



**Regular Meeting of the Valley Clean Energy Alliance  
Board of Directors  
Thursday, December 11, 2025 at 5:30 p.m.  
City of Davis Community Chambers  
23 Russell Boulevard, Davis, California 95616**

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

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

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

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

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

**Join meeting via Zoom:**

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

<https://us02web.zoom.us/j/87648246690>

**Meeting ID: 876 4824 6690**

- b. By phone:**

One tap mobile:

+1-669-444-9171,, 87648246690# US

+1-669-900-9128,, 87648246690# US

**Or Dial:**

+1-669-444-9171 US

+1-669-900-9128 US

**Meeting ID: 876 4824 6690**

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

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

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

- 1. Welcome 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 November 13, 2025 Board meeting Minutes.**
- 4. Receive 2025 and 2026 long range calendar.**
- 5. Receive legislative update provided by Pacific Policy Group.**
- 6. Receive November 2025 regulatory update dated December 3, 2025 provided by Keyes & Fox.**
- 7. Receive Community Advisory Committee November 20, 2025 meeting summary.**
- 8. Receive summary of VCE Grant activity. (Information)**
- 9. Approve Amendment Two (2) to the REACH Strategies Agreement. (Action)**
- 10. Approve Amendment Three (3) to Task Order 8 of the Sacramento Municipal Utility District Consultant Agreement for Concierge Services. (Action)**

## REGULAR AGENDA

11. **Approve 2026 Operating Budget and 2026 Customer Rates. (Discussion/Action)**
12. **Approve Greenhouse gas (GHG) Free Attributes for 2026 accepting large hydro and nuclear. (Discussion/Action)**
13. **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.
14. **Adjournment/Announcement:** The Board has **cancelled** their regular meeting scheduled for Thursday, January 8, 2026. The Board's next regular meeting is scheduled for Thursday, February 12, 2026 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 November 13, 2025 Board meeting Minutes

**DATE:** December 11, 2025

---

#### RECOMMENDATION

Receive, review and approve the attached November 13, 2025 meeting Minutes.

Attachment: November 13, 2025 Board meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS REGULAR MEETING  
THURSDAY, NOVEMBER 13, 2025**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, November 13, 2025 at 5:30 p.m. to be held at City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. Board Vice Chair Jesse Loren established that there was a quorum present and began the meeting at 5:30 p.m.

Board Members Present: Jesse Loren (Vice Chair), Tom Stallard, Lucas Frerichs, Linda Deos (Alternate, Davis), Richard Casavecchia, Angel Barajas (Alternate, Yolo County), Tania Garcia-Cadena

Members Absent: Bapu Vaitla (Chair), Donna Neville, Sheila Allen

Welcome Vice Chair Jesse Loren welcomed everyone. She gave the floor to VCE Chief Executive Officer Mitch Sears who introduced Chad Curran, VCE's newest employee who is the Director of Power Resources. Mr. Curran introduced himself and provided a brief background.

Public Comment – General and Consent Items Vice Chair Loren opened up public comment on general and consent items. There were no written or verbal public comments.

Approval of the Agenda and Consent Agenda Items Motion made by Director Garcia-Cadena to approve the Consent agenda items, seconded by Director Frerichs. Motion passed with Vaitla (Chair), Neville, and Allen absent and Director Barajas (Alt.) abstaining from Item 3 – Approval of the October 14, 2025 Special meeting Minutes. The following items were:

3. approved October 14, 2025 Board Special meeting Minutes;
4. received 2025 long range calendar;
5. received Treasurer's report September 30, 2025;
6. received October 2025 regulatory update dated November 5, 2025 provided by Keyes & Fox;
7. received Community Advisory Committee October 23, 2025 meeting summary;
8. received report on Contract Renewals for calendar year 2026; and,
9. approved 2026 Legislative and Regulatory Platform.



Item 10: Receive 2025 Operating budget update and 2026 preliminary Operating budget. (Information / Discussion)

Mr. Sears introduced this item and VCE Staff Edward Burnham, who provided an overview of the 2025 operating budget and 2026 outlook; key factors in the 2025 operating budget; and, reviewed Retail load (Forecasted versus Actual). Mr. Burnham provided an overview of Power Cost Indifference Adjustment (PCIA) costs, gross revenues, Cost Price Index (CPI), draft 2026 Budget, generation rate scenarios, reserve funding, and, forecasting. Lastly, Mr. Burnham summarized the 2026 preliminary operating budget and the next steps in the budget adoption process.

The Board and Staff discussed numerous items, such as: load forecasting and the effects on rates; budget drivers, PCIA, reserves and revenues; power portfolio and costs; and, generation rate scenarios. There were no verbal or written public comments.

Item 11. Approve Phase 2 of VCE's Electric Vehicle (EV) Rebate Program ("Charge Your Ride"). (Action)

Mr. Sears introduced VCE Staff Rebecca Kuczynski who reviewed VCE's Electric Vehicle (EV) rebate program background and timeline, stakeholder engagement, and extensive research to arrive at the current design of Phase 2 "Charge your Ride" EV rebate program. Ms. Kuczynski reviewed the goals, design, program elements, and other considerations of the Charge your Ride program. VCE Staff Mary-Kathryn Rueff reviewed the budget scenarios, the design, successes and challenges of other CCA's EV programs, and what VCE learned and incorporated into VCE's EV pilot program design. VCE Staff highlighted that the proposed VCE's Charge your Ride EV rebate program has incentives for EV vehicle purchases, chargers and maintenance and tech assistance for individual and multi-family unit Customers. Ms. Kuczynski informed those present that Staff are recommending Scenario 2.

The Board and Staff discussed numerous items, such as: differences in electric vehicle chargers; stacked rebates; future program design with the goal of reaching more customers; details of each scenario; how offerings to multi-family buildings would work; purchasing and charging cost considerations and how to engage/reach low income Customers; potential charger location installation issues; and, equity in distributing program incentives to all Customers within VCE's area. There were no verbal or written public comments.

Director Stallard made a motion to approve Scenario 2 of Phase 2 of Valley Clean Energy's Electric Vehicle Rebate Pilot Program: Charge Your



Ride and for Staff to take into consideration all that was expressed by the Board, motion seconded by Director Deos (Alt.).

Director Casavecchia made a substitute motion to approve Scenario 3. There was no second to this motion.

Motion made by Director Stallard and seconded by Director Deos (Alt.) passed by the following vote:

AYES: Stallard, Frerichs, Deos (Alt.), Barajas (Alt.), Garcia-Cadena, Loren

NOES: Casavecchia

ABSENT: Vaitla, Neville, Allen

ABSTAIN: None

Item 12: Board Member and Staff Announcements.

There were no Board or Staff announcements.

Item 13: Announcement / Adjournment

Vice Chair Loren announced that the Board's next scheduled regular meeting is Thursday, December 11, 2025 at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. There being no further business to discuss, Vice Chair Loren adjourned the meeting at 7:08 p.m. to convene into Closed Session.

Public Comment on Closed Session Items

Vice Chair Loren announced that the Board will be going into Closed Session and asked if there were any public comment on the Closed Session item. There being no verbal or written public comment, Vice Chair Loren announced that it is anticipated that no reportable action will be taken in Closed Session. Vice Chair Loren convened into Closed Session at 7:08 p.m.

CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation

The Board convened into Closed Session at 7:11 p.m. Vice Chair Loren returned and announced that she recused herself from Closed Session at approximately 7:14 p.m. VCE's Legal Counsel Patrick Enright from Richards, Watson and Gershon announced that Vice Chair Jesse Loren recused herself from Closed Session, that there was nothing to report out, and Closed Session adjourned at 7:21 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 2025 and 2026 Long-Range Calendar

**DATE:** November 13, 2025

---

#### Recommendation

Receive and file the 2025 and 2026 Board and Community Advisory Committee long-range calendar listing proposed meeting topics. Please note that the 2025 long-range calendar includes the January 2026 meeting schedule. Please note that meeting locations and topics may change.

Attachment: 2025 Board and CAC long range calendar

**VALLEY CLEAN ENERGY**  
**2025 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 9, 2025 (Cancelled)	Board (Woodland)	<ul style="list-style-type: none"> <li>This meeting was cancelled.</li> </ul>	
January 23, 2025 NO QUORUM, ITEMS MOVED TO FEBRUARY 27, 2025 MEETING	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>2025 CAC Task Group (s) formation (Annual) (R)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2024) (O)</li> <li>2024 Year in review: Customer Care &amp; Marketing (Placeholder) (R)</li> <li>Strategic Plan (O)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discuss/Action</li> <li>Information</li> <li>Discussion/Action</li> </ul>
February 13, 2025	Board (Davis)	<ul style="list-style-type: none"> <li>Oaths of Office for Board Members (Annual - new Members only) (R)</li> <li>Election of Officers for 2025 (Annual) (R)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2024) (O)</li> <li>Receive CAC Year-end Task Group Reports (O)</li> <li>2024 Year-end review: Customer Care &amp; Marketing (O)</li> <li>Update to VCE Employee Handbook (Placeholder) (R) (historically Jan.)</li> <li>Prepay (Placeholder) (O)</li> <li>Annual Strategic Plan Report (R) (historically Jan.)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Nominations</li> <li>Information</li> <li>Information</li> <li>Information</li> <li>Action</li> <li>Information/Discussion</li> <li>Discussion/Action</li> </ul>
February 27, 2025	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>2025 CAC Task Group (s) formation (Annual) (R)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2024) (O)</li> <li>2024 Year-end review: Customer Care &amp; Marketing (Placeholder) (R)</li> <li>Strategic Plan (O)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> </ul>
March 13, 2025	Board (Woodland)	<ul style="list-style-type: none"> <li>This meeting was cancelled.</li> </ul>	
March 27, 2025	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>Approval of 2025 CAC Task Group "Charges" (R) (historically in Jan.)</li> <li>Senate Bill 540 (Pathways Initiative &amp; Regional Organization)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information/Discussion</li> </ul>

