Regular Meeting of the Valley Clean Energy Alliance
Board of Directors
Thursday, September 11, 2025 at 5:30 p.m.
City of Woodland Council Chambers
300 First Street, Woodland, California 95695

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

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

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/87402339113
Meeting ID: 874 0233 9113

b. By phone:

One tap mobile:
+1-669-444-9171,, 87402339113# US
+1-669-900-9128,, 87402339113# US

Or Dial:
+1-669-444-9171 US
+1-669-900-9128 US
Meeting ID: 874 0233 9113

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

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

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

5:30 p.m. Call to Order

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

CONSENT AGENDA

3. **Approve June 12, 2025 Board meeting Minutes.**
4. **Receive 2025 long range calendar.**
5. **Receive Treasurer's reports: A) May 31, 2025, B) June 30, 2025 and C) July 31, 2025.**
6. **Receive July/August 2025 regulatory update dated September 3, 2025 provided by Keyes & Fox.**
7. **Receive Community Advisory Committee meeting summaries: 1) June 26, 2025 meeting and Strategic Plan Update Workshop; 2) July 24, 2025 meeting; and, 3) August 28, 2025 meeting.**
8. **Receive Customer participation update (2nd Quarter 2025). (Information)**
9. **Accept and attest the accuracy of Valley Clean Energy's 2024 Power Content Label. (Action)**
10. **Approve VCE Capitalization Policy. (Action)**

REGULAR AGENDA

11. **Receive AgFIT (Dynamic Pricing) Pilot Program update. (Information)**
12. **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.
13. **Announcement and Adjournment of Regular meeting:** The Board has scheduled their next regular meeting for Thursday, October 9, 2025 at 5:30 p.m. at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. The Board will adjourn their regular meeting to reconvene into the Strategic Plan Workshop.

RECONVENE AS STRATEGIC PLAN UPDATE WORKSHOP
Estimated start time 6:30 p.m.

1. **Public Comment:** This item is reserved for persons wishing to address the CAC on any VCE-related matters that are not otherwise on this Workshop agenda. As with all public comment, members of the public who wish to address the CAC 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 the information below under **PUBLIC PARTICIPATION** at the conclusion of this agenda about how to provide your public comment.

2. **VCE STRATEGIC PLAN UPDATE WORKSHOP**
   a. Community Choice Aggregation (CCA) & Valley Clean Energy (VCE) Basics
   b. VCE Strategic Plan Background
   c. VCE 2026-2029 Major Update & Initial Draft
      i. Overview - 2026-2029 Major Update Process
      ii. Customer outreach and Survey Results
      iii. Initial Draft Updates
   d. Discussion/Feedback
   e. Next Steps/Timeline

3. **Adjournment of Workshop.**

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 . 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. The Valley Clean Energy website is located at: https://valleycleanenergy.org/board-meetings/.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 3

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Approval of Minutes of June 12, 2025 meeting

DATE: September 11, 2025

RECOMMENDATION

Receive, review and approve the attached June 12, 2025 meeting Minutes.

Attachment: June 12, 2025 meeting Minutes

MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS MEETING
THURSDAY, JUNE 12, 2025

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, June 12, 2025 at 5:30 p.m. to be held at City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. Both Chair Bapu Vaitla and Vice Chair Jesse Loren are absent so Director Tania Garcia-Cadena is chairing the meeting. Director Garcia-Cadena established that there was a quorum present and the meeting began at 5:32 p.m.

Board Members Present:	Tania Garcia-Cadena, Shiela Allen, Donna Neville, Richard Casavecchia, Linda Deos (Alternate – City of Davis)
Members Absent:	Bapu Vaitla (Chair),Tom Stallard, Lucas Frerichs, Jesse Loren (Vice Chair)
Welcome, Approval of the Agenda, Oaths of Office	Motion made by Director Neville to approve the June 12, 2025 regular meeting Agenda, seconded by Director Deos (Alt.). Motion passed with Directors Vaitla, Stallard, Frerichs and Loren absent.
Public Comment – General and Consent Items	Director Garcia-Cadena opened up public comments on general and consent items. There were no written or verbal public comments.
Approval of Consent Agenda / Resolution 2025-007	Motion made by Director Allen to approve the Consent agenda items, seconded by Director Deos (Alt.). Motion passed with Directors Vaitla, Stallard, Frerichs and Loren absent. The following items were: 3. approved April 10, 2025 Board meeting Minutes; 4. received 2025 long range calendar; 5. received Treasurer's reports: a) March 31, 2025 and b) April 30, 2025; 6. received legislative update provided by Pacific Policy Group; 7. received May 2025 regulatory update dated June 4, 2025 provided by Keyes & Fox; 8. received Community Advisory Committee April 24, 2025 and May 22, 2025 meeting/Strategic Plan Update Workshop meeting summaries; 9. approved CC Power budget amendment; and, 10. approved amendment to the AgFIT Pilot program agreement with PG&E as Resolution 2025-007.

