



**Regular Meeting of the Valley Clean Energy Alliance  
Board of Directors  
Thursday, June 11, 2026 at 5:30 p.m.  
City of Davis Community Chambers  
23 Russell Boulevard, Davis, California 95616**

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

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

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

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

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

**Join meeting via Zoom:**

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

<https://us02web.zoom.us/j/81004511448>

**Meeting ID: 810 0451 1448**

- b. By phone:**

One tap mobile:

+1-669-444-9171,,81004511448# US

+1-669-900-9128,,81004511448# US

**Or Dial:**

+1-669-444-9171 US

+1-669-900-9128 US

**Meeting ID: 810 0451 1448**

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

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

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

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

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

**CONSENT AGENDA**

- 3. Approve April 9, 2026 Board meeting Minutes.**
- 4. Receive 2026 long range calendar.**
- 5. Receive Treasurer's Reports: A) January 31, 2026; B) February 28, 2026; C) March 31, 2026; and, D) April 30, 2026.**
- 6. Receive legislative update provided by Pacific Policy Group.**
- 7. Receive May 2026 regulatory update dated June 3, 2026 provided by Keyes & Fox.**
- 8. Receive Community Advisory Committee May 28, 2026 meeting summary.**
- 9. Receive annual Load Management Standards update. (Information)**
- 10. Authorize VCE to execute documents associated with Amendment One (1) to CC Power Agreement for the Fish Lake geothermal project. (Action)**
- 11. Appointment/Reappointment of Members to Community Advisory Committee. (Action)**

## REGULAR AGENDA

12. Receive Summer Preparedness outlook. (Information)
13. Receive and accept Calendar Year 2025 Audited Financial Statements. (Action)
14. Receive mid-year 2026 financial update. (Information)
15. Approve 2025 Net Margin allocation. (Discussion/Action)
16. Receive Recap of CalCCA 2026 Annual Conference. (Information)
17. **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.
18. **Adjournment/Announcement:** The Board's next regular meeting has been scheduled for Thursday, July 9, 2026 at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695.

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

**Public participation via e-mail:** If you have anything that you wish to be distributed to the Board and included in the official record, please e-mail it to VCE staff at [Meetings@ValleyCleanEnergy.org](mailto:Meetings@ValleyCleanEnergy.org) . If information is received by 3:00 p.m. on the day of the Board meeting it will be e-mailed to the Board members and other staff prior to the meeting. If it is received after 3:00 p.m. the information will be distributed after the meeting, but within 24 hours of the conclusion of the meeting. Written public comments that do not exceed 300 words will be read by the VCE Board Clerk, or other assigned VCE staff, to the Board and the public during the meeting subject to the usual time limit for public comments [two (2) minutes]. General written public comments will be read during Item 2, Public Comment. *Written public comment on individual agenda items should include the item number in the "Subject" line for the e-mail and the Clerk will read the comment during the item.* All written comments received will be posted to the VCE website.

**Verbal public participation during the meeting:**

- 1) **If attending in person**, please complete a **Comment Card** and return it to the Board Clerk.
- 2) **If attending remotely via Zoom**, there are two (2) ways for the public to provide verbal comments:
  - A. If you are attending by computer, activate the "participants" icon at the bottom of your screen, then raise your hand (hand clap icon) under "reactions". When called upon, you will be "unmuted" to allow to speak.
  - B. If you are attending by phone only, you will need to press \*9 to raise your hand. When called upon, press \*6 to unmute your microphone.

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

Public records that relate to any item on the open session agenda for a regular or special Board meeting are available for public review on the VCE website. Records that are

distributed to the Board by VCE staff less than 72 hours prior to the meeting will be posted to the VCE website at the same time they are distributed to all members, or a majority of the members of the Board. Questions regarding VCE public records related to the meeting should be directed to Board Clerk Alisa Lembke at (530) 446-2750 or [Alisa.Lembke@ValleyCleanEnergy.org](mailto:Alisa.Lembke@ValleyCleanEnergy.org). The Valley Clean Energy website is located at: <https://valleycleanenergy.org/board-meetings/>.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 3

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**TO:** Board of Directors  
**FROM:** Alisa Lembke, Board Clerk / Administrative Analyst  
**SUBJECT:** Approval of April 9, 2026 Board meeting Minutes  
**DATE:** June 11, 2026

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#### RECOMMENDATION

Receive, review and approve the attached April 9, 2026 meeting Minutes.

Attachment: April 9, 2026 Board meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS REGULAR MEETING  
THURSDAY, APRIL 9, 2026**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, April 9, 2026 at 5:30 p.m. to be held at City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. Board Chair Jesse Loren established that there was a quorum present and began the meeting at 5:30 p.m.

Board Members Present: Jesse Loren (Chair), Tania Garcia-Cadena (Vice Chair), Richard Casavecchia, Donna Neville, Sheila Allen, Bapu Vaitla (arrived at 5:32 p.m.), Tom Stallard (arrived at 6:03 p.m.)

Members Absent: Lucas Frerichs

Item 1: Welcome and Approval of the Agenda Chair Loren welcomed everyone. (Director Vaitla arrived at 5:32 p.m.) Director Neville made a motion to approve the April 9, 2026 Agenda, seconded by Director Allen. Motion passed unanimously.

Item 2. Public Comment – General and Consent Items There were no written or verbal public comments not on the agenda or on consent items.

Items 3-13. Approval of the Agenda and Consent Agenda Items / Resolutions 2026-007 through 2026-009 Motion made by Director Casavecchia to approve the Consent agenda items, seconded by Vice Chair Garcia-Cadena. Motion passed unanimously. The following items were:

3. Approved February 12, 2026 Board meeting Minutes;
4. Received 2026 long range calendar;
5. Received legislative update provided by Pacific Policy Group;
6. Received March 2026 regulatory update dated April 1, 2026 provided by Keyes & Fox;
7. Received Community Advisory Committee March 26, 2026 meeting summary;
8. Received Customer Participation update (Quarter 1 2026);
9. Received Enterprise Risk Management Report (Bi-Annual);
10. Approved updates to VCE's Conflict of Interest Code as Resolution 2026-007;



11. Approved updates via Resolution to Exhibit C – Annual Energy Usage and Exhibit D – Voting Rights to VCE’s Joint Powers Authority as Resolution 2026-008;
12. Received process and schedule of Integrated Resource Plan update; and,
13. Received Treasury and financial update; ratified Investment Policy; and, approved via Resolution 2026-009 a one year extension of Second Amended and Restated Credit Agreement with River City Bank.

Item 14. Approve Second Amended and Restated Power Purchase Agreement for the Gibson Project. (Discussion/Action) Resolution 2026-010

VCE Chief Executive Officer Mitch Sears introduced this item. VCE Staff Chad Curran provided the background and history of the Gibson project since VCE signed the original Power Purchase Agreement (PPA) in 2020. Mr. Curran highlighted the terms of the 2<sup>nd</sup> Amended and Restated PPA, including their support of VCE’s Microgrid Incentive Program (MIP) grant application which provides funds to support the development of microgrids to increase resiliency. Mr. Curran informed those present that the proposed microgrid location is within Gibson’s site area of Esparto and the surrounding areas.

The Board and Staff discussed: the project’s photovoltaic (PV) and battery energy storage system (BESS) capabilities; site and surrounding area site capabilities; and project economics, including prices. (Tom Stallard arrived at 6:03 p.m.) Mr. Curran commented that the Gibson project supports VCE’s Strategic Plan local procurement and resiliency goals. There were no verbal or written public comments.

Motion made by Director Allen to authorize the Chief Executive Officer to execute a second amended and restated power purchase agreement (PPA) and any necessary ancillary documents for the Gibson renewable photovoltaic (PV) plus battery energy storage system (BESS) project. Motion was seconded by Director Vaitla. Motion passed with the following vote:

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

NOES: None

ABSENT: Frerichs

ABSTAIN: None

Item 15. Ratify Valley Clean Energy’s positions

Mr. Sears introduced this item and provided a brief description of the legislative bills: AB 1761 (Improving PCIA Transparency); SB 1138 (Resource Adequacy Transactability); and, AB 2383 (Large Load Rate



on the following bills: A. support AB 1761 (Rogers); B. support SB 1138 (Padilla); and, C. oppose unless amended AB 2383 (Zbur).

Setting Authority). Mr. Sears reminded those present that CalCCA is the sponsor of legislative bills AB 1761 and SB 1138. VCE Staff Yvonne Hunter provided a brief overview of AB 1761 and Mark Fenstermaker of Pacific Policy Group, VCE's lobby consultant, provided the current status of this bill. VCE supports this bill.

Ms. Hunter provided brief overview of SB 1138 and Mr. Fenstermaker provided the current status of this bill. VCE supports this bill.

Ms. Hunter provided brief overview of AB 2383 and Mr. Fenstermaker provided the current status, noting that 5-6 Committee Members expressed support of their CCAs within their district. Mr. Fenstermaker informed those present that he expects this bill to go through amendments. VCE opposes unless amended AB 2383.

The Board and Staff discussed AB 2383 (Large Load Rate Setting Authority). There were no verbal or written public comments. Director Vaitla requested that two (2) separate motions be made, one motion for support of AB 1761 and SB 2238 and a second motion for AB 2383 oppose unless amended.

Director Vaitla made a motion to ratify VCE's positions on the following bills: A) support AB 1761 (Improving PCIA Transparency) and B) support SB 1138 (Resource Adequacy Transactability), motion seconded by Director Neville. Motion passed with the following vote:

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

NOES: None

ABSENT: Frerichs

ABSTAIN: None

Chair Loren made a motion to ratify VCE's position on C) oppose unless amended AB 2383 (Large Load Rate Setting Authority), motion seconded by Director Allen. Motion passed with the following vote:

AYES: Garcia-Cadena, Casavecchia, Neville, Allen, Stallard, Loren

NOES: Vaitla

ABSENT: Frerichs

ABSTAIN: None



Item 16. Board Member and Staff Announcements.

A Board Member mentioned that the large load subject is a broader discussion that should include Yolo County.

Mr. Sears announced that VCE will be participating in the Winters Youth Day scheduled for Saturday, April 25<sup>th</sup> and at the California Honey Festival for two (2) days on May 16 – 17 at the Yolo County Fairgrounds. At the CalCCA Conference, VCE is cohosting with Pioneer Community Energy a breakfast on Wednesday, May 13<sup>th</sup>. VCE Staff Rebecca Kuczynski informed those present that recruitment of VCE customers continues for the CHARGE Program (formerly known as REACT).

Item 17: Announcement / Adjournment

Chair Loren announced that there will be no May meeting due to the CalCCA Conference being held on May 12-14, 2026. The Board's next regular meeting has been scheduled for Thursday, June 11, 2026 at the City of Davis Community Chambers. There being no further business to discuss, the meeting was adjourned at 6:55 p.m.

Alisa M. Lembke  
VCEA Board Secretary

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 4

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**TO:** Board of Directors

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

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

**DATE:** June 11, 2026

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#### **Recommendation**

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

Attachment: 2026 Board and CAC long range calendar

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

MEETING DATE		TOPICS	ACTION
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>• Power Portfolio update (R)</li> <li>• 2025 Year in review: Customer Care &amp; Marketing (R)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> <li>• Information</li> </ul>
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)</li> <li>• Election of Officers for 2026 (Annual) (R)</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2025) (O)</li> <li>• 2025 Year-end review (O)</li> <li>• VCE Employee Handbook update (R)</li> <li>• Annual Strategic Plan Report (R)</li> <li>• Receive CAC 2025 Year-end Task Group Reports (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Information</li> <li>• Information</li> <li>• Action</li> <li>• Information</li> <li>• Information</li> </ul>
<del>February 26, 2026</del> Cancelled	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• This meeting has been cancelled.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<del>March 12, 2026</del> Cancelled.	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• This meeting has been cancelled.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

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

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

June 25, 2026	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• Receive Summer Preparedness outlook (O)</li> <li>• Receive annual Load Management Standards (LMS) update (O)</li> <li>• Seek recommendation to Board on updated Integrated Resource Plan (IRP) (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
July 9, 2026	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• Customer Participation update (2<sup>nd</sup> Quarter 2026) (O)</li> <li>• Approve updates to Integrated Resource Plan (IRP) (R)</li> <li>• Residential Dynamic Pricing Pilot Program (HFP) (placeholder) (O)</li> <li>• CC Power – Willow Rock PPA (placeholder) (O)</li> <li>• Indian Valley Long Term PPA (placeholder) (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> </ul>
July 23, 2026	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• * Tentatively no meeting.</li> </ul>	
August 13, 2026	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• * Tentatively no meeting.</li> </ul>	
August 27, 2026	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• Customer Participation Update (2<sup>nd</sup> Quarter 2026) (O)</li> <li>• Power Portfolio Update (O)</li> <li>• Receive updated Integrated Resource Plan (IRP) (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
September 10, 2026	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• Certification of 2025 Power Content Label (Annual) (R)</li> <li>• Programs / 3 Year Programs Plan update (placeholder) (O)</li> <li>• Electric Vehicle (Charge Your Ride) Rebate Program (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> </ul>
September 24, 2026	<b>Advisory Committee (Woodland)</b>	<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	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Enterprise Risk Management Update (Annual) (R)</li> <li>• Customer Participation Update (3<sup>rd</sup> Quarter 2026) (O)</li> <li>• Legislative End of Session Update (O)</li> <li>• Programs / 3 Year Programs Plan update (placeholder) (O)</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
October 22, 2026	<b>Advisory Committee (Davis)</b>	<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	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• 2027 Preliminary Operating Budget (R)</li> <li>• Contract Renewals (R) (placeholder)</li> <li>• Approve 2027 Legislative and Regulatory Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> </ul>

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

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>
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	ESTIMATED MEETING DATE(S)

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

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 5 (a)**

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**TO:** Board of Directors

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

**SUBJECT:** Monthly Treasurer’s Report (Informational Item) – January 31, 2026

**DATE:** June 11, 2026

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**RECOMMENDATION:**

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

**BACKGROUND & DISCUSSION:**

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

The Financial Statements include the following reports:

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

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

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

In the Statement of Net Position, VCE, as of January 31, 2026, has a total of \$81,146,282 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On January 31, 2026, VCE’s net position was \$96,309,464.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$5,746,928 of revenue (net of allowance for doubtful accounts), of which \$5,844,312 was billed in, and \$3,389,203 represents estimated unbilled revenue. The cost of electricity for the January revenue totaled \$4,430,849. For January, VCE’s gross margin was approximately 25% and the net income totaled \$1,018,692. The year-to-date change in net position was \$1,018,692.

In the Statement of Cash Flows, VCE cash flows from operations were \$2,359,509 due to January cash receipts of revenues being more than the monthly cash operating expenses.

**Bank Account Balances (as of 01/31/2026):**

Operating Account	\$41,857,693
Insured Cash Sweep Account	\$40,047,394
Debt Service Account	\$1,100,000
CAISO Operational Account	\$7,435,307
Total Cash on Deposit	\$90,440,394

Note: VCE receives 6.19% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. January 2026 earnings were \$152,045.

**VCE's Outstanding Loan Balances (as of 01/31/2026):**

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

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

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

- Electric Revenue – \$2,673,348 and 83% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments than forecasted, resulting from final actual results for PG&E included in the December true-up process.
- Purchased Power – \$727,849 and 20% – Unfavorable, mainly due to lower power costs resulting in less PPA cost recoveries and increased curtailment energy.
- Programs \$115,448 – 100% Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.

**Attachments:**

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



# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

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

**PREPARED ON JUNE 3, 2026**

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

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 81,146,282
Accounts receivable, net of allowance	8,846,909
Accrued revenue	3,389,203
Prepaid expenses	210,733
Inventory - Renewable Energy Credits	-
Other current assets and deposits	9,242,190
Total current assets	102,835,317

Restricted assets:

Debt service reserve fund	1,100,000
Total restricted assets	1,100,000
<b>TOTAL ASSETS</b>	<b>\$ 103,935,317</b>

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 273,849
Accrued payroll	91,483
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	3,403,961
Other accrued liabilities	1,995,765
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	60,795
<b>TOTAL LIABILITIES</b>	<b>\$ 7,625,852</b>

**NET POSITION**

Net position:

Designated Funds	\$ 18,849,585
Local Programs Reserve	2,709,585
Rate Stabilization	12,284,000
Customer Dividends	3,856,000
Restricted	1,100,000
Unrestricted	76,359,879
<b>TOTAL NET POSITION</b>	<b>\$ 96,309,464</b>

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

	<b>FOR THE PERIOD ENDING JANUARY 31, 2026</b>	<b>YEAR TO DATE</b>
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 5,746,928	\$ 5,746,928
Other revenue	6,375	\$ 6,375
<b>TOTAL OPERATING REVENUES</b>	<b>5,753,303</b>	<b>5,753,303</b>
<b>OPERATING EXPENSES</b>		
Cost of electricity	4,430,849	4,430,849
Contract services	237,730	237,730
Staff compensation	139,624	139,624
General, administration, and other	78,453	78,453
<b>TOTAL OPERATING EXPENSES</b>	<b>4,886,656</b>	<b>4,886,656</b>
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>866,647</b>	<b>866,647</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	152,045	152,045
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>152,045</b>	<b>152,045</b>
<b>CHANGE IN NET POSITION</b>	<b>1,018,692</b>	<b>1,018,692</b>
Net position at beginning of period	95,290,772	95,290,772
Net position at end of period	<b>\$ 96,309,464</b>	<b>\$ 96,309,464</b>

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

	FOR THE PERIOD ENDING JANUARY 31, 2026	YEAR TO DATE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 7,454,490	\$ 7,454,490
Public purpose program receipts	-	-
Payments received from other revenue sources	6,375	6,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(4,603,274)	(4,603,274)
Payments for contract services, general, and administration	(329,096)	(329,096)
Payments for member agency services	-	-
Payments for staff compensation	(168,985)	(168,985)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
<b>Net cash provided (used) by operating activities</b>	2,359,509	2,359,509
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
<b>Net cash provided (used) by non-capital financing activities</b>	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	152,045	152,045
<b>Net cash provided (used) by investing activities</b>	152,045	152,045
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of period	2,511,554	2,511,554
<b>Cash and cash equivalents at end of period</b>	79,734,728	79,734,728
	82,246,282	82,246,282
Cash and cash equivalents included in:		
Cash and cash equivalents	81,146,282	81,146,282
Restricted assets	1,100,000	1,100,000
<b>Cash and cash equivalents at end of period</b>	\$ 82,246,282	\$ 82,246,282

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

	<u>FOR THE</u> <u>PERIOD ENDING</u> <u>JANUARY 31, 2026</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 866,647	\$ 866,647
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	58,300	58,300
(Increase) decrease in net accounts receivable	1,260,181	1,260,181
(Increase) decrease in accrued revenue	374,475	374,475
(Increase) decrease in prepaid expenses	(16,700)	(16,700)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	(18,688)	(18,688)
Increase (decrease) in accrued payroll	(29,361)	(29,361)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	(149,950)	(149,950)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	14,606	14,606
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,359,509</b>	<b>\$ 2,359,509</b>

**VALLEY CLEAN ENERGY**  
**2026 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 01/31/26**

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
<b>Total Revenues</b>	\$ 5,905,348	\$ 3,232,000	\$ 2,673,348	83%
Electric Revenue	\$ 5,746,928	\$ 3,120,000	\$ 2,626,928	84%
Interest Revenues	\$ 152,045	\$ 110,000	\$ 42,045	38%
Reimbursable Revenues	\$ 6,375	\$ 2,000	\$ 4,375	219%
<b>Purchased Power</b>	\$ 4,430,849	\$ 3,703,000	\$ 727,849	20%
Purchased Power Base	\$ 4,430,849	\$ 3,520,000	\$ 910,849	26%
Purchased Power Contingency 5%	\$ -	\$ 183,000	\$ (183,000)	-100%
<b>Labor &amp; Benefits</b>	\$ 142,742	\$ 179,000	\$ (36,258)	-20%
Salaries & Wages/Benefits	\$ 106,520	\$ 145,000	\$ (38,480)	-27%
Contract Labor	\$ 21,040	\$ 18,000	\$ 3,040	17%
Human Resources & Payroll	\$ 15,182	\$ 16,000	\$ (818)	-5%
<b>Office Supplies &amp; Other Expenses</b>	\$ 23,800	\$ 39,500	\$ (15,700)	-40%
Technology Costs	\$ 5,584	\$ 3,000	\$ 2,584	86%
Office Supplies	\$ 716	\$ 1,000	\$ (284)	-28%
Travel	\$ -	\$ 500	\$ (500)	-100%
CalCCA Dues	\$ 17,500	\$ 16,000	\$ 1,500	9%
CC Power	\$ -	\$ 18,000	\$ (18,000)	-100%
Memberships	\$ -	\$ 1,000	\$ (1,000)	-100%
<b>Contractual Services</b>	\$ 207,000	\$ 223,150	\$ (16,150)	-7%
Other Contract Services (e.g. IRP)	\$ -	\$ 12,500	\$ (12,500)	-100%
Don Dame	\$ 306	\$ 3,000	\$ (2,694)	-90%
Wholesale Energy Services (TEA)	\$ 74,912	\$ 72,000	\$ 2,912	4%
2030 100% Renewable & Storage	\$ -	\$ 2,500	\$ (2,500)	-100%
Customer Support Call Center	\$ 84,697	\$ 80,500	\$ 4,197	5%
Operating Services	\$ 26	\$ 10,000	\$ (9,974)	-100%
Commercial Legal Support	\$ 16,269	\$ 2,000	\$ 14,269	713%
Legal General Counsel	\$ 10,797	\$ 7,000	\$ 3,797	54%
Regulatory Counsel	\$ 14,494	\$ 17,000	\$ (2,506)	-15%
Joint CCA Regulatory counsel	\$ -	\$ 1,600	\$ (1,600)	-100%
Legislative - (Lobbyist)	\$ 5,500	\$ 5,750	\$ (250)	-4%
Accounting Services	\$ -	\$ 300	\$ (300)	-100%
Financial Consultant	\$ -	\$ 1,500	\$ (1,500)	-100%
Audit Fees	\$ -	\$ -	\$ -	100%
<b>Marketing</b>	\$ 29,865	\$ 32,500	\$ (2,635)	-8%
Marketing Collateral	\$ 29,865	\$ 26,000	\$ 3,865	15%
Community Engagement Activities & Sponsorships	\$ -	\$ 6,500	\$ (6,500)	-100%
<b>Programs</b>	\$ (1,448)	\$ 114,000	\$ (115,448)	-101%
Program Costs (Rebates, Incentives, etc.)	\$ (1,448)	\$ 80,000	\$ (81,448)	-102%
Member Agency Advisory Services	\$ -	\$ 2,000	\$ (2,000)	-100%
HFP Pilot	\$ -	\$ 22,000	\$ (22,000)	-100%
PIPP Program	\$ -	\$ 10,000	\$ (10,000)	-100%
<b>Rents &amp; Leases</b>	\$ 2,100	\$ 4,350	\$ (2,250)	-52%
Hunt Boyer Mansion	\$ 2,100	\$ 2,350	\$ (250)	-11%
Lease Improvement	\$ -	\$ 2,000	\$ (2,000)	-100%
<b>Other A&amp;G</b>	\$ 51,688	\$ 50,600	\$ 1,088	2%
Development - New Members	\$ -	\$ 1,000	\$ (1,000)	-100%
Strategic Plan Implementation	\$ 1,796	\$ 6,400	\$ (4,604)	-72%
Strategic Plan Update & Community Focus Group	\$ -	\$ 10,000	\$ (10,000)	-100%
PG&E Data Fees	\$ 44,117	\$ 25,000	\$ 19,117	76%
Insurance	\$ 5,775	\$ 8,000	\$ (2,225)	-28%
Banking Fees	\$ -	\$ 200	\$ (200)	-100%
<b>Miscellaneous Operating Expenses</b>	\$ 61	\$ 1,000	\$ (939)	-94%
Contingency	\$ -	\$ 20,000	\$ (20,000)	-100%
	0	0		
<b>TOTAL OPERATING EXPENSES</b>	\$ 4,886,656	\$ 4,367,100	\$ 519,556	12%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
<b>NET INCOME</b>	\$ 1,018,692	\$ (1,135,100)		

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 5 (b)**

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**TO:** Board of Directors

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

**SUBJECT:** Monthly Treasurer’s Report (Informational Item) – February 28, 2026

**DATE:** June 11, 2026

---

**RECOMMENDATION:**

Accept the Treasurer’s report on VCE’s cash, investments, debt, and unaudited financial statements (with comparative year to date information) and Actual vs. Budget year to date for the month ending February 30, 2026.