April 10, 2025	Board (Davis)	<ul style="list-style-type: none"> <li>• Receive Enterprise Risk Management Report (Bi-Annual) (R)</li> <li>• Customer Participation update (1<sup>st</sup> Quarter 2025) (O)</li> <li>• Calendar Year 2024 Audited Financial Statements (James Marta &amp; Co.) (placeholder) (R)</li> <li>• Load Management Standards Update (O)</li> <li>• Power Charge Indifference Adjustment (PCIA) / Rates Workshop (placeholder) (O)</li> <li>• VCE Grant activity update (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Action</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
April 24, 2025	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>• Load Management Standards Update (O)</li> <li>• 2024 Net Margin Allocation (R)</li> <li>• Senate Bill 540 (Pathways Initiative &amp; Regional Organization)</li> <li>• Customer Participation update (1st Quarter 2025) (O)</li> <li>• Introduction to Strategic Plan Major Update Roadmap/Timeline</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> <li>• Information</li> <li>• Information</li> </ul>
April 28 - 30, 2025	CalCCA Annual Conference (Irvine)	VCE Staff and some Board and CAC members attending	
May 8, 2025 CANCELLED	Board (Woodland)	<ul style="list-style-type: none"> <li>• Meeting cancelled.</li> </ul>	
May 22, 2025	Advisory Committee / Strategic Plan Workshop (Esparto)	<ul style="list-style-type: none"> <li>• <u>Strategic Plan Workshop</u>: Focus: Financial Strength/Rates and Procurement &amp; Power Supply</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> </ul>
June 12, 2025	Board (Davis)	<ul style="list-style-type: none"> <li>• Re/Appointment of Members to Community Advisory Committee (Annual) (R)</li> <li>• Mid-Year 2025 Financial Update (R)</li> <li>• 2024 Net Margin Allocation (R)</li> <li>• Summer Preparedness outlook (O)</li> <li>• Recap of CalCCA April 2025 Annual Conference (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> <li>• Information</li> </ul>
June 26, 2025	Advisory Committee / Strategic Plan Workshop (UCANR - Davis)	<ul style="list-style-type: none"> <li>• Summer Preparedness outlook (O)</li> <li>• Strategic Plan Workshop: Focus: Customers &amp; Community and Decarbonization and Grid Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information/Discussion</li> </ul>

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

July 10, 2025	Board Woodland	<ul style="list-style-type: none"> <li>Meeting cancelled.</li> </ul>	
July 24, 2025	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>Review preliminary draft Strategic Plan Major Update and Survey Plan (O)</li> <li>Power Portfolio Update (O)</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion</li> <li>Information</li> </ul>
August 14, 2025	Board (Davis)	<ul style="list-style-type: none"> <li>NO MEETING*</li> </ul>	
August 28, 2025	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Review draft Strategic Plan Major update / Seeking recommendation to the Board</li> <li>Large Load Tariff Design</li> <li>Customer Participation Update (2<sup>nd</sup> Quarter 2025) (O)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Information</li> </ul>
September 11, 2025	Board (Woodland)	<ul style="list-style-type: none"> <li>Certification of 2024 Power Content Label (Annual) (R)</li> <li>Capitalization Policy (placeholder) (O)</li> <li>Customer Participation Update (2<sup>nd</sup> Quarter 2025) (O)</li> <li>AgFIT Pilot Program Update (O)</li> <li>Strategic Plan Major Update Workshop (O)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information/Discussion</li> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> </ul>
September 25, 2025	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>Large Load Rate Setting Policy</li> <li>Discuss forming local energy Task Group</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discussion</li> </ul>
October 9, 2025 Cancelled and rescheduled to: Tuesday, October 14 <sup>th</sup> Special Meeting at 3:30 p.m.	Board (Davis) (Woodland)	<ul style="list-style-type: none"> <li>Enterprise Risk Management Update (Annual) (R)</li> <li>Customer Participation Update (3<sup>rd</sup> Quarter 2025) (O)</li> <li>Legislative End of Session Update (O)</li> <li>Adoption of Strategic Plan Major Update (placeholder) (O)</li> <li>Large Load Rate Setting Policy (O)</li> <li>Residential Dynamic Pricing Pilot Program</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
October 23, 2025	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>2024 Power Content Label Outreach (O)</li> <li>Customer Participation Update (3<sup>rd</sup> Quarter 2025) (O)</li> <li>Legislative End of Session Update (O)</li> <li>2026 Legislative &amp; Regulatory Platform</li> <li>Review Phase 2 of EV Rebate Program ("Charge Your Ride") / Seeking recommendation to the Board (placeholder)</li> <li>Discussion of forming local energy Task Group.</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Information</li> <li>Action</li> <li>Discussion/Action</li> <li>Discussion</li> </ul>
November 13, 2025	Board (Woodland)	<ul style="list-style-type: none"> <li>2025 Operating Budget update and 2026 Preliminary Operating Budget (R)</li> <li>Approve 2026 Legislative and Regulatory Platform</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion</li> <li>Discussion/Action</li> </ul>

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

		<ul style="list-style-type: none"> <li>Phase 2 of EV Rebate Program ("Charge Your Ride") (O)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> </ul>
<del>November 27, 2025</del> <b>November 20, 2025</b> (rescheduled to <b>November 20</b> due to Thanksgiving holiday on Nov. 27 <sup>th</sup> )	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>Review CAC Draft 2025 Task Group Year-end Reports (R)</li> <li>GHG Free Attributes (R) (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
December 11, 2025	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>Approve 2026 Operating Budget (Annual) and 2026 Customer Rates (R)</li> <li>Receive VCE Grant/Program Annual Report (R)</li> <li>GHG Free Attributes (R) (placeholder)</li> <li>Contract Renewals (R) (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Information</li> <li>Discussion/Action</li> <li>Action</li> </ul>
<del>December 25, 2025</del> <b>December 18, 2025</b> (rescheduled to <b>December 18</b> due to Christmas holiday on Dec. 25 <sup>th</sup> )	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>Review and approve CAC Draft 2025 Task Group Year-end Reports (R)</li> <li>Formation of <b>2026</b> CAC Task Group(s) (Annual) (R)</li> <li>Review and discuss draft Local Energy Task Group "Charge"</li> <li>Power Portfolio Update (R)</li> <li>Election of Officers for 2026 (Annual) (R)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Information</li> <li>Nominations</li> </ul>
<del>January 8, 2026</del> <b>CANCELLED</b>	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>Oaths of Office for Board Members (Annual - new Members only) (R) (placeholder)</li> <li>Election of Officers for 2026 (Annual) (R) (placeholder)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2025) (O) (placeholder)</li> <li>2025 Year-end review. (R) (placeholder)</li> <li>VCE Employee Handbook Update (R) (Placeholder)</li> <li>Annual Strategic Plan Report (R) (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Nominations</li> <li>Information</li> <li>Information</li> <li>Action</li> <li>Information</li> </ul>
January 22, 2026	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>Rates/Budget 2026 Update (O)</li> <li>Customer Participation Update (4<sup>th</sup> Quarter 2025) (O)</li> <li>Review and approve <b>2026</b> draft Task Group(s) "Charges" (R)</li> <li>Integrated Resource Plan (IRP) Update (placeholder)</li> <li>2025 Year in review: Customer Care &amp; Marketing (R)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> <li>Discussion/Action</li> <li>Information</li> </ul>

**PLEASE NOTE:** *April 28-30, 2025: CalCCA Annual Conference in Irvine, California*

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

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

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

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

			<ul style="list-style-type: none"> <li>Discussion/Action</li> </ul>
March 12, 2026	Board (Woodland)	<ul style="list-style-type: none"> <li>Integrated Resource Plan (IRP) Update (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> </ul>
March 26, 2026	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
April 9, 2026	Board (Davis)	<ul style="list-style-type: none"> <li>Receive Enterprise Risk Management Report (Bi-Annual) (R)</li> <li>Customer Participation update (1<sup>st</sup> Quarter 2026) (O)</li> <li>Calendar Year 2025 Audited Financial Statements (James Marta &amp; Co.) (placeholder) (R)</li> <li>Load Management Standards Update (O)</li> <li>Power Charge Indifference Adjustment (PCIA) / Rates Workshop (placeholder) (O)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Action</li> <li>Information</li> <li>Information</li> </ul>
April 23, 2026	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Load Management Standards Update (O)</li> <li>2025 Net Margin Allocation (R)</li> <li>Customer Participation update (1st Quarter 2026) (O)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
May 12-14, 2026	CalCCA Annual Conference (Sacramento)	VCE Staff and some Board and CAC members attending	
May 14, 2026 Cancelled, may be rescheduled.	Board (Woodland)	<ul style="list-style-type: none"> <li>* No meeting due to CalCCA Annual Conference. A special meeting may be scheduled if an urgent matter needs to be addressed.</li> </ul>	
May 28, 2026	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
June 11, 2026	Board (Davis)	<ul style="list-style-type: none"> <li>Re/Appointment of Members to Community Advisory Committee (Annual) (R)</li> <li>Mid-Year 2026 Financial Update (R)</li> <li>2025 Net Margin Allocation (R)</li> <li>Summer Preparedness outlook (O)</li> <li>Recap of CalCCA May 2026 Annual Conference (O)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information</li> <li>Discussion/Action</li> <li>Information</li> <li>Information</li> </ul>
June 25, 2026	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Summer Preparedness outlook (O)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> </ul>

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

July 9, 2026	Board (Woodland)	<ul style="list-style-type: none"> <li>Customer Participation update (2<sup>nd</sup> Quarter 2026) (O)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> </ul>
July 23, 2026	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>* Tentatively no meeting.</li> </ul>	
August 13, 2026	Board (Davis)	<ul style="list-style-type: none"> <li>* Tentatively no meeting.</li> </ul>	
August 27, 2026	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Customer Participation Update (2<sup>nd</sup> Quarter 2026) (O)</li> <li>Power Portfolio Update (O)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> </ul>
September 10, 2026	Board (Woodland)	<ul style="list-style-type: none"> <li>Certification of 2025 Power Content Label (Annual) (R)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> </ul>
September 24, 2026	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
October 8, 2026 Possibly meeting date conflict with League of Cities Annual Conference	Board (Davis)	<ul style="list-style-type: none"> <li>Enterprise Risk Management Update (Annual) (R)</li> <li>Customer Participation Update (3<sup>rd</sup> Quarter 2026) (O)</li> <li>Legislative End of Session Update (O)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Information</li> <li>Information</li> </ul>
October 22, 2026	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>2025 Power Content Label Outreach (O)</li> <li>Customer Participation Update (3<sup>rd</sup> Quarter 2026) (O)</li> <li>Legislative End of Session Update (O)</li> <li>2027 Legislative &amp; Regulatory Platform</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Information</li> <li>Information</li> <li>Discussion/Action</li> </ul>
November 12, 2026	Board (Woodland)	<ul style="list-style-type: none"> <li>2027 Preliminary Operating Budget (R)</li> <li>Contract Renewals (R) (placeholder)</li> <li>Approve 2027 Legislative and Regulatory Platform</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion</li> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>
November 26, 2026 November 19, 2026 (rescheduled to November 19 due to Thanksgiving holiday on Nov. 26 <sup>th</sup> )	Advisory Committee (Woodland) (Davis)	<ul style="list-style-type: none"> <li>Review CAC Draft 2026 Task Group Year-end Reports (R)</li> <li>GHG Free Attributes (R) (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>Discussion/Action</li> <li>Discussion/Action</li> </ul>