Item 11: Summer preparedness outlook. (Information)	VCE Chief Executive Officer Mitch Sears and Chief Operating Officer Gordon Samuel introduced this item. Jaclyn Harr of The Energy Authority (TEA) provided an overview of CAISO and CEC reports indicating that the overall Summer outlook is positive. Ms. Harr provided anticipated Summer temperature, precipitation, and hydro power production and reviewed the seasonal water storage, September peak load and resource analysis, and VCE's readiness for the Summer. Slide 10 indicates what VCE is doing to be prepared. She reviewed VCE's Summer energy position by highlighting hedge practices, anticipated power production, and load. The Board and Staff briefly discussed Putah Creek Solar Farm and the solar and storage project within Yolo County. There were no written public comments. **Verbal public comment:** Christine Shewmaker thanked Staff and TEA for providing a Summer forecast and for the plan VCE has in place to handle the anticipated heat. She suggested that VCE share their Summer energy plan with VCE customers.
Item 12: Receive Mid-year 2025 Financial update. (Discussion/Action)	Mr. Sears introduced this item and introduced Chief Financial Officer Edward Burnham who proceeded to provide an update on VCE's mid-year 2025 finances. Mr. Burnham provided VCE's 2025 rates and budget summary key objectives; reviewed VCE's reserves, net position, rate comparison, resource adequacy outlook; and, the impacts of market price benchmark (MPB). He provided an overview of 2026 financial impacts and possible options for VCE to mitigate those impacts. Staff recommended maintaining the current rate discounts for all customer classes through the end of 2025. This approach supports stability, customer satisfaction, and VCE's long-term financial sustainability. The Board and Staff briefly discussed: load; CPUC proceedings and decisions; rate forecasting; and, VCE's generation rates and discounts. There were no written or verbal public comments. Director Neville made a motion to continue current customer rate discounts of 5% for all and 10% for CARE/FERA customers for the remainder of 2025, seconded by Director Allen. Motion passed by the following vote: AYES: Allen, Neville, Casavecchia, Deos (Alt.), Garcia-Cadena NOES: None ABSENT: Vaitla, Stallard, Frerichs, Loren ABSTAIN: None

Item 13: Approve 2024 Net Margin allocation. (Discussion/Action) / Resolution 2025-008	Mr. Burnham provided a very brief overview of the 2024 Net Margin; and, reviewed the VCE adopted Dividend Program formula, discretionary allocation, and three (3) allocation scenarios. The Board and Staff briefly discussed VCE's local programs and rate credits. There were no written or verbal public comments. Motion made by Director Casavecchia to adopt a resolution approving the allocation of the $26.9M 2024 Audited Net Margin between cash reserves, local program reserve (LPR), and Customer Dividends program as follows: 1. $9,106,000 (34%) of Net Margin to operational cash reserves; 2. $12,284,000 (46%) of Net Margin to rate stabilization reserves; 3. $1,624,000 (6%) of Net Margin to the Local Programs Reserve (LPR). 4. $3,856,000 (14%) of Net Margin designated to the Dividends Program in the form Rate Credits. This motion was seconded by Director Neville. Motion passed as Resolution 2025-008 by the following vote : AYES: Allen, Neville, Casavecchia, Deos (Alt.), Garcia-Cadena NOES: None ABSENT: Vaitla, Stallard, Frerichs, Loren ABSTAIN: None
Item 14: Reappointment / appointment of Members to Community Advisory Committee (Annual) (Action)	Mr. Sears provided an overview of the Community Advisory Committee (CAC) reappointment/appointment process. Mr. Sears reminded the Board that four (4) jurisdiction seats are up for reappointment/appointment with three (3) incumbent CAC Members asking to be reappointed and the City of Davis seat having two (2) people for consideration: one (1) incumbent CAC Member and one (1) applicant. Director Garcia-Cadena asked the City of Davis Board Members to make a recommendation to the VCE Board of whom to appoint to the City of Davis seat. Director Deos (Alt.) informed those present that the City of Davis Board Members talked about it and they are recommending to reappoint incumbent Rahul Athalye to the City of Davis seat. There were no written or verbal public comments.

Motion made by Director Deos (Alt.) to:

1. reappoint the following for a three (3) year term to expire 2028 (Class 1):

- City of Davis seat – Rahul Athalye
- City of Winters seat – David Springer
- City of Woodland seat – Mark Aulman
- Unincorporated Yolo County seat – Cynthia Rodriguez

2. And, have Staff continue to solicit candidates for vacant unincorporated Yolo County Jurisdiction seat until filled.

This motion was seconded by Director Neville. Motion passed by the following vote :

AYES: Allen, Neville, Casavecchia, Deos (Alt.), Garcia-Cadena
NOES: None
ABSENT: Vaitla, Stallard, Frerichs, Loren
ABSTAIN: None

Item 15: Recap of CalCCA 2025 Annual Conference. (Information)	VCE Staff and participating Board Members provided their perspectives on attending the CalCCA 2025 Conference held in Orange County. Director Allen asked that a future Board meeting topic be VCE's expansion opportunities.
Item 16: Board Member and Staff Announcements	Mr. Sears informed those present that VCE is updating their Strategic Plan (SP) and recently held a SP Workshop in Esparto. The second SP Workshop on Thursday, June 26th will be held in Davis. He reminded those present that the CA Honey Festival, which was postponed from early May to Saturday, June 21 will be held in Woodland at the Yolo County Fairgrounds. Lastly, he announced that VCE sent out a survey on VCE's SP soliciting input on VCE's major update to the SP.
Announcement / Adjournment	Director Garcia-Cadena announced that the Board's next scheduled meeting is Thursday, July 10, 2025 at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. There being no further business, the meeting was adjourned at 7:02 p.m.