**BACKGROUND & DISCUSSION:**

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

The Financial Statements include the following reports:

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

In addition, Staff is reporting the Actual vs. Budget variances year to date ending February 28, 2026.

**Financial Statements for the period February 1, 2026 – February 28, 2026**

In the Statement of Net Position, VCE, as of February 30, 2026, has a total of \$82,736,841 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On February 30, 2026, VCE’s net position was \$95,600,670.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$2,492,832 of revenue (net of allowance for doubtful accounts), of which \$2,789,619 was billed in, and \$3,321,506 represents estimated unbilled revenue. The cost of electricity for the February revenue totaled \$2,954,361. For February, VCE’s gross margin was approximately -12%, and the net loss totaled \$708,795. The year-to-date change in net position was \$309,897.

In the Statement of Cash Flows, VCE cash flows from operations were \$1,590,558 due to February cash receipts of revenues being more than the monthly cash operating expenses.

**Bank Account Balances (as of 02/28/2026):**

Operating Account	\$43,593,026
Insured Cash Sweep Account	\$40,170,372
Debt Service Account	\$1,100,000
CAISO Operational Account	\$7,490,332
Total Cash on Deposit	\$92,353,731

Note: VCE receives 6.05% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. February 2026 earnings were \$145,567.

**VCE's Outstanding Loan Balances (as of 02/28/2026):**

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

**Actual vs. Budget Variances for the year to date ending February 28, 2026**

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

- Electric Revenue – \$2,566,747 and 43% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments than forecasted, resulting from final actual results for PG&E included in the December true-up process.
- Purchased Power – \$87,210 and 1% – Unfavorable, mainly due to lower power costs resulting in less PPA cost recoveries and increased curtailment energy.
- Programs \$186,670 – 100% Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.

**Attachments:**

- 3) Financial Statements (Unaudited) February 1, 2026 to February 28, 2026 (with comparative year to date information.)
- 4) Actual vs. Budget for the year to date ending February 28, 2026



# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF FEBRUARY 1 TO FEBRUARY 28, 2026**

**PREPARED ON JUNE 3, 2026**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
**FEBRUARY 28, 2026**  
**(UNAUDITED)**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 82,736,841
Accounts receivable, net of allowance	6,420,406
Accrued revenue	3,321,506
Prepaid expenses	218,613
Inventory - Renewable Energy Credits	-
Other current assets and deposits	9,297,215
<b>Total current assets</b>	<u>101,994,581</u>

Restricted assets:

Debt service reserve fund	1,100,000
<b>Total restricted assets</b>	<u>1,100,000</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 103,094,581</u></u>
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**LIABILITIES**

Current liabilities:

Accounts payable	271,582
Accrued payroll	110,535
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	3,108,463
Other accrued liabilities	2,184,287
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	19,045

<b>TOTAL LIABILITIES</b>	<u><u>\$ 7,493,911</u></u>
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**NET POSITION**

Net position:

Designated Funds	\$ 18,849,585
Local Programs Reserve	2,709,585
Rate Stabilization	12,284,000
Customer Dividends	3,856,000
Restricted	1,100,000
Unrestricted	75,651,085

<b>TOTAL NET POSITION</b>	<u><u>\$ 95,600,670</u></u>
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**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**FEBRUARY 28, 2026**  
(WITH COMPARATIVE YEAR TO DATE INFORMATION)  
(UNAUDITED)

	<b>FOR THE PERIOD ENDING FEBRUARY 28, 2026</b>	<b>YEAR TO DATE</b>
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 2,492,832	\$ 8,239,760
Other revenue	-	6,375
<b>TOTAL OPERATING REVENUES</b>	<b>2,492,832</b>	<b>8,246,135</b>
<b>OPERATING EXPENSES</b>		
Cost of electricity	2,954,361	7,385,210
Contract services	118,135	355,865
Staff compensation	163,986	303,610
General, administration, and other	110,712	189,165
<b>TOTAL OPERATING EXPENSES</b>	<b>3,347,194</b>	<b>8,233,850</b>
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>(854,362)</b>	<b>12,285</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	145,567	297,612
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>145,567</b>	<b>297,612</b>
<b>CHANGE IN NET POSITION</b>	<b>(708,795)</b>	<b>309,897</b>
Net position at beginning of period	96,309,464	95,290,772
Net position at end of period	<b>\$ 95,600,670</b>	<b>\$ 95,600,670</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FEBRUARY 28, 2026**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	FOR THE PERIOD ENDING FEBRUARY 28, 2026	YEAR TO DATE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 5,133,804	\$ 12,588,293
Public purpose program receipts	-	-
Payments received from other revenue sources	-	6,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(3,318,539)	(7,921,813)
Payments for contract services, general, and administration	(225,339)	(554,435)
Payments for member agency services	-	-
Payments for staff compensation	(144,934)	(313,919)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
<b>Net cash provided (used) by operating activities</b>	<b>1,444,992</b>	<b>3,804,501</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
<b>Net cash provided (used) by non-capital financing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	145,567	297,612
<b>Net cash provided (used) by investing activities</b>	<b>145,567</b>	<b>297,612</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of period	82,246,282	79,734,728
<b>Cash and cash equivalents at end of period</b>	<b>83,836,841</b>	<b>83,836,841</b>
Cash and cash equivalents included in:		
Cash and cash equivalents	82,736,841	82,736,841
Restricted assets	1,100,000	1,100,000
<b>Cash and cash equivalents at end of period</b>	<b>\$ 83,836,841</b>	<b>\$ 83,836,841</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FEBRUARY 28, 2026**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE</u> <u>PERIOD ENDING</u> <u>FEBRUARY 28, 2026</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (854,362)	\$ 12,285
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	27,800	86,100
(Increase) decrease in net accounts receivable	2,587,224	3,847,405
(Increase) decrease in accrued revenue	67,697	442,172
(Increase) decrease in prepaid expenses	(7,880)	(24,580)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	(2,267)	(20,955)
Increase (decrease) in accrued payroll	19,052	(10,310)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	(350,523)	(500,473)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	(41,750)	(27,144)
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,444,992</b>	<b>\$ 3,804,501</b>

**VALLEY CLEAN ENERGY**  
**2026 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 02/28/26**

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
<b>Total Revenues</b>	\$ 8,543,747	\$ 5,977,000	\$ 2,566,747	43%
Electric Revenue	\$ 8,239,760	\$ 5,753,000	\$ 2,486,760	43%
Interest Revenues	\$ 297,612	\$ 220,000	\$ 77,612	35%
Reimbursable Revenues	\$ 6,375	\$ 4,000	\$ 2,375	59%
<b>Purchased Power</b>	\$ 7,385,210	\$ 7,298,000	\$ 87,210	1%
Purchased Power Base	\$ 7,385,210	\$ 6,937,000	\$ 448,210	6%
Purchased Power Contingency 5%	\$ -	\$ 361,000	\$ (361,000)	-100%
<b>Labor &amp; Benefits</b>	\$ 309,142	\$ 358,000	\$ (48,858)	-14%
Salaries & Wages/Benefits	\$ 245,554	\$ 290,000	\$ (44,446)	-15%
Contract Labor	\$ 35,698	\$ 36,000	\$ (302)	-1%
Human Resources & Payroll	\$ 27,890	\$ 32,000	\$ (4,110)	-13%
<b>Office Supplies &amp; Other Expenses</b>	\$ 55,235	\$ 79,000	\$ (23,765)	-30%
Technology Costs	\$ 14,847	\$ 6,000	\$ 8,847	147%
Office Supplies	\$ 4,053	\$ 2,000	\$ 2,053	103%
Travel	\$ -	\$ 1,000	\$ (1,000)	-100%
CalCCA Dues	\$ 35,000	\$ 32,000	\$ 3,000	9%
CC Power	\$ -	\$ 36,000	\$ (36,000)	-100%
Memberships	\$ 1,335	\$ 2,000	\$ (665)	-33%
<b>Contractual Services</b>	\$ 320,532	\$ 446,300	\$ (125,768)	-28%
Other Contract Services (e.g. IRP)	\$ -	\$ 25,000	\$ (25,000)	-100%
Don Dame	\$ 632	\$ 6,000	\$ (5,368)	-89%
Wholesale Energy Services (TEA)	\$ 78,755	\$ 144,000	\$ (65,245)	-45%
2030 100% Renewable & Storage	\$ -	\$ 5,000	\$ (5,000)	-100%
Customer Support Call Center	\$ 162,046	\$ 161,000	\$ 1,046	1%
Operating Services	\$ 460	\$ 20,000	\$ (19,540)	-98%
Commercial Legal Support	\$ 13,570	\$ 4,000	\$ 9,570	239%
Legal General Counsel	\$ 33,951	\$ 14,000	\$ 19,951	143%
Regulatory Counsel	\$ 23,618	\$ 34,000	\$ (10,382)	-31%
Joint CCA Regulatory counsel	\$ -	\$ 3,200	\$ (3,200)	-100%
Legislative - (Lobbyist)	\$ 5,500	\$ 11,500	\$ (6,000)	-52%
Accounting Services	\$ -	\$ 600	\$ (600)	-100%
Financial Consultant	\$ -	\$ 3,000	\$ (3,000)	-100%
Audit Fees	\$ 2,000	\$ -	\$ 2,000	100%
<b>Marketing</b>	\$ 36,415	\$ 65,000	\$ (28,585)	-44%
Marketing Collateral	\$ 36,415	\$ 52,000	\$ (15,585)	-30%
Community Engagement Activities & Sponsorships	\$ -	\$ 13,000	\$ (13,000)	-100%
<b>Programs</b>	\$ 41,330	\$ 228,000	\$ (186,670)	-82%
Program Costs (Rebates, Incentives, etc.)	\$ 41,330	\$ 160,000	\$ (118,670)	-74%
Member Agency Advisory Services	\$ -	\$ 4,000	\$ (4,000)	-100%
HFP Pilot	\$ -	\$ 44,000	\$ (44,000)	-100%
PIPP Program	\$ -	\$ 20,000	\$ (20,000)	-100%
<b>Rents &amp; Leases</b>	\$ 4,200	\$ 8,700	\$ (4,500)	-52%
Hunt Boyer Mansion	\$ 4,200	\$ 4,700	\$ (500)	-11%
Lease Improvement	\$ -	\$ 4,000	\$ (4,000)	-100%
<b>Other A&amp;G</b>	\$ 81,724	\$ 101,200	\$ (19,476)	-19%
Development - New Members	\$ -	\$ 2,000	\$ (2,000)	-100%
Strategic Plan Implementation	\$ 4,016	\$ 12,800	\$ (8,785)	-69%
Strategic Plan Update & Community Focus Group	\$ -	\$ 20,000	\$ (20,000)	-100%
PG&E Data Fees	\$ 66,159	\$ 50,000	\$ 16,159	32%
Insurance	\$ 11,550	\$ 16,000	\$ (4,450)	-28%
Banking Fees	\$ -	\$ 400	\$ (400)	-100%
<b>Miscellaneous Operating Expenses</b>	\$ 61	\$ 2,000	\$ (1,939)	-97%
Contingency	\$ -	\$ 40,000	\$ (40,000)	-100%
	0	0		
<b>TOTAL OPERATING EXPENSES</b>	\$ 8,233,850	\$ 8,626,200	\$ (392,350)	-5%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
<b>NET INCOME</b>	\$ 309,897	\$ (2,649,200)		

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 5 (c)**

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**TO:** Board of Directors

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

**SUBJECT:** Monthly Treasurer’s Report (Informational Item) – March 31, 2026

**DATE:** June 11, 2026

---

**RECOMMENDATION:**

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

**BACKGROUND & DISCUSSION:**

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

The Financial Statements include the following reports:

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

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

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

In the Statement of Net Position, VCE, as of March 31, 2026, has a total of \$82,728,341 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On March 31, 2026, VCE’s net position was \$94,014,289.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$2,328,430 of revenue (net of allowance for doubtful accounts), of which \$7,460,485 was billed in, and \$3,410,317 represents estimated unbilled revenue. The cost of electricity for the March revenue totaled \$3,552,778. For March, VCE’s gross margin was approximately 78% and the net loss totaled \$1,586,381. The year-to-date change in net position was (\$1,276,483).

In the Statement of Cash Flows, VCE cash flows from operations were \$3,233,387 due to March cash receipts of revenues being more than the monthly cash operating expenses.

**Bank Account Balances (as of 03/31/2026):**

Operating Account	\$43,467,291
Insured Cash Sweep Account	\$40,304,443
Debt Service Account	\$1,100,000
CAISO Operational Account	\$7,546,310
Total Cash on Deposit	\$92,418,044

Note: VCE receives 6.05% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. March 2026 earnings were \$ 154,521.

**VCE's Outstanding Loan Balances (as of 03/31/2026):**

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

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

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

- Electric Revenue – \$2,445,698 and 29% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments than forecasted, resulting from final actual results for PG&E included in the December true-up process.
- Purchased Power – \$21,988 and 1% – Unfavorable, mainly due to lower power costs resulting in less PPA cost recoveries and increased curtailment energy.
- Labor & Benefits \$72,267 and 13% – Favorable Variance due to vacancy for additional budgeted positions. VCE is currently recruiting for a Policy Analyst for Legislative and Regulatory Support.
- CC Power \$54,000 and 100% Favorable due to the timing difference between amortization of budgeted expenses and actual expenses.
- Programs \$320,166 – 94% Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.

**Attachments:**

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



# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

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

**PREPARED ON JUNE 3, 2026**

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

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 82,728,341
Accounts receivable, net of allowance	5,591,051
Accrued revenue	2,978,664
Prepaid expenses	199,514
Inventory - Renewable Energy Credits	-
Other current assets and deposits	9,353,193
<b>Total current assets</b>	<u>100,850,763</u>

Restricted assets:

Debt service reserve fund	1,100,000
<b>Total restricted assets</b>	<u>1,100,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 101,950,763</u></u>

**LIABILITIES**

Current liabilities:

Accounts payable	248,525
Accrued payroll	116,500
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	3,453,414
Other accrued liabilities	2,281,334
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	36,702
<b>TOTAL LIABILITIES</b>	<u><u>\$ 7,936,474</u></u>

**NET POSITION**

Net position:

Designated Funds	\$ 18,849,585
Local Programs Reserve	2,709,585
Rate Stabilization	12,284,000
Customer Dividends	3,856,000
Restricted	1,100,000
Unrestricted	74,064,704
<b>TOTAL NET POSITION</b>	<u><u>\$ 94,014,289</u></u>

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

	FOR THE PERIOD ENDING MARCH 31, 2026	YEAR TO DATE
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 2,328,430	\$ 10,568,190
Other revenue	-	\$ 6,375
<b>TOTAL OPERATING REVENUES</b>	2,328,430	10,574,565
<b>OPERATING EXPENSES</b>		
Cost of electricity	3,552,778	10,937,988
Contract services	316,622	672,487
Staff compensation	153,154	456,764
General, administration, and other	46,778	235,943
<b>TOTAL OPERATING EXPENSES</b>	4,069,332	12,303,182
<b>TOTAL OPERATING INCOME (LOSS)</b>	(1,740,902)	(1,728,617)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	154,521	452,134
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	154,521	452,134
<b>CHANGE IN NET POSITION</b>	(1,586,381)	(1,276,483)
Net position at beginning of period	95,600,670	95,290,772
Net position at end of period	\$ 94,014,289	\$ 94,014,289

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

	FOR THE PERIOD ENDING MARCH 31, 2026	YEAR TO DATE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 3,615,331	\$ 16,203,624
Public purpose program receipts	-	-
Payments received from other revenue sources	-	6,375
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(3,250,481)	(11,172,294)
Payments for contract services, general, and administration	(380,681)	(935,117)
Payments for member agency services	-	-
Payments for staff compensation	(147,189)	(461,109)
Tax and surcharge payments to other governments	-	-
Other cash payments	-	-
<b>Net cash provided (used) by operating activities</b>	<b>(163,021)</b>	<b>3,641,479</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
<b>Net cash provided (used) by non-capital financing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	154,521	452,134
<b>Net cash provided (used) by investing activities</b>	<b>154,521</b>	<b>452,134</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
	(8,500)	4,093,613
Cash and cash equivalents at beginning of period	83,836,841	79,734,728
<b>Cash and cash equivalents at end of period</b>	<b>83,828,341</b>	<b>83,828,341</b>
Cash and cash equivalents included in:		
Cash and cash equivalents	82,728,341	82,728,341
Restricted assets	1,100,000	1,100,000
<b>Cash and cash equivalents at end of period</b>	<b>\$ 83,828,341</b>	<b>\$ 83,828,341</b>

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

	<u>FOR THE PERIOD ENDING MARCH 31, 2026</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (1,740,902)	\$ (1,728,617)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	28,000	114,100
(Increase) decrease in net accounts receivable	898,402	4,745,807
(Increase) decrease in accrued revenue	342,842	785,014
(Increase) decrease in prepaid expenses	19,099	(5,481)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	(23,057)	(44,012)
Increase (decrease) in accrued payroll	5,965	(4,345)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	288,973	(211,501)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	17,657	(9,487)
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ (163,021)</u>	<u>\$ 3,641,479</u>

**VALLEY CLEAN ENERGY**  
**2026 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 03/31/26**

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
<b>Total Revenues</b>	\$ 11,026,698	\$ 8,581,000	\$ 2,445,698	29%
Electric Revenue	\$ 10,568,190	\$ 8,245,000	\$ 2,323,190	28%
Interest Revenues	\$ 452,134	\$ 330,000	\$ 122,134	37%
Reimbursable Revenues	\$ 6,375	\$ 6,000	\$ 375	6%
<b>Purchased Power</b>	\$ 10,937,988	\$ 10,916,000	\$ 21,988	0%
Purchased Power Base	\$ 10,937,988	\$ 10,376,000	\$ 561,988	5%
Purchased Power Contingency 5%	\$ -	\$ 540,000	\$ (540,000)	-100%
<b>Labor &amp; Benefits</b>	\$ 464,733	\$ 537,000	\$ (72,267)	-13%
Salaries & Wages/Benefits	\$ 368,585	\$ 435,000	\$ (66,415)	-15%
Contract Labor	\$ 56,115	\$ 54,000	\$ 2,115	4%
Human Resources & Payroll	\$ 40,034	\$ 48,000	\$ (7,966)	-17%
<b>Office Supplies &amp; Other Expenses</b>	\$ 87,788	\$ 118,500	\$ (30,712)	-26%
Technology Costs	\$ 28,201	\$ 9,000	\$ 19,201	213%
Office Supplies	\$ 4,982	\$ 3,000	\$ 1,982	66%
Travel	\$ 736	\$ 1,500	\$ (764)	-51%
CalCCA Dues	\$ 52,500	\$ 48,000	\$ 4,500	9%
CC Power	\$ -	\$ 54,000	\$ (54,000)	-100%
Memberships	\$ 1,370	\$ 3,000	\$ (1,630)	-54%
<b>Contractual Services</b>	\$ 631,582	\$ 724,450	\$ (92,868)	-13%
Other Contract Services (e.g. IRP)	\$ -	\$ 37,500	\$ (37,500)	-100%
Don Dame	\$ 1,299	\$ 9,000	\$ (7,701)	-86%
Wholesale Energy Services (TEA)	\$ 163,877	\$ 216,000	\$ (52,123)	-24%
2030 100% Renewable & Storage	\$ -	\$ 7,500	\$ (7,500)	-100%
Customer Support Call Center	\$ 329,334	\$ 241,500	\$ 87,834	36%
Operating Services	\$ 460	\$ 30,000	\$ (29,540)	-98%
Commercial Legal Support	\$ 25,888	\$ 6,000	\$ 19,888	331%
Legal General Counsel	\$ 34,852	\$ 21,000	\$ 13,852	66%
Regulatory Counsel	\$ 36,872	\$ 51,000	\$ (14,128)	-28%
Joint CCA Regulatory counsel	\$ -	\$ 4,800	\$ (4,800)	-100%
Legislative - (Lobbyist)	\$ 16,500	\$ 17,250	\$ (750)	-4%
Accounting Services	\$ -	\$ 900	\$ (900)	-100%
Financial Consultant	\$ -	\$ 4,500	\$ (4,500)	-100%
Audit Fees	\$ 22,500	\$ 55,000	\$ (32,500)	-59%
<b>Marketing</b>	\$ 64,687	\$ 98,500	\$ (33,813)	-34%
Marketing Collateral	\$ 64,687	\$ 79,000	\$ (14,313)	-18%
Community Engagement Activities & Sponsorships	\$ -	\$ 19,500	\$ (19,500)	-100%
<b>Programs</b>	\$ 21,834	\$ 342,000	\$ (320,166)	-94%
Program Costs (Rebates, Incentives, etc.)	\$ 21,834	\$ 240,000	\$ (218,166)	-91%
Member Agency Advisory Services	\$ -	\$ 6,000	\$ (6,000)	-100%
HFP Pilot	\$ -	\$ 66,000	\$ (66,000)	-100%
PIPP Program	\$ -	\$ 30,000	\$ (30,000)	-100%
<b>Rents &amp; Leases</b>	\$ 6,300	\$ 13,050	\$ (6,750)	-52%
Hunt Boyer Mansion	\$ 6,300	\$ 7,050	\$ (750)	-11%
Lease Improvement	\$ -	\$ 6,000	\$ (6,000)	-100%
<b>Other A&amp;G</b>	\$ 88,208	\$ 201,600	\$ (113,392)	-56%
Development - New Members	\$ -	\$ 3,000	\$ (3,000)	-100%
Strategic Plan Implementation	\$ 4,684	\$ 19,200	\$ (14,516)	-76%
Strategic Plan Update & Community Focus Group	\$ -	\$ 30,000	\$ (30,000)	-100%
PG&E Data Fees	\$ 66,200	\$ 75,000	\$ (8,800)	-12%
Insurance	\$ 17,325	\$ 24,000	\$ (6,675)	-28%
Banking Fees	\$ -	\$ 50,400	\$ (50,400)	-100%
<b>Miscellaneous Operating Expenses</b>	\$ 61	\$ 3,000	\$ (2,939)	-98%
Contingency	\$ -	\$ 60,000	\$ (60,000)	-100%
	0	0		
<b>TOTAL OPERATING EXPENSES</b>	\$ 12,303,182	\$ 13,014,100	\$ (710,918)	-5%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
<b>NET INCOME</b>	\$ (1,276,483)	\$ (4,433,100)		

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 5 (d)**

---

**TO:** Board of Directors

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

**SUBJECT:** Monthly Treasurer’s Report (Informational Item) – April 30, 2026

**DATE:** June 11, 2026

---

**RECOMMENDATION:**

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

**BACKGROUND & DISCUSSION:**

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

The Financial Statements include the following reports:

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

In addition, Staff is reporting the Actual vs. Budget variances year to date ending April 30, 2026.

**Financial Statements for the period April 1, 2026 – April 30, 2026**

In the Statement of Net Position, VCE, as of April 30, 2026, has a total of \$81,949,978 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, and \$1,800,000 restricted assets related to supplier deposits. On April 30, 2026, VCE’s net position was \$94,105,481.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$3,186,579 of revenue (net of allowance for doubtful accounts), of which \$2,873,819 was billed in, and \$3,341,625 represents estimated unbilled revenue. The cost of electricity for the April revenue totaled \$2,872,577. For April, VCE’s gross margin was approximately 14% and the net income totaled \$91,192. The year-to-date change in net position was (\$1,185,291).

In the Statement of Cash Flows, VCE cash flows from operations were (\$934,669) due to April cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 04/30/2026):

Operating Account	\$42,282,795
Insured Cash Sweep Account	\$37,417,161
Debt Service Account	\$1,100,000
CAISO Operational Account	\$7,346,171
Total Cash on Deposit	\$88,146,127

Note: VCE receives 6.05% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. April 2026 earnings were \$156,306.