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



December 10, 2026	Board (Davis)	<ul style="list-style-type: none"> <li>• Approve 2027 Operating Budget (Annual) and 2027 Customer Rates (R)</li> <li>• Receive VCE Grant/Program Annual Report (R)</li> <li>• GHG Free Attributes (R) (placeholder)</li> <li>• Contract Renewals (R) (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Action</li> </ul>
December 24, 2026 December 17, 2026 (rescheduled to December 17 due to Christmas Eve on Dec. 24 <sup>th</sup> )	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>• Approve 2026 Task Group Year-end Reports (R)</li> <li>• Power Portfolio Update (R)</li> <li>• Election of Officers for 2027 (Annual) (R)</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Nominations</li> </ul>
January 14, 2027	Board (Woodland)	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members (Annual - new Members only) (R)</li> <li>• Election of Officers for 2027 (Annual) (R)</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2026) (O)</li> <li>• 2026 Year in review: Customer Care &amp; Marketing (R)</li> <li>• Receive 2026 Task Group Year-end Reports (R)</li> <li>• VCE Employee Handbook Update (R)</li> <li>• Annual Strategic Plan Report (R)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Action</li> <li>• Information</li> </ul>
January 28, 2027	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>• Rates/Budget 2027 Update (O)</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2026) (O)</li> <li>• Approve 2027 CAC Task Group(s) "Charges" (R)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discuss/Action</li> </ul>

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

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

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

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

---

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: December 11, 2025

---

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

The Legislature will reconvene on January 5, 2026, which will officially begin the second year of the two-year. For some, the year will begin with a sprint as legislators must move a bill out of its house of origin by January 31 if the bill is to be kept alive. For most, January will be a time to dive into the Governor's proposed 2026 budget, work on the introduction of new bills, and familiarize themselves with leadership in the Senate and any new committee assignments.

The Assembly will once again be led by Speaker Robert Rivas (D-Salinas) but the Senate has a new Pro Tem as Senator Monique Limon was sworn into the position on November 17. It is anticipated that Pro Tem Limon will make changes to committee chair and member assignments, but it is unknown if changes will be made across all committees or when they will happen.

California is once again facing the prospect of a significant budget deficit despite better than anticipated tax revenue to date. The stock market is at a record high thanks to the AI boom currently taking place, the capital gains and income tax collections have exceeded forecasts, but the gains here are not enough to offset the deficits. A recent fiscal outlook produced by the Legislative Analyst's Office (LAO) projects an \$18 billion deficit for FY26-27. Governor Newsom must produce a proposed budget by January 10.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 6

---

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: December 11, 2025

---

Please find attached Keyes & Fox’s November 2025 Regulatory Memorandum dated December 3, 2025 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 December 3, 2025

## Valley Clean Energy Alliance

### Regulatory Monitoring Report

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

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

Subject: Monthly Regulatory Update

Date: December 3, 2025

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.

#### **NEW** RA Rulemaking

**Background:** This proceeding is the successor to R.23-10-011, and it will address the 2027 and 2028 RA compliance years, local RA obligations for the 2027-2029 and 2028-2030 compliance years, further refinements to the 24-hour Slice-of-Day (SOD) framework. Other topics identified in the OIR include Loss of Load Expectation Study and the planning reserve margin, accreditation for long-duration energy storage, unforced capacity outage rates for thermal resources, accreditation for solar and wind resources, coordination with the integrated resource plan proceeding, and hourly transactability within the SOD framework.

**Recent Developments:** Comments on the OIR were filed on November 4 and reply comments were filed on November 14. In comments, [CalCCA](#) recommended modifying the preliminary schedule to allow parties to update proposals on hourly RA transactions under the slice-of-day framework after release of the Energy Division transactability report in Q1 2026; inclusion of load forecasting issues in the scope; and inclusion in the scope of counting accreditation rules for demand response, distributed energy resources, and microgrids.

**Analysis:** Parties, in general, supported a scope that addresses storage capacity accreditation, greater alignment of RA and Integrated Resource Planning resource counting and planning under the Renewable and Clean Power Procurement Program.

**Next Steps:** A scoping ruling is expected.

**Additional Information:** [OIR](#) (Oct. 15, 2025); Docket No. [R.25-10-003](#).

#### **PG&E 2026 ERRA Forecast**

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

**Recent Developments:** On November 21, the CPUC issued a [Proposed Decision](#) that adopts a 2026 revenue requirement of about \$4.5 billion, an increase of 6.1% and allows PG&E to use pre-2019 banked Renewable Energy Certificates (RECs) to meet its 2026 compliance obligations without corresponding credits to the PCIA, on an interim basis. CalCCA's [opening comments](#) on the Proposed Decision raised concerns about the use of pre-2019 banked RECs without PCIA credits and encouraged the Commission to formally acknowledge PG&E statements that data center load located in a CCA service area will default to CCA service.

**Analysis:** Under the Proposed Decision, the average residential rate for CCA and Direct Access customers will increase by 2.9 cents per kWh, or 14.6%, to a total rate of 22.6 cents per kWh. PG&E's proposals related to pre-2019 banked RECs and the valuation of its Resource Adequacy (RA) portfolio increase the PCIA revenue requirement.

**Next Steps:** The Proposed Decision is scheduled to be heard at the Commission's December 18 meeting. Reply comments on the Proposed Decision are due December 4.

**Additional Information:** [Proposed Decision](#) (Nov. 25, 2025); [Scoping Ruling](#) (Oct. 29, 2025); PG&E [Fall Update](#) (Oct. 15, 2025); [Ruling](#) (Sep. 24, 2025); [Scoping Memo and Ruling](#) (Jul. 31, 2025); PG&E [AL 7663-E](#) (Jul. 30, 2025); PG&E 2026 ERRA Forecast [Application](#) (May 15, 2025); Docket No. [A.25-05-011](#).

## RPS Rulemaking

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

**Recent Developments:** On November 14, the CPUC issued a [Proposed Decision](#) adopting as final VCE's and seven other CCAs' Draft 2025 RPS Procurement Plans. Out of 24 CCA Draft RPS Plans filed, 16 require clarifications or corrections to be submitted in a Final RPS Plan within 30 days of the issuance of the final decision. While VCE's RPS Plan was adopted as final and no corrections are required, the Commission requested updates to confidentiality redactions made by VCE and seven other CCAs.

**Analysis:** N/A.

**Next Steps:** The Proposed Decision is scheduled to be heard at the Commission's December 18 meeting. Comments on the Proposed Decision are due December 4 and reply comments are due December 9.

**Additional Information:** [Proposed Decision](#) (Nov. 14, 2025); VCE [RPS Compliance Report](#) (Aug. 1, 2025); VCE [2025 Draft RPS Plan](#) (Jun. 30, 2025); [Ruling](#) on 2025 RPS Plans (Apr. 17, 2025); [Notice](#) of RPS Plan Approval (Apr. 3, 2025); VCE [Final 2024 RPS Procurement Plan](#) (Jan. 22, 2025); [D.24-12-035](#) (Dec. 24, 2024); [Scoping Memo and Ruling](#) (May 9, 2024); [OIR](#) (Feb. 1, 2024); Docket No. [R.24-01-017](#).

## IRP Rulemaking (2025)

**Background:** This new proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, ongoing reliability obligations, and the Commission's oversight of the IOUs' bundled procurement plans. This proceeding continues the work of R.20-05-003 and will be the primary forum for most future CPUC work on the Reliable and Clean Power Procurement Program framework (RCPPP).

**Recent Developments:** LSEs filed their biannual Mid-Term Reliability (MTR) procurement compliance filings on December 2.

**Analysis:** N/A.

**Next Steps:** A ruling on the contents for LSE's next IRP filing was expected in mid-November. A proposed decision on any potential additional reliability procurement between 2029 and 2032 is expected in late 2025 or early 2026, with a final decision in February 2026. LSEs' IRPs will be due May 5, 2026. An ALJ ruling on the "good faith effort" standard for LSE compliance with procurement requirements is expected in Q4 of 2025.

**Additional Information:** [Scoping Ruling](#) (Oct. 28, 2025); [Ruling](#) (Sep. 30, 2025); [OIR](#) (Jul. 2, 2025); Docket No. [R.25-06-019](#).

## PCIA/ERRA Reform

**Background:** This Rulemaking considers updates and reforms to the Energy Resource and Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) rules and processes with the objectives of improving existing rules, mitigating rate volatility, and ensuring indifference among bundled and departing customers. The proceeding includes an expedited Track 1 to revise the resource adequacy (RA) market-price benchmark (MPB) calculation methodology and for the revised methodology to be used in the October 2025 MPBs, and Track 2 will consider broader issues.

**Recent Developments:** On December 1, CalCCA filed a [Petition for Writ of Review](#) of D.25-06-049 in the California Court of Appeal. The appeal argues that D.25-06-049 retroactively changes the methodology used to calculate the PCIA, violating state law and harming customer affordability.

**Analysis:** N/A.

**Next Steps:** A scoping memo for Track 2 is expected.

**Additional Information:** CalCCA [Petition for Writ of Review](#) (Dec. 1, 2025); [D.25-10-061](#) denying rehearing (Oct 31, 2025); Applications for Rehearing of [CalCCA](#) and [Ava/SJCE](#) (Jul. 30, 2025); [D.25-06-049](#) (Jun. 27, 2025); [Scoping Memo](#) (Apr. 8, 2025); ALJ [Ruling](#) (Mar. 21, 2025); [Ruling & Staff Report](#) on RA MPB (Feb. 26, 2025); [OIR](#) (Feb. 26, 2025); Docket No. [R.25-02-005](#).

## Climate Credit OIR

**Background:** This rulemaking will explore potential approaches to maximize the effectiveness at supporting customer affordability of cap-and-trade program proceeds returned to electric consumers via the state Climate Credit.