Alisa M. Lembke
VCEA Board Secretary

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 4

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: Board and Community Advisory Committee 2025 Long-Range Calendar

DATE: September 11, 2025

Recommendation

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

Attachment: 2025 Board and CAC long range calendar

VALLEY CLEAN ENERGY

2025 Meeting Dates and *Proposed* Topics
Board and Community Advisory Committee (CAC)
(Note: Meeting locations and Topics are subject to change)

MEETING DATE		TOPICS	ACTION
January 9, 2025 (Cancelled)	**Board (Woodland)**	• This meeting was cancelled.	
January 23, 2025 NO QUORUM, ITEMS MOVED TO FEBRUARY 27, 2025 MEETING	**Advisory Committee (Woodland)**	• 2025 CAC Task Group (s) formation (Annual) (R) • Customer Participation Update (4th Quarter 2024) (O) • 2024 Year in review: Customer Care & Marketing (Placeholder) (R) • Strategic Plan (O)	• Discussion/Action • Discuss/Action • Information • Discussion/Action
February 13, 2025	**Board (Davis)**	• Oaths of Office for Board Members (Annual - new Members only) (R) • Election of Officers for 2025 (Annual) (R) • Customer Participation Update (4th Quarter 2024) (O) • Receive CAC Year-end Task Group Reports (O) • 2024 Year-end review: Customer Care & Marketing (O) • Update to VCE Employee Handbook (Placeholder) (R) (historically Jan.) • Prepay (Placeholder) (O) • Annual Strategic Plan Report (R) (historically Jan.)	• Action • Nominations • Information • Information • Information • Action • Action • Information/Discussion • Discussion/Action
February 27, 2025	**Advisory Committee (Davis)**	• 2025 CAC Task Group (s) formation (Annual) (R) • Customer Participation Update (4th Quarter 2024) (O) • 2024 Year-end review: Customer Care & Marketing (Placeholder) (R) • Strategic Plan (O)	• Discussion/Action • Information • Information • Discussion/Action
~~March 13, 2025~~	**Board (Woodland)**	• This meeting was cancelled.	
March 27, 2025	**Advisory Committee (Woodland)**	• Approval of 2025 CAC Task Group "Charges" (R) (historically in Jan.) • Senate Bill 540 (Pathways Initiative & Regional Organization)	• Action • Information/Discussion

April 10, 2025	**Board (Davis)**	• Receive Enterprise Risk Management Report (Bi-Annual) (R) • Customer Participation update (1st Quarter 2025) (O) • Calendar Year 2024 Audited Financial Statements (James Marta & Co.) (placeholder) (R) • Load Management Standards Update (O) • Power Charge Indifference Adjustment (PCIA) / Rates Workshop (placeholder) (O) • VCE Grant activity update (O)	• Information • Information • Action • Information • Information • Information
April 24, 2025	**Advisory Committee (Davis)**	• Load Management Standards Update (O) • 2024 Net Margin Allocation (R) • Senate Bill 540 (Pathways Initiative & Regional Organization) • Customer Participation update (1st Quarter 2025) (O) • Introduction to Strategic Plan Major Update Roadmap/Timeline	• Information • Discussion/Action • Discussion/Action • Information • Information
April 28 - 30, 2025	**CalCCA Annual Conference (Irvine)**	VCE Staff and some Board and CAC members attending	
~~May 8, 2025~~ CANCELLED	**Board (Woodland)**	• Meeting cancelled.	
May 22, 2025	**Advisory Committee / Strategic Plan Workshop (Esparto)**	• Strategic Plan Workshop: Focus: Financial Strength/Rates and Procurement & Power Supply	• Information/Discussion
June 12, 2025	**Board (Davis)**	• Re/Appointment of Members to Community Advisory Committee (Annual) (R) • Mid-Year 2025 Financial Update (R) • 2024 Net Margin Allocation (R) • Summer Preparedness outlook (O) • Recap of CalCCA April 2025 Annual Conference (O)	• Action • Information • Discussion/Action • Information • Information
June 26, 2025	**Advisory Committee / Strategic Plan Workshop (UCANR - Davis)**	• Summer Preparedness outlook (O) • Strategic Plan Workshop: Focus: Customers & Community and Decarbonization and Grid Innovation	• Information • Information/Discussion