VCE's Outstanding Loan Balances (as of 04/30/2026):

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

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

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

- Electric Revenue – \$3,196,584 and 29% – Favorable variance mainly driven by favorable PG&E PCIA rate adjustments than forecasted, resulting from final actual results for PG&E included in the December true-up process and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – \$520,435 and 1% – Favorable, mainly due to lower power costs resulting in less PPA cost recoveries, increased curtailment energy, and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Programs \$440,035 – 95% Favorable Variance due to timing differences from the anticipated EV phase II program being deferred to Q426.

**Attachments:**

- 7) Financial Statements (Unaudited) April 1, 2026 to April 30, 2026 (with comparative year to date information.)
- 8) Actual vs. Budget for the year to date ending April 30, 2026



# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF APRIL 1 TO APRIL 30, 2026**

**PREPARED ON JUNE 3, 2026**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2026**  
**(UNAUDITED)**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 81,949,978
Accounts receivable, net of allowance	5,568,344
Accrued revenue	3,341,625
Prepaid expenses	216,214
Inventory - Renewable Energy Credits	-
Other current assets and deposits	9,456,826
Total current assets	100,532,986

Restricted assets:

Debt service reserve fund	1,100,000
Total restricted assets	1,100,000
<b>TOTAL ASSETS</b>	<b>\$ 101,632,986</b>

**LIABILITIES**

Current liabilities:

Accounts payable	250,993
Accrued payroll	123,944
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	3,007,995
Other accrued liabilities	2,287,903
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	56,668
<b>TOTAL LIABILITIES</b>	<b>\$ 7,527,505</b>

**NET POSITION**

Net position:

Designated Funds	\$ 18,849,585
Local Programs Reserve	2,709,585
Rate Stabilization	12,284,000
Customer Dividends	3,856,000
Restricted	1,100,000
Unrestricted	74,155,896
<b>TOTAL NET POSITION</b>	<b>\$ 94,105,481</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**APRIL 30, 2026**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	FOR THE PERIOD ENDING APRIL 30, 2026	YEAR TO DATE
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 3,186,579	\$ 13,754,769
Other revenue	-	6,375
<b>TOTAL OPERATING REVENUES</b>	3,186,579	13,761,144
<b>OPERATING EXPENSES</b>		
Cost of electricity	2,872,577	13,810,565
Contract services	111,808	784,295
Staff compensation	152,539	609,303
General, administration, and other	114,769	350,712
<b>TOTAL OPERATING EXPENSES</b>	3,251,693	15,554,875
<b>TOTAL OPERATING INCOME (LOSS)</b>	(65,114)	(1,793,731)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	156,306	608,439
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	156,306	608,439
<b>CHANGE IN NET POSITION</b>	91,192	(1,185,291)
Net position at beginning of period	94,014,289	95,290,772
Net position at end of period	\$ 94,105,481	\$ 94,105,481

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**APRIL 30, 2026**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING APRIL 30, 2026</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (65,114)	\$ (1,793,731)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
Increase (decrease) for uncollectible accounts	28,600	142,700
(Increase) decrease in net accounts receivable	677	4,746,484
(Increase) decrease in accrued revenue	(362,961)	422,053
(Increase) decrease in prepaid expenses	(16,700)	(22,181)
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	-	-
Increase (decrease) in accounts payable	2,468	(41,543)
Increase (decrease) in accrued payroll	7,445	3,100
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	(549,051)	(760,551)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	19,966	10,479
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ (934,669)</u>	<u>\$ 2,706,811</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**APRIL 30, 2026**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE</u> <u>PERIOD ENDING</u> <u>APRIL 30, 2026</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (65,114)	\$ (1,793,731)
Adjustments to reconcile operating income to net cash provided		
Depreciation expense		
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Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	19,966	10,479
Increase (decrease) in security deposits from energy suppliers	-	-
Increase (decrease) in user taxes due to other governments	-	-
Increase (decrease) in advances from public purpose programs	-	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ (934,669)</u>	<u>\$ 2,706,811</u>

**VALLEY CLEAN ENERGY**  
**2026 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 04/30/2026**

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
<b>Total Revenues</b>	\$ 14,369,584	\$ 11,173,000	\$ 3,196,584	29%
Electric Revenue	\$ 13,754,769	\$ 10,725,000	\$ 3,029,769	28%
Interest Revenues	\$ 608,439	\$ 440,000	\$ 168,439	38%
Reimbursable Revenues	\$ 6,375	\$ 8,000	\$ (1,625)	-20%
<b>Purchased Power</b>	\$ 13,810,565	\$ 14,331,000	\$ (520,435)	-4%
Purchased Power Base	\$ 13,810,565	\$ 13,622,000	\$ 188,565	1%
Purchased Power Contingency 5%	\$ -	\$ 709,000	\$ (709,000)	-100%
<b>Labor &amp; Benefits</b>	\$ 620,819	\$ 716,000	\$ (95,181)	-13%
Salaries & Wages/Benefits	\$ 496,384	\$ 580,000	\$ (83,616)	-14%
Contract Labor	\$ 70,972	\$ 72,000	\$ (1,028)	-1%
Human Resources & Payroll	\$ 53,463	\$ 64,000	\$ (10,537)	-16%
<b>Office Supplies &amp; Other Expenses</b>	\$ 123,682	\$ 177,500	\$ (53,818)	-30%
Technology Costs	\$ 35,069	\$ 12,000	\$ 23,069	192%
Office Supplies	\$ 5,890	\$ 4,000	\$ 1,890	47%
Travel	\$ 11,144	\$ 21,500	\$ (10,356)	-48%
CalCCA Dues	\$ 70,000	\$ 64,000	\$ 6,000	9%
CC Power	\$ -	\$ 72,000	\$ (72,000)	-100%
Memberships	\$ 1,580	\$ 4,000	\$ (2,420)	-60%
<b>Contractual Services</b>	\$ 761,687	\$ 947,600	\$ (185,913)	-20%
Other Contract Services (e.g. IRP)	\$ -	\$ 50,000	\$ (50,000)	-100%
Don Dame	\$ 1,640	\$ 12,000	\$ (10,360)	-86%
Wholesale Energy Services (TEA)	\$ 235,462	\$ 288,000	\$ (52,538)	-18%
2030 100% Renewable & Storage	\$ -	\$ 10,000	\$ (10,000)	-100%
Customer Support Call Center	\$ 329,334	\$ 322,000	\$ 7,334	2%
Operating Services	\$ 460	\$ 40,000	\$ (39,540)	-99%
Commercial Legal Support	\$ 34,671	\$ 8,000	\$ 26,671	333%
Legal General Counsel	\$ 32,744	\$ 28,000	\$ 4,744	17%
Regulatory Counsel	\$ 74,777	\$ 68,000	\$ 6,777	10%
Joint CCA Regulatory counsel	\$ -	\$ 6,400	\$ (6,400)	-100%
Legislative - (Lobbyist)	\$ 22,000	\$ 23,000	\$ (1,000)	-4%
Accounting Services	\$ -	\$ 1,200	\$ (1,200)	-100%
Financial Consultant	\$ -	\$ 6,000	\$ (6,000)	-100%
Audit Fees	\$ 30,600	\$ 55,000	\$ (24,400)	-44%
<b>Marketing</b>	\$ 72,036	\$ 132,000	\$ (59,964)	-45%
Marketing Collateral	\$ 72,036	\$ 106,000	\$ (33,964)	-32%
Community Engagement Activities & Sponsorships	\$ -	\$ 26,000	\$ (26,000)	-100%
<b>Programs</b>	\$ 20,965	\$ 461,000	\$ (440,035)	-95%
Program Costs (Rebates, Incentives, etc.)	\$ 20,965	\$ 320,000	\$ (299,035)	-93%
Member Agency Advisory Services	\$ -	\$ 8,000	\$ (8,000)	-100%
HFP Pilot	\$ -	\$ 88,000	\$ (88,000)	-100%
PIPP Program	\$ -	\$ 45,000	\$ (45,000)	-100%
<b>Rents &amp; Leases</b>	\$ 8,400	\$ 17,400	\$ (9,000)	-52%
Hunt Boyer Mansion	\$ 8,400	\$ 9,400	\$ (1,000)	-11%
Lease Improvement	\$ -	\$ 8,000	\$ (8,000)	-100%
<b>Other A&amp;G</b>	\$ 136,659	\$ 257,700	\$ (121,041)	-47%
Development - New Members	\$ -	\$ 4,500	\$ (4,500)	-100%
Strategic Plan Implementation	\$ 10,508	\$ 25,600	\$ (15,092)	-59%
Strategic Plan Update & Community Focus Group	\$ -	\$ 45,000	\$ (45,000)	-100%
PG&E Data Fees	\$ 66,200	\$ 100,000	\$ (33,800)	-34%
Insurance	\$ 23,100	\$ 32,000	\$ (8,900)	-28%
Banking Fees	\$ 36,852	\$ 50,600	\$ (13,748)	-27%
<b>Miscellaneous Operating Expenses</b>	\$ 61	\$ 4,000	\$ (3,939)	-98%
Contingency	\$ -	\$ 80,000	\$ (80,000)	-100%
	0	0		
<b>TOTAL OPERATING EXPENSES</b>	\$ 15,554,875	\$ 17,124,200	\$ (1,569,325)	-9%
Interest on RCB Term loan	\$ -	\$ -	\$ -	100%
<b>NET INCOME</b>	\$ (1,185,291)	\$ (5,951,200)		

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 6

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: June 11, 2026

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:

California’s 2026 legislative session has officially crossed the halfway mark as June gets underway and all active legislation had to pass its house of origin as of Friday. And the biggest question of the year will soon become a bit clearer – who will be the next Governor? The uncertainty regarding who will be on the November ballot for California’s top position has been the main story for the year so far, and, in many ways, has caused bigger policy proposals to simmer on the back burner. Those policy proposals that may still come include an extension of the Diablo Canyon Nuclear Power Plant and investor-owned utility liability related to wildfires.

Aside from the primary election, the month of June is mostly focused on the budget as this is the month that the Legislature and Governor must agree on the plan for the next fiscal year, which starts July 1. Back on May 14, Governor Newsom released his May Revision to his January proposal, updating revenue and expenditure projections. The state continues to bring in higher tax revenues than anticipated, and Governor Newsom has proposed to save some of these higher revenues to fill an anticipated shortfall next fiscal year in FY 2027-28. As such, the Governor is claiming that the state’s fiscal situation is balanced for both FY 2026-27 and FY 2027-28. The Legislative Analyst’s Office (LAO) does not agree; the LAO finds that the state continues to be in a structural deficit and is calling for additional cuts to expenditures to bring the budget truly into balance.

On the bills front, VCE continues to support and engage on CalCCA’s two sponsored bills, as well as maintaining the “Oppose Unless Amended” position on AB 2383 (Zbur) regarding data centers and contracts. CalCCA’s sponsored legislation, AB 1761 (Rogers) to increase PCIA data transparency and SB 1138 to allow for Resource Adequacy to be traded on an hourly basis, both passed off their respective floors. The scrutiny on both bills will intensify now that they are in the “opposing” house and will be heard in policy committees once again. The engagement on AB 2383 has been productive, although the results are still not quite there as the bill language still limits the rate structure that a CCA board may adopt as it relates to data centers. That said,

conversations with the author and staff are trending in a direction that resolution seems within reach.

The legislative session concludes on August 31, a mere three months away and yet an eternity in terms of how Sacramento operates. VCE staff, the LRTG and PPG are currently examining the following bills and expect to evaluate more bills as they are identified as of interest to VCE and CCAs.

### **1. AB 1761 (Rogers) PCIA Transparency**

Summary: Would require the PUC to ensure that all data serving as a basis for any decision or ruling issued by the commission, or in any proposal or analysis provided by commission staff, for the determination of the Power Charge Indifference Adjustment (PCIA) or any other resource or value included in the PCIA, is made available to load-serving entities and ratepayer advocates on behalf of customers.

#### Additional Information

- Next Hearing: The bill will be heard in Senate Energy, Utilities & Communications Committee.
- VCE has taken a support position.
- CalCCA is the sponsor of AB 1761
- Bill language: [AB 1761](#)

### **2. SB 1138 (Padilla) Resource Adequacy Transactability**

Summary: Existing law requires the PUC, in consultation with the Independent System Operator, to establish resource adequacy (RA) requirements for all load-serving entities (LSE). This bill would require the PUC to authorize a LSE to demonstrate compliance with RA requirements by selling to, or otherwise making transactions with, another LSE to meet not more than 25% of its compliance obligations with contracts that are of a short-term duration, and to authorize those transactions to be in the same unit of time.

#### Additional Information

- Next Hearing: The bill will be heard on June 10, 2026, in Assembly Utilities & Energy Committee.
- VCE has taken a support position.
- CalCCA is the sponsor of SB 1138
- Bill language: [SB 1138](#)

### **3. AB 2383 (Zbur) Electricity: Large Energy Use Facilities.**

Summary: Existing law vests the PUC with regulatory authority over electrical corporations (IOUs) and to fix the IOUs' rates and charges so that those rates and charges are just and reasonable. This bill would require the PUC, on or before January 1, 2028, in a new or existing proceeding, to provide for a classification of retail electricity consumers that are large energy use facilities, namely data centers, and has its own rate schedule, as specified. The bill would require any rate schedule adopted by the PUC for said facilities to meet specified requirements, including avoiding cost shifts between customers. This bill would require the PUC to require an IOU that is providing electricity service to a large energy use facility to enter into a contract with

the large energy use facility to meet certain requirements, including that the contract endure for 15 years minimum.

As amended on the Assembly floor, SB 2383 removed the provisions from the previous version that permitted the CPUC to interfere with CCA contracts and rate setting authority over large loads. This was the critical issue with which CalCCA, VCE and other CCAs took exception and was the basis for CCA opposition unless amended. While the amendments address this key issue, they present other issues that need fixing. CalCCA has been in constructive conversations with the author, and we are cautiously optimistic that the bill will be amended in the Senate to address these drafting concerns.

#### Additional Information

- Next Hearing: The bill will be heard in Senate Energy, Utilities & Communications Committee.
- VCE has taken an Oppose Unless Amended position.
- CalCCA has taken an Oppose Unless Amended position
- Bill language: [AB 2383](#)

#### **4. SB 886 (Padilla) California Technology Innovation and Ratepayer Protection Act.**

Summary: This bill, the California Technology Innovation and Ratepayer Protection Act, would require the PUC, on or before July 1, 2027, to establish a rate structure that includes an IOU tariff for the interconnection of the participating customer facilities and the provision of transmission, distribution, and generation services to participating customers, as specified. The bill would require the commission, as part of establishing the electrical corporation tariff, to, at a minimum, establish eligibility criteria for participating customers, evaluate the risks and benefits of the IOU tariff to nonparticipating customers, ensure that the IOU tariff prevents the creation of stranded costs for, or cost shifts to, nonparticipating customers, and, for unbundled customers, ensure that charges generally included in the generation component of their bills are assessed separately from charges generally included in the transmission and distribution components of their bills.

#### Additional Information

- Next Hearing: The bill will be heard in Assembly Utilities & Energy Committee.
- VCE has yet to take an official position.
- CalCCA has yet to take an official position.
- Bill language: [SB 886](#)

#### **5. AB 1787 (Schultz) Dynamic Rate Option.**

Summary: This bill would require the PUC to require an IOU, if the PUC approves the IOU's request to upgrade its smart meter infrastructure relative to infrastructure in place on January 1, 2026, to offer all its customers at least one dynamic rate option no later than one year after the upgraded smart meter infrastructure is anticipated to be placed into service, as specified.

There are some concerns that this bill would create additional challenges to CCAs obtaining data from IOUs, which is difficult enough as it is, whether for dynamic rates or other types of information sharing.

#### Additional Information

- Next Hearing: The bill will be heard in Senate Energy, Utilities & Communications Committee.
- VCE has yet to take an official position.
- CalCCA has yet to take an official position.
- Bill language: [AB 1787](#)

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 7

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To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: June 11, 2026

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Please find attached Keyes & Fox’s May 2026 Regulatory Memorandum dated June 3, 2026 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

**Attachment:** Keyes & Fox Regulatory Memorandum dated June 3, 2026

## Valley Clean Energy Alliance

### Regulatory Monitoring Report

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

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

Subject: Monthly Regulatory Update

Date: June 3, 2026

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

#### **NEW** Electric Rate Design

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

**Recent Developments:** On April 10, the CPUC issued an [Order Instituting Rulemaking \(OIR\)](#) establishing a new proceeding to address advanced electric rate design policies to update residential and non-residential rate structures and their underlying cost inputs. Opening comments on the OIR were submitted on May 11 and reply comments were submitted on May 21. CalCCA's [comments](#) recommended that any tariff changes preserve customer choice and recognize the role of CCAs as the default generation providers for customers within their service territories, required information sharing between IOUs and CCAs on large load interconnection requests, and that the proceeding first determine whether data centers should receive distinct tariff treatment before moving on to broader rate reform issues and then revisiting the base service charge. On May 22, a [Ruling](#) scheduled the prehearing conference for June 18.

**Analysis:** This proceeding will not only address data center rates, but also consider a wide variety of rate-related topics such as demand charges, dynamic rates, and the AB 2109 exemption from non-bypassable or departing load charges for certain industrial customers that utilize process heat recovery technology.

**Next Steps:** The prehearing conference is scheduled for June 18.

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

#### **NEW** PG&E 2027 ERRA Forecast

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

**Recent Developments:** On May 15, PG&E submitted its 2027 ERRA Forecast [Application](#) requesting a revenue requirement of \$3.176 billion, which is approximately \$84 million less than the approved revenue requirement of \$3.260 billion in D.25-12-027. The 2027 revenue requirement will be updated in mid-October 2026 and is currently expected to have the valuation of pre-2019 banked RECs included in the update based on the initial outcome of the PCIA/ERRA Reform proceeding (R.25-02-005).

**Analysis:** At PG&E's requested revenue requirement, residential CCA customer rates would decrease by approximately 7.3% to 21.7 cents/kWh, while bundled residential customer rates would decrease by approximately 5.7% to 35.7 cent/kWh.

**Next Steps:** Protests and responses to the Application are due June 17.

**Additional Information:** [Application](#) (May 15, 2026); Docket No. [A.26-05-007](#).

#### **PG&E Diablo Canyon 2027 & VPF**

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

**Recent Developments:** Protests to PG&E's [Application](#) were filed on April 29. A prehearing conference was held May 22.

**Analysis:** N/A.

**Next Steps:** A scoping memo and ruling is expected to be issued during the next few weeks.

**Additional Information:** [Application](#) (Mar. 27, 2026); Docket No. [A.26-03-031](#).

## Climate Credit OIR

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

**Recent Developments:** On May 4, 2026, the CPUC issued [D.26-04-036](#) requiring the IOUs to distribute this year's Climate Credit in the high-usage months of August and September and to be accompanied by customer outreach and education efforts.

**Analysis:** The current-year revisions to the Climate Credit are focused on affordability and targeted to reduce electric bills during the highest-cost month. Potential future modifications may alter the timing of the distributions as well as the allocation of distributions amount customer classes and between to CARE/FERA customers.

**Next Steps:** More permanent potential changes to the Climate Credit will be considered in the upcoming Phase 1B, and they are focused on affordability and include eligibility to receive the credit, the timing of its distribution, number of annual distributions, and the methodology used to calculate the credit.

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

## 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 May 5, the CPUC issued [Draft Comment Resolution E-5457](#) updating the fixed avoided-cost rates for the Renewable Market Adjusting Tariff (ReMAT) program. On May 7, the CPUC issued a [Notice](#) that Final 2025 Renewables Portfolio Standard (RPS) Procurement Plans have been approved, including VCE's 2025 RPS Plan.

**Analysis:** Several new RPS Plan requirements in this cycle address how the RPs Plan aligns with planned procurement identified in each LSE's IRP filing and include reporting on progress towards existing and new Mid-Term Reliability procurement requirements.

**Next Steps:** Draft RPS Plans are due June 12, comments on Draft RPS Plans are due July 13, reply comments and motions to update RPS Plans are due July 27.

**Additional Information:** Approval [Notice](#) (May 7, 2026); [Draft Comment Resolution E-5457](#) (May 5, 2026); [Ruling](#) (Mar. 27, 2026); VCE [Amended Confidentiality Motion](#) (Jan. 26, 2026); [D.25-12-025](#) (Dec. 26, 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); [Scoping Memo and Ruling](#) (May 9, 2024); [OIR](#) (Feb. 1, 2024); Docket No. [R.24-01-017](#).

## RA Rulemaking

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

**Recent Developments:** On June 1, the CPUC issued a [Proposed Decision](#) adopting local and flexible capacity obligations and program refinements. In the Proposed Decision, the Commission retains the current exceedance methodology but indicates willingness to consider probabilistic effective load carrying capacity proposals. The Storage resource capacity accreditation is adjusted to remove nonlinear output and only credit a continuous output level over four hours, the Proposed Decision declines to count energy-only resources for charging sufficiency of storage resources not co-located with the generation resource, and charging sufficiency will be incorporated into the RA penalty structure starting in the 2027 compliance year. Long-duration storage is defined as a storage resource capable of discharging at its maximum capacity for 8 or more hours, and multipliers based on the duration of discharge will be used to determine the forward-charging period duration. The unforced capacity outage framework will be addressed in track 2 of this proceeding for implementation in the 2028 RA year. The proposed Decision declines to adopt CalCCA's recommended hourly load obligation trading. Beginning with the 2028 RA compliance year, IOUs are required to inform CCAs about new large loads such as data centers in the CCAs service area.

**Analysis:** The Proposed Decision provides guidance on long-awaited energy storage accreditation which will assist LSEs in planning for and meeting required procurement obligations. Likewise, the inclusion of information sharing requirements for new large loads will improve CCA planning and procurement and avoid challenges of supplying generation for unexpected new demand of a large magnitude on a short timeframe. However, the reluctance to adopt or develop hourly load obligation trading and the use of energy-only resources for charging sufficiency means that available existing resources will continue to not be utilized to the fullest extent possible for the immediate future.

**Next Steps:** The Proposed Decision may be heard as early as the July 2 Commission meeting. Comments on the Proposed Decision are due June 22 and reply comments are due June 29. Draft Loss of Load Expectation studies and Planning Reserve Margin proposals are due August 14 and final proposals are due in October.

**Additional Information:** [Proposed Decision](#) (Jun. 1, 2026); [Ruling](#) (Mar. 30, 2026); CalCCA Transactability issues [Comments](#) (Mar. 16, 2026); CalCCA Track 1 [Comments](#) (Mar. 6, 2026); CalCCA Transactability proposal [Comments](#) (Mar. 3, 2026); [Ruling](#) and [Transactability Report](#) (Feb. 24, 2026); [Scoping Memo](#) (Dec. 12, 2025); [OIR](#) (Oct. 15, 2025); Docket No. [R.25-10-003](#).

## IRP Rulemaking (2025)

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

**Recent Developments:** On April 6, a joint [Application for Rehearing](#) of [D.26-02-057](#) was submitted requesting that direct access providers be excluded from allocations of the newly ordered procurement because of the statutory cap on enrolling new load. On June 1, LSEs filed mid-term reliability (MTR) procurement compliance updates. On June 1, IOUs filed their Bundled Procurement Plan (BPP) updates.

**Analysis:** If successful, the Application for Rehearing would reallocate the direct access portion of the new procurement to other LSEs, resulting in a slightly increased procurement amount for VCE.

**Next Steps:** VCE's next IRP filing is due August 10, 2026. Comments on IRP filings are due September 21. Comments on proposed updates are expected to be due in Q3, and a proposed decision adopting updated BPPs is now expected in Q4.

**Additional Information:** [Application for Rehearing](#) (Apr. 6, 2026); [Ruling](#) (Mar. 9, 2026); [D.26-02-057](#) and [Attachment](#) (Mar. 5, 2026); IRP [Ruling](#) (Jan. 16, 2026); [Scoping Ruling](#) (Oct. 28, 2025); [Ruling](#) (Sep. 30, 2025); [OIR](#) (Jul. 2, 2025); Docket No. [R.25-06-019](#).

## Demand Response Enhancements

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

**Recent Developments:** On April 8, a [Ruling](#) requested responses to additional questions on bridge-year funding and modified the schedule relating thereto.

**Analysis:** N/A.

**Next Steps:** A joint case management statement is due June 11, and, if needed, a hearing will be held in July. A Staff Proposal on data systems and processes to support DR, including dynamic rates, is expected in Q2 2026.