**Recent Developments:** The prehearing conference was held November 21.

**Analysis:** N/A.

**Next Steps:** A scoping memo is expected.

**Additional Information:** [Ruling](#) (Oct. 31, 2025); [OIR](#) (Aug. 20, 2025); Docket No. [R.25-07-013](#).

## PG&E 2027 Phase 1 GRC

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

**Recent Developments:** On November 6, CalAdvocates and the Small Business Utility Advocates jointly filed a [Motion](#) requesting that the Commission amend the procedural schedule in light of PG&E's delayed and still outstanding response to intervenors' proposed alternatives to PG&E's Undergrounding Bridge Program (which, under the current schedule, PG&E is required to submit within 5 business days after the Commission votes on draft Resolution SPD-37). A November 24 e-mail [Ruling](#) deferred a final ruling on the Motion until after the earlier of the issuance of [Resolution SPD-37](#) (which is currently scheduled to be heard at the December 4 Commission meeting) or the service of rebuttal testimony. Once the earlier of those events occurs, intervenors are directed to update their motion.

**Analysis:** PG&E did not provide power line undergrounding forecasts in its Application and instead proposed one year of bridge funding and the possibility of seeking up to \$3.6 billion in funding for up to 1,200 miles of electrical undergrounding via a tier 2 advice letter. Intervenors filed alternative proposals, but PG&E's delayed response to those proposals (as a result of the ongoing delay in a Commission vote on SPD-37) has raised concerns about the ability of intervenors to develop their testimony on this issue by the current deadline of February 13, 2026.

**Next Steps:** SPD-37 is on the agenda for the Commission's December 4 meeting. Intervenor testimony is due on February 13, 2026.

**Additional Information:** [Ruling](#) (Nov. 24, 2025); CalAdvocates/SBUA [Motion](#) (Nov. 6, 2025); [Ruling](#) (Sep. 25, 2025); [Scoping Memo and Ruling](#) (Jul. 31, 2025); [Application](#) (May 16, 2025); Docket No. [A.25-05-009](#).

## PG&E 2023 Phase 2 GRC

**Background:** Phase 2 General Rate Case (GRC) proceedings determine PG&E's marginal cost of service and revenue requirement allocation among customer classes for a set period (in this case, 2023-2026).

**Recent Developments:** On November 6, PG&E filed a [Motion](#) to adopt a bifurcated real-time pricing track of the proceeding.

**Analysis:** CalCCA largely agreed with PG&E's proposed schedule for the real-time pricing track, but requested in its [response](#) to the Motion that the Commission make a few minor modifications to PG&E's proposal.

**Next Steps:** A meet and confer among parties is planned for the week of December 1. Intervenor testimony is due February 9, 2026.

**Additional Information:** [Motion](#) for bifurcated track (Nov. 6, 2025); PG&E [Testimony](#) and [Change Tables](#) (Oct. 29, 2025); [Ruling](#) (Oct. 9, 2025); [Ruling](#) (Aug. 18, 2025); [Request](#) for scoping amendment (Jun. 12, 2025); PG&E [AL 7588-E](#) (May 2, 2025); [Scoping Memo](#) (Mar. 21, 2025); [Application](#) (Sep. 30, 2024); Docket No. [A.24-09-014](#).

## PG&E 2024 ERRa Compliance

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

**Recent Developments:** PG&E submitted an updated [Joint Status Conference Statement](#) on November 25.

**Analysis:** Following additional discovery conducted after the Joint Status Conference, parties agree that evidentiary hearings are not necessary and expect that the established schedule can be maintained.

**Next Steps:** Briefs are due in early 2026.

**Additional Information:** [Joint Status Conference Statement](#) (Nov. 25, 2025); [Scoping Memo and Ruling](#) (May 2, 2025); [Joint Prehearing Conference Statement](#) (Apr. 16, 2025); [Ruling](#) (Mar. 27, 2025); PG&E 2024 ERRa Compliance [Application](#) (Feb. 28, 2025); Docket No. [A.25-02-013](#).

## City and County of San Francisco Municipalization

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

**Recent Developments:** On November 6, the Commission issued [D.25-10-039](#) establishing methods and standards for determination of just compensation and valuation and setting forth requirements for parties' forthcoming testimony. The Decision establishes principles to assess just compensation but does not select a specific valuation method for PG&E's property, land, and rights and will leave the parties free to put forward their interpretation and valuation approach within the guidelines.



**Analysis:** The Decision adopts Staff's proposed principles of just compensation, including finding that ratepayers remain "neutral" and in the same financial position after the proposed acquisition, and maintaining the same level of "safety, reliability, wildfire mitigation, public benefits, etc." for PG&E's remaining customers. The Decision requires parties to submit appraisals using three separate valuation methods and show how their proposed just compensation award is consistent with law, precedent, is accurate and avoids double-counting. The Decision declined the utility stakeholders' requests to require the City to certify a Final Environmental Impact Report before proceeding with the valuation.

**Next Steps:** The schedule for testimony will be specified in a future ruling amending the procedural schedule.

**Additional Information:** [D.25-10-039](#) (Nov. 6, 2025); [Amended Scoping Memo](#) (Jul. 1, 2025); [Petition](#) (Jul. 27, 2021); Docket No. [P.21-07-012](#).

## Distribution Interconnection Rules

**Background:** This rulemaking will review and refine distribution-level interconnection rules under Electric Rule 21, particularly those for distributed energy resources (DER) for PG&E, SCE, SDG&E and the small and multijurisdictional electric utilities.

**Recent Developments:** Parties filed reply comments on the OIR on November 10.

**Analysis:** CalCCA's [reply comments](#) supported multiple parties recommending reform to the electrical independence test used to determine transmission system impacts from a proposed project.

**Next Steps:** A ruling scheduling a prehearing conference is expected.

**Additional Information:** [OIR](#) (Jul. 25, 2025); Docket No. [R.25-08-004](#).

## 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 27, the CPUC issued a [Proposed Decision](#), ([Revised](#) on December 2) that (1) adopts revised transportation electrification (TE) data gathering and reporting requirements, and, as revised, waives CCA reporting requirements until the new data template has been developed, and also exempts small CCAs (those serving less than 700 GWh of annual demand) from reporting requirements other than activity-based metrics. Additionally, the Proposed Decision continues the implementation of the Technical Assistance Program with a budget of \$36 million over three years, which will begin 90 days after the Commission's approval of the Program Handbook (due within 120 days of the effective date of this decision).

**Analysis:** The Proposed Decision and comment rulings will support development of a more formal planning process and coordinated investment plan to support priority investments in electrification infrastructure.

**Next Steps:** The Proposed Decision may be heard as soon as the December 4 Commission meeting.

**Additional Information:** [REV 1. Proposed Decision](#) (Dec. 2, 2025); [Ruling](#) (Oct. 14, 2025); [Ruling](#) (Oct. 1, 2025); PG&E Mid-Term [Report](#) (Sep. 15, 2025); [Joint Report](#) on the CPUC's Submetering and Telematics Workshop (Jun. 16, 2025); [Joint Report](#) on the Vehicle-Grid Integration Workshop (Jun. 16, 2025); [Scoping Memo and Ruling](#) (Apr. 12, 2024); [OIR](#) (Dec. 20, 2023); Docket No. [R.23-12-008](#).

## Diablo Canyon 2026 Rates & VPF

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

**Recent Developments:** Oral arguments were held on December 1.

**Analysis:** PG&E's unbundled CCA customers are projected to see a rate decrease of approximately 0.8% to 19.6 cents per kWh. Additionally, Diablo Canyon GHG-free generation is expected to increase to 18,203 GWh in 2026, or by about 80% over 2025 levels.

**Next Steps:** The Proposed Decision may be heard as soon as the December 4 Commission meeting.

**Additional Information:** [REV 1. Proposed Decision](#) (Dec. 2, 2025); ALJ [Ruling](#) (Aug. 29, 2025); [Scoping Ruling and Memo](#) (Jul. 2, 2025); [Application](#) (Mar. 28, 2025); Docket No. [A.25-03-015](#).

## Disconnections and Reconnections

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

**Recent Developments:** On November 14, opening comments on the October 13 Ruling were filed.

**Analysis:** The PIPP Pilot, administered by the Large IOUs, is designed to set a participant's utility bill payment amount at an affordable percentage of the participant's monthly income, and a March staff report recommended the PIPP program be consolidated with the California Alternative Rates for Energy (CARE) program.

**Next Steps:** Reply comments on the October 13 Ruling are due on December 5. Heat-based disconnection threshold proposals must be implemented by May 1, 2026.

**Additional Information:** [Ruling](#) granting extension (Oct. 21, 2025); [Ruling](#) (Oct. 13, 2025); [D.25-06-012](#) (Jun. 17, 2025); Phase 2 [Scoping Memo](#) (Jul. 15, 2022); [OIR](#) (Jul. 20, 2018); Docket No. [R.18-07-005](#).

## 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 builds 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 November 10, PG&E submitted [AL 7756-E](#) providing updated CCA financial security requirements.

**Analysis:** N/A.

**Next Steps:** A ruling on the need for legal briefs in Phase 2 is expected in 2025 and resolution of the Threshold Questions is expected soon, after which the primary topic areas will be addressed.

**Additional Information:** PG&E [AL 7756-E](#) (Nov 10, 2025); Joint CCA AL (VCE [AL 24-E](#)) (Sep. 19, 2025); ([Final Resolution E-5406](#) (Jul. 29, 2025); ALJ [Ruling](#) (May 28, 2025); PG&E [AL 7596-E](#) and [7596-E-A](#) (May 12 & 28, 2025); [Scoping Memo and Ruling](#) (Oct. 24, 2024); ALJ [Ruling](#) (Aug. 6, 2024); [D.24-04-009](#) / [Appendix](#) (Apr. 22, 2024); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

## 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 November 18, the ALJ issued a [Ruling](#) rescheduling the evidentiary hearing for February 18-20. On November 26, The Utility Reform Network submitted an unopposed request that the hearing be held the week of February 9 due to a scheduling conflict.

**Analysis:** Issues related to CCA concerns such as bill presentation, improvements to billing data access and quality, CCA service fees, and others will be covered during the evidentiary hearings.

**Next Steps:** The evidentiary hearing will be held in February.

**Additional Information:** [Ruling](#) (Nov. 18, 2025); [Ruling](#) (Sep. 11, 2025); [Joint Case Management Statement](#) (Aug. 20, 2025); [D.25-08-008](#) (Aug. 19, 2025); Joint CCA [Testimony](#) (Jun. 30, 2025); [Scoping Memo](#) (Mar. 27, 2025); [Application](#) (Oct. 23, 2024); Docket No. [A.24-10-014](#).

## PG&E 2026 Cost of Capital

**Background:** Cost of capital proceedings are held every three years to establish a utility's return on equity (ROE) and overall rate of return (ROR). The Commission established a uniform cost of capital mechanism for the large investor-owned utilities that includes a review 3-year cycle and provides for formula-based interim adjustments based on a bond market index.