*No meeting unless an urgent matter needs to be addressed

July 10, 2025	**Board Woodland**	• Meeting cancelled.	
July 24, 2025	**Advisory Committee (Woodland)**	• Review preliminary draft Strategic Plan Major Update and Survey Plan (O) • Power Portfolio Update (O)	• Information/Discussion • Information
August 14, 2025	**Board (Davis)**	• NO MEETING*	
August 28, 2025	**Advisory Committee (Davis)**	• Review draft Strategic Plan Major update / Seeking recommendation to the Board • Large Load Tariff Design • Customer Participation Update (2nd Quarter 2025) (O)	• Discussion/Action • Discussion/Action • Information
September 11, 2025	**Board (Woodland)**	• Certification of 2024 Power Content Label (Annual) (R) • Capitalization Policy (placeholder) (O) • Customer Participation Update (2nd Quarter 2025) (O) • AgFIT Pilot Program Update (O) • Strategic Plan Major Update Workshop (O)	• Action • Information/Discussion • Information • Information • Discussion/Action
September 25, 2025	**Advisory Committee (Woodland)**	• Review Phase 2 of EV Rebate Program ("Charge Your Ride") / Seeking recommendation to the Board (placeholder) • Large Load Rate Setting Policy	• Discussion/Action • Discussion/Action
October 9, 2025	**Board (Davis)**	• Enterprise Risk Management Update (Annual) (R) • Customer Participation Update (3rd Quarter 2025) (O) • Legislative End of Session Update (O) • Phase 2 of EV Rebate Program ("Charge Your Ride") (O) (placeholder) • Adoption of Strategic Plan Major Update (O) • Large Load Rate Setting Policy (O)	• Discussion/Action • Information • Information • Discussion/Action • Discussion/Action • Information/Discussion/Action
October 23, 2025	**Advisory Committee (Davis)**	• 2024 Power Content Label Outreach (placeholder) (O) • Customer Participation Update (3rd Quarter 2025) (O) • Legislative End of Session Update (O) • GHG Free Attributes (R) • Integrated Resource Plan (R)	• Information • Information • Information • Discussion/Action • Discussion/Action
November 13, 2025	**Board (Woodland)**	• 2026 Preliminary Operating Budget (R) • GHG Free Attributes (R) • Integrated Resource Plan (R) • Contract Renewals (R) • Adoption of Strategic Plan Major Update (placeholder) (O)	• Information/Discussion • Discussion/Action • Discussion/Action • Discussion/Action • Discussion/Action

*No meeting unless an urgent matter needs to be addressed

~~November 27, 2025~~ **November 20, 2025** **(rescheduled to November 20 due to Thanksgiving holiday on Nov. 27th)**	**Advisory Committee (Woodland)**	• Review CAC Draft 2025 Task Group Year-end Reports (R) • Draft 2026 Legislative & Regulatory Platform (R)	• Discussion/Action • Discussion/Action
December 11, 2025	**Board (Davis)**	• Approve 2026 Operating Budget (Annual) and 2026 Customer Rates (R) • Receive VCE Grant/Program Annual Report (R) • 2026 Legislative & Regulatory Platform (R) • Contract Renewals (R)	• Discussion/Action • Information • Discussion/Action • Discussion/Action
~~December 25, 2025~~ **December 18, 2025** **(rescheduled to December 18 due to Christmas holiday on Dec. 25th)**	**Advisory Committee (Davis)**	• Approve 2025 Task Group Year-end Reports (R) • Power Portfolio Update (R) • Election of Officers for 2026 (Annual) (R)	• Discussion/Action • Information • Nominations
January 8, 2026	**Board (Woodland)**	• Oaths of Office for Board Members (Annual - new Members only) (R) • Election of Officers for 2026 (Annual) (R) • Customer Participation Update (4th Quarter 2025) (O) • 2025 Year in review: Customer Care & Marketing (R) • Receive 2025 Task Group Year-end Reports (R)	• Action • Nominations • Information • Information • Information
January 22, 2026	**Advisory Committee (Woodland)**	• Rates/Budget 2026 Update (O) • Customer Participation Update (4th Quarter 2025) (O) • 2026 CAC Task Group(s) formation (Annual) (R)	• Information • Information • Discuss/Action

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

TO: Board of Directors

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

SUBJECT: Monthly Treasurer's Report (Informational Item) – May 31, 2025

DATE: September 11, 2025

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 May 31, 2025.

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 May 31, 2025.

Financial Statements for the period May 1, 2025 – May 31, 2025
In the Statement of Net Position, VCE, as of May 31, 2025, has a total of $60,721,054 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 May 31, 2025, VCE's net position was $72,841,520.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded $5,027,105 of revenue (net of allowance for doubtful accounts), of which $5,457,592 was billed in, and $3,181,836 represents estimated unbilled revenue. The cost of electricity for the May revenue totaled $814,933 For May, VCE's gross margin was approximately (84%) and the net income totaled $3,912,889. The year-to-date change in net position was $9,645,879.

In the Statement of Cash Flows, VCE cash flows from operations were $2,269,518 due to May cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 05/31/2025):

Operating Account:	$	32,254,087
Insured Cash Sweep Account:	$	29,573,370
Debt Service Account:	$	1,100,000
CAISO Operational Account:	$	5,903,760
Total Cash on Deposit	$	68,831,217

Note: VCE receives 4.45% 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. May 2025 earnings were $127,961.