**Additional Information:** [Ruling](#) (Apr. 8, 2026); [D.26-03-016](#) on Flex Alert Funding (Mar. 26, 2026); [Ruling](#) on Staff [Proposal](#) on IOUs Bridge Year Funding (Mar. 10, 2026); [Scoping Memo and Ruling](#) (Feb. 12, 2026); [Ruling](#) and [Staff Proposal](#) (Dec. 30, 2025); [OIR](#) and [Guiding Principles](#) (Sep. 29, 2025); Docket No. [R.25-09-004](#).

## PCIA/ERRA Reform

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

**Recent Developments:** An April 24 [Ruling](#) cancelled the April 28 evidentiary hearing to allow party responses to the Staff Report and rescheduled the hearing for June 2, which will allow parties to further explain their preferred approach to valuing pre-2019 banked RECs. In the upcoming Track 3, a May 13 [Ruling](#) scheduled a multi-day workshop for June 8, 9, and 15 for party input on the scope and schedule for exploration of other approaches to indifference as well as data access and confidentiality issues.

**Analysis:** A valuation for pre-2019 banked RECs will reduce PCIA charges and customer bills for CCAs with customers who departed IOU generation service after 2019.

**Next Steps:** A proposed decision on pre-2019 banked REC valuation is expected by July 31. Track 3 scoping workshops will be held June 8, 9, and 15.

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

## 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:** The evidentiary hearing was held in late April and early May.

**Analysis:** CalCCA's cross examination of PG&E's witnesses focused on two broad topics: hydro assets PG&E has erroneously kept in rate base despite the fact that they are not used and useful, and PCIA revintaging recommendations for eight hydro assets.

**Next Steps:** Opening briefs are due June 26 and reply briefs are due July 17. A proposed decision is expected in March 2027.

**Additional Information:** [Ruling](#) (Apr. 24, 2026); [Ruling](#) on schedule (Feb. 26, 2026); [Amended Scoping Memo and Ruling](#) (Jan. 26, 2026); [Ruling](#) (Jan. 16, 2026); [Resolution SPD-37](#) (Dec. 10, 2025); [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](#).

## Distribution Interconnection Rules

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

**Recent Developments:** On May 4, the Commission issued [Resolution E-5436](#) directing the large IOUs to revise their online interconnection application websites to resolve ongoing data quality issues and expand the comprehensiveness of available data.

**Analysis:** The initial phase of this proceeding will address a limited set of issues related to the interconnection of large-scale projects that provide electricity to the grid rather than primarily for behind-the-meter uses. Phase 1 issues cover issues defined in two of the eight categories of interconnection-related issues.

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

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

## PG&E 2025 ERRR Compliance

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

**Recent Developments:** On May 26, the CPUC issued a [Scoping Memo and Ruling](#) establishing the schedule and issues to be addressed in this proceeding, such as whether PG&E prudently managed and operated its generation resources, whether PG&E complied with its Bundled Procurement Plan, and whether there were unrealized sales and revenues from its Public Safety Power Shutoff events..

**Analysis:** N/A.

**Next Steps:** Intervenor testimony is due September 9, a joint status conference is scheduled for October 30, and a proposed decision is expected in 2Q 2027.

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

## City and County of San Francisco Municipalization

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

**Recent Developments:** An April 2 [Ruling](#) denied PG&E's Motion to dismiss or stay the proceeding due to insufficiency of CCSF's opening testimony. On April 20, CCSF submitted a [Notice of Availability](#) of its amended and restated opening testimony. The testimony concludes that the fair market value of PG&E's land, property and rights that the City intends to acquire was \$3.4 billion as of July 27, 2021.

**Analysis:** After nearly 5 years of discovery and procedural motions, this proceeding is moving forward with the testimony phase on the appraised value of PG&E's lands, property, and rights in San Francisco.

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

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

## PG&E 2024 ERRR Compliance

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

**Recent Developments:** On May 22, a [Joint Settlement Motion](#) was submitted by PG&E, CalAdvocates, and CalCCA.

**Analysis:** In the settlement agreement, PG&E agreed to include in future ERRR compliance cases several additional accounts for a review of accounting and for compliance with prior Commission decisions. Additionally, CalCCA's concerns regarding PG&E's retained RA and vintaging of CCA customers who opt out, relocate, and opt-in again were resolved in PG&E's supplemental testimony and are now consistent with Commission guidance on vintaging.

**Next Steps:** N/A.

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

## 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:** PG&E submitted the third [Joint Case Management Statement](#) on May 7.

**Analysis:** Settlement negotiations between PG&E and the Joint CCAs are ongoing; however, there remain multiple facts in dispute related to how PG&E's proposed new billing system will support or possibly disadvantage CCAs.

**Next Steps:** Evidentiary hearings begin on June 8, opening briefs are due July 16, and reply briefs are due August 13.

**Additional Information:** [Joint Case Management Statement](#) (May 7, 2026); ([Ruling](#) (Mar. 10, 2026); [Ruling](#) (Feb. 5, 2026); [Ruling](#) (Feb. 3, 2026); [Ruling](#) (Dec. 12, 2025); [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](#).

## 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 May 1, PG&E submitted its [Arrearage Management Plan Annual Report](#). On May 28, The Utility Reform Network, Utility Consumers' Action Network, National Consumer Law Center, and Center for Accessible Technology submitted a joint emergency [Motion](#) to reduce the statewide temperature threshold for suspending utility disconnections from 100°F to 90°F and [requested](#) the time for responses to the Motion be shortened from 15 days to 5 days.

**Analysis:** The joint emergency Motion was submitted in response to the IOUs missing the May 1 deadline in [D.25-06-012](#) to implement new heat-based disconnection thresholds. The Commission recognized the growing need to reduce disconnections during extreme heat events in D.25-06-012, and Governor Newsom recently [announced](#) expanded features in the CalHeatScore System and emphasized the danger of extreme heat over the coming months.

**Next Steps:** Responses to the joint emergency Motion are due June 12.

**Additional Information:** Joint Emergency [Motion](#) (May 28, 2026); PG&E [Arrearage Management Plan Annual Report](#) (May 1, 2026); CBO [Pilot Recommendations](#) (Dec. 11, 2025); [Ruling](#) granting extension (Oct. 21, 2025); [Ruling](#) (Oct. 13,

2025); [D.25-06-012](#) (Jun. 17, 2025); Phase 2 [Scoping Memo](#) (Jul. 15, 2022); [OIR](#) (Jul. 20, 2018); Docket No. [R.18-07-005](#).

## 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:** Comments in response to the March 30 [Ruling](#) entering pilot program draft reports into the record were submitted on April 14 and reply comments were submitted on April 27. PG&E's [comments](#) recommend the Commission refine the Best Practices and Future Pathways Framework by explicitly incorporating broad implementation considerations such as long-term funding viability, affordability impacts, managed gas system transition planning, and institutional delivery capacity, with guidance on how program-level best practices relate to system-level planning, governance, and cross-agency coordination. The National Resources Defense Council's comments recommended that the Commission's Building Decarbonization Action Plan ensure electric rates support electrification, align funding streams with electrification goals, and transition from pilot programs to whole-home equity-centered delivery models.

**Analysis:** N/A.

**Next Steps:** N/A.

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

## EV Rates & Infrastructure

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

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** N/A.

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

## PG&E 2023 Phase 2 GRC

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

**Recent Developments:** No recent developments.

**Analysis:** N/A.

**Next Steps:** Rebuttal testimony is due July 10, a meet and confer will be held July 20, and a Ruling on the need for evidentiary hearings is expected August 7. PG&E's testimony on the extension of (and potential changes to) dynamic rate pilots is due June 8, and intervenor testimony is due October 30, or 60 days after the release of the Mid-Term and M&E RTP pilot results. Evidentiary hearings, if necessary, will follow.

**Additional Information:** [Ruling](#) (Jan. 27, 2026); [Ruling](#) (Jan. 7, 2026); [Ruling](#) (Jan. 2, 2026); [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](#).

## Other Dockets

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

Docket	Name	Status
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<a href="#">R.19-09-009</a>	Microgrids	<a href="#">D.24-11-004</a> adopting implementation rules for multi-property microgrid tariffs closed the proceeding. An <a href="#">Application for Rehearing</a> was denied by <a href="#">D.25-06-067</a> , and CalSSA's <a href="#">Petition for Modification</a> remains pending.
<a href="#">R.23-03-007</a>	Wildfire Fund NBC 2024-2026	<a href="#">D.25-12-006</a> 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)	The proceeding was closed in May 2026 by <a href="#">D.26-05-036</a> which denied the <a href="#">Application for Rehearing</a> .
<a href="#">A.21-06-021</a>	PG&E 2023 Phase 1 GRC	This proceeding was closed in February 2026 with issuance of <a href="#">D.26-02-035</a> .
<a href="#">A.22-02-015</a>	PG&E 2021 ERRRA 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> .

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 8

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summary of Community Advisory Committee’s (CAC) May 28, 2026 meeting

DATE: June 11, 2026

This report summarizes the Community Advisory Committee’s meeting held in person and via Zoom webinar on May 28, 2026. The CAC did not have a meeting in April 2026.

#### **Thursday, May 28, 2026 Meeting:**

- A. **2025 Net Margin Allocation discussion and provide feedback. (Discussion)** Staff provided various options/scenarios for allocating the estimated net margin for 2025. Staff are seeking the CAC’s feedback to inform Staff’s recommendation to the Board on the 2025 allocation. CAC Members and Staff discussed topics such as: operational and rate stabilization reserves; local programs; and, Power Charge Indifference Adjustment (PCIA) and rates. CAC Members provided feedback to Staff on the approach of allocating the estimated net margin for 2025.
- B. **Receive update on Integrated Resource Plan (IRP) and provide feedback. (Discussion)** Staff provided information on the proposed updates to the IRP and requested that the CAC provide feedback to inform Staff’s recommendation to the Board on the IRP updates. CAC Members and Staff discussed topics such as: load forecast modeling, including assumptions; resource types and costs; Resource Adequacy; and, VCE’s load requirements. CAC Members provided feedback to Staff on the draft IRP update. Staff informed the CAC that the CAC’s feedback will be included in the draft and be presented to the CAC at their next meeting for their recommendation to the Board.
- C. **Recap CalCCA 2026 Annual Conference. (Information)** Staff and the CAC Members that attended the CalCCA 2026 Annual Conference held in Sacramento provided highlights and a few recommendations.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 9

To: Board of Directors

From: Rebecca Kuczynski, Chief Customer Officer  
Mitch Sears, Chief Executive Officer

Subject: VCE’s Load Management Standards Plan Annual Update

Date: June 11, 2026

#### **Requested Action**

Informational item. No action requested.

#### **Background**

The California Energy Commission’s (CEC) Load Management Standards (LMS) are intended to help integrate renewables on the grid by aligning electricity use with generation and capacity. The CEC’s goals are to improve air quality, help mitigate future climate change and create downward pressure on electric rates. The CEC requires that load-serving entities offer rates or programs that reflect real-time grid conditions, including dynamic rates. To meet the LMS, VCE is allowed to either create its own rates or programs or participate in PG&E’s programs and rate offerings.

The CEC’s primary objectives of the LMS encompass:

1. Ensuring all time-varying rates are uploaded to the Market Informed Demand Automation Server (MIDAS)
2. Developing a standard rate information access tool
3. Creating and submitting location marginal price-based rates that reflect marginal wholesale costs.
4. Educating customers on new time-varying rates and automation technologies

VCE’s Board of Directors approved VCE’s revised Load Management Standards Plan April 10, 2025, and the CEC requires that VCE submit an annual LMS Plan Update, detailing any progress toward stated LMS goals that VCE has made since the plan was submitted.

#### **Progress - LMS Goals**

Progress toward VCE’s LMS goals between April 2025-March 2026 included compliance-related items such as uploading rates into Market Informed Demand Automation Server (MIDAS) and adding Rate Identification Numbers (RINs) to customer bills in QR code format so that customers can scan and learn more about their electricity rates. VCE also made progress through the continuation of programs, as well as adding new program and rate designs.

Programs that demonstrated progress toward the load-shifting goals detailed in the LMS plan include:

- Electric Advisor: the free, concierge service for residential VCE customers that helps them to navigate electrification, energy efficiency, and other load-modifying installations
- REACT Pilot: designed to help non-residential customers transition to electric vehicles and shift their peak load, enroll in dynamic rates, and install bidirectional charging where applicable
- Hourly Flex Pricing: designed to help residential and non-residential customers to shift load through hourly price signals that incentivize load shifting

VCE demonstrated progress on rates and programs under development, including:

- The Microgrid Incentive Program: application has been submitted for a \$14M grant for a microgrid project in Capay Valley that would increase resiliency. Project would include front-of-the-meter batteries, solar, and property purchase and project management costs.
- Rate Design: VCE is exploring a new dynamic rate design that would incorporate elements of Time-of-Use (TOU) rates as well as hourly dynamic prices, to compensate for some issues that have arisen in the Hourly Flex Pricing pilot.

### **Conclusion**

VCE has submitted the attached 2026 LMS Report to the CEC to meet its compliance obligations.

### **Attachment**

Attachment A: VCE's Annual LMS Report 2026 without Listing of RIN's

# **Load Management Standards**

## **Annual Report of Compliance Plan Implementation**

**Valley Clean Energy**

May 11, 2026



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## 1. Introduction

In accordance with California Code of Regulations, Title 20, Section 1623.1(a)(3)(C) (20 CCR § 1623.1(a)(3)(C)), each Large Community Choice Aggregator (CCA) is required to submit to the Executive Director of the California Energy Commission (CEC) annual reports demonstrating its implementation of its Load Management Standards (LMS) Compliance Plan approved pursuant to 20 CCR § 1623.1(a)(3)(B). This report is required to be submitted one year after the compliance plan is approved pursuant to subsection 20 CCR § 1623.1(a)(2) and annually thereafter.

On May 9, 2024, the Valley Clean Energy Board of Directors approved Valley Clean Energy's (VCE) LMS Compliance Plan. A revised version of VCE's LMS Compliance Plan was submitted to the CEC on April 15, 2025, and approved by the CEC at its May 8, 2025, Business Meeting.

Since approval of the LMS Compliance Plan, VCE has progressed in the following areas relating to its LMS Compliance Plan:

- Submission of time-dependent rates to CEC's Market Informed Demand Automation Server (MIDAS) via the MIDAS API (20 CCR § 1623.1(c))
- Providing Rate Identification Numbers (RINs) on customer billing statements and online accounts using both text and QR code, including both VCE and PG&E RINs for unbundled customers (20 CCR § 1623(c)(4))
- Participation in the development of a Single Statewide RIN Access Tool (SST) (20 CCR § 1623(c)(1))
- Development of load flexibility rates and programs (20 CCR § 1623.1(a)-(b))

Updates for each LMS milestone are below.

## 2. Time-dependent rate submission to MIDAS and RINs

### 2.1 MIDAS

CEC mandated large CCAs, including VCE, to include a RIN on customer bills by April 1, 2024. In compliance with this requirement, VCE implemented RIN and QR codes on customer bills. Presently, QR codes do not link to a specific webpage, but this may be considered as more progress is made on the development of the Single Statewide Tool. VCE has been monitoring and engaging in the process with other regulated load serving entities (LSEs) to develop the statewide RIN tool pursuant to 20 CCR Section 1623(c). A proposed plan for the tool was submitted to the CEC for review on October 1, 2024. VCE will continue to collaborate with other LSEs and the CEC toward the implementation of the statewide RIN tool in a timely manner subject to the tool's approval by the Commission.

### 2.2 RINs

Hourly rate tables for each of VCE's Time-of-Use (TOU) rates have been consistently uploaded to MIDAS, meeting both the format and technological delivery standards set by the CEC. VCE maintains the capability for continued compliance and will keep uploading time-dependent rates once dynamic rates are finalized in 2027 and thereafter. A list of Rate Identification Numbers (RINs) uploaded to MIDAS is provided in Attachment A.

### **3. Participation in the development of an SST**

The Commission has extended the RIN Tool final plan deadline to May 8, 2029, in its Order No. 26-0312-03b docketed to Docket No. 23-LMS-01 on March 24, 2026. Further, CEC staff is planning to present an OIR for the Commission's approval at the Business Meeting in Q2 of 2026, which will likely address possible amendments to the RIN Tool requirement. VCE will continue to monitor and participate in the development and implementation of the Single Statewide Tool.

### **4. Development of load flexibility rates and programs**

#### **4.1 Active Load Flexibility Rates and Programs**

##### **4.1.1 HFP**

VCE was the first CCA in California to pilot a dynamic rate in its (now closed) Agricultural Flexible Irrigation Technology, or AgFIT, Pilot for agricultural customers. When the California Public Utilities Commission decided to expand the pilot into PG&E's Hourly Flex Pricing (HFP) Pilots, VCE was excited to participate, and is actively participating in both Pilot 1 and Pilot 2; as well as PG&E's Vehicle-Grid Integration (VGI) Pilot. HFP Pilot 1 is offered to agricultural customers, and HFP Pilot 2 and VGI are offered to residential and non-residential customers that qualify under the eligibility rules laid out by the California Public Utilities Commission.

##### **4.1.2 CHARGE Pilot**

VCE's is working with UC Davis and Panasonic on the active Coordinated Home Automation via Real-Time Grid Economics Study, or CHARGE Pilot. The pilot seeks to enroll a test bed of 25 single-family residential customers in a dynamic rate and is currently using HFP Pilot 2 for this rate. The CHARGE Pilot provides eligible customers with a range of incentives, which could include heat pump water heaters, electric vehicle chargers, and/or home battery storage; provides the software to automate the customer response to dynamic prices, and monitors customer load shift behavior. The pilot builds on a similar, successful pilot initiated by Sacramento Municipal Utilities District (SMUD), UC Davis and Panasonic. The pilot is currently enrolling customers but is facing a major hurdle in recruitment since PG&E does not support solar customers, as discussed in more detail in Section 4.1.5.

##### **4.1.3 Electric Advisor Program**

VCE operates a residential [Electric Advisor](#) program, which is a free service for VCE residential customers. The service is an enhanced customer care resource, otherwise known as a "concierge service," which helps support customers who are trying to electrify their homes and/or become more energy efficient. The program integrates with VCE's existing customer care, and customers receive a dedicated account manager who can scale their service level from simple questions to whole-home electrification plans, reviewing contractor bids, etc.

#### 4.1.4 REACT Pilot

Launched in early 2025, VCE's Rural Electrification and Charging Technology (REACT) was designed to help businesses transition to electric vehicles by giving incentives for electric vehicle (EV) charging equipment. The program, which involves three partners – Gridtractor (the main grantee from the CEC's REDWDs grant, Monarch Tractor, and VCE; also gives eligible participants the option to engage in bidirectional charging and enroll in dynamic electricity rates (through Hourly Flex Pricing) to shift load off peak times. REACT provides incentives for charging infrastructure, hardware, and software to lower the costs of deploying electric tractors and vehicles for customers. Work on the REACT Pilot has been paused, as one pilot partner (not VCE) is currently unable to maintain its scope.

#### 4.1.5 Issues with Hourly Flex Pricing (HFP)

VCE offers HFP pilot rates to eligible customers, as well as incorporating HFP rates into other pilot program designs. This approach, though administratively simpler for VCE, has led to significantly lower enrollment in the connected pilots. For example, VCE's active Coordinated Home Automation via Real-Time Grid Economics Study, or CHARGE Pilot, is currently using HFP for the pilot's dynamic rate. Customers are required to be on a dynamic rate to enroll in CHARGE, and currently HFP is VCE's only active dynamic rate.

PG&E is not supporting solar customers in its HFP Pilots and has no estimate of when it will be able to, which has been a not insignificant flaw in the Pilots' rollout. Most of the customers that expressed interest in enrolling in CHARGE have been solar customers, which is causing VCE to explore dynamic rate options that could enroll solar customers, and can be deployed independently of the investor-owned utilities, though this is a large challenge for the agency, as VCE has a very small full-time staff for its size. This is discussed further in Section 4.2.2.

HFP constraints were also a barrier in the REACT Program – VCE supported a wider rates eligibility umbrella when the CPUC first proposed its decision, but ultimately, the eligibility was fairly restricted, and if customers wanted to enroll in HFP, many of them (including customers whose rate was eligible in the preceding AgFIT Pilot) would have had to change their rate to participate in HFP, which was a barrier to enrollment for many customers.

## 4.2 Rates and Programs Under Development

### 4.2.1 Microgrid Incentive Program

In December 2025, VCE submitted an application for the Microgrid Incentive Program, funded by the Public Purpose Program Charge (paid by all utility customers), and administered by PG&E. VCE applied for a \$14 million Application Incentive Request (AIR). This covers eligible project engineering and development costs, such as in-front-of-the-meter (IFOM) batteries and generation resources, project management, and property purchase costs. This effort involved engagement of Yolo County stakeholders, including the Yocha Dehe Wintun Nation. The submission is pending, and awardees should be announced in Q2-Q3 2026.

### 4.2.2 Other Dynamic Pilot Rate Designs

Because PG&E is unable to enroll solar customers in HFP, VCE has begun to explore other options for dynamic rates. Not being able to include solar customers in pilots like the above-mentioned CHARGE Pilot, because they cannot enroll in HFP, is a major barrier to both

recruitment and accurate Pilot results. VCE's recent recruitment efforts with the CHARGE Pilot demonstrated that solar customers tend to be "early adopters," and are eager to participate in load-shift pilots – most of the customers that applied to enroll in CHARGE were solar (NEM and Solar Billing Plan), and VCE was unable to enroll them because this pilot requires a dynamic rate and PG&E cannot support solar customers in HFP.

VCE is exploring different dynamic rate approaches and is in the design phase for a pilot dynamic rate that could be LMS-compliant. The rate would incorporate elements of Time-of-Use (TOU) rates, as well as a day-ahead hourly dynamic design. The pilot rate would allow solar customers to participate. However, if PG&E is ultimately unable to support solar customers in its HFP rates, complications could arise for VCE since CCAs do not set rates for transmission and delivery, and this may lead to complications for the non-generation portion of the pilot rate.

### 4.3 Material Deviations

VCE notes that the only material deviation did not concern the 2024 LMS Compliance Report directly and is not expected to adversely affect compliance with LMS regulations. However, the Report contains VCE's Board's Strategic Plan goal mentioned in section 1.2.1. The former goal reads:

***Procurement Strategy:** Commitment to serving 100% of retail sales with renewable energy by 2030*

The Board voted to change the goal when the Strategic Plan was renewed in 2025, partly in response to upcoming changes in hourly resource matching for Power Content Label calculations. The revised goal is [to]: Manage power supply resources to consistently exceed California's Renewable Portfolio Standard (RPS) while working toward a resilient resource portfolio that is 100% Carbon-Free and a minimum of 90% Renewable by 2030. More information can be found in VCE's 2025 Strategic Plan update here:

<https://valleycleanenergy.org/wp-content/uploads/Item-13-VCE-2026-2029-Strategic-Plan-Major-Update-10-14-25.pdf>.

### 4.4 Cost Effectiveness

The AgFIT Pilot's final evaluation report<sup>1</sup> was somewhat inconclusive on cost recovery. The data is based only on a subset of agricultural customers, and VCE is hesitant to apply these results to the cost effectiveness of other rate classes or pilots. As a result, VCE's evaluation of cost effectiveness is based on this limited assessment. VCE anticipates being able to refine estimates to inform future updates of its Plan as more results become available in pilots being conducted around the state of California by other load-serving entities (LSEs).

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<sup>1</sup> <https://www.dret-ca.com/wp-content/uploads/2025/04/VCE-AgFIT-Pilot-Final-Evaluation-Report.pdf>.

## 5. Conclusion

VCE has made progress on, and remained in compliance with its Board-approved Load Management Standards (LMS) Plan. VCE has continued to advance priorities shared by VCE and the State of California, including:

- Uploading rates into MIDAS;
- Implementing and maintaining RINs on customer bills;
- Participating in the development of a Statewide Tool; and
- Development and implementation of load flexibility rates and programs.

VCE has also identified several challenges that could complicate further progress on LMS goals and priorities:

- PG&E's inability to support solar customers in HFP has created a significant recruitment barrier for VCE's pilots reliant on dynamic rates. VCE has begun exploring dynamic rate options that can be deployed independently and accommodate solar customers; and
- The REACT Pilot has been temporarily paused due to circumstances outside of VCE's control, with updates to follow in the next Annual Report.