**Recent Developments:** On November 14, the ALJ issued a [Proposed Decision](#) establishing the 2026 ratemaking cost of capital for PG&E, SoCalGas, SCE, and SDG&E and closing this consolidated proceeding. The Proposed Decision would approve a capital structure of 47.5% debt and 52.5% equity with an overall rate of return of 7.59% for PG&E.

**Analysis:** If approved, the new rate of return will take effect starting January 1, 2026.

**Next Steps:** The Proposed Decision is scheduled to be heard at the December 18 Commission meeting. Comments on the Proposed Decision are due December 4 and reply comments are due December 9.

**Additional Information:** [Proposed Decision](#) (Nov. 14, 2025); [Scoping Memo and Ruling](#) (Jul. 16, 2025); ALJ [Ruling](#) (May 29, 2025); [Application](#) (Mar. 20, 2025); Docket No. [A.25-03-010](#).

## Demand Flexibility

**Background:** This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and to 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:** No recent developments.

**Analysis:** N/A.

**Next Steps:** D.25-08-049 closed the proceeding, but it has been reopened by SDG&E's Application for Rehearing, which argued the proceeding should be reopened.

**Additional Information:** [Application for Rehearing](#) (Sep. 29, 2025); [D.25-08-049](#) (Aug. 29, 2025); PG&E [AL 7627-E](#) (Jun. 27, 2025); PG&E [AL 7592-E](#) (May 7, 2025); [Final Evaluation](#) of VCE's AgFIT Pilot (Apr. 25, 2025); [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](#).

## 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 focused on developing safety culture assessments for the large electric and natural gas IOUs, and Phase 2 will develop safety culture assessments for small multi-jurisdiction utilities (SMJUs) and the gas storage operators.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** PG&E's first third-party evaluation is scheduled for August 1, 2028. Annual reports are due August 1 of each year between third-party evaluations.

**Additional Information:** [Scoping Memo and Ruling](#) (Aug. 26, 2025); [D.25-01-031](#) (Jan. 23, 2025); [OIR](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

## Building Decarbonization

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

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** N/A.

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

## IRP Rulemaking (2020)

**Background:** This proceeding governed the previous biennial Integrated Resource Plan (IRP) process, including 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. This proceeding considered a Staff Proposal on the RCPMP, and remaining work on the RCPMP will occur in the new IRP rulemaking, R.25-06-019.

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** N/A.

**Additional Information:** [D.25-09-007](#) (Sep. 26, 2025); RCPMP [Staff Proposal](#) and [Summary Slides](#) (Jul. 15, 2025); [Amended Scoping Memo and Ruling \(Correction/Clarification\)](#) (Apr. 18, 2024); Docket No. [R.20-05-003](#).

## Other Dockets

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

Docket	Name	Status
<a href="#">R.19-09-009</a>	Microgrids	<a href="#">D.24-11-004</a> adopting implementation rules for multi-property microgrid tariffs and closing the proceeding was issued November 18. Proceeding reopened for pending <a href="#">Application for Rehearing</a> and <a href="#">Petition for Modification</a> .
<a href="#">R.23-03-007</a>	Wildfire Fund NBC 2024-2026	The <a href="#">Proposed Decision</a> would set the 2026 Wildfire NBC at \$5.91/MWh - a slight decrease from the 2025 WF NBC charge of \$5.95/MWh.

<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 reopened to consider a pending <a href="#">Application for Rehearing</a> .
<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.
<a href="#">A.22-02-015</a>	PG&E 2021 Erra Compliance	This proceeding was closed in June 2025 with issuance of <a href="#">D.25-06-045</a> , but was reopened in response to an August 2025 <a href="#">Application for Rehearing</a> .
<a href="#">R.23-10-011</a>	RA Rulemaking (2025-2026)	This proceeding was closed in June 2025 by <a href="#">D.25-06-048</a> , but it was reopened in response to a July 2025 <a href="#">Application for Rehearing</a> .

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 7

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summary of Community Advisory Committee's (CAC) November 20, 2025 Meeting

DATE: December 11, 2025

This report summarizes the Community Advisory Committee's meeting held in person and via Zoom webinar on November 20, 2025 held in Woodland.

#### **Thursday, November 20, 2025 Meeting:**

- A. **Discuss and seek recommendation to the Board on GHG-Free allocations (2026) from large hydro and nuclear.** Staff provided information regarding the offerings of GHG-free allocations (resources) for 2026 from Pacific Gas & Electric (PG&E). The CAC discussed historical allocation amounts; cost, if any to VCE; and, attributes versus energy. The CAC approved making a recommendation to the Board to accept GHG-free allocations from large hydro and nuclear for 2026 from PG&E. (5-1-0)
- B. **Received financial update.** The CAC received a financial update on the 2025 Operating budget, 2026 preliminary budget, Power Charge Indifference Adjustment (PCIA), rates and reserves, power resource costs, and revenue and load forecasting.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 8

TO: Board of Directors

FROM: Rebecca Kuczynski, Chief Customer Officer

SUBJECT: Summary of VCE Grant Activity

DATE: December 11, 2025

This informational report summarizes VCE’s grant participation activities during 2025.

#### **VCE Awarded Grants & External Funded Programs - In-Progress**

##### **1. Responsive, Easy Charging Products with Dynamic Signals (REDWDS) - California Energy Commission (CEC)**

The California Energy Commission’s (CEC’s) Clean Transportation Program grant provides up to \$9 million in grant funds to accelerate the development and deployment of easy-to-use charging products which help customers manage electric vehicle (EV) charging and respond to dynamic grid signals. Up to \$300 million in additional grant funds may be available in the future to complete a second phase of work for agreements initially awarded funding under this solicitation. VCE in partnership with Monarch Tractor and GridTractor has been provisionally approved for \$337,500 to provide bidirectional electric tractors using dynamic rates similar to the the AgFIT program.

##### **2. California Public Utilities Commission (CPUC) – Hourly Flex Pricing (AgFIT Expanded Pilots #1 and 2)**

Pilot #1 is similar to the original AgFIT Pilot and is geared toward ag customers. It is administered by VCE in VCE territory. Pilot #2 has more eligible customer classes, including residential. It is administered by PG&E.

#### **VCE Requested Grants & External Funded Programs – Applied/Pending**

##### **1. Microgrid Incentive Program**

The MIP is the newest iteration of the rural Yolo County based microgrid program. It would ensure the successful implementation of environmental and climate justice projects through strong relationships and meaningful engagement with community leaders, residents, and project partners. VCE will work with collaborating entities and the broader community to ensure project activities are responsive to community needs, equitably distributed, and inclusive of all voices—especially those from farmworkers, low-income families, and tribal communities. VCE is working with Yocha Dehe Wintun Nation and Emeren on the proposal.

///

### **VCE Grants & External Funded Programs – Approved**

#### **1. Smart Home Energy and Load Flexibility (SHELF) Pilot**

The Smart Home RTP Testbed will target a subset of 25-50 homes to participate in order to achieve 400 kW of load-modifying flexibility during VCE's annual peak hour(s). Project started as a CEC grant, was not funded, and now VCE is exploring how Panasonic can fund the project directly. Board approval was granted in November 2025. Program design depends on HFP pilot for dynamic rates.

### **VCE Grants & External Funded Programs – Unsuccessful Applications**

#### **1. EPA Grant: Environmental and Climate Justice Community Change Grants Program.**

The Community Engagement and Collaborative Governance Plan ensures the successful implementation of environmental and climate justice projects through strong relationships and meaningful engagement with community leaders, residents, and project partners. The total grant application is \$19M with \$10M allocation for VCE. Yolo County, the Lead Applicant, will work with collaborating entities and the broader community to ensure project activities are responsive to community needs, equitably distributed, and inclusive of all voices— especially those from farmworkers, low-income families, and tribal communities. The EPA grant plan includes several projects, including two microgrids (one for VCE, one for Yocha Dehe Wintun Nation); an expansion of VCE/Yolo County's ERRO program, community outreach performed by De Colores and Cool Davis, rebates for electrification, and other associated projects. The grant application was not approved because the EPA funding unexpectedly became unavailable in early 2025.

#### **2. California Air Resources Board - Electric Autonomous Tractor Swarms (EATS) Grant.**

VCE has partnered with UC Agriculture and Natural Resources (ANR) and Monarch Tractor to apply for a \$5M statewide grant for the engagement of the agricultural sector to develop customer programs and initiatives that decarbonize, community resiliency and custom savings. The grant application was not approved.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 9

**TO:** Board of Directors

**FROM:** Mitch Sears, Chief Executive Officer  
Rebecca Kuczynski, Chief Customer Officer

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

**DATE:** December 11, 2025

#### RECOMMENDATION

Adopt a resolution approving Amendment Two (2) 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 was due to expire December 31, 2024. In November 2024, REACH Strategies' contract was extended for one year and the not to exceed amount was increased by \$219,000.

#### 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, 2026, 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 \$644,000 to \$863,000.

**Attachments:**

- 1. Amendment 2 to REACH Strategies Agreement
- 2. Resolution 2025-XXX

**SECOND 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. Two (2) to the Consultant Services Agreement (“2<sup>nd</sup> Amendment”), is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ 2025, 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”) via Resolution 2022-036 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 amended the Agreement as Amendment One (1) via Resolution 2022-036 taking the option to extend the term by an additional one (1) year, through December 31, 2025 and replaced 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.
3. VCE and REACH now desire to amend the Agreement to extend the term by an additional one (1) year, through December 31, 2026; replace Exhibit C – Compensation with an updated Exhibit C; and increase the not to exceed amount by \$219,000 for a new not to exceed amount of \$863,000.

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

- 2.1 Amendment. Section 1 of the Agreement is hereby amended in its entirety to read as



follows:

1. Term            The term of this Agreement, as amended, shall begin on January 1, 2026, and shall end on December 31, 2026, unless amended as provided in this Agreement, or when terminated as provided in Article 19.

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

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

4.        If any portion of this Second 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 AMENDMENT NO. TWO (2)  
TO THE AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN VALLEY CLEAN ENERGY ALLIANCE  
AND REACH STRATEGIES**

IN WITNESS WHEREOF, the Parties have entered into this Amendment No. Two (2) as of the \_\_\_\_\_ day of \_\_\_\_\_ 2025.