VCE's Outstanding Loan Balances (as of 03/31/2025):

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 May 31, 2025 was $0. VCE has issued, but undrawn, letters of credit for a total of $3,897,000 for regulatory and power purchase requirements.

Actual vs. Budget Variances for the year to date ending May 31, 2025

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

- Electric Revenue – ($3,101,021) and -10% – Unfavorable variance mainly driven by lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – $1,962,247 and 8% – Favorable mainly due renewable energy credit sales in Q1 and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Labor & Benefits $202,629 and 29% – Favorable Variance due to vacancy for additional budgeted positions.
- Financial Consultant $83,000 and 100% – Favorable Variance due to timing difference for investment grade credit rating.
- Programs $1,073,774 – Favorable Variance due to timing differences in AgFIT closeout, current year program activities, and member agency support services.
- Strategic Plan Update and Customer Focus Groups - $50,000 and 100% – Favorable Variance due to customer focus groups delayed until late 2025-2026.

Attachments:

1) Financial Statements (Unaudited) May 1, 2025 to May 31, 2025 (with comparative year to date information.)
2) Actual vs. Budget for the year to date ending May 31, 2025

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF MAY 1 TO MAY 31, 2025

PREPARED ON JULY 24, 2025

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
MAY 31, 2025
(UNAUDITED)

ASSETS	
Current assets:	
Cash and cash equivalents	60,721,054
Accounts receivable, net of allowance	7,828,077
Accrued revenue	3,181,836
Prepaid expenses	90,202
Inventory - Renewable Energy Credits	-
Other current assets and deposits	7,710,643
Total current assets	79,531,812
Restricted assets:	
Debt service reserve fund	1,100,000
Total restricted assets	1,100,000
TOTAL ASSETS	$ 80,631,812
LIABILITIES	
Current liabilities:	
Accounts payable	272,288
Accrued payroll	160,150
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	3,448,929
Other accrued liabilities	2,088,521
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	20,404
TOTAL LIABILITIES	$ 7,790,292
NET POSITION	
Net position:	
Local Programs Reserve	1,085,585
Restricted	1,100,000
Unrestricted	70,655,935
TOTAL NET POSITION	$ 72,841,520

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
MAY 31, 2025
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING MAY 31, 2025	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	$ 5,027,105	$ 27,849,980
Other revenue	100,000	$ 26,530
TOTAL OPERATING REVENUES	5,127,105	27,876,510
OPERATING EXPENSES		
Cost of electricity	814,933	16,783,752
Contract services	205,456	1,030,761
Staff compensation	161,760	731,218
General, administration, and other	160,028	364,728
TOTAL OPERATING EXPENSES	1,342,177	18,910,459
TOTAL OPERATING INCOME (LOSS)	3,784,928	8,966,051
NONOPERATING REVENUES (EXPENSES)		
Interest income	127,961	611,757
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	127,961	611,757
CHANGE IN NET POSITION	3,912,889	9,577,808
Net position at beginning of period	68,928,630	63,263,712
Net position at end of period	$ 72,841,520	$ 72,841,520

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
MAY 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING MAY 31, 2025	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	$ 5,153,208	$ 29,316,294
Payments received from other revenue sources	100,000	26,530
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(2,633,498)	(17,790,169)
Payments for contract services, general, and adminstration	(315,713)	(1,888,558)
Payments for member agency services	-	-
Payments for staff compensation	(34,480)	(163,312)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	2,269,518	9,500,785
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	127,961	611,757
Net cash provided (used) by investing activities	127,961	611,757
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,397,479	10,112,542
Cash and cash equivalents at beginning of period	60,198,947	60,198,947
Cash and cash equivalents at end of period	62,596,426	70,311,489
Cash and cash equivalents included in:		
Cash and cash equivalents	60,721,054	60,721,054
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	$ 61,821,054	$ 61,821,054

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
MAY 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING MAY 31, 2025	YEAR TO DATE
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 3,784,928	$ 8,966,051
Adjustments to reconcile operating income to net cash provided (used) by		
Depreciation expense		
Increase (decrease) for uncollectible accounts	54,400	286,100
(Increase) decrease in net accounts receivable	(378,666)	937,276
(Increase) decrease in accrued revenue	356,294	7,733
(Increase) decrease in prepaid expenses	5,775	25,747
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	19,600	(15,927)
Increase (decrease) in accounts payable	30,170	(477,143)
Increase (decrease) in accrued payroll	22,895	8,675
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	(1,818,565)	(1,006,417)
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	237,803	797,315
Increase (decrease) in user taxes due to other governments	(45,118)	(28,626)
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	$ 2,269,517	$ 9,500,785

VALLEY CLEAN ENERGY
2025 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 05/31/2025