VCE remains committed to supporting its customers and service territory through its load flexibility efforts, and it will continue to evaluate rate and program designs that reflect its values of affordability, clean energy, and grid reliability as the LMS framework evolves.

## **ATTACHMENT A**

VCE RINs Uploaded into MIDAS

**PAGES 9 - 101 LISTING RINs HAVE BEEN REMOVED  
FOR THIS STAFF REPORT**

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 10

**TO:** Board of Directors

**FROM:** Sierra Huffman, Senior Financial Analyst – Rates and Power Costs

**SUBJECT:** Approve Valley Clean Energy’s share of capacity from Amendment No. 1 to the Fish Lake Geothermal project

**DATE:** June 11, 2026

#### **RECOMMENDATION**

Approve Valley Clean Energy’s share of capacity from Amendment No. 1 to the Renewable Power Purchase Agreement (“PPA”) with Fish Lake Geothermal LLC for the Fish Lake geothermal project.

#### **BACKGROUND**

This includes up to the maximum available capacity of 19.8 MW multiplied by the 125% step-up provision in the Project Participation Share Agreement (“PPSA”).

Through the 2020 Integrated Resource Planning (“IRP”) proceeding, the California Public Utilities Commission (“CPUC”) identified a need for additional clean energy resources including firm, baseload, and storage resources. These additional resources were envisioned to support the ongoing grid integration of intermittent resources (e.g. solar, wind), to meet California’s greenhouse gas emission reduction goals, as well as allow for the retirement of carbon emitting or less desirable power plants.

In June 2021, as part of the 2020 IRP, the CPUC issued the Mid-term Reliability Procurement Order (“MTR Order” D.21-06-035), requiring jurisdictional load serving entities (“LSEs”), such as VCE, to procure and/or develop a collective 11,500 MW of new capacity by 2026. VCE’s share of the MTR Order is 44 MW which was determined based on VCE’s load compared to CPUC’s jurisdictional load.

Included within the MTR Order was an identified need of 1,000 MW of new incremental capacity from firm clean resources (“FCR”) delivered from geothermal and/or biomass resources with an on-line date by August 2026. VCE’s share of the FCR requirement is approximately 4 MW.

To meet the clean firm resource compliance requirements set forth in D.21-06-035, VCE supported CC Power signing a Power Purchase Agreement (“PPA”) in May 2022 with Fish Lake Geothermal LLC, a project company of Open Mountain Energy (“OME”), for 13 MW of energy, capacity and green attributes from the Fish Lake Geothermal project (“Fish Lake” or the “Project”) located in Esmeralda County, Nevada. In May 2024, CC Power and OME began discussions to amend the PPA to change the delivery point for CAISO imports from the Mona delivery point, which will revert to LADWP control in June 2027, and to amend the guaranteed commercial operation date of the Project due to permitting

delays. During those amendment discussions, Fish Lake triggered an event of default for failure to achieve the Guaranteed Construction Date, and the imposition of federal tariffs applicable to major equipment of the Project, led OME to request a price increase to cover the increased costs of construction of the Project. The proposed First Amendment resolves the event of default by updating the guaranteed construction date and guaranteed commercial operation date, updates the delivery point, increases CC Power’s potential offtake capacity from the Project, and adjusts the contract price to cover increased tariff costs.

**CONTRACT STRUCTURE**

The contract structures for Fish Lake Geothermal involved CC Power signing a power purchase agreement (PPA) with the Project seller and each of the participating community choice aggregators (CCAs) signing a project participation share agreement (PPSA) with CC Power. VCE will be one of many CC Power members sharing in the output, benefits, costs and obligations of the Project. As a project participant, VCE will receive the energy and PCC1 RECs for its portion of the Fish Lake Geothermal project. In addition, VCE will be able to count the capacity towards its resource adequacy and the MTR Decisions’ compliance requirements upon allocating its CAISO Import Allocation Rights to the Project.

**CCA PARTICIPATION**

The table below shows the expected share percentage and megawatts (MW) for each participating CC Power member under the PPSA. The PPSA has a step-up provision capped at 125% of the maximum available capacity of 19.8 MW. The step-up provision is necessary to ensure that the PPA between CC Power and the seller will continue in the event that one or more project participants default. In such case, rather than allowing the PPA to terminate, the remaining participants would increase their entitlement share.

<b>Project Participants</b>	<b>% Share</b>	<b>Guaranteed Capacity (MW)</b>	<b>Maximum Contract Capacity (MW)</b>	<b>Potential Capacity with 125% Step-Up Entitlement</b>
3CE	18.6%	2.42	3.68	4.60
CPSF	14.5%	1.89	2.87	3.59
PCE	17.8%	2.31	3.52	4.41
RCEA	2.8%	0.36	0.55	0.69
SJCE	17.4%	2.26	3.45	4.31
SVCE	14%	1.82	2.77	3.47
SCPA	11.7%	1.52	2.32	2.90
VCE	3.2%	0.42	0.63	0.79
<b>Total</b>	<b>100%</b>	<b>13</b>	<b>19.8</b>	

**PAST APPROVAL**

On July 14, 2022, the Board authorized VCE’s Executive Officer to execute, as a member of CC Power, the Fish Lake Geothermal agreement and any associated ancillary documents.

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**PPA AMENDMENT NO. 1 SUMMARY**

The Amendment updates several contract provisions and is the result, in part, of shifting federal policy under the current administration. A general summary of amendments to the PPA are detailed below.

- Incremental Capacity:** As a condition to adjust the contract price, OME provided CC Power rights to additional capacity from the Project. The facility has a minimum capacity of 16 MW, with a target capacity of 19.8 MW. CC Power is guaranteed 13 MW of capacity, with 3 MW committed in a power purchase agreement to a third party. CC Power has exclusive rights to the additional 3.8 MW. In addition, if the 3 MW committed to the third party becomes available, CC Power is entitled to that 3 MW as well. CC Power has exclusive rights to these first 19.8 MW at the contract price. Finally, CC Power has right of first offer on any capacity greater than 19.8 MW.
- Guaranteed Commercial Operation Date:** Bureau of Land Management (BLM) permitting timelines have extended due to the complex nature of permitting a geothermal project and staff shortages at the BLM generally. The Guaranteed COD has been extended to reflect the timeline for permitting and development of the project with a one-time damage payment to CC Power for delay.
- Delivery Point:** Beginning in June 2027, Mona, the originally contemplated CAISO import point, will revert to LADWP control and will no longer be eligible as a CAISO intertie. To mitigate this, OME and CC Power have agreed to use an alternative delivery point at a CAISO intertie.
- Contract Price:** Due to the imposition of federal tariffs on foreign imports and OME’s dependency upon Chinese equipment, OME requested a price adjustment to cover the incremental costs of the project.

Term	Original	Amended
<b>Portfolio Capacity &amp; Expected Annual Energy</b>	13 MW VCE’s expected share is 0.42 MW and 3,460 MWhs	Guaranteed capacity of 13 MW Target capacity of 16.8 MW Exclusivity up to 19.8 MW Right to First Offer for > 19.8 MW VCE’s expected share is 0.54 MW and 4,540 MWhs
<b>Expected Commercial Operation</b>	6/1/2024	7/1/2027
<b>Guaranteed Commercial Operation Date</b>	6/1/2024	10/1/2027

<b>Contract Price</b>	Confidential. Fixed price \$/MWh, no escalation	Confidential. Fixed price \$/MWh, no escalation
<b>Delivery Point</b>	Mona, unless able to get Import Capability at Gonder	Confidential
<b>Settlement Point</b>	NP15	NP15

**CONCLUSION**

Staff is recommending Board approval of the Amendment to the Renewable Power Purchase Agreement with Fish Lake Geothermal LLC, approving VCE’s share of capacity up to the maximum available capacity of 19.8 MW multiplied by the 125% step-up provision in the PPSA. Should the Board fail to give approval, the PPSA will be amended to remove VCE as a Project Participant.

**ATTACHMENTS**

1. Fish Lake PPA Amendment No. 1 (Redacted)
2. Resolution 2026 -XXX

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**AMENDMENT NO. 1  
TO RENEWABLE POWER PURCHASE AGREEMENT**

This Amendment No. 1 (the “**First Amendment**”) to the Agreement (as defined below), is dated as of April 23, 2026 (the “**First Amendment Effective Date**”), between California Community Power, a California joint powers authority (“**Buyer**”), and Fish Lake Geothermal LLC, a Nevada limited liability company (“**Seller**”). Seller and Buyer are each a “**Party**” and together the “**Parties**”. Capitalized terms used and not defined in this First Amendment have the respective meanings assigned to them in the Agreement (as defined below).

**RECITALS**

- A. The Parties entered into that certain Renewable Power Purchase Agreement, dated as of May 31, 2022 (as may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “**Agreement**”).
- B. The Agreement contains a Guaranteed Construction Start Date of January 1, 2024 and a Guaranteed Commercial Operation Date of June 1, 2024, which Seller failed to achieve due to interconnection and permitting delays.
- C. Buyer permitted the maximum Development Cure Period under the Agreement to extend the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date, but Seller was still unable to achieve the extended Guaranteed Construction Start Date and Guaranteed Commercial Operation Date.
- D. Due to the imposition of import tariffs on Facility equipment and development and construction delays, as of the First Amendment Effective Date, the Parties have agreed to a Contract Price increase.
- E. The maximum capacity of the geothermal facility that includes the Facility (“**Project**”) is 19.8 MW (“**Maximum Capacity**”). In addition to the Guaranteed Capacity of 13.0 MW, Seller has an existing agreement with Third Party for 3.0 MW of the Maximum Capacity (“**Committed Capacity**”). Therefore, the maximum available capacity of the Project is 3.8 MW (“**Maximum Available Capacity**”). The Parties intend to provide Buyer the exclusive right to purchase products relating to the Maximum Available Capacity at the Contract Price and an option to purchase products from New Capacity that may become available at the Project.
- F. The Parties now intend to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Amendments to the Agreement.
  - (a) The Cover Sheet is deleted in its entirety and replaced with Attachment A to this First Amendment.
  - (b) The following defined terms are added to the definitions in Section 1.1 in alphabetic order.
    1. “**Additional Capacity**” means Committed Capacity or Maximum Available Capacity, as applicable, from the Project (i) that is greater than the Guaranteed

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Capacity prior to the Commercial Operation Date, or (ii) greater than the Installed Capacity after the Commercial Operation Date, but in either case, no greater than the Maximum Capacity minus the Guaranteed Capacity.

2. “**Additional Capacity Initial Delivery Date**” has the meaning set forth in Section 3.1(b)(ii).
  3. “**Committed Capacity**” has the meaning set forth in the Recitals to this First Amendment.
  4. “**Contract Capacity**” means (a) prior to the Commercial Operation Date, the Guaranteed Capacity, and (b) on and after the Commercial Operation Date, the Installed Capacity.
  5. “**[REDACTED]**” means the CAISO Scheduling Point named **[REDACTED]** which is part of CAISO Branch Group named **[REDACTED]**.
  6. “**First Amendment**” has the meaning set forth in the Preamble to the First Amendment.
  7. “**First Amendment Effective Date**” has the meaning set forth in the Preamble to the First Amendment.
  8. “**Intertie**” has the meaning set forth in the CAISO Tariff.
  9. “**Maximum Available Capacity**” has the meaning set forth in the Recitals to this First Amendment.
  10. “**Maximum Capacity**” has the meaning set forth in the Recitals to this First Amendment.
  11. “**New Capacity**” has the meaning set forth in Section 3.1(c).
  12. “**Project**” has the meaning set forth in the Recitals to this First Amendment.
  13. “**Shortfall Capacity**” has the meaning set forth in Exhibit B.
  14. “**[REDACTED]**” means the CAISO Scheduling Point named **[REDACTED]**, which is part of the CAISO Branch Group named **[REDACTED]**.
  15. “**Third Party**” means **[REDACTED]** or any successor thereto.
- (c) The following definitions are deleted in their entirety from Section 1.1 and replaced with the following:
1. “**Installed Capacity**” means the peak electrical output of the Facility, as measured in MW-AC at the Delivery Point, that achieves Commercial Operation, adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Exhibit I hereto. If Additional Capacity becomes available after the Commercial Operation Date, for all purposes under this Agreement “Installed Capacity” shall include the amount of Additional Capacity accepted pursuant to Buyer’s Notice as set forth within Section

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3.1(b)(ii)(B), subject to the conditions in Section 3.1(b)(iii).

(d) Section 2.2(f) is deleted in its entirety and replaced with the following:

“(f) Seller has obtained Firm Transmission Rights sufficient to deliver the Contract Capacity to the Delivery Point and has provided documentation of the same to Buyer;”

(e) Section 3.1 is deleted in its entirety and replaced with the following:

“3.1 **Purchase and Sale of Product/Contract Capacity**

(a) **Purchase and Sale of Product**. Subject to the terms and conditions of this Agreement, during the Delivery Term, Buyer will purchase all the Product produced by or associated with the Installed Capacity from the Facility at the Contract Price, and Seller shall supply and deliver to Buyer all the Product produced by or associated with the Facility, except as permitted pursuant to Section 3.1(b)(v). At its sole discretion, Buyer may, during the Delivery Term, re-sell or use for another purpose all or a portion of the Product, provided that no such re-sale or use shall relieve Buyer of any obligations hereunder, including the last sentence of Section 5.2. During the Delivery Term, Buyer will have exclusive rights to offer, bid, or otherwise submit the Product, or any Capacity Attributes thereof, from the Facility after the Delivery Point for resale in the market, and retain and receive any and all related revenues. Buyer has no obligation to purchase from Seller any Product for which the associated Energy is not or cannot be delivered to the Delivery Point as a result of an outage of the Facility, a Force Majeure Event, a Curtailment Order, or relating to Additional Capacity prior to the Additional Capacity Initial Delivery Date. For the avoidance of doubt, settlement with CAISO shall not be deemed a sale by Seller to a third party of Product in contravention of this Section 3.1.

(b) **Contract Capacity**. If at any time during the Term, Maximum Available Capacity becomes available as a result of plant performance as determined by Seller in its sole discretion or Committed Capacity becomes available, then, in addition to its rights to the Products associated with the Guaranteed Capacity, Buyer shall have the exclusive right to all Product associated with the Maximum Available Capacity or Committed Capacity, as applicable, at the Contract Price, except as otherwise provided in Section 3.1(b)(v). For the avoidance of doubt, except as otherwise set forth in this Agreement, Buyer shall have no right to the Committed Capacity or any products associated with such Committed Capacity unless such Committed Capacity becomes available and Buyer exercises its rights to such available Committed Capacity as set forth in this Section 3.1(b).

(i) If Additional Capacity becomes available and Seller has obtained Firm Transmission rights to the Delivery Point for the Additional Capacity as set forth in Exhibit A, Seller shall promptly provide Notice to Buyer setting forth the amount of Additional Capacity with Firm Transmission rights to the Delivery Point and the expected date that Product can be delivered from the Additional Capacity to the Delivery Point using Firm Transmission rights. If Seller’s Notice under this Section 3.1(b)(i) is provided to Buyer after the Commercial Operation Date, Seller shall concurrently provide to Buyer an Installed Capacity Certificate in the form of Exhibit I that shall be used for updating the Installed Capacity pursuant to Section 3.1(b)(iii).

(ii) After Seller provides Notice to Buyer pursuant to Section 3.1(b)(i),

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Buyer shall cause the Project Participants to use commercially reasonable efforts to obtain Import Capability at the anticipated Delivery Point necessary to import the Net Qualifying Capacity from the Additional Capacity into the CAISO.

(A) If the Project Participants are unable to obtain Import Capability for some or all of the Additional Capacity initially, Buyer shall cause the Project Participants to seek Import Capability for the Additional Capacity in subsequent import capability allocations, unless Buyer determines in its reasonable judgment that continued efforts are not commercially reasonable; provided that, notwithstanding Section 3.1(b)(v), if the Project Participants are unable to obtain Import Capability for the full amount of Additional Capacity set forth in Seller's Notice under Section 3.1(b)(i) in three (3) consecutive annual CAISO Import Capability allocation processes and Buyer does not accept some or all of the Additional Capacity that did not receive Import Capability prior to thirty (30) days after the results of the third consecutive annual CAISO Import Capability allocation process have been released by CAISO, Seller shall be free to market and sell any products to third parties relating to the Additional Capacity of the Facility not accepted by Buyer pursuant to Section 3.1(b)(ii)(A) and Section 3.1(b)(ii)(B) and retain all proceeds related thereto. Seller shall use commercially reasonable efforts to support Buyer and Project Participants in obtaining such Import Capability.

(B) Buyer shall provide Notice to Seller when the Project Participants have secured Import Capability at the Delivery Point for some or all of the Additional Capacity and/or if Buyer in its sole discretion elects to accept some or all of the Additional Capacity without Import Capability rights, which Notice shall set forth the amount of Additional Capacity that Buyer will accept and the date upon which deliveries of Product to Buyer from some or all of the Additional Capacity shall commence under this Agreement (which date cannot be earlier than the Commercial Operation Date or the date set forth in Seller's Notice pursuant to Section 3.1(b)(i) ("**Additional Capacity Initial Delivery Date**"); provided that the Additional Capacity Initial Delivery Date will be extended to the actual date that Seller is able to deliver Additional Capacity to the Delivery Point using Firm Transmission rights if such date is after the date included in Seller's Notice pursuant to Section 3.1(b)(i). For avoidance of doubt, Buyer may issue more than one Notice to Seller under this Section 3.1(b)(ii)(B) at any time prior to thirty (30) days after the results of the third consecutive annual CAISO Import Capability allocation process have been released by CAISO.

(iii) Commencing on the date of Buyer's Notice(s) under Section 3.1(b)(ii)(B), (A) for all purposes under the Agreement, the Guaranteed Capacity (if Buyer's Notice is provided prior to the Commercial Operation Date) or Installed Capacity (if Buyer's Notice is provided after the Commercial Operation Date) will include the Additional Capacity accepted by Buyer pursuant to Buyer's Notice, and (B) the term "Facility" shall be deemed to include the updated Guaranteed Capacity (if Buyer's Notice is provided prior to the Commercial Operation Date) or updated Installed Capacity (if Buyer's Notice is provided after the Commercial Operation Date). For the avoidance of doubt, any amount of

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Additional Capacity not accepted by Buyer under Section 3.1(b)(ii)(B) will not be included in the Guaranteed Capacity or Installed Capacity, as applicable, unless or until Buyer provides additional Notice to Seller that it has accepted some or all of the Additional Capacity amounts initially not accepted by Buyer and then, only to the extent of the additional accepted Additional Capacity.

(iv) Seller shall provide additional Development Security or Performance Security, as applicable, to Buyer within sixty (60) days of the date of Buyer's Notice(s) described in Section 3.1(b)(ii)(B) corresponding to the amount of Additional Capacity accepted by Buyer. Provided, however, if this Agreement is terminated due to a Seller Event of Default after the date of Buyer's Notice but prior to Seller's posting of additional Development Security under this Section 3.1(b)(iv), the Damage Payment shall be deemed to include Development Security in the amount of the Guaranteed Capacity, inclusive of the Additional Capacity accepted by Buyer.

(v) Notwithstanding any other provision of this Agreement, Seller may market and sell any products relating to the Additional Capacity of the Facility to third parties until the Additional Capacity Initial Delivery Date. Further, for any portion of the Additional Capacity that is not accepted by Buyer as of the Additional Capacity Initial Delivery Date, Seller may market and sell any products relating thereto until such time as Buyer accepts such incremental Available Capacity. For each month that includes sales of Product to third parties under this Section 3.1(b)(v), Seller shall pay to Buyer any revenues realized from sales of Product associated with the Available Capacity to third parties (including for the avoidance of doubt, sales to the CAISO or other balancing authority) that are in excess of the revenues Seller would have received through sales of the Product associated with the Available Capacity to Buyer at the Contract Price. Buyer shall have no responsibility or liability to Seller if the third party revenues are less than the amount Seller would have received from Buyer for sales of Product associated with the Available Capacity under this Agreement. Buyer shall have no obligation for any payment associated with the Available Capacity until Seller has commenced deliveries to Buyer of Product relating to the Additional Capacity at the Delivery Point as of the Additional Capacity Initial Delivery Date.

(c) **Limitation on Seller's Ability to Sell New Capacity.** If Seller installs new power generation equipment at the Project that increases the capacity of the Project in excess of the Maximum Capacity ("**New Capacity**"), neither Seller nor Seller's Affiliates may sell, market or deliver any Product associated with or attributable to such New Capacity to a party other than Buyer, unless (i) Seller has provided Buyer Notice of any New Capacity and the price and other material terms and conditions for which Seller will offer to sell product from such New Capacity to Buyer, and (ii) Buyer has, within sixty (60) days of receipt of such Notice, rejected Seller's offer to purchase product associated with the New Capacity, in which case Seller or Seller's Affiliates may sell, market or deliver any product that is associated with or attributable to the New Capacity to any third party on terms and conditions no more favorable than those offered to Buyer. If Buyer does not respond to Seller's Notice of New Capacity within sixty (60) days of receipt of such Notice, Buyer will be deemed to have rejected Seller's offer.

Neither Seller nor Seller's Affiliates may sell or transfer the Project, or any part thereof, or land rights or interests in the Site (including the interconnection queue position of the

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Project) so long as the limitations contained in this Section 3.1(c) apply, unless the transferee agrees to be bound by the terms set forth in this Section 3.1(c) pursuant to a written agreement approved by Buyer in its reasonable discretion.

Seller shall indemnify and hold Buyer harmless from all benefits lost and other damages sustained by Buyer as a result of any breach by Seller of its covenants contained within this Section 3.1(c).”

(f) Section 3.7(c) is deleted in its entirety and replaced with the following:

“(c) Buyer shall cause the Project Participants to use commercially reasonable efforts to obtain the Import Capability at the anticipated Delivery Point(s) as necessary to import the Guaranteed Net Qualifying Capacity from the Facility into the CAISO. Seller shall use commercially reasonable efforts to support Buyer and Project Participants in obtaining such Import Capability. To the extent Project Participants do not or cannot maintain Import Capability at the anticipated Delivery Point(s) necessary to support the importation of the Guaranteed Net Qualifying Capacity into the CAISO for reasons other than a Seller failure under this Agreement or the inability of Seller to maintain the Facility as a Pseudo-Tie Resource, the Capacity Attributes that are not imported or that cannot be imported shall constitute Deemed Delivered RA.”

(g) Section 11.1(b)(xi) is added as follows:

“(xi) Seller fails to comply with the requirements of Section 3.1.”

(h) Section 13.1(i) is deleted in its entirety and replaced with the following:

“(i) Except as set forth in Exhibit A, Seller shall maintain rights sufficient to deliver the Contract Capacity to the Delivery Point throughout the Delivery Term.”

(i) Exhibit A is deleted and replaced as set forth in Attachment B to this First Amendment.

(j) Section 5 of Exhibit B is deleted in its entirety and replaced with the following:

“**Failure to Reach Guaranteed Capacity.** If, at Commercial Operation, the Installed Capacity is less than one hundred percent (100%) of the Guaranteed Capacity, Seller shall have ninety (90) days after the Commercial Operation Date to install additional capacity and/or Network Upgrades such that the Installed Capacity is equal to no less than the Guaranteed Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I hereto specifying the new Installed Capacity. If Seller fails to construct the Guaranteed Capacity by such date, (a) Seller shall pay “**Capacity Damages**” to Buyer, in an amount equal to [REDACTED] for each MW that the Guaranteed Capacity exceeds the Installed Capacity (“**Shortfall Capacity**”) and (b) the Guaranteed Capacity will be reduced by an amount equal to the Shortfall Capacity for all purposes hereunder.”

(k) Exhibit N is deleted and replaced as set forth in Attachment C to this First Amendment.

(l) Exhibit O is deleted and replaced as set forth in Attachment D to this First Amendment.

3. One Time Payment. In consideration of Buyer’s agreement to the amendments herein, Seller shall pay to Buyer [REDACTED]

CONFIDENTIAL

██████████ following the Commercial Operation Date.

4. Limited Effect. Except as expressly provided in this First Amendment, all of the terms and provisions of the Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Agreement or as a waiver of or consent to any further or future action on the part of either Party that would require the waiver or consent of the other Party. On and after the First Amendment Effective Date, each reference in the Agreement to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein” or words of like import will mean and be a reference to the Agreement as amended by this First Amendment.