**VALLEY CLEAN ENERGY ALLIANCE**

**REACH STRATEGIES**

By: \_\_\_\_\_  
Mitch Sears  
Chief 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 Eight Hundred Sixty-three Thousand dollars (\$863,000), 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>\$863,000</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. 2025-\_\_\_\_**

**A RESOLUTION OF VALLEY CLEAN ENERGY ALLIANCE APPROVING AMENDMENT TWO (2) TO THE AGREEMENT WITH REACH STRATEGIES FOR MARKETING, WEBSITE AND SOCIAL MEDIA SERVICES AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE THE AMENDMENT**

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

**WHEREAS**, 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**, the Agreement was extended for a new expiration date of December 31, 2025 and the not to exceed amount was increased by \$219,000,

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

1. The VCE Chief Executive Officer, in consultation with VCE Legal General Counsel, is authorized to finalize, approve, execute, and extend on behalf of VCE Amendment Two (2) to the Agreement with REACH Strategies for marketing, website and social media services 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 \$644,000 to \$863,000 for the period from 2022 through 2026.

**PASSED, APPROVED AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_ day of \_\_\_\_\_ 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Bapu Vaitla, VCE Board Chair

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

Attachment: Amendment Two (2) to REACH Strategies Agreement

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 10

**TO:** Board of Directors

**FROM:** Mitch Sears, Chief Executive Officer  
Edward Burnham, Chief Financial Officer  
Rebecca Boyles, Chief Customer Officer

**SUBJECT:** Approve Amendment 3 to SMUD Agreement Task Order 8 (Consulting Services) for continued customer program support services

**DATE:** December 11, 2025

#### RECOMMENDATIONS

Approve Task Order Amendment (3) with Sacramento Municipal Utilities District (SMUD) for implementation and support of the customer program services in an amount not to exceed \$279,964.

#### BACKGROUND

On April 13, 2023, the VCE Board approved [Item 11](#) for the 5-year extension of VCE's Master Services Agreement with the Sacramento Municipal Utilities District (SMUD). On April 11, 2024, the Board approved Amendment One (1) for the implementation and support of the Concierge Service in an amount not to exceed \$184,234 via Resolution 2024-005. On February 13, 2025, the Board approved Amendment Two (2) to the Concierge Service in an amount not to exceed \$207,036 via Resolution 2025-003.

The support services provided by SMUD, including customer support and billing services, are extremely important for VCE's operations, customer retention, and receivables management. The partnership VCE has established with SMUD through the Master Services Agreement has been instrumental in VCE's current and future success. This amendment is to expand SMUD's scope of services using the customer relationship management (CRM) software (Salesforce) for an integrated platform to include support for VCE in implementing customer programs in areas such as program processes and documentation, third-party engagement, training personnel, reporting, customer marketing and outreach.

#### FISCAL IMPACT

The requested Customer Program Support services expenditures are accounted for in VCE's 2026 budget. Future VCE programs and program expansions that require these support services will be approved individually and include any required budget amendments.

#### ATTACHMENTS

1. Amendment 3 to SMUD Task Order 8
2. Resolution 2025-XXX

## **AMENDMENT 3 TO EXHIBIT A: SCOPE OF SERVICES Task Order 8 – Consulting Services**

### **Concierge Service**

The Sacramento Municipal Utility District (SMUD) and Valley Clean Energy (VCE) agree to the following services, terms and conditions described in this Amendment 3 to Task Order 8, the provisions of which are subject to the terms and conditions of the Master Service Agreement (MSA) between the Parties. If any specific provisions of this Amendment 3 to Task Order 8 conflict with any general provisions in the MSA, Task Order 8, or any preceding Amendments to Task Order 8, the provisions of this Amendment to Task Order 8 shall take precedence. Capitalized terms used in this Amendment which are not defined in this Amendment will have the respective meanings ascribed to them in the MSA.

The Effective Date of this Task Order 8 is the date of last signature below.

Section 1.1 in Section 1, SCOPE OF WORK is amended to include the following at the end of Section 1.1:

<b>Scope of Work</b>
<b>Task Title</b>
<b>Manage concierge services</b>
Prepare and send monthly reports
Prepare and send weekly surveys
Send emails
Take calls
Prepare electrification plans
Answer questions/provide ad hoc reporting
<b>Other</b>
Licenses
Contingency (10%)

Section 4.2, Optional Service Fees, is amended to include the following at the end of Section 4.2:

<b>Scope of Work</b>	<b>Hours</b>	<b>Est. Rate</b>	<b>2026</b>
<b>Task Title</b>			
<b>Manage concierge services</b>	<b>325</b>	<b>\$ 189.78</b>	<b>\$ 61,678</b>
Prepare and send monthly reports	48	\$ 189.78	\$ 9,109
Prepare and send weekly surveys	48	\$ 189.78	\$ 9,109
Send emails	48	\$ 189.78	\$ 9,109
Take calls	125	\$ 189.78	\$ 23,722
Prepare electrification plans	50	\$ 189.78	\$ 9,489
Answer questions/provide ad hoc reporting	6	\$ 189.78	\$ 1,139
<b>Other</b>			<b>\$ 11,250</b>
Licenses			\$ 6,250
Contingency (10%)			\$ 5,000
<b>Total</b>			<b>\$ 72,928</b>

[Signature Page follows]



**SIGNATURES**

The Parties have executed this Task Order 8 Amendment 3 as of the Effective Date.

**Valley Clean Energy**

By

Name

Mitch Sears

Title

Chief Executive Officer

Date

Approved As To Form

**Sacramento Municipal Utility District**

By

Name

Tracy Carlson

Title

Director Community Energy Services

Date

Approved As To Form

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2025-\_\_**

**A RESOLUTION OF VALLEY CLEAN ENERGY ALLIANCE APPROVING AMENDMENT 3 TO TASK ORDER 8 – CONSULTING SERVICES OF THE SACRAMENTO MUNICIPAL UTILITIES DISTRICT PROFESSIONAL SERVICES AGREEMENT AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO FINALIZE AND EXECUTE AMENDMENT 3 TO TASK ORDER 8.**

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

**WHEREAS**, on August 31, 2017, the VCE Board considered a proposal by the Sacramento Municipal Utilities District (“SMUD”) to provide program launch and operational services and subsequently directed VCE staff to negotiate a services agreement between VCEA and SMUD for consideration and action by the VCEA Board; and,

**WHEREAS**, on September 21, 2017, the SMUD Board of Directors authorized its CEO to enter into a contract with VCE to provide Community Choice Aggregate (CCA) support services; and,

**WHEREAS**, on April 13, 2023, via Resolution 2023-005, the VCE Board approved Amendment 1 to the Master Services Agreement (MSA) extending the term of the MSA through December 31, 2028; approved Amendment 32 to Task Order 3 (Wholesale Energy Services) reducing the scope of work; and, approved Task Order 7 (Data Management and Customer Call Center Services), Task Order 8 (Consulting Services); and Task Order 9 (Debt Collection Services) with an expiration date of December 31, 2028; and,

**WHEREAS**, on April 11, 2024, via Resolution 2024-005, the Board approved Amendment 1 to Task Order 8 (Consulting Services) providing Concierge Service to assist with enhanced customer service offerings for customer electrification support through December 31, 2025, with a not-to-exceed amount of \$184,234; and

**WHEREAS**, on February 13, 2025, via Resolution 2025-003, the Board approved Amendment 2 to Task Order 8 (Consulting Services) providing Concierge Service to assist with enhanced customer service offerings for customer electrification support through December 31, 2025, with a not-to-exceed amount of \$207,036; and

///

**WHEREAS**, with the success of the Concierge Service and the need to continue providing this service to VCE's customers, the not-to-exceed amount is to be increased by \$72,928 and the term for this service is to be extended for one (1) year.

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

1. Approve Amendment 3 to Task Order 8 (Consulting Services) to assist with enhanced customer service offerings for customer programs support service, with a not-to-exceed amount of \$279,964 and to extend the term for this service through December 31, 2026; and,
2. Authorize the Chief Executive Officer in consultation with legal counsel to finalize and execute Amendment 3 to Task Order 8 (Consulting Services) for customer program support service.

**PASSED, APPROVED AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_\_ day of \_\_\_\_\_ 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Bapu Vaitla, VCE Chair

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

**Attachment:**

1. Amendment 3 to SMUD MSA Task Order 8 (Consulting Services) for customer program support service.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 11

**TO:** Board of Directors

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

**SUBJECT:** 2026 Operating Budget & Customer Rates - Recommended

**DATE:** December 11, 2025

#### RECOMMENDATIONS

1. Approve 2026 VCE Customer Rates:
  1. Standard Green Rates with a 5% discount to PG&E's 2026 generation rates
    - i. Additional 5% discount (10% combined) to PG&E 2026 Rates for CARE/FERA and Medical Baseline customers
  2. Base Green Rate discount of 2.5% to PG&E 2026 generation rates
2. Approve 2026 Budget with \$46.5 M of operating revenues and \$62.3 M of operating expenses for a net loss of \$15.8 M.

#### OVERVIEW

The purpose of this staff report is to: (1) present an analysis of 2026 customer rates, and (2) present the recommended 2026 Budget for Board consideration.

As detailed in the body of this report, the 2026 budget forecasts a net loss of \$15.8 M. Under the recommended budget for 2026, the Rate Stabilization Fund would be used to minimize the impacts of volatility in the Power Charge Indifference Adjustment (PCIA) and comparative PG&E Generation rates. By design, drawing on this fund during the 2026 budget cycle is projected to allow VCE to continue to offer competitive customer rates and local programs funding in 2026 while maintaining its investment-grade credit rating.

VCE's longer-term fiscal outlook (2027+) indicates continued constraints due to both regulatory changes expected in Power Charge Indifference Adjustment (PCIA) calculations and a lower overall forward current price curve, driving higher PCIA rates. Existing tools such as the Rate Stabilization Fund and rate adjustment mechanisms provide financial management tools to help address projected volatility through 2030.

#### BACKGROUND

At the November 13, 2025, Board meeting, Staff presented Item 10 as part of the first of two discussions for the Board's consideration of VCE's 2026 customer rates and Operating Budget. Staff presented three 2026 budget scenarios that outlined meeting VCE's financial policies, updated reserve targets, and customer program expansions, with a net loss range of (\$11.9 M) to (\$15.7 M) based on net customer rate discounts. Recommended 2026 customer rate

discounts are paid for using VCE's customer dividend funds and a portion of VCE's rate stabilization funds. Based on feedback from the Board during the discussion, Staff recommends continuing the current rate discounts, including a 5% rate credit for all customers and a 10% rate credit for CARE/FERA and Medical Baseline customers.

## **ANALYSIS**

This report updates the financial information provided to the Board on November 13, 2025 and provides the basis for the budget Analysis in Section 2 below. The sections below provide updates on: (1) an overview of key factors influencing the operating budgets, and (2) an analysis of the recommended 2026 budget.