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	$ 28,488,265	$ 31,661,000	$ (3,172,735)	-10%
Electric Revenue	$ 27,849,979	$ 30,951,000	$ (3,101,021)	-10%
Interest Revenues	$ 611,756	$ 410,000	$ 201,756	49%
Reimbursable Revenues	$ 26,530	$ 300,000	$ (273,470)	-91%
Purchased Power	$ 16,783,753	$ 19,683,000	$ (2,899,247)	-15%
Purchased Power Base	$ 16,783,753	$ 18,746,000	$ (1,962,247)	-10%
Purchased Power Contingency 5%	$ -	$ 937,000	$ (411,639)	-44%
Labor & Benefits	$ 672,341	$ 875,000	$ (202,659)	-23%
Salaries & Wages/Benefits	$ 511,021	$ 720,000	$ (208,979)	-29%
Contract Labor	$ 104,783	$ 80,000	$ 24,783	31%
Human Resources & Payroll	$ 56,537	$ 75,000	$ (18,463)	-25%
Office Supplies & Other Expenses	$ 124,611	$ 224,800	$ (100,189)	-45%
Technology Costs	$ 42,981	$ 22,800	$ 20,181	89%
Office Supplies	$ 2,186	$ 5,000	$ (2,814)	-56%
Travel	$ 2,221	$ 22,000	$ (19,779)	-90%
CalCCA Dues	$ 76,160	$ 80,000	$ (3,840)	-5%
CC Power	$ -	$ 90,000	$ (90,000)	-100%
Memberships	$ 1,064	$ 5,000	$ (3,936)	-79%
Contractual Services	$ 1,007,436	$ 1,170,000	$ (162,564)	-14%
Other Contract Services (e.g. IRP)	$ -	$ 30,000	$ (30,000)	-100%
Don Dame	$ 1,678	$ 9,000	$ (7,322)	-81%
Wholesale Energy Services (TEA)	$ 365,674	$ 360,000	$ 5,674	2%
2030 100% Renewable & Storage	$ -	$ 12,500	$ (12,500)	-100%
Customer Support Call Center	$ 421,284	$ 402,500	$ 18,784	5%
Operating Services	$ 73,667	$ 50,000	$ 23,667	47%
Commercial Legal Support	$ 15,566	$ 10,000	$ 5,566	56%
Legal General Counsel	$ 6,107	$ 35,000	$ (28,893)	-83%
Regulatory Counsel	$ 35,730	$ 85,000	$ (49,270)	-58%
Joint CCA Regulatory counsel	$ -	$ 8,000	$ (8,000)	-100%
Legislative - (Lobbyist)	$ 27,500	$ 28,750	$ (1,250)	-4%
Accounting Services	$ -	$ 1,250	$ (1,250)	-100%
Financial Consultant	$ -	$ 83,000	$ (83,000)	-100%
Audit Fees	$ 60,230	$ 55,000	$ 5,230	10%
Marketing	$ 56,229	$ 155,000	$ (98,771)	-64%
Marketing Collateral	$ 56,199	$ 135,000	$ (78,801)	-58%
Community Engagement Activities & Sponsorships	$ 30	$ 20,000	$ (19,970)	-100%
Programs	$ 18,726	$ 1,092,500	$ (1,073,774)	-98%
Program Costs (Rebates, Incentives, etc.)	$ 112,944	$ 300,000	$ (187,056)	-62%
Member Agency Advisory Services	$ -	$ 65,000	$ (65,000)	-100%
AG Fit	$ (94,218)	$ 720,000	$ (814,218)	-113%
PIPP Program	$ -	$ 7,500	$ (7,500)	-100%
Rents & Leases	$ 10,050	$ 20,500	$ (10,450)	-51%
Hunt Boyer Mansion	$ 10,050	$ 10,500	$ (450)	-4%
Lease Improvement	$ -	$ 10,000	$ (10,000)	-100%
Other A&G	$ 161,854	$ 390,100	$ (228,246)	-59%
Development - New Members	$ -	$ 10,500	$ (10,500)	-100%
Strategic Plan Implementation	$ 26,573	$ 32,000	$ (5,427)	-17%
Strategic Plan Update & Community Focus Group	$ -	$ 50,000	$ (50,000)	-100%
PG&E Data Fees	$ 109,535	$ 125,000	$ (15,465)	-12%
Insurance	$ 25,746	$ 40,000	$ (14,254)	-36%
Banking Fees	$ -	$ 132,600	$ (132,600)	-100%
Miscellaneous Operating Expenses	$ 7,385	$ 5,000	$ 2,385	48%
Contingency	$ -	$ 100,000	$ (100,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	$ 18,842,386	$ 23,715,900	$ (4,873,514)	-21%
Interest on RCB Term loan	$ -	$ -	$ -	100%
NET INCOME	$ 9,645,879	$ 7,945,100		

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5 (b)

TO: Board of Directors

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

SUBJECT: Monthly Treasurer's Report (Informational Item) – June 30, 2025

DATE: September 11, 2025

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 June 30, 2025.

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 June 30, 2025.

Financial Statements for the period June 1, 2025 – June 30, 2025
In the Statement of Net Position, VCE, as of June 30, 2025, has a total of $64,590,527 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 June 30, 2025, VCE's net position was $78,867,969 .