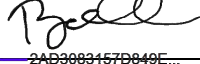
5. Miscellaneous.

- (a) This First Amendment is governed by and construed in accordance with, the laws of the State of California, without regard to the conflict of laws provisions of such State.
- (b) This First Amendment shall inure to the benefit of and be binding upon each of the Parties and each of their respective successors and permitted assigns.
- (c) The headings in this First Amendment are for reference only and do not affect the interpretation of this First Amendment.
- (d) This First Amendment may be executed in counterparts, each of which is deemed an original, but all of which constitutes one and the same agreement. Delivery of an executed counterpart of this First Amendment electronically or by facsimile shall be effective as delivery of an original executed counterpart of this First Amendment.
- (e) This First Amendment constitutes the sole and entire agreement between the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.
- (f) Each Party shall pay its own costs and expenses in connection with this First Amendment (including the fees and expenses of its advisors, accounts and legal counsel).


*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the First Amendment Effective Date.

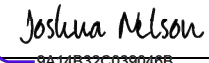
**FISH LAKE GEOTHERMAL LLC,**  
a Nevada ~~limited liability~~ **limited liability company**

By:   
Name: Brady Olson  
Title: Chief Executive Officer

**CALIFORNIA COMMUNITY POWER,**  
a California ~~joint powers~~ **joint powers authority**

By:   
Name: Alexander Morris  
Title: General Manager

**Approved as to form:**

By:   
Name: Joshua Nelson  
Title: General Counsel

**ATTACHMENT A**

**RENEWABLE POWER PURCHASE AGREEMENT  
COVER SHEET**

**Seller:** Fish Lake Geothermal LLC (“**Seller**”)

**Buyer:** California Community Power, a California joint powers authority (“**Buyer**”)

**Description of Facility:** Fish Lake Geothermal Project, a geothermal power plant with a Guaranteed Capacity of 13.0 MW, a Maximum Available Capacity of 3.8 MW, a target Contract Capacity of 16.8 MW, and a Maximum Capacity of 19.8 MW, located in Esmeralda County, in the State of Nevada, as further described in Exhibit A.

**Milestones:**

<b>Milestone</b>	<b>Expected Date for Completion</b>
<b>Evidence of Site Control</b>	Complete
<b>CEC Pre-Certification Obtained</b>	Complete
<b>Seller’s receipt of facilities study results for Seller’s Interconnection Facilities</b>	Complete
<b>Interconnection Agreement executed</b>	Complete
<b>Documentation of Conditional Use Permit if required: [ ] CEQA, [ ] Cat Ex, [ ] Neg Dec, [ ] Mitigated Neg Dec, [ ] EIR, [X] NEPA</b>	June 30, 2026
<b>Federal and State discretionary permits obtained</b>	July 31, 2026
<b>Major Equipment procured</b>	September 30, 2026
<b>Guaranteed Construction Start Date</b>	September 30, 2026
<b>Network Upgrades Completed</b>	May 31, 2027
<b>Initial Synchronization</b>	June 15, 2027
<b>Expected Commercial Operation Date</b>	July 1, 2027
<b>Guaranteed Commercial Operation Date</b>	October 1, 2027

**Delivery Term:** Twenty (20) Contract Years.

**Expected Energy:** [REDACTED]

**Contract Price:** [REDACTED]

**Product:**

- Delivered Energy
- Green Attributes (Portfolio Content Category 1) associated with Delivered Energy
- Capacity Attributes
- Ancillary Services

**Scheduling Coordinator:** Seller

**Security:**

CP Security: [REDACTED]

Development Security: [REDACTED].

Performance Security: [REDACTED].

**ATTACHMENT B**

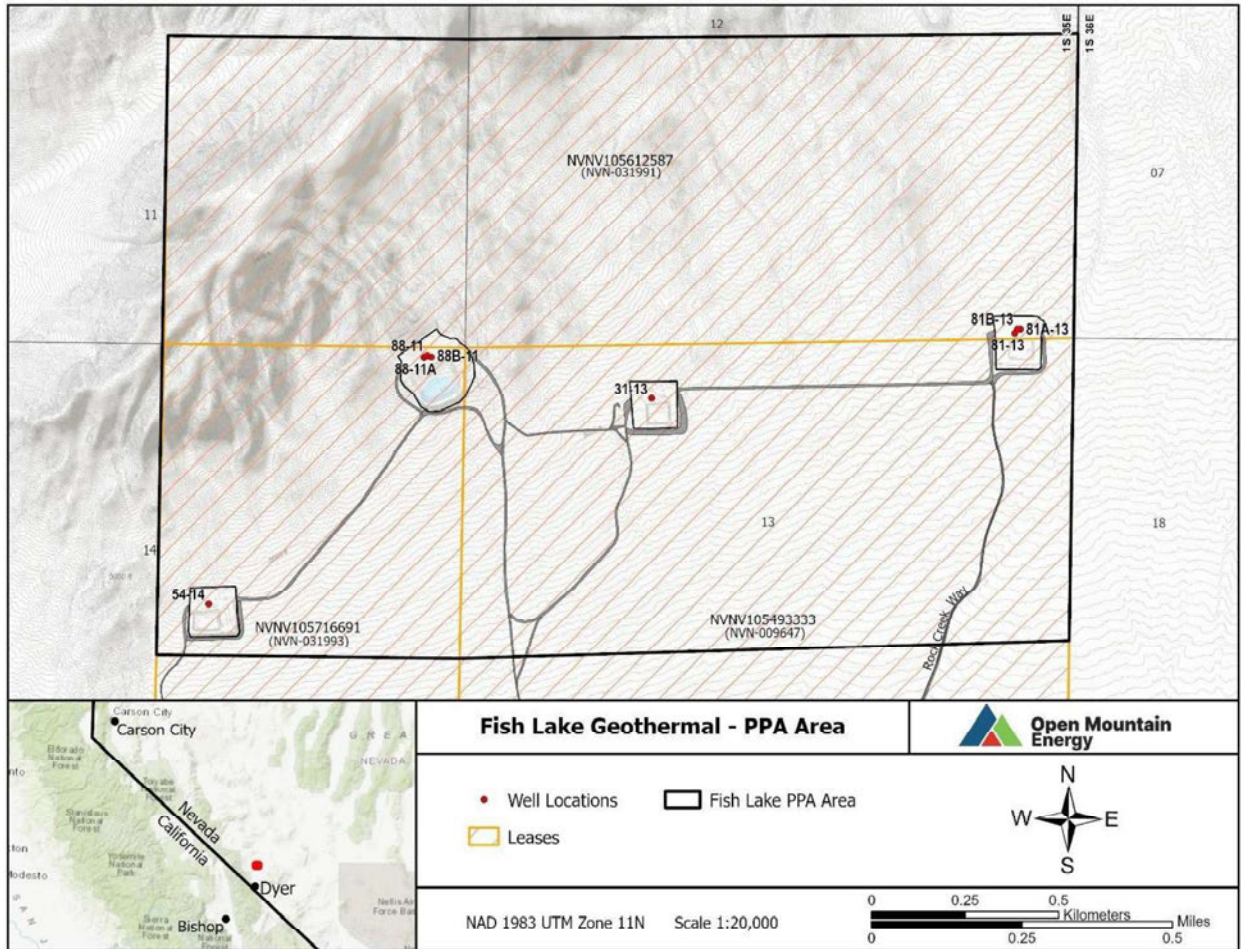
**EXHIBIT A**

**FACILITY DESCRIPTION**

**Site Name:** Fish Lake Geothermal Project

**Site location:** T1S, R35E, Sections 11 SE/4, 12 S/2, 13 N/2, 14 NE/4; All within APN: BLM 007-021-01

**Total Acreage:** 996.1 ac



**City:** 18 miles north of Dyer, Nevada

**County:** Esmeralda

**Zip Code:** 89010

**Latitude and Longitude:**  
37°51'39.33"N, 118° 2'2.69"W

**Facility Description:** A geothermal power plant with a Guaranteed Capacity and Maximum Capacity as set forth herein.

**Interconnection Point:** The Facility shall interconnect to the NV Energy Silver Peak Substation.

**Delivery Point:** [REDACTED], provided, however, if and when the following conditions are satisfied, the Delivery Point will be [REDACTED]

[REDACTED]

[REDACTED] Seller shall promptly provide Notice to Buyer upon the occurrence of conditions (i) and (ii) in the preceding sentence.

[REDACTED]

**Settlement Point:** TH\_NP15\_GEN-APND (or any successor aggregated pricing node for NP-15).

**Facility Meter:** See Exhibit P

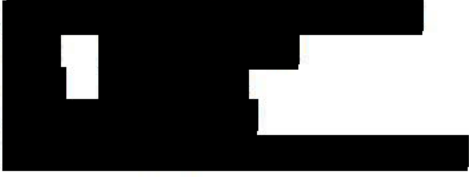









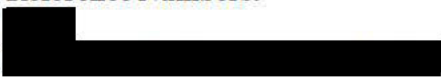
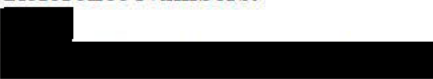
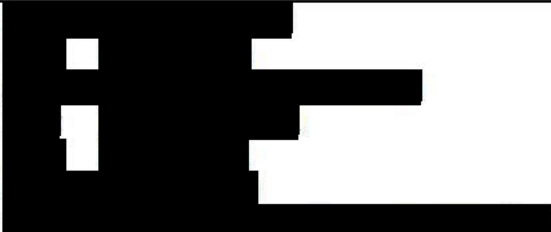

**Facility Metering Points:** See Exhibit P

**Transmission Provider:** NV Energy

**ATTACHMENT C**

**EXHIBIT N**

**NOTICES**

<b>Fish Lake Geothermal LLC, a Nevada Limited Liability Company ("Seller")</b>	<b>California Community Power, a California joint powers authority ("Buyer")</b>
<b>All Notices:</b> 	<b>All Notices:</b> 
<b>Contract Management:</b> 	<b>Contract Management:</b> 
<b>Invoices:</b> 	<b>Invoices:</b> 
<b>Payments:</b> 	<b>Payments:</b> 
<b>Wire Transfer:</b> 	<b>Wire Transfer:</b> 
<b>Reference Numbers:</b> 	<b>Reference Numbers:</b> 
	

<p><b>With additional Notices of an Event of Default to:</b></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p><b>With additional Notices of an Event of Default to:</b></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
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**ATTACHMENT D**

**EXHIBIT O**

**OPERATIONAL CHARACTERISTICS**

Each calendar month of the Delivery Term, Seller shall maintain minimum Adjusted Energy Production (“AEP”) during the hours of 4-9 p.m. PPT (HE17 - HE21) in a quantity no less the following:

<b>Month of Delivery Term</b>	<b>Minimum AEP during HE17-HE21 (in MWh per MW of Installed Capacity)</b>
JAN	■
FEB	■
MAR	■
APR	■
MAY	■
JUN	■
JUL	■
AUG	■
SEP	■
OCT	■
NOV	■
DEC	■

**VALLEY CLEAN ENERGY ALLIANCE**

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

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CLEAN ENERGY ALLIANCE APPROVING THE PROJECT CAPACITY INCREASE AND ALL OTHER TERMS INCLUDED IN AMENDMENT ONE (1) TO THE POWER PURCHASE AGREEMENT BETWEEN FISH LAKE GEOTHERMAL, LLC AND CALIFORNIA COMMUNITY POWER FOR THE FISH LAKE GEOTHERMAL PROJECT AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER IN CONSULTATION WITH LEGAL COUNSEL TO TAKE ANY ACTION NECESSARY TO MEMORIALIZE VALLEY CLEAN ENERGY ALLIANCE'S APPROVAL OF AMENDMENT ONE (1)**

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

**WHEREAS**, VCE in coordination with CC Power conducted a request for offers for firm clean resources (FCR) and engaged in negotiations for the Fish Lake Geothermal project being developed by Open Mountain Energy; and

**WHEREAS**, CC Power sought to execute agreements to effectuate its purchase of a geothermal project from Fish Lake Geothermal LLC based on the project's desirable offering of products, pricing and terms; and

**WHEREAS**, the geothermal project will contribute to the regulatory requirement to procure firm clean resources for each of the CCAs that are participating in this project through CC Power by providing a geothermal resource for a term of twenty years; and

**WHEREAS**, in 2022, staff presented to the Board for its review the Power Purchase Agreement and the Project Participation Share Agreement; and

**WHEREAS**, on July 14, 2022, the Board approved via Resolution 2022-023 authorizing VCE's Executive Officer to execute the Agreements and any ancillary documents with Fish Lake Geothermal LLC, CC Power and participating CCAs in a form approved by legal counsel; and,

**WHEREAS**, The Project has experienced delays due to permitting and cost increases related to federal tariffs; and

**WHEREAS**, CC Power has signed an amendment with Fish Lake Geothermal, LLC to give CC Power rights to incremental capacity, adjust the contract price, extend the guaranteed commercial operation date, and modify the delivery point.

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

1. The Chief Executive Officer is authorized to take any action necessary to memorialize Valley Clean Energy Alliance’s approval of Amendment No. 1 to the power purchase agreement between Fish Lake Geothermal, LLC and California Community Power for the Fish Lake Geothermal Project.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

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

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

Attachment: Amendment No. 1 to Fish Lake Geothermal Agreement (Redacted)

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 11

**TO:** Board of Directors

**FROM:** Mitch Sears, Chief Executive Officer  
Edward Burnham, Chief Financial Officer  
Alisa Lembke, VCE Board Clerk/Administrative Analyst

**SUBJECT:** Consider Reappointment and Appointment to Jurisdiction seats on Community Advisory Committee

**DATE:** June 11, 2026

#### RECOMMENDATION

1. Consider reappointments/appointments to each jurisdiction seat for a three (3) year term to expire 2029 (Class 2).

#### BACKGROUND/ANALYSIS

The Board at their September 9, 2021 meeting, adopted a [revised Community Advisory Committee \(CAC\) structure](#) with eleven total members: eight jurisdictional members (two per jurisdiction) and three additional seats for At-large members intended to fill specific subject matter expertise/experience areas.

Class 2 appointments expire in June 2026 representing the jurisdiction seats: Davis, Woodland, Winters and Yolo County. Staff advertised on VCE's website, through local newspapers and social media seeking applicants for all jurisdiction seats.

Mark Murray was recently appointed to represent Yolo County at the Board's February 12, 2026 meeting. All three (3) incumbent CAC Members are seeking reappointment.

Jennifer Rindahl, past CAC Member, has resubmitted an application for consideration of appointment to represent the City of Winters. Ms. Rindahl served on the CAC from June 2020 - November 2025.

No other applications have been received.

The following CAC Members are seeking reappointment:

- Diccon Westworth - Woodland
- Ari Halberstadt - Davis
- Mark Murray – Yolo County

**CONCLUSION**

Staff recommends the Board consider:

1. Reappointment of the following for a three (3) year term to expire 2028 (Class 2);
  - Woodland Rep. - Diccon Westworth
  - Davis Rep. - Ari Halberstadt
  - Yolo County Rep. - Mark Murray; and,
2. Appoint Jennifer Rindahl to represent the City of Winters for a three (3) year term to expire 2028 (Class 2).

Below is a listing of the other “classes” and their expiration terms:

**CLASS 3 - term expires in June 2027:**

At-Large - Lorenzo Kristov

At-Large - Keith Taylor

At-Large – Danielle Ballard

**CLASS 1 - term expires in June 2028:**

Winters Rep. – David Springer

Woodland Rep. – Mark Aulman

Davis Rep. – Rahul Athalye

Yolo County Rep. – Cynthia Rodriguez

Attachment: Jennifer Rindahl’s Application (Redacted)



Received on:

6/3/2026 AML

Return to:

Valley Clean Energy  
604 Second Street  
Davis, CA 95616

VALLEY CLEAN ENERGY  
COMMUNITY ADVISORY COMMITTEE  
APPLICATION

**PERSONAL DATA SHEET**

Name:   
Last First Middle

Are you at least 18 years old?

Home Address:   
Number/Street

City/State/Zip

Email Address:

Daytime Phone

Evening/Weekend Phone

Business Title or Occupation:

Company/Organization:

Address:   
Street Address City, State and Zip

Which Valley Clean Energy jurisdiction do you reside in?

- City of Davis  City of Woodland  County of Yolo (Unincorporated)  City of Winters

If you do not reside in Valley Clean Energy's jurisdictions, please include a separate statement to address why you are applying for this committee.

Are you seeking to fill an At-Large Seat?  Yes  No

**Background Information:**

Why do you wish to serve as a member of the VCE Community Advisory Committee?

Over the years I have worked with a variety of local governments, public safety leaders and environmental groups to create budgets and plans for local cities and counties. In recent years, I have become deeply concerned about the state of our electrical grid and the public safety implications due to the increasing impacts of climate change. I believe strongly in the efforts of Valley Clean Energy to help Yolo County increase sustainable energy use and to hopefully create a path for us to have our own micro grid.

What experience/perspective would you bring to the committee? Please reference the professional sector and related professional experience below for At-Large member applications in this section.

For over 20 years I have worked with local cities, counties, school and public transportation agencies to help them better communicate important issues about local services to their public. My work with the UC Division of Agriculture and Natural Resources expanded my knowledge of sustainability issues, which was further expanded during my time running Delaine Eastin's campaign for governor. On Delaine's Campaign, I was responsible for drafting all policy items, including those centering around California's infrastructure and sustainability needs.

Please list your previous and present governmental and civic experience. Indicate when, position and duties:

Consultant (numerous cities, counties, school and districts - 2016- Present)  
Consultant, Los Rios Community College District (2025-Present)  
Consultant, San Juan Unified School District (2023-2024)  
Consultant, San Francisco Municipal Transportation Association (June 2021 - Present)  
Board Member, CA Democratic Party (2019 - Present) Yolo County DCCC (2019-2023),  
Consultant, Peralta Community College District (August 2018- March 2019),  
Director of Advocacy, UC Division of Agriculture and Natural Resources, (2012-2015) Executive  
Consultant (numerous cities, counties, school and districts - 2002- 2012)

List any special training or experience you have that you feel would benefit your committee service:

I bring more than 20 years of experience in strategic communications, public policy, community outreach, and local government engagement, with a particular focus on helping public agencies communicate complex issues clearly and build public trust.

I previously served on the Valley Clean Energy Community Advisory Committee and understand the importance of community choice energy programs in advancing local clean energy goals, supporting climate action, and maintaining accountability to the communities they serve. I also bring experience working with UC Agriculture and Natural Resources, where I supported statewide advocacy, legislative engagement, and communications related to agriculture, research, sustainability, and community resilience.

Do you have any interests or associations which might present a conflict of interest?  
If yes, please explain:

What do you feel are your most important qualifications?

My strongest qualifications are my prior service on the Valley Clean Energy Community Advisory Committee, my 20+ years of experience in public agency communications and community engagement, and my ability to help translate complex policy and technical issues into clear, accessible information for residents. I also bring a strong understanding of local government, agriculture, sustainability, and the needs of Yolo County communities, which would allow me to contribute thoughtfully to VCE's clean energy, affordability, and public trust goals.

What do you see as some of the significant issues facing the community in the next few years that might pertain to Valley Clean Energy's Community Advisory Committee?

Some of the most significant issues facing the community over the next few years include wildfire risk, grid reliability, rising energy costs, and the need for greater local energy resilience. As PG&E rates and infrastructure costs continue to increase, affordability will remain a major concern for residents, businesses, farms, and local agencies. At the same time, extreme heat, fire danger, blackouts, brownouts, and public safety power shutoffs make it increasingly important to invest in clean, reliable, locally controlled energy solutions. Valley Clean Energy's Community Advisory Committee can play an important role in helping the agency balance climate goals, affordability, energy independence, and community trust while ensuring that residents understand both the challenges and the opportunities ahead.

What do you hope to accomplish as a committee member?

I hope to be an engaged and constructive committee member who brings a strong voice for the City of Winters and the broader communities Valley Clean Energy serves. I would like to contribute my background in public agency communications, community engagement, and regional policy work to help VCE continue to grow as a trusted, cost-effective, locally controlled energy provider. I am especially interested in supporting efforts that strengthen energy independence, affordability, resilience, and collaboration among local agencies working toward a more sustainable energy future for our region and state.

**I am aware of the obligations and responsibilities of this committee and am willing and able to fulfill this commitment should I be appointed: (Initial here: [redacted] )**

**Please attach your resume or any additional information or statements which you feel would be helpful to the Valley Clean Energy Board of Directors in reviewing your qualifications.**

AUTHORIZATION AND RELEASE

I understand that in connection with this application for appointment, the information contained herein will be made available to the general public upon request. I further understand that if appointed, I may be required to take the oath of office and may be subject to requirements for filing financial disclosure statements.

[redacted]  
\_\_\_\_\_  
Please Sign Here

6/3/26  
\_\_\_\_\_  
Date

**NOTE: This document is a public record and may be disclosed/released pursuant to the California Public Records Act.**

**FOR OFFICIAL USE ONLY**  
Applications will be kept on file for two years. This application will expire on: 6/3/2028  
Date of appointment by the Valley Clean Energy Board: \_\_\_\_\_  
Length of term: \_\_\_\_\_  
Is this a re-appointment? \_\_\_\_\_

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

---

**TO:** Board of Directors

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

**SUBJECT:** Receive and approve the VCE's audited CY 2025 financial statements presented by James Marta & Company

**DATE:** June 11, 2026

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**RECOMMENDATIONS**

1. Accept and approve the Audited Financial Statements for the period of January 1, 2025, to December 31, 2025;
2. Accept the Communication with Governance Letter; and
3. Accept the Internal Control Letter

**BACKGROUND & DISCUSSION**

As described in VCE's Joint Powers Agreement (JPA) section 3.9.3, the Treasurer shall function as the combined offices of Treasurer and Auditor pursuant to Government Code section 6505.6. As part of that role, the Treasurer shall cause an independent audit(s) of the finances of VCEA to be made by a certified public accountant, or a public accountant. Through VCE's RFP process, James Marta & Company was selected and contracted to complete an independent annual audit of the attached financial statements.

The Calendar Year (CY) 2025 Financial Statements include the following reports:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows
- Notes to the Basis Financial Statements

As part of the accounting Professional standards, the auditors are required to communicate to the VCE Board of Directors about various matters relating to the audit, as noted in the following:

- Governance letter

- Internal Control Letter

This report and attachments constitute the auditor's communication to the Board.

### **AUDITOR'S FINDINGS**

During the audit, the auditors found no material concerns over the financial statements and no material weakness in VCE's internal controls. Specifically:

- VCE received an unqualified ("clean") audit opinion, meaning the financial statements present VCE's financial position fairly and appropriately
- VCE's internal controls over financial reporting were considered by the auditor, with no material weakness in internal controls over financial reporting
- No significant issues were identified in working with our management team or performing the audit

### **Attachments:**

1. Audited Financial Statements for the period of January 1, 2025 to December 31, 2025
2. Communication with Governance Letter
3. Internal Control Letter



# VALLEY CLEAN ENERGY

**VALLEY CLEAN ENERGY ALLIANCE**  
FINANCIAL STATEMENTS

FOR THE YEARS ENDED  
DECEMBER 31, 2025 AND 2024

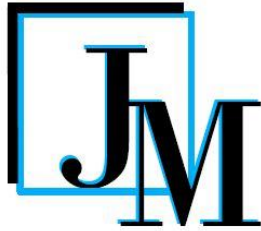
**VALLEY CLEAN ENERGY ALLIANCE**

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**DECEMBER 31, 2025**

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Statement of Cash Flows	10
Notes to the Basic Financial Statements	11



**James Marta & Company LLP**  
**Certified Public Accountants**

*Accounting, Auditing, Consulting, and Tax*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Valley Clean Energy Alliance  
Davis, California

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Valley Clean Energy Alliance (VCE), which comprise the statements of net position as of and for the years ended December 31, 2025 and 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of VCE as of the years ended December 31, 2025 and 2024, and the results of its operations and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of VCE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

VCE's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about VCE's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

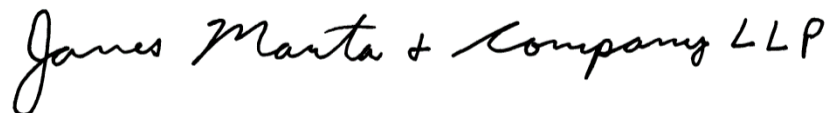
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VCE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the VCE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2026, on our consideration of the VCE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the VCE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the VCE's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 1, 2026

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**VALLEY CLEAN ENERGY ALLIANCE**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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The Management's Discussion and Analysis provides an overview of Valley Clean Energy Alliance's (VCE) financial activities for the years ended December 31, 2025 and December 31, 2024. The information presented here should be considered in conjunction with the audited financial statements.