### **1. Proposed 2026 Customer Rates**

As discussed at the November Board meeting, the CPUC is scheduled to adopt 2026 PG&E bundled rates at their December 2025 meeting. The updated analysis shown below is based on the best available information as of the writing of this report, with an effective rate change date of January 1, 2026, and following our current rate and reserve policies and financial objectives.

#### VCE Rate Policy (Update Approved November 10, 2021)

Cost-Based Rate Policy: VCE will set customer rates to collect sufficient revenue from participating customers to fully fund VCE's Budget and establish sufficient operating reserve funds. VCE's 2025 Target was set to fully fund 180 days of operating cash reserves and direct all additional cash reserves to rate stabilization incorporated into 2025 rate setting.

#### VCE's Reserve and Dividend Policy

- Operational Financial Reserve minimum of 120 days
- Operational Financial Reserve Target of 180
- Rate Stabilization Reserve minimum of 60 days

VCE, along with all other California CCAs, receives PG&E PCIA and generation rate modeling produced by financial analysts under contract with CalCCA. Based on the most recent PG&E filing and market price benchmarks for Resource Adequacy (RA) and Renewable Energy Credits (RECs) set by CPUC's energy division, PCIA is forecast to increase significantly in 2026, with an additional retroactive collection of 2025 PCIA due to revised market price benchmark calculation ordered by the CPUC. Note: CalCCA has filed a case with the California Court of Appeals challenging the CPUC's decision on the retroactive collection of 2025 PCIA fees.

#### 2026 Customer Rates Drivers

Based on information from VCE and CalCCA's analysts on the proposed PG&E rates decision outlined above, VCE has incorporated the following assumptions in its updated financial forecasts for 2026 (assuming PG&E rates/PCIA are implemented on January 1, 2026):

- PCIA Costs: 201% increase over 2025 PCIA - Results in approximately \$15.5M decrease in revenue for 2026
- PG&E Bundled Generation rates (Generation): -31% decrease – Results in approximately \$23M lower revenue for 2026

Note: The VCE generation charges, plus PCIA and franchise fees, are approximately 40% of the average residential electricity bill. PG&E's Transmission, Distribution, and other charges account for the remaining 60% of the total electricity bill. The total charges to customers in 2026 may not decrease due to higher charges for transmission and distribution.

### **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 \$1.25/month reduction in the average residential customer bill and approximately \$3.25/month reduction in the average small commercial customer bill.
- Every 1% discount would be approximately \$500K 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.

Staff will continue to evaluate the balance among affordability, equity, and environmental impacts through the cost recovery rate-setting process. Incorporating this balance, Staff is recommending the following:

### **VCE 2026 Rates Recommendation (No change to current discounts)**

1. Standard Green Rates (default rate): 5% Discount to PG&E's 2026 generation Rates
  - i. 10% Discount for CARE/FERA and Medical Baseline customers to PG&E's 2026 generation rates
2. Base Green Rate (Opt-down rate option): discount of 2.5% to PG&E 2026 generation rates

### **Fiscal Effects**

The rates (and budget) approach outlined in this report allows VCE to offer more affordable customer rates and higher renewable content than PG&E while positioning itself to maintain its investment-grade credit rating, meet operational and rate stabilization minimum targets, execute VCE programs, and absorb the forecasted PCIA increases and power market volatility to achieve long-term rate stability.

Staff will continue to monitor financial operating results, including customer rate discounts as part of the 2025 net margin allocation in Q2 of 2026 as part of the Customer Program and Dividend Policy. If approved by the Board, these customer rates would maintain VCE's strategic financial objectives. As noted, VCE's longer-term outlook (2027+) indicates continued constraints due to both regulatory changes expected in Power Charge Indifference Adjustment (PCIA) calculations and a lower overall forward current price curve, driving higher PCIA rates.

## **2. Proposed 2026 Operating Budget**

As noted in the November draft budget, reduced forward power market prices have been outpaced by significant decreases in net revenues due to 2026 PCIA rate increases. Based on

analysis by CalCCA, consultants, and Staff, VCE anticipates higher PCIA and lower PG&E generation rates. The net result is a forecasted net loss of \$15.8M for 2026 (Table 1 below).

Key Assumptions included in the 2026 Budget Summary (Table 1) and Multi-year forecast (Table 2):

- 2026 Customer Rates (VCE & PG&E Comparison) - VCE will set customer rates lower than costs, using rate customer dividends funds and a portion of rate stabilization funds to fully fund VCE's Budget and maintain the investment-grade credit rating.
- 2026 PCIA Forecast –The updated PCIA increased from ~.0101 KW/\$6.5M to .031KW/\$22M
- 2026 Customer Rates Forecast – The updated forecast for PG&E rates results in a projected 31% generation rate decrease (offset by non-VCE portions of the bill such as transmission and distribution charges).

**Table 1 – 2026 Budget Summary**

<b>VALLEY CLEAN ENERGY 2026 BUDGET SUMMARY RECOMMENDED</b>			
	<b>APPROVED BUDGET 2025</b>	<b>ACTUAL YTD SEPT. (9 MO) + FORECAST (3 MO) 2025</b>	<b>RECOMMENDED BUDGET 2026</b>
<b>OPERATING REVENUE</b>	<b>\$ 101,200</b>	<b>\$ 86,950</b>	<b>\$ 45,274</b>
<b>OPERATING EXPENSES:</b>			
Cost of Electricity	64,000	55,900	53,800
Contract Services	2,640	2,390	2,750
Outreach & Marketing	370	350	400
Programs	2,170	520	1,250
Staffing	2,100	1,850	2,180
General, Administration and other	1,560	990	1,890
<b>TOTAL OPERATING EXPENSES</b>	<b>72,840</b>	<b>62,000</b>	<b>62,270</b>
<b>TOTAL OPERATING INCOME</b>	<b>28,360</b>	<b>24,950</b>	<b>(16,996)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	990	1,358	1,250
Interest expense			
<b>TOTAL NONOPERATING REV/(EXPENSES)</b>	<b>990</b>	<b>1,358</b>	<b>1,250</b>
<b>NET MARGIN</b>	<b>\$ 29,350</b>	<b>\$ 26,308</b>	<b>\$ (15,746)</b>
<b>NET MARGIN %</b>	<b>29%</b>	<b>30%</b>	<b>-35%</b>

#### Multi-Year Forecast

As shown in Table 2 below – Multi-Year Forecast, VCE's long-term renewable PPA contracts provide near/long-term financial cost stability, allowing it to maintain cash reserves and offer competitive customer rates, local programs, and additional progress towards long-term strategic and financial goals.

**Table 2 – Multi-Year Forecast**

Recommended 5% Standard /10% CARE/FERA Discount			Actual YTD Sept. (9 MO) + Forecast (3 MO)	Proposed Budget	Preliminary Forecast*		
	2023	2024	2025	2026	2027	2028	2029
Customer Revenue	95,430	97,979	88,050	45,274	68,250	66,350	66,890
Power Cost	68,528	64,723	55,302	53,800	54,380	56,800	58,500
Other Expenses	6,030	6,275	4,950	7,220	7,660	7,850	8,050
Net Income	20,872	26,981	27,798	(15,746)	6,210	1,700	340

\* The preliminary forecast is based on analysis by CalCCA, MRW, and TEA and power cost forecasts.

Note: Forecasted financials are based on the most current available data and assumptions, as displayed in Table 2. These forecasts may rely on future rate adjustments, reserves, or both to maintain VCE's financial strength.

### Additional Considerations

Other Operating Expenses – Budget Other operating expenses (not including power costs) are nearly flat compared to the 2025 budget, in line with CPI (CPI data is limited due to reporting delays) at ~3.5%. The majority of the cost increases are related to programs and special projects to support the execution of VCE's long-term Strategic Goals. The primary factors in increased costs in this category of expenses include:

- \$1.25M in customer programs related to Charge Your Ride, Panasonic, and other programs to be allocated to specific programs throughout the year.
- \$500K estimated IT enhancements for ERP and Programs support
- Additional costs related to the scheduled Marketing and Programs Plan Updates, including customer focus groups
- 3.5% annual salary/benefits, and contractor inflation rate based on the 2025 3.5% inflation rate.
- 5% administrative contingency rate for unanticipated expenses.

### CONCLUSION

Consistent with the adopted Reserves, Rates, and Budget policy, Staff is recommending that VCE set rates and adopt a budget for 2026 at a level that will fully fund the 2026 budget using a portion of the rate stabilization fund, offer more affordable rates to VCE customers with additional financial relief to CARE/FERA and Medical Baseline customers, while maintaining VCE's A-investment grade credit rating. Staff will continue to review and report operating results and propose upward or downward adjustments as needed. The next scheduled comprehensive review of financial results is in Q2 of 2026, with the audited financial results for 2025.