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded $11,097,596 of revenue (net of allowance for doubtful accounts), of which $7,746,441 was billed in, and $ 6,642,820 represents estimated unbilled revenue. The cost of electricity for the June revenue totaled $4,781,728 For June, VCE's gross margin was approximately 57% and the net income totaled $6,026,449. The year-to-date change in net position was $15,672,328.

In the Statement of Cash Flows, VCE cash flows from operations were $3,979,618 due to June cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 06/30/2025):

Operating Account:	$	32,936,086
Insured Cash Sweep Account:	$	32,681,354
Debt Service Account:	$	1,100,000
CAISO Operational Account:	$	6,057,809
Total Cash on Deposit	$	72,775,246

Note: VCE receives 4.45% 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. June 2025 earnings were $128,496.

VCE's Outstanding Loan Balances (as of 04/30/2025):

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 June 30, 2025 was $0. VCE has issued, but undrawn, letters of credit for a total of $3,897,000 for regulatory and power purchase requirements.

Actual vs. Budget Variances for the year to date ending June 30, 2025

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

- Electric Revenue – ($4,606,425) and -11% – Unfavorable variance mainly driven by lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – $3,583,519 and 14% – Favorable mainly due to renewable energy credit sales in Q1 and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Labor & Benefits $230,629 and 22% – Favorable Variance due to vacancy for additional budgeted positions. Recruitments are in progress and expected to be filled in Q4.
- Programs $1,214,890 – Favorable Variance due to timing differences in AgFIT closeout, current year program activities, and member agency support services.
- Wholesale Energy Support $63,613 – Favorable Variance due to the IRP process being delayed by CPUC.

Attachments:

3) Financial Statements (Unaudited) June 1, 2025 to June 30, 2025 (with comparative year to date information.)
4) Actual vs. Budget for the year to date ending June 30, 2025

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF JUNE 1 TO JUNE 30, 2025

PREPARED ON AUGUST 11, 2025

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
JUNE 30, 2025
(UNAUDITED)

ASSETS	
Current assets:	
Cash and cash equivalents	64,590,527
Accounts receivable, net of allowance	9,687,334
Accrued revenue	6,642,820
Prepaid expenses	71,775
Inventory - Renewable Energy Credits	-
Other current assets and deposits	7,864,692
Total current assets	88,857,149
Restricted assets:	
Debt service reserve fund	1,100,000
Total restricted assets	1,100,000
TOTAL ASSETS	$ 89,957,149
LIABILITIES	
Current liabilities:	
Accounts payable	301,485
Accrued payroll	139,854
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	6,706,387
Other accrued liabilities	2,095,750
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	45,704
TOTAL LIABILITIES	$ 11,089,180
NET POSITION	
Net position:	
Local Programs Reserve	1,085,585
Restricted	1,100,000
Unrestricted	76,682,384
TOTAL NET POSITION	$ 78,867,969

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
JUNE 30, 2025
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JUNE 30, 2025	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	$ 11,097,596	$ 38,947,576
Other revenue	-	$ 26,530
TOTAL OPERATING REVENUES	11,097,596	38,974,106
OPERATING EXPENSES		
Cost of electricity	4,781,728	21,565,481
Contract services	194,186	1,224,947
Staff compensation	145,520	876,738
General, administration, and other	78,208	442,936
TOTAL OPERATING EXPENSES	5,199,643	24,110,102
TOTAL OPERATING INCOME (LOSS)	5,897,953	14,864,004
NONOPERATING REVENUES (EXPENSES)		
Interest income	128,496	740,253
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	128,496	740,253
CHANGE IN NET POSITION	6,026,449	15,604,257
Net position at beginning of period	72,841,520	63,263,712
Net position at end of period	$ 78,867,969	$ 78,867,969

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
JUNE 30, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JUNE 30, 2025	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	$ 5,879,955	$ 35,196,249
Payments received from other revenue sources	-	26,530
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(1,524,270)	(19,314,439)
Payments for contract services, general, and adminstration	(230,547)	(2,119,103)
Payments for member agency services	-	-
Payments for staff compensation	(145,520)	(876,738)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	3,979,618	12,912,499
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	128,496	740,253
Net cash provided (used) by investing activities	128,496	740,253
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,108,115	13,652,752
Cash and cash equivalents at beginning of period	62,596,426	70,311,489
Cash and cash equivalents at end of period	66,704,541	83,964,241
Cash and cash equivalents included in:		
Cash and cash equivalents	64,590,527	64,590,527
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	$ 65,690,527	$ 65,690,527

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
JUNE 30, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JUNE 30, 2025	YEAR TO DATE
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 5,897,953	$ 14,864,004
Adjustments to reconcile operating income to net cash provided (used) by		
Depreciation expense		
Increase (decrease) for uncollectible accounts	77,300	363,400
(Increase) decrease in net accounts receivable	(1,998,785)	(1,889,142)
(Increase) decrease in accrued revenue	(3,460,984)	(3,193,522)
(Increase) decrease in prepaid expenses	5,775	31,522
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	12,651	(3,275)
Increase (decrease) in accounts payable	29,197	(447,946)
Increase (decrease) in accrued payroll	(20,296)	(11,621)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	3,257,459	2,251,042
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	154,049	951,364
Increase (decrease) in user taxes due to other governments	25,300	(3,326)
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	$ 3,979,619	$ 12,912,499