**BACKGROUND**

The formation of VCE was made possible by the passage, in 2002, of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses, and creating competition in power generation.

VCE was created as a California Joint Powers Authority (JPA) in January 2017 pursuant to the Joint Exercise of Powers Act and is a public agency separate from its members. Governed by a board of directors consisting of two elected officials representing each of the following local governments: the County of Yolo and the cities of Davis, Winters, and Woodland. VCE provides electric service to retail customers as a Community Choice Aggregation Program (CCA) under the California Public Utilities Code Section 366.2.

VCE's mission is to deliver cost-competitive clean electricity, product choice, price stability, energy efficiency, and greenhouse gas emission reductions. VCE provides electric service to retail customers and has the rights and powers to set rates and charges for electricity and services it furnishes, incur indebtedness, and other obligations. VCE acquires electricity from commercial suppliers and delivers it through existing physical infrastructure and equipment managed by the California Independent System Operator (CAISO) and Pacific Gas and Electric Company (PG&E).

In June 2018, VCE began providing service to approximately 56,000 customer accounts as part of its initial enrollment phase. In calendar year 2020, VCE phased in approximately 7,000 Net Energy Metering (NEM) customers. In January 2021, VCE phased in approximately 7,100 customers from its new City of Winters jurisdiction.

Since its formation, VCE has operated with a fiscal accounting year ending on June 30, aligned with the Member Jurisdictions' Fiscal Year. Since early 2020, VCE has seen high volatility in the energy sector and overall economy primarily driven by uncertainty associated with the COVID-19 pandemic and power market costs. Since the pandemic, VCE has rebuilt cash reserves and grown its financial strength (as envisioned in the Strategic Plan) in preparation for its initial investment grade credit rating. In 2025, VCE issued its first Clean Energy Purchase Contract - Prepayment Transaction for additional 14.4% cost saving in the initial 10.1 years and established an A- credit rating with S&P supporting long-term financial outlook. In addition, VCE has updated the cash reserve policy including the establishment of a rate stabilization fund for potential volatility and regulatory changes.

**Financial Reporting**

VCE presents its financial statements in accordance with Generally Accepted Accounting Principles for proprietary funds, as prescribed by the Governmental Accounting Standards Board.

**Contents of this Report**

This report is divided into the following sections:

- Management's Discussion and Analysis, which provides an overview of operations.

**VALLEY CLEAN ENERGY ALLIANCE**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

- The Basic Financial Statements, which offer information on VCE’s financial results.
- The Statement of Net Position includes all of VCE’s assets, liabilities, and net position using the accrual basis of accounting. The Statement of Net Position provide information about the nature and amount of resources and obligations at a specific point in time.
- The Statement of Revenues, Expenses, and Changes in Net Position report all of VCE’s revenue and expenses for the period shown.
- The Statement of Cash Flows report the cash provided and used by operating activities, as well as other sources and payments, such as debt financing.
- Notes to the Basic Financial Statements, which provide additional details and information pertaining to the financial statements.

**FINANCIAL AND OPERATIONAL HIGHLIGHTS**

The following table is a comparative summary of VCE’s assets, liabilities, and net position.

	<b>December 31, 2025</b>	<b>December 31, 2024</b>	<b>% change from 2024 to 2025</b>	<b>December 31, 2023</b>	<b>% change from 2023 to 2024</b>
Current assets	\$ 94,561,348	\$ 66,069,072	43%	\$ 43,363,001	52%
Noncurrent assets	8,446,172	6,206,446	36%	2,993,604	107%
<b>Total Assets</b>	<b>103,007,520</b>	<b>72,275,518</b>	<b>43%</b>	<b>46,356,605</b>	<b>56%</b>
Current liabilities	7,716,748	9,011,806	-14%	10,073,964	-11%
<b>Total Liabilities</b>	<b>7,716,748</b>	<b>9,011,806</b>	<b>-14%</b>	<b>10,073,964</b>	<b>-11%</b>
<b>Net Position</b>					
Designated – Local Programs	1,085,585	1,085,585	0%	840,000	29%
Restricted	1,100,000	1,100,000	0%	1,100,000	0%
Unrestricted	93,105,187	61,078,127	52%	34,342,641	78%
<b>Total Net Position</b>	<b>\$ 95,290,772</b>	<b>\$ 63,263,712</b>	<b>51%</b>	<b>\$ 36,282,641</b>	<b>74%</b>

**Assets**

Current assets ended December 31, 2025, at approximately \$94.6 million, an increase of approximately \$28.5 million compared to December 31, 2024. The primary contributor to the overall increase in current assets was an increase in cash resulting from setting competitive rates compared to PG&E and the building of operating and rate stabilization cash reserves. The VCE Board adopted a cost-based rate policy and automatic rate adjustment policy to continue to preserve and build cash reserves in preparation for sustaining our initial A- S&P investment grade credit rating.

Overall, non-current assets increased approximately \$2.2M on December 31, 2025 due to a increase in restricted cash for power purchase reserves related to energy market deposits.

**VALLEY CLEAN ENERGY ALLIANCE**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**Liabilities**

Current liabilities at December 31, 2025, were comprised primarily of the accrued cost of electricity, accounts payable, other accrued liabilities, and security deposits. Current liabilities decreased by \$ 1.3M for the year ended December 31, 2025 due to decreased power costs for the winter of 2025.

VCE does not currently have outstanding Non-current liabilities. VCE paid its outstanding term loan with River City Bank (RCB) in 2023 scheduled to mature in 2024.

The following table is a summary of VCE's results of operations:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>	<b>% change from 2024 to 2025</b>	<b>December 31, 2023</b>	<b>% change from 2023 to 2024</b>
Operating revenues	\$ 88,425,788	\$ 97,979,268	-10%	\$ 95,429,498	3%
Investment income	1,598,228	949,832	68%	327,157	190%
<b>Total Income</b>	<b>90,024,016</b>	<b>98,929,100</b>	<b>-9%</b>	<b>95,756,655</b>	<b>3%</b>
Operating Expenses	57,996,956	71,948,029	-19%	74,869,670	-4%
Interest and related expenses	-	-	0%	14,878	-100%
<b>Total Expenses</b>	<b>57,996,956</b>	<b>71,948,029</b>	<b>-19%</b>	<b>74,884,548</b>	<b>-4%</b>
<b>Change in Net Position</b>	<b>\$ 32,027,060</b>	<b>\$ 26,981,071</b>	<b>19%</b>	<b>\$ 20,872,107</b>	<b>29%</b>
<b>Net Position - Beginning</b>	<b>63,263,712</b>	<b>36,282,641</b>	<b>74%</b>	<b>15,410,534</b>	<b>135%</b>
<b>Net Position - Ending</b>	<b>\$ 95,290,772</b>	<b>\$ 63,263,712</b>	<b>51%</b>	<b>\$ 36,282,641</b>	<b>74%</b>

**Operating Revenues**

In the year ended December 31, 2025, VCE's operating revenues were approximately \$12.8M below budgeted amount. VCE's customers energy use in most sectors were lower than forecasted throughout 2025. For example, two large sectors showed lower than forecast energy use: (1) residential and (2) commercial use related to agriculture due to a wet winter and mild spring temperatures. VCE's operating revenue is driven from the sale of electricity to its customer base.

**VALLEY CLEAN ENERGY ALLIANCE**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**Operating Expenses**

In the year ended December 31, 2025, VCE's operating expenses were 19% lower than budgeted operations. The decrease was primarily due lower than forecasted customer energy usage, lower overall power costs, and deferred programs. The remaining operating expenses consist of contract services, staff compensation, and other general administrative expenses were used as budgeted.

**ECONOMIC OUTLOOK**

As a CCA in its sixth year of operations and post COVID-19 pandemic, VCE continues to focus on limiting customer opt outs by keeping rates competitive, increasing brand recognition, and providing a superior customer experience. VCE has recently started to procure power through long-term power purchase agreements to assist in stabilizing renewable power costs in the future and help VCE accomplish its mission of providing renewable energy and reducing greenhouse gas emissions. This will help reduce the potential effect of future energy market price volatility and create a stable environment for VCE and its ratepayers. VCE faces significant budgetary pressures that have been subject to regulatory and market pressures outside of direct control, including rising Power Charge Indifference Adjustment (PCIA) costs and increasing market costs to procure resource adequacy supplies.

VCE's Board adopted a rate policy in November 2021 to set customer rates to recover operating costs and build reserve funds and an automatic rate adjustment policy to address environmental and regulatory changes within a budget year. VCE has also adopted a base green product to maintain its competitiveness with PG&E by offering a least-cost option to its customers. VCE has recovered from COVID, continues to build cash reserves, and maintained its credit lines for liquidity in 2023. Longer-term, A majority of VCE's long-term fixed-price renewable PPA's that began delivery in 2023. VCE customer rates, including PCIA costs, have been reduced to near zero in 2023 and 2024. As forecasted average forward market energy prices decrease, PCIA costs significantly increased in 2026 due to regulatory changes. Current customer rates have normalized due to resource adequacy (RA) and renewable energy credit (REC) costs reductions.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide VCE's board members, stakeholders, customers, and creditors with a general overview of the VCE's finances and to demonstrate VCE's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the Chief Financial Officer, 604 2<sup>nd</sup> Street, Davis, CA 95616.

**VALLEY CLEAN ENERGY ALLIANCE**

**STATEMENT OF NET POSITION**

**AS OF DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current assets		
Unrestricted Cash	\$ 78,634,729	\$ 51,943,413
Accounts receivable, net of allowance	10,162,025	8,769,456
Accrued revenue	3,763,678	3,449,298
Prepaid expenses	194,033	100,022
Other current assets and deposits	1,806,883	1,806,883
Total Current Assets	94,561,348	66,069,072
Restricted assets:		
Cash in - debt service reserve fund	1,100,000	1,100,000
Total Restricted assets	1,100,000	1,100,000
Noncurrent Assets		
Other noncurrent assets and deposits	7,346,172	5,106,446
Total Noncurrent Assets	7,346,172	5,106,446
<b>TOTAL ASSETS</b>	<b>\$ 103,007,520</b>	<b>\$ 72,275,518</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$ 292,537	\$ 749,431
Accrued cost of electricity	3,510,965	4,504,376
Accrued payroll	120,845	151,475
Other accrued liabilities	3,792,401	3,606,524
Total Current Liabilities	7,716,748	9,011,806
<b>NET POSITION</b>		
Net position		
Restricted	1,100,000	1,100,000
Unrestricted	94,190,772	62,163,712
<b>TOTAL NET POSITION</b>	<b>\$ 95,290,772</b>	<b>\$ 63,263,712</b>

The accompanying notes are an integral part of these financial statements.

**VALLEY CLEAN ENERGY ALLIANCE**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 88,399,258	\$ 97,905,798
Other revenue	26,530	73,470
<b>TOTAL OPERATING REVENUES</b>	<b>88,425,788</b>	<b>97,979,268</b>
<b>OPERATING EXPENSES</b>		
Cost of electricity	52,406,469	64,722,705
Contractors	2,579,679	3,132,155
Staff compensation	1,708,045	1,700,719
Program expenses	140,509	1,328,152
General and administrative	1,162,254	1,064,298
<b>TOTAL OPERATING EXPENSES</b>	<b>57,996,956</b>	<b>71,948,029</b>
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>30,428,832</b>	<b>26,031,239</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	1,598,228	949,832
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>1,598,228</b>	<b>949,832</b>
<b>CHANGE IN NET POSITION</b>	<b>32,027,060</b>	<b>26,981,071</b>
Net position at beginning of period	63,263,712	36,282,641
Net position at end of period	<b>\$ 95,290,772</b>	<b>\$ 63,263,712</b>

The accompanying notes are an integral part of these financial statements.

**VALLEY CLEAN ENERGY ALLIANCE**

**STATEMENT OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 86,689,468	\$ 99,737,078
Payments for security deposits with energy suppliers	(2,239,726)	(3,212,842)
Payments to purchase electricity	(53,397,039)	(65,977,872)
Payments for contract services, program expenses, general, and administration	(4,247,470)	(5,498,575)
Payments for staff compensation	(1,738,675)	(1,607,611)
Other cash payments	26,530	73,470
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>25,093,088</u>	<u>23,513,648</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	1,598,228	949,832
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>1,598,228</u>	<u>949,832</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
	26,691,316	24,463,480
Cash and cash equivalents at beginning of period	53,043,413	28,579,933
Cash and cash equivalents at ending of period	<u>\$ 79,734,729</u>	<u>\$ 53,043,413</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 30,428,832	\$ 26,031,239
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in net accounts receivable	(1,392,569)	1,830,526
(Increase) decrease in net accrued revenue	(314,380)	(15,264)
(Increase) decrease in prepaid expense	(94,011)	(57,853)
(Increase) decrease in other assets and deposits	(2,239,726)	(3,212,842)
Increase (decrease) in accounts payable	(456,894)	303,375
Increase (decrease) in accrued payroll	(30,630)	93,108
Increase (decrease) in due to member agencies	-	(4,132)
Increase (decrease) in accrued cost of electricity	(990,570)	(1,255,167)
Increase (decrease) in other accrued liabilities	185,877	(215,360)
Increase (decrease) in user taxes and energy surcharges	(2,841)	16,018
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 25,093,088</u>	<u>\$ 23,513,648</u>

The accompanying notes are an integral part of these financial statements.

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The Valley Clean Energy Alliance (VCE) is a California joint powers authority created on January 1, 2017 and its voting members consist of the following local governments: the County of Yolo and the cities of Davis, Woodland and Winters (collectively, the “Member Agencies”). VCE is governed by an eight-member Board of Directors whose membership is composed of two elected officials representing each of the Member Agencies.

VCE’s mission is to address climate change by reducing energy related greenhouse gas emissions through renewable energy supply and energy efficiency at stable and competitive rates for customers while providing local economic and workforce benefits. VCE provides electric service to retail customers as a Community Choice Aggregation Program under the California Public Utilities Code Section 366.2.

VCE began the delivery of electricity in June, 2018. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by the California Independent System Operator and Pacific Gas and Electric Company.

**BASIS OF ACCOUNTING**

VCE’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

VCE’s operations are accounted for as a governmental enterprise fund, and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories – net investment in capital assets, restricted, and unrestricted.

**CASH AND CASH EQUIVALENTS**

For purpose of the Statement of Cash Flows, VCE defines cash and cash equivalents to include cash on hand, demand deposits, and short-term investments. Cash and cash equivalents include restricted cash which were the amounts restricted for debt collateral and power purchase reserve.

**DEPOSITS**

Deposits are classified as current and noncurrent assets depending on the length of the time the deposits will be held. Deposits include those for regulatory and other operating purposes.

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**OPERATING AND NON-OPERATING REVENUE**

Operating revenues consists of revenue from the sale of electricity to customers. Interest income is considered non-operating revenue.

**REVENUE RECOGNITION**

VCE recognizes revenue on the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will not be collected. Accordingly, an allowance has been recorded.

**ELECTRICAL POWER PURCHASED**

In 2017, VCE entered into a five (5) year contract with the Sacramento Municipal Utility District (SMUD). On April 13, 2023, the contract was extended through December 31, 2028, to provide technical and financial analysis; data management and call center services; wholesale energy services; and operational staff services. In 2022, VCE entered a three (3) year contract with The Energy Authority (TEA) for the electrical power purchased contract and completely transitioned to The Energy Authority by the end of 2023. As of December 31, 2024, \$3,425,004 was accrued as payable to TEA, comprised of \$3,356,754 in accrued electricity costs and \$68,250 in accrued contractual services payable as of December 31, 2024. As of December 31, 2024, \$2,618,459 was accrued as payable to TEA, comprised of \$2,548,959 in accrued electricity costs and \$69,500 in accrued contractual services payable as of December 31, 2025.

**RENEWABLE ENERGY CREDITS**

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, VCE acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). VCE obtains Certificates with the intent to retire them, and does not sell or build surpluses of Certificates. An expense is recognized at the point that the cost of the RPS eligible energy is billed by the supplier. VCE is in compliance with external mandates and self-imposed benchmarks.

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**STAFFING COSTS**

VCE pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. VCE is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. VCE provides compensated time off, and the related liability is recorded in these financial statements.

**COMPENSATED ABSENCES**

The VCE accrues a liability for unpaid vacation, compensatory time and sick pay. Accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. The VCE recognizes all sick pay benefits as they accrue to employees rather than only recognizing the accrued and vested balances. As of December 31, 2025 and 2024, accrued vacation and sick leave benefits totaled \$86,250 and \$114,543, respectively.

**INCOME TAXES**

VCE is a joint powers authority under the provision of the California Government Code, and is not subject to federal or state income or franchise taxes.

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NET POSITION**

VCE reports net position balances in the following categories: Designated, Restricted, and Unrestricted. Local program reserves, customer dividend reserves, and rate stabilization reserves are designated funds as approved by the board in support of the VCE's mission and programs plan. Restricted funds are those restricted to a particular purpose, and that restriction is set out in the Contract Agreement. Unrestricted funds support the operating expenses or projects of the organization.

The following are the components of VCE's Net Position at December 31, 2025 and 2024.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Designated Fund - Local Programs Reserves	\$ 2,709,585	\$ 1,085,585
Designated Fund - Customer Dividend Reserves	3,856,000	-
Designated Fund - Rate Stabilization Reserves	12,284,000	-
Unrestricted - undesignated	<u>75,341,187</u>	<u>61,078,127</u>
Total unrestricted	94,190,772	62,163,712
Restricted	<u>1,100,000</u>	<u>1,100,000</u>
Total net position	<u>\$ 95,290,772</u>	<u>\$ 63,263,712</u>

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**2. CASH AND CASH EQUIVALENTS**

VCE maintains its cash in interest and non-interest-bearing deposit accounts at River City Bank (RCB) of Sacramento, California. VCE's deposits with RCB are subject to California Government Code Section 16521 which requires that RCB collateralize public funds in excess of the FDIC limit of \$250,000 by 110%. VCE monitors its risk exposure to RCB on an ongoing basis. VCE's has not adopted its own investment policy and follows the investment policy of the County of Yolo.

**3. ACCOUNTS RECEIVABLE AND ACCRUED REVENUE**

Accounts receivable were as follows:

	December 31, 2025	December 31, 2024
Accounts receivable from customers	\$ 11,049,925	\$ 9,768,856
Allowance for uncollectible accounts	(887,900)	(999,400)
Accounts receivable, net	\$ 10,162,025	\$ 8,769,456

The majority of account collections occur within the first few months following customer invoicing. VCE estimates that a portion of the billed accounts will not be collected. VCE records reserves for its estimated uncollectible accounts as a reduction to the related operating revenues in the Statement of Revenues, Expenses and Changes in Net Position. Charges to reserve for uncollectible accounts for the year ended December 31, 2025 and 2024 were \$887,900 and \$1,338,250, respectively.

Accrued revenue presented in the Statements of Net Position represents revenue from customer electricity usage that has not been billed at the end of the period. Accrued revenue recognized for the years ended December 31, 2025 and 2024 was \$3,763,678 and \$3,449,298, respectively.

**4. CAPITAL ASSETS AND DEPRECIATION**

Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred. Capital assets are depreciated using the straight-line method over 3-30 years depending on asset types.

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**5. DEBT**

**LINE OF CREDIT AND TERM LOAN**

In May 2018, VCE entered into a non-revolving, \$11 million Credit Agreement (Agreement) with River City Bank (RCB) for the purpose of providing working capital to fund power purchases during seasonal differences in cash flow and reserves as needed to support power purchases. RCB requires collateral for the line of credit of \$1.1 million which is reported as restricted cash. Interest accrues on the outstanding balance and is payable each month and computed at One-Month LIBOR plus 1.75% per annum, subject to a floor of 1.75% per annum. The Agreement expired on May 15, 2019 with an option to extend the line for another six months. VCE extended the line of credit and the Agreement to November 15, 2019, with continuing extensions granted until August 31, 2020. At the expiration of the Agreement, any outstanding balance can be converted to an amortizing term loan which matures up to five years from conversion date. The Agreement contains various covenants that include requirements to maintain certain financial ratios, stipulated funding of debt service reserves, and various other requirements including the subordination of the member agency loans.

**LINE OF CREDIT AND TERM LOAN (CONTINUED)**

Line of Credit

- Cash Facility - \$2,000,000 increase in cash from \$5,000,000 to \$7,000,000
- Letter of Credit Facility - \$4,000,000 increase from \$7,000,000 to \$11,000,000
- Maturity: March 1, 2024
- Interest Rate: 2.00% (unchanged)

If VCE defaults on the line of credit, RCB may, by notice of the borrower, take any of the following actions:

- (a) terminate any obligation to extend any further credit hereunder (including but not limited to Advances) on the date (which may be the date thereof) stated in such notice;
- (b) declare all Advances and all indebtedness under the Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, to be immediately due and payable without further demand, presentment, protest or notice of any kind; and
- (c) exercise and enforce any and all rights and remedies contained in any other Loan Document or otherwise available to Lender at law or in equity.

The VCE had no outstanding debt as of December 31, 2025 and 2024.

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**6. DEFINED CONTRIBUTION RETIREMENT PLAN**

VCE provides retirement benefits to eligible employees through a 401(a) discretionary defined contribution plan and 457(b) deferred compensation plan (Plans). The Plans are administered by International City Management Association Retirement Corporation (ICMA-RC). At December 31, 2025, VCE had 6 plan participants. VCE contributes 7% of covered payroll and up to an additional 3% of covered payroll as a match to employee tax deferred contributions (into the 457(b) deferred compensation plan) into the 401(a) discretionary defined contribution plan.

For the years ended December 31, 2025 and 2024, VCE contributed \$116,818 and \$109,451, respectively. The Plans' provisions and contribution requirements as they apply to VCE are established and may be amended by the Board of Directors.

**7. OPERATING LEASE**

In 2018, VCE entered into a nine-month lease for its office space with the City of Davis. The most recent lease agreement renewal with the City covers the twelve months ending January 2027. Rental expenses under this lease were \$24,905 and \$24,180 for the year ending December 31, 2024, and 2024, respectively. This lease is renewed on an annual basis, agreed with both parties, with a fixed escalator of 3% per year. The future minimum lease payment for 2026 is \$25,653.

Management has reviewed lease agreements related to the lease accounting rules under GASB 87. It has been determined that the office rent and a copier lease are the only operating leases for the period and are not material for the implementation of the new lease accounting requirements.

**8. RELATED PARTY TRANSACTIONS**

VCE entered into a cooperative agreement with each respective member agency to provide management, legal, accounting and administrative services. The services billed from the Member Agencies to VCE outstanding for the year ending December 31, 2025 and 2024 totaled \$- and \$-, respectively. The total services billed from the Member Agencies to VCE for the years ending December 31, 2025 and 2024 totaled \$102,923 and \$32,501, respectively.

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**9. RISK MANAGEMENT**

VCE is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters, for which VCE manages its risk by participating in the public entity risk pool described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. The joint powers authority is governed by a board consisting of representatives from member municipalities. The board controls the operations of the joint powers authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of this joint powers authority are not VCE's responsibility.

VCE is a member of the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) which provides coverage for general and auto liability and workers' compensation. Once VCE's deductible is met, YCPARMIA becomes responsible for payment of all claims up to the limit. In addition, the California Joint Powers Risk Management Authority (CJPRMA) provide coverage for amounts in excess of YCPARMIA's limits. YCPARMIA provides workers' compensation insurance coverage up to statutory limits, above VCE's self-insurance limit of \$1,000 per occurrence, and general and auto liability coverage of \$40,000,000, above VCE's self-insurance. For the year ended December 31, 2025 and 2024, VCE contributed \$128,377 and \$93,926 for coverage, respectively. Audited financial statements are available from YCPARMIA their website [www.ycparmia.org](http://www.ycparmia.org). Condensed information for YCPARMIA for the most recent available year end is as follows:

	YCPARMIA June 30, 2025
Total Assets	\$ 45,176,864
Deferred Outflows of Resources	\$ 548,260
Total Liabilities	\$ 45,077,654
Deferred Inflows of Resources	\$ 187,669
Net Position	\$ 459,801
Total Revenues	\$ 31,432,416
Total Expenses	\$ 29,284,589
Change in Net Position	\$ 2,147,827

The June 30, 2025, were the most recent audited financial statements available at the time of the preparation of this report.

