-based not-for-profit public electricity supplier serving nearly 90% of the electricity customers in unincorporated Yolo County and the cities of Woodland, Davis, and Winters. We supply cost-competitive clean electricity to everyone who chooses our service, regardless of race, gender, economic status, sexual orientation, gender identification, nationality, religion or political views. We were established to achieve better outcomes for the customers and communities we serve and are therefore stronger and more effective when the full range of customer voices we serve are reflected in our decisions.

Valley Clean Energy recognizes that Environmental Justice (EJ) issues are deeply ingrained in our society. This includes the energy sector, where VCE can have a role in directly addressing energy-related inequities many people in under-resourced or disadvantaged communities face. This time of broad awakening across our country challenges us to respectfully acknowledge our role in truly effecting better outcomes for all of the communities and customers we serve.

We acknowledge that historically not all customers have had equitable access to the decisions that shape and affect their communities. We will do our part to ensure that the decisions we make about energy supply and community reinvestment help to further Environmental Justice.

VCE has adopted the official definition of Environmental Justice from the Environmental Protection Agency (EPA), which is: "the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations and policies¹."



Valley Clean Energy is committed to supplying more electricity that is produced by renewable, non-polluting sources such as solar, wind and hydroelectric. We are also committed to identifying and improving our systems that could perpetuate institutional barriers. To this end,

VI. 2021 Strategic Marketing Plan: Purpose

- Complementary to VCE's Strategic Plan
- Bridges the gap between Strategic Plan and Staff Workflows
- Guides Marketing Team's day-to-day work and decision-making
- Internal document; duration January-December 2021
- Integrates Green Ideals Outreach Plan and Tasks

2021 Strategic Marketing Plan: Goals

- 1. Establish VCE as a trusted community resource
- 2. Increase customer satisfaction and retention
- 3. Support VCE's Programs Plan and Decarbonization Roadmap



We have accomplished a lot this year. Thank you for your continued support!