### ATTACHMENTS

1. 2026 Operational Budget
2. Resolution 2025-XXX



**VALLEY CLEAN ENERGY - 2026 OPERATING BUDGET**

Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	TOTAL
Total Revenues	\$ 3,232,000	\$ 2,745,000	\$ 2,604,000	\$ 2,592,000	\$ 3,002,000	\$ 5,487,000	\$ 6,562,000	\$ 6,140,000	\$ 5,082,000	\$ 3,222,000	\$ 2,889,000	\$ 2,967,000	\$ 46,524,000
Electric Revenue	\$ 3,120,000	\$ 2,633,000	\$ 2,492,000	\$ 2,480,000	\$ 2,890,000	\$ 5,375,000	\$ 6,460,000	\$ 6,038,000	\$ 4,980,000	\$ 3,120,000	\$ 2,787,000	\$ 2,875,000	\$ 45,250,000
Interest Revenues	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 90,000	\$ 1,250,000
Reimbursable Revenues	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Purchased Power	\$ 3,703,000	\$ 3,595,000	\$ 3,618,000	\$ 3,415,000	\$ 3,814,000	\$ 5,312,000	\$ 6,176,000	\$ 6,154,000	\$ 5,362,000	\$ 4,760,000	\$ 3,770,000	\$ 4,121,000	\$ 53,800,000
Purchased Power Base	\$ 3,520,000	\$ 3,417,000	\$ 3,439,000	\$ 3,246,000	\$ 3,625,000	\$ 5,050,000	\$ 5,870,000	\$ 5,850,000	\$ 5,098,000	\$ 4,525,000	\$ 3,584,000	\$ 3,918,000	\$ 51,142,000
Purchased Power Contingency 5%	\$ 183,000	\$ 178,000	\$ 179,000	\$ 169,000	\$ 189,000	\$ 262,000	\$ 306,000	\$ 304,000	\$ 264,000	\$ 235,000	\$ 186,000	\$ 203,000	\$ 2,658,000
Labor & Benefits	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 184,000	\$ 184,000	\$ 184,000	\$ 184,000	\$ 184,000	\$ 186,000	\$ 2,180,000
Salaries & Wages	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 1,770,000
Benefits	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 20,000	\$ 218,000
Human Resources & Payroll	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 192,000
Office Supplies & Other Expenses	\$ 39,500	\$ 39,500	\$ 39,500	\$ 59,000	\$ 39,500	\$ 46,500	\$ 61,500	\$ 86,500	\$ 136,500	\$ 136,500	\$ 136,500	\$ 136,500	\$ 957,500
Technology Costs	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 10,000	\$ 25,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Office Supplies	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Travel	\$ 500	\$ 500	\$ 500	\$ 20,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 25,500
CalCCA Dues	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 192,000
CC Power	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 216,000
Memberships	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Contractual Services	\$ 223,150	\$ 223,150	\$ 278,150	\$ 223,150	\$ 223,150	\$ 223,150	\$ 223,150	\$ 223,150	\$ 223,650	\$ 223,650	\$ 238,650	\$ 223,850	\$ 2,750,000
Other Contract Services (e.g. IRP)	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,700	\$ 150,200
Don Dame	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Wholesale Energy Services (TEA)	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 864,000
2030 100% Renewable & Storage	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 32,000
Customer Support Call Center	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500	\$ 966,000
Energy Advisory Services	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 90,000
Operating Services	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Commercial Legal Support	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Legal General Counsel	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 84,000
Regulatory Counsel	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 204,000
Joint CCA Regulatory counsel	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 19,200
Legislative - (Lobbyist)	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 5,750	\$ 69,000
Accounting Services	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600
Financial Consultant	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Audit Fees	\$ -	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 70,000
Marketing	\$ 32,500	\$ 32,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 400,000
Marketing Collateral	\$ 26,000	\$ 26,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 322,000
Community Engagement Activities & Sponsorships	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 78,000
Programs	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 106,000	\$ 1,250,000
Charge Your Ride	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 960,000
Panasonic	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Other Programs	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 24,000	\$ 266,000
Rents & Leases	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 4,350	\$ 52,200
Hunt Boyer Mansion	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,350	\$ 28,200
Lease Improvement	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Other A&G	\$ 50,600	\$ 50,600	\$ 100,400	\$ 56,100	\$ 62,900	\$ 56,100	\$ 41,600	\$ 41,600	\$ 43,900	\$ 41,600	\$ 41,600	\$ 41,600	\$ 628,600
Development - New Members	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 19,500
Strategic Plan Implementation	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400	\$ 76,800
Community Focus Group	\$ 10,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
PG&E Data Fees	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000
Insurance	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 96,000
Banking & Ratings Fees	\$ 200	\$ 200	\$ 50,000	\$ 200	\$ 7,000	\$ 200	\$ 200	\$ 200	\$ 2,500	\$ 200	\$ 200	\$ 200	\$ 61,300
Miscellaneous Operating Expenses	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,100	\$ 12,100
Contingency	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 240,000
TOTAL OPERATING EXPENSES	\$ 4,357,100	\$ 4,249,100	\$ 4,377,900	\$ 4,095,100	\$ 4,481,400	\$ 5,979,600	\$ 6,849,100	\$ 6,852,100	\$ 6,112,900	\$ 5,508,600	\$ 4,533,600	\$ 4,873,900	\$ 62,270,400
Interest on RCB Term loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense - Bridge Loan \ Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME	\$ (1,125,100)	\$ (1,504,100)	\$ (1,773,900)	\$ (1,503,100)	\$ (1,479,400)	\$ (492,600)	\$ (287,100)	\$ (712,100)	\$ (1,030,900)	\$ (2,286,600)	\$ (1,644,600)	\$ (1,906,900)	\$ (15,746,400)

## VALLEY CLEAN ENERGY ALLIANCE

### RESOLUTION NO. 2025-\_\_\_\_

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE ADOPTING THE CUSTOMER RATES AND OPERATING BUDGET FOR YEAR 2026

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

**WHEREAS**, beginning in 2020, VCE faced financial constraints associated with power market and regulatory volatility driven by forces outside VCE's direct control; and

**WHEREAS**, on November 10, 2021, the Board adopted a cost-based rate policy via Resolution 2021-023; and,

**WHEREAS**, to address volatility driven by forces outside of VCE’s direct control there is a need to adopt rates and operational budgets to cover actual cost and reserve requirements; and

**WHEREAS**, the VCE 2026 proposed Budget for the calendar year 2026 includes Operating Revenues totaling \$46.5 M and purchased power and other operating expenses totaling \$62.3M for a net loss of \$15.8M;

**WHEREAS**, proposed VCE 2026 customer rates include Standard Green Rates with a 5% discount to PG&E’s 2026 generation rates and an additional 5% discount (10% combined) to PG&E 2026 Rates for CARE/FERA and Medical Baseline customers, and VCE Base Green Rate 2.5% lower than PG&E 2025 generation rates.

**NOW, THEREFORE**, the Board of Directors of Valley Clean Energy Alliance hereby adopts the 2026 proposed Budget and Customer Rates for 2026.

**PASSED, APPROVED AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_\_ day of \_\_\_\_\_ 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Bapu Vaitla, VCE Chair

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

Attachment: 2026 Operating Budget

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 12

**TO:** Board of Directors

**FROM:** Sierra Huffman, Sr. Financial Analyst

**SUBJECT:** Valley Clean Energy’s Policy regarding PG&E allocation of Greenhouse Gas (GHG)-free (Large Hydro and Nuclear) resources to Community Choice Aggregators

**DATE:** December 11, 2025

#### RECOMMENDATION

1. Accept the 2026 allocation of large hydro GHG-free attributes;
2. Accept the 2026 allocation of nuclear power GHG-free attributes;
3. Authorize the Executive Officer to enter into an agreement(s) with PG&E to accept the 2026 Large Hydro and Nuclear GHG-free allocations

#### BACKGROUND and ANALYSIS

PG&E owns or contracts for several GHG-free resources, including nuclear from Diablo Canyon Power Plant. PG&E counts these resources on its power content label (PCL) to meet its GHG-free targets. Historically, load serving entities (LSEs) paid for these same assets through the Power Charge Indifference Adjustment (PCIA), yet did not receive the GHG-free benefits – this included VCE.

In mid-2019, CCAs approached PG&E to discuss whether PG&E would be agreeable to selling energy from their large hydro facilities. PG&E ultimately refused to make sales in 2019 but subsequently approached CCAs and offered to allocate GHG-free resources (nuclear and large hydro) to CCAs and other eligible LSEs.

Beginning in 2020, the allocations became available and the VCE Board elected to receive the large hydro attributes. VCE received approximately 24,000 MWHs in 2020; 37,382 MWHs for 2021 (Feb - Dec); and 53,886 MWHs for 2022; and 83,073 MWHs for 2023, 79,109 MWHs in 2024, and approximately 64,065 MWHs in 2025. The final allocation quantity for 2025 will be available mid-April 2026.

Prior to 2024, VCE did not elect to receive the PG&E nuclear GHG-free allocation. Last year, regulatory and energy market changes prompted Staff to reassess the recommendation. CPUC Decision 23-12-036 and the extension of Diablo Canyon Nuclear Power Plant made it so that all CPUC-jurisdictional LSE customers pay the operational cost of Diablo Canyon (i.e. regardless of whether VCE accepts or rejects the attributes, VCE customers will still pay for it). Secondly, if VCE does not accept the allocations, then

PG&E will count VCE's share of the GHG-free energy attributes on its PCL. Thirdly, as part of the regulatory change VCE has already been allocated resource adequacy (RA) capacity from Diablo Canyon for the 2026 RA compliance year, with an average of 8 MW of nuclear capacity per month (ranging between 7.61 – 11.07 MW). Given the above, many CCAs – including MCE, SCP, PCE, Ava, DCE, Pioneer, RCEA, and SVCE – have elected to accept both the large hydro and nuclear attributes.

In 2025, VCE elected to receive the nuclear GHG allocation. Over the year, VCE has received around 47,818 MWHs of nuclear attributes. The final allocation quantity will be available in mid- April of 2026.

There is no obligation to accept the allocation of GHG-free attributes. An LSE can choose to accept neither resource pool, one or the other, or both. The volume that each LSE receives will ultimately depend on the volume of electricity generated by each resource pool and the proportion of PG&E's load served by the LSE.

#### **TENTATIVE SCHEDULE**

<b>2026 GHG-Free Energy Sales (Allocation) Tentative Timeline</b>	
Tuesday, November 4, 2025	· Notice and form 2026 Sales Agreement issued.
Friday, November 7, 2025	· Feedback on form Sales Agreement due to PG&E.
Up to Week of December 15, 2025 ( <b>ACTION REQUIRED</b> )	<ul style="list-style-type: none"> <li>· PG&amp;E will provide Eligible LSEs Offers and a final version of 2026 Sales Agreement</li> <li>· PG&amp;E and Eligible LSEs will execute 2026 Sales Agreement</li> </ul>
January 1, 2026 ( <i>pending execution of Sales Agreement</i> )	· Expected start of Delivery Period under 2026 Sales Agreement
Week of June 15, 2026 ( <i>approximation</i> )	· First Quarterly Report with estimated Allocation Amount will be distributed
On or about April 15, 2027	· Final Report will be distributed to participating LSEs

#### **COMMUNITY ADVISORY COMMITTEE**

At the November 20, 2025 Community Advisory Committee (CAC) meeting, Staff presented updated hydro and nuclear allocation and resource information consideration. The CAC supported Staff's recommendation to accept both the hydro and nuclear allocations (7-1 vote).

#### **RECOMMENDATION**

Staff's position on both the large hydro and nuclear allocations is consistent with the 2025 recommendation. Key factors include:

- VCE is using capacity from Diablo for resource adequacy (RA); many of VCE's counterparts continue to elect to receive nuclear attributes; large hydro and nuclear improve VCE's emission rate.
- The monetary value has improved over prior years. The large hydro allocations can be resold, but per the CPUC decision, the nuclear attributes cannot be resold.

Based on these factors, Staff believe that VCE is better served by accepting both the hydro and nuclear allocations for 2026. Staff is recommending that the Board:

1. Accept the 2026 allocation of large hydro GHG-free attributes;
2. Accept the 2026 allocation of nuclear power GHG-free attributes;
3. Recommend the Executive Officer enter into an agreement(s) with PG&E to accept the 2026 Large Hydro and Nuclear GHG-free allocations.