**VALLEY CLEAN ENERGY ALLIANCE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**10 Clean Energy Purchase Contract - Prepayment Transaction**

In March 2025, VCE closed a prepay transaction with the California Community Choice Financing Authority (CCCFA) to achieve meaningful energy procurement cost savings. The annual savings from VCE's initial Prepay transaction are currently estimated to be approximately \$2-3 million, representing approximately 8-12% savings on the annual energy procurement costs. The savings are based mainly on the spread between taxable and tax-exempt interest rates. The Clean Energy Purchase Contract is a 30-year agreement under which VCE will purchase discounted electricity from CCCFA. The monthly discount percentage for each month of the initial reset period is 9%. The municipal bonds will not constitute obligations of VCE, but rather limited obligations of CCCFA.

The following table represents the fixed payments, trustee payments and expected savings as of December 31, 2025:

Year Ended December 31:	Fixed Payments	Trustee Payment	Savings
2026	24,628,502	22,411,937	2,216,565
2027	24,723,664	22,498,534	2,225,130
2028	24,823,266	22,589,172	2,234,094
2029	24,926,110	22,682,760	2,243,350
2030	25,029,592	22,776,929	2,252,663
2031-2035	126,839,153	115,423,629	11,415,524
2036-2040	161,137,985	146,635,566	14,502,419
2041-2043*	100,354,744	91,322,817	9,031,927
2044-2045	101,025,082	*	*
2046-2050	209,068,290	*	*
2051-2055	212,777,970	*	*
2026	22,904,559	*	*
Total	1,058,238,917	466,341,344	46,121,672

\*This is the final year in which the savings are locked. Thereafter, the VC will return to the market and assess the savings based on the differential between the municipal (non-taxable) bond market and the taxable bond market.

**11. SUBSEQUENT EVENTS**

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its period ended December 31, 2025 through May 1, 2026 the date the financial statements were issued. Management is not aware of any subsequent events, other than the one discussed below, that would require recognition or disclosure in the accompanying financial statements.



## **James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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### **COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

Board of Directors  
Valley Clean Energy Alliance  
Davis, California

We have audited the financial statements of Valley Clean Energy Alliance as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated May 1, 2026. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated October 4, 2022 our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Valley Clean Energy Alliance solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our consideration of Valley Clean Energy Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters in a separate letter to you dated May 1, 2026.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

### **Significant Risks Identified**

We have identified the following significant risks:

- Receivables

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Valley Clean Energy Alliance is included in Note 1 to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are upcoming Governmental Accounting Standards that we have listed in Attachment A.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimate affecting the financial statements is the estimate of accounts receivable.

Management's estimate of the allowance for doubtful accounts is based on actual revenues earned for the year which may not be collectible. We evaluated the key factors and assumptions used to develop the estimate of doubtful accounts and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the accrued revenue is based on actual revenues earned but not yet billed for December 2025. We evaluated the key factors and assumptions used to develop the estimate of accrued revenue and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Valley Clean Energy Alliance's financial statements relate to revenue recognition.

**Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The following significant unusual transactions identified as a result of our audit procedures were brought to the attention of management:

None.

**Identified or Suspected Fraud**

We have not identified or obtained information that indicates that fraud may have occurred.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. See attachment B

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We have provided a listing of the misstatements identified by us as a result of our audit procedures and corrected by management which were material, either individually or in the aggregate, to the financial statements taken as a whole. See Attachment B for adjusting and reclassifying journal entries identified as a result of our audit procedures or provided by management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Valley Clean Energy Alliance's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affected the form and content of our auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated May 1, 2026 (Attachment C)

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Valley Clean Energy Alliance, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Valley Clean Energy Alliance's auditors.

### **Other Services**

We have assisted management in preparing the financial statements of Valley Clean Energy Alliance in conformity with U.S. generally accepted accounting principles based on information provided by management.

Management's responsibilities for other services included designating qualified individuals with the skill, knowledge, and experience to be responsible and accountable for overseeing financial statement preparation and any other nonattest services we performed as part of this engagement. Management has represented that they have evaluated the adequacy and results of those services and is accepting responsibility for them.

***James Marta & Company LLP***  
***Certified Public Accountants***

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This report is intended solely for the information and use of the Board of Directors and management of Valley Clean Energy Alliance and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

*James Marta & Company LLP*

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 1, 2026

As of December 31, 2025

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Valley Clean Energy Alliance in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Valley Clean Energy Alliance. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

**GASB Statement No. 103, Financial Reporting Model Improvements**

*Effective for the fiscal year ending December 31, 2026*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

We do not expect this standard to have any significant impact on the Valley Clean Energy Alliance.

**GASB Statement No. 104, Disclosure of Certain Capital Assets**

*Effective for the fiscal year ending December 31, 2026*

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period.

The Valley Clean Energy Alliance is currently assessing the financial statement impact of GASB 104.

**Adjusting Journal Entries**

None.

**Reclassifying Journal Entries**

Account	Description	Debit	Credit
<b>Reclassifying Journal Entries</b>			
<b>Reclassifying Journal Entries JE # 1</b>			
PBC - To record Nem Q4 Activity and adjust reclass RCB - RLOC NON-USE FEE 2025 and RCB AQUAMARINE SBLC RENEWAL			
45370-0000	BANKING FEES	7,103.00	
45370-0000	BANKING FEES	75,250.00	
45970-0000	HEAT PUMP		7,103.00
45970-0000	HEAT PUMP		75,250.00
<b>Total</b>		<b>82,353.00</b>	<b>82,353.00</b>
<b>Reclassifying Journal Entries JE # 2</b>			
PBC - To reclass Power Costs			
45321-0000	SMUD - WHOLESALE ENERGY SERVIC	69,500.00	
41510-0000	POWER PURCHASES		69,500.00
<b>Total</b>		<b>69,500.00</b>	<b>69,500.00</b>
	<b>Total Reclassifying Journal Entries</b>	<b>151,853.00</b>	<b>151,853.00</b>
	<b>Total All Journal Entries</b>	<b>151,853.00</b>	<b>151,853.00</b>

**Uncorrected Journal Entries**

None.



**MANAGEMENT REPRESENTATION LETTER**

May 1, 2026

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, CA 95825

This representation letter is provided in connection with your audit of the Statement of Net Position and the Statement of Revenues, Expenditures and Changes in Net Position and the statement of cash flows of Valley Clean Energy Alliance for the periods ended December 31, 2025 and 2024, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Valley Clean Energy Alliance in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 1, 2026:

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 4, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

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- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have reviewed and approved the adjusting and reclassifying journal entries reflected in the audit statements and the proposed journal entry at Attachment 1.
- We have reviewed summary of uncorrected financial statement misstatements on Attachment 1.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- With respect to preparation of the financial statements we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained controls, including a process to monitor the system of internal control.

**Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- Valley Clean Energy Alliance has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Valley Clean Energy Alliance is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Valley Clean Energy Alliance has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

  
Edward Burnham, Chief Financial Officer

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**Attachment 1**

**Adjusting Journal Entries**

None.

**Reclassifying Journal Entries**

Account	Description	Debit	Credit
<b>Reclassifying Journal Entries</b>			
<b>Reclassifying Journal Entries JE # 1</b>			
PBC - To record Nem Q4 Activity and adjust reclass RCB - RLOC NON-USE FEE 2025 and RCB AQUAMARINE SBLC RENEWAL			
45370-0000	BANKING FEES	7,103.00	
45370-0000	BANKING FEES	75,250.00	
45970-0000	HEAT PUMP		7,103.00
45970-0000	HEAT PUMP		75,250.00
<b>Total</b>		<b>82,353.00</b>	<b>82,353.00</b>
<b>Reclassifying Journal Entries JE # 2</b>			
PBC - To reclass Power Costs			
45321-0000	SMJD - WHOLESALE ENERGY SERVIC	69,500.00	
41510-0000	POWER PURCHASES		69,500.00
<b>Total</b>		<b>69,500.00</b>	<b>69,500.00</b>
<b>Total Reclassifying Journal Entries</b>		<b>151,853.00</b>	<b>151,853.00</b>
<b>Total All Journal Entries</b>		<b>151,853.00</b>	<b>151,853.00</b>

**Uncorrected Journal Entries**

None.



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

*Independent Auditor's Report*

Board of Directors  
Valley Clean Energy Alliance

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Valley Clean Energy Alliance, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Valley Clean Energy Alliance's basic financial statements, and have issued our report thereon dated May 1, 2026.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Valley Clean Energy Alliance's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Valley Clean Energy Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Valley Clean Energy Alliance's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Valley Clean Energy Alliance's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

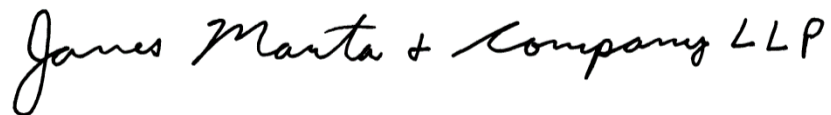
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Valley Clean Energy Alliance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Valley Clean Energy Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Clean Energy Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 1, 2026

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 14

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**TO:** Board of Directors

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

**SUBJECT:** 2026 VCE Mid-Year Financials Update

**DATE:** June 11, 2026

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#### RECOMMENDATION

Continue current customer rate discounts of 5% for all and 10% for CARE/FERA customers for the remainder of 2026.

#### Overview

This report provides a mid-year financial update for 2026 actuals and the anticipated outcomes from the California Public Utilities Commission's (CPUC) Order Instituting Rulemaking (OIR) on changes to the Power Charge Indifference Adjustment (PCIA) and Energy Resource Recovery Account (ERRA) proceedings.

Based on current long-term forecasts and potential regulatory outcomes, staff recommends maintaining VCE's existing rate discounts using VCE's rate stabilization and customer dividend funds for the remainder of 2026.

#### DISCUSSION & ANALYSIS

VCE has built a solid long-term renewable energy portfolio and taken a disciplined fiscal approach, which has positioned it well to offer competitive rates, including discounts, launch programs, and exceed compliance requirements for renewable content, while maintaining regulatory compliance. As of mid-year 2026, VCE remains in a stable financial position with an expected net loss as forecasted in the 2026 Budget Adoption Process.

Key highlights include:

- Revenues are tracking slightly lower than projections with a normalized load and weather conditions.

- Operating expenses remain within budget, with power costs benefiting from favorable market and load usage conditions.
- Cash reserves are healthy and exceed the Board-approved minimum thresholds.

While VCE's financial position has improved significantly in recent years, driven by high energy market prices, the recent OIR proceeding on PCIA and lower power market prices have created upward pressure on the PCIA. THE OIR proceeding has resulted in 3 individual proceedings.

- **PCIA OIR Track 1 (concluded)** - The results adopted in track 1 OIR have changed the Resource Adequacy (RA) benchmark calculation, leading to a forecasted net loss of \$15M for 2026.
- **PCIA OIR Track 2 (final decision pending)** - The proposed decision in track 2 is expected to have additional impacts on the renewable energy credits (RECs) values included in the 2027 ERRA proceeding, leading to a forecast of an additional net loss.
- **PCIA OIR Track 3 (future decision)** – Is proposed as a comprehensive review to consider updates and reforms to the ERRA and PCIA rules and processes, with the objectives of improving existing rules, mitigating rate volatility, and ensuring indifference among bundled and departing customers.

Thus far, the OIR proceeding has resulted in increased PCIA and lower net revenues. VCE relies on rate stabilization and customer dividend funds to maintain rate competitiveness with discounts. Based on analysis by CalCCA and TEA, additional regulatory changes in the OIR proceeding could further increase PCIA. VCE's approach to building its long-term renewable energy portfolio has been the primary driver, shielding VCE from additional market price volatility and increasing VCE's overall renewable portfolio, exceeding compliance requirements in the years to come.

As noted, over the past several years VCE has established healthy reserves and a customer rate stabilization fund. By design, this fiscal approach allows VCE to account for the PCIA uncertainty discussed above while maintaining rate stability. Therefore, staff recommends continuing the current 2026 customer discounts of 5% for standard green and 10% for CARE/FERA/Medical baseline at this time. Staff recommends postponing rate adjustments until VCE's 2027 Rates and Budget adoption in December.

By December, VCE will receive the OIR's proposed decisions and updated PG&E ERRA filings for PCIA and bundled generation rate changes. Additionally, the energy market remains uncertain, with risks from summer peak demand, reduced hydropower availability, wildfire-related costs, and additional CPUC regulatory decisions as the primary drivers.

Preserving financial flexibility is essential to navigate these uncertainties without compromising service or stability. Increasing discounts now could erode the financial cushion needed to maintain rate stability and support future investments in renewable energy, local programs, and grid resilience. A consistent and predictable rate structure helps build customer trust and supports long-term retention. Maintaining current discounts provides VCE with the ability to continue to meet its strategic goals (e.g., rate affordability, renewable goals, etc.), without sacrificing long-term sustainability.

### Reasons for Maintaining Robust Cash Reserves:

- **Credit Rating and Financing Costs:** Strong reserves support VCE’s current “A-” credit rating, which is essential for securing favorable terms in power procurement contracts and future financing for potential load growth and reduced operating costs. VCE’s strategic goals will require additional procurement, and our credit rating will reduce borrowing costs and enhance VCE’s ability to invest in long-term clean energy initiatives.
- **Rate Stabilization:** Cash reserves act as a primary financial buffer against market volatility, regulatory changes, and unexpected cost increases. This stability allows VCE to avoid sudden rate hikes and maintain competitive/discounted rates for customers, which is especially important in a dynamic energy market.
- **Customer Dividends:** Dividend Reserves safeguard rate competitiveness and rate stability for all VCE customers with emphasis on VCE’s at-risk community.
- **Regulatory Compliance and Risk Management:** Adequate reserves ensure compliance with financial risk management policies and provide flexibility to respond to unforeseen events, such as extreme weather impacts or supplier defaults.

### Timeline/Next Steps

- October CPUC Meeting – Receive updated OIR decisions and PG&E’s updated ERRRA forecasts for PCIA and generation rates.
- November Board Meeting - Incorporate updated load forecasts and power costs into the 2027 preliminary Budget.
- December Board Meeting - Provide updated year-end financial report and recommendations for 2027 rate adjustments.

### **CONCLUSION**

Staff recommends maintaining the current rate discounts for all customer classes through the end of 2026.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 15

**TO:** Board of Directors

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

**SUBJECT:** Allocation of 2025 Net Margin

**DATE:** June 11, 2026

#### RECOMMENDATION

Adopt a resolution approving the allocation of the \$32M 2025 Audited Net Margin between cash reserves, local program reserve (LPR), and Customer Dividends program as follows:

1. Minimum required allocation of \$225,000 to the Local Programs Reserve (LPR)
2. Discretionary allocation of \$2,026,000 to the Local Programs Reserve (LPR)
3. Discretionary allocation of \$2,251,000 to Operational Reserves
4. Discretionary allocation of \$4,129,000 to Customer Dividend Reserves
5. Discretionary allocation of \$23,397,000 to Rate Stabilization Reserves

#### BACKGROUND AND ANALYSIS

Each spring, the Board considers allocation of the previous year's net margin based on VCE's Customer [Dividend Program Guidelines](#), adopted in 2019 and updated December 12, 2024. This report presents the various options the Board has in determining how to allocate the estimated net margin for 2025. The Dividend Program Guidelines update in December 2024 increased the minimums for Operational Reserves to 120 days and Rate Stabilization Reserves to 60 days. The current Financial Reserves Policy can be found [here](#).

VCE's audit of the 2025 fiscal year has been completed, and financial statements were presented as an earlier companion item in today's meeting. Taking into account VCE's Dividend Program guidelines, as well as available and forecast cash reserves, Staff concluded that the following allocation met VCE's policy objectives for VCE's 2025 net margin of \$32 million:

#### Net margin up to 5% is to be allocated as follows:

- Minimum required allocation of \$225,000 (5%) to the Local Programs Reserve (LPR)
- Discretionary allocation of \$2,026,000 (45%) to the Local Programs Reserve (LPR)
- Discretionary allocation of \$2,251,000 (50%) to Operational Reserves

Net margin above 5% is to be allocated as follows:

- Discretionary allocation of \$4,129,000 (15%) to Customer Dividend Reserves
- Discretionary allocation of \$23,397,000 (85%) to Rate Stabilization Reserves

Key aspects of the Dividend Program are:

- Every year, the audited Net Margin (Less Principal Debt Payments) is to be allocated amongst Cash Reserves, Local Programs Reserve, and Customer Dividends, at the Board's discretion
- Require a minimum 5% net margin before considering if any dividends are paid

Based on the audited 2025 Financial Statements, the conditions above have been met, including our Reserve Policy Minimums. As noted when the Board adopted the Dividend Program Guidelines in 2019, a 5% minimum net margin is in the lower range of typical net margin goals for the utility sector and most other industries.

**Table 1 - 2025 Beginning Reserve Balance**

Description	2025 Beg. Cash Balance	Days Cash	Minimum Reserve Policy
Operating Reserves - 2025 Beginning Balance	43,314	220	120*
Local Programs Reserves - 2025 Beginning Balance	2,709	14	0
Customer Dividend Reserves - 2025 Beginning Balance	3,856	20	0
Rate Stabilization Reserves - 2025 Beginning Balance	12,284	62	60
<b>Total Unrestricted Cash</b>	<b>62,163</b>	<b>316</b>	<b>180</b>

\*VCE Operational Cash Reserve Target is 180 days.

#### Dividend Program Formula

The adopted Dividend Program formula recommends allocating the net margin as follows:

- Net margin up to 5% is to be allocated as follows:
  - At least 5% (of the 5%) to LPR for program implementation
  - Up to 95% to Operational Cash Reserves (Until 180-day Target is met)
- Net margin above 5% is to be allocated as follows:
  - 50% to Operational Cash Reserves (Until 180-day target is met)
  - 25% to Rate Stabilization (Until 60-day minimum is met)
- Discretionary Allocation is between additional operational cash, rate stabilization, customer dividends, and local program reserves at the discretion of the Board annually.

Below is a summary of VCE's Net Margin Calculation for 2025:

**Table 2 - VCE Dividend Program Allocation - 2025**

Valley Clean Energy	
Description	2025 Financials (\$1,000s)
Electricity Sales	90,024
Operating Expense	57,997
Operating Margin	32,027
Principal Debt Payments	-
Adjusted Net Margin less principal Debt Payments	32,027
Adjusted Net Margin Percentage	35.58%
Allocation Amount <=5%	4,501
Allocation Amount > 5%	27,526

Discretionary Allocation Considerations

Based on the current and forecast cash reserves for 2026 and 2027, Staff recommends allocating the majority of the discretionary allocation to operational and rate-stabilization reserves. The 2026 adopted budget forecasts a (\$15.8M) net loss. VCE will maintain the minimum reserve targets for 2026 and 2027 based on current forecasts. VCE does anticipate additional increases in PCIA (net revenue reduction) and PG&E generation rate reductions (due to lower energy market prices) in 2027. Rate stabilization funds are discretionary and held to support anticipated rate competitiveness and customer discounts.

**Table 3 - Allocation of Net Margin up to 5%**

Allocation of Net Margin up to 5%	Percentage	Allocation Amount	Operating Days Cash	Total Operating Days Cash
Operating Reserves Allocation	50%	2,251	11	231
Local Programs Allocation	50%	2,251	11	25

Based on the customer dividend program formula above, VCE's minimum allocations result in \$245,000 to LPR. Staff is considering an additional \$2,025,000 to LPR and the balance to operational reserves. Additional Operational reserves provide VCE with flexibility to absorb additional unexpected operational expenses and maintain the recommended 180 minimum target for investment-grade credit ratings. Additional LPR funds allow for a multi-year balance, enabling VCE to take on long-term program initiatives with community impact, given that 2026 and 2027 may not meet minimum net margin requirements for the allocation of funds.

Tables 4 and 5 provide two potential scenarios for Board consideration. Table 4 allocates all discretionary funds above the 5% minimum net margin to rate stabilization to better prepare for potential future rate variability. Staff is not recommending this approach as it is considered overly cautious given PCIA and rate forecasts for the next several years. Staff believes that scenario 2 shown in table 5 strikes a more appropriate balance between current rate affordability objectives (customer dividends in the form of maintaining VCE current rate discounts), and maintaining future rate stability (rate stabilization fund).

**Table 4 - Scenario 1 - Allocation of Net margin above 5%**

Allocation of Net Margin above 5%	Percentage	Allocation Amount	Operating Days Cash	Total Operating Days Cash
Operating Reserves Allocation	0%	-	0	230
Local Programs Allocation	0%	-	0	25
Customer Dividends	0%	-	0	20
Rate Stabilization Allocation	100%	27,526	140	202

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**Table 5 - Scenario 2 - Allocation of Net margin above 5%**

Allocation of Net Margin above 5%	Percentage	Allocation Amount	Operating Days Cash	Total Operating Days Cash
Operating Reserves Allocation	0%	-	0	0
Local Programs Allocation	0%	-	0	0
Customer Dividends	15%	4,129	21	31
Rate Stabilization Allocation	85%	23,397	119	130

Note: (1) a 1% dividend would be approximately \$1.50/month reduction in the average residential customer bill and an approximately \$3.75/month reduction in the average small commercial customer bill; (2) anecdotal information from other CCAs indicate that these levels of customer dividends/discounts while helpful in communicating a CCA's value do not have significant effects on customer retention or new customer recruitment.

Staff considered the following key factors related to this preliminary recommendation.

- Power Costs - Staff anticipates ongoing regulatory pressures related to changing PCIA and resource adequacy requirements (increased costs = decreased days cash on hand)
- VCE's current 180-day cash reserve target is a minimum for investment grade credit rating.
- VCE's current 60-day rate stabilization reserve target is a minimum for rate variability and maintaining customer discounts.

#### Community Advisory Committee (CAC) Consideration

The staff presented to the CAC at its May 28, 2026 meeting for discussion and feedback based on estimated results. CAC feedback aligned with the staff's initial allocation included in scenario 1, which focuses on building programs and additional operational and rate stabilization reserves.

After further consideration and internal staff discussion, Scenario 2 shown in Table 5 above was developed. Both allocation scenarios 1 and 2 incorporate conservative assumptions that reflect unfavorable forecast conditions, ensuring that potential risks are accounted for in the analysis. Notably, the updated Scenario 2 further strengthens expectations that VCE may continue its discount program into 2027, providing added reassurance regarding rate stability and ongoing customer benefits despite a challenging market outlook.

#### **CONCLUSION**

Staff believe that both scenarios represent a disciplined and financially prudent approach to building reserves and preserving long-term rate relief. The longer-term outlook (2026+) shows overall stability in power costs due to VCE's fixed-price long-term renewable power purchase contracts, VCE's recent prepay savings, and our A- credit rating amid continued regulatory and power market uncertainty.

#### **ATTACHMENT:**

1. Resolution 2026-XXX – Allocation of 2025 Net Margin

**VALLEY CLEAN ENERGY ALLIANCE**

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

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE  
APPROVING THE RECOMMENDED ALLOCATION OF NET MARGIN FOR THE AUDITED  
YEAR ENDED DECEMBER 31, 2025**

**WHEREAS**, Valley Clean Energy (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code section 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**, the Board adopted a Rate Structure & Dividend Program Guidelines (Dividend Program) on June 17, 2019, to be effective starting at the beginning of the following fiscal year on July 1, 2019; and

**WHEREAS**, the Dividend Program guides how audited positive Net Margin for each fiscal year can be allocated amongst operational and rate stabilization cash reserves, customer dividends, and local program reserve (LPR), at the Board’s discretion; and

**WHEREAS**, VCE staff analyzed the allocation options for Board consideration based on the final, audited Net Margin for the year ended December 31, 2025.

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

1. For the audited year ended December 31, 2025, allocate the Net Margin of \$32 million as follows: \$2,251,000 to local program reserve, \$4,129,000 to customer dividends, \$2,251,000 to operational reserves, and \$23,397,000 to rate stabilization reserves.

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

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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

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