VALLEY CLEAN ENERGY
2025 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 06/30/2025

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	$ 39,714,357	$ 44,409,000	$ (4,694,643)	-11%
Electric Revenue	$ 38,947,575	$ 43,554,000	$ (4,606,425)	-11%
Interest Revenues	$ 740,252	$ 495,000	$ 245,252	50%
Reimbursable Revenues	$ 26,530	$ 360,000	$ (333,470)	-93%
Purchased Power	$ 21,565,481	$ 25,149,000	$ (3,583,519)	-14%
Purchased Power Base	$ 21,565,481	$ 23,952,000	$ (2,386,519)	-10%
Purchased Power Contingency 5%	$ -	$ 1,197,000	$ (471,041)	-39%
Labor & Benefits	$ 819,969	$ 1,050,000	$ (230,031)	-22%
Salaries & Wages/Benefits	$ 622,990	$ 864,000	$ (241,010)	-28%
Contract Labor	$ 123,834	$ 96,000	$ 27,834	29%
Human Resources & Payroll	$ 73,145	$ 90,000	$ (16,855)	-19%
Office Supplies & Other Expenses	$ 154,963	$ 264,500	$ (109,537)	-41%
Technology Costs	$ 55,076	$ 26,000	$ 29,076	112%
Office Supplies	$ 2,943	$ 6,000	$ (3,057)	-51%
Travel	$ 2,221	$ 22,500	$ (20,279)	-90%
CalCCA Dues	$ 93,660	$ 96,000	$ (2,340)	-2%
CC Power	$ -	$ 108,000	$ (108,000)	-100%
Memberships	$ 1,064	$ 6,000	$ (4,936)	-82%
Contractual Services	$ 1,166,924	$ 1,378,400	$ (211,476)	-15%
Other Contract Services (e.g. IRP)	$ -	$ 36,000	$ (36,000)	-100%
Don Dame	$ 2,088	$ 10,800	$ (8,713)	-81%
Wholesale Energy Services (TEA)	$ 368,387	$ 432,000	$ (63,613)	-15%
2030 100% Renewable & Storage	$ -	$ 15,000	$ (15,000)	-100%
Customer Support Call Center	$ 511,155	$ 483,000	$ 28,155	6%
Operating Services	$ 87,051	$ 60,000	$ 27,051	45%
Commercial Legal Support	$ 15,910	$ 12,000	$ 3,910	33%
Legal General Counsel	$ 7,928	$ 42,000	$ (34,073)	-81%
Regulatory Counsel	$ 79,177	$ 102,000	$ (22,823)	-22%
Joint CCA Regulatory counsel	$ -	$ 9,600	$ (9,600)	-100%
Legislative - (Lobbyist)	$ 33,000	$ 34,500	$ (1,500)	-4%
Accounting Services	$ -	$ 1,500	$ (1,500)	-100%
Financial Consultant	$ 2,000	$ 85,000	$ (83,000)	-98%
Audit Fees	$ 60,230	$ 55,000	$ 5,230	10%
Marketing	$ 78,860	$ 186,000	$ (107,140)	-58%
Marketing Collateral	$ 78,830	$ 162,000	$ (83,170)	-51%
Community Engagement Activities & Sponsorships	$ 30	$ 24,000	$ (23,970)	-100%
Programs	$ 32,110	$ 1,247,000	$ (1,214,890)	-97%
Program Costs (Rebates, Incentives, etc.)	$ 125,678	$ 400,000	$ (274,322)	-69%
Member Agency Advisory Services	$ -	$ 78,000	$ (78,000)	-100%
AG Fit	$ (93,568)	$ 760,000	$ (853,568)	-112%
PIPP Program	$ -	$ 9,000	$ (9,000)	-100%
Rents & Leases	$ 12,150	$ 24,600	$ (12,450)	-51%
Hunt Boyer Mansion	$ 12,150	$ 12,600	$ (450)	-4%
Lease Improvement	$ -	$ 12,000	$ (12,000)	-100%
Other A&G	$ 203,856	$ 441,800	$ (237,944)	-54%
Development - New Members	$ -	$ 12,600	$ (12,600)	-100%
Strategic Plan Implementation	$ 40,641	$ 38,400	$ 2,241	6%
Strategic Plan Update & Community Focus Group	$ -	$ 60,000	$ (60,000)	-100%
PG&E Data Fees	$ 131,694	$ 150,000	$ (18,306)	-12%
Insurance	$ 31,521	$ 48,000	$ (16,479)	-34%
Banking Fees	$ -	$ 132,800	$ (132,800)	-100%
Miscellaneous Operating Expenses	$ 7,716	$ 6,000	$ 1,716	29%
Contingency	$ -	$ 120,000	$ (120,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	$ 24,042,029	$ 29,867,300	$ (5,825,271)	-20%
Interest on RCB Term loan	$ -	$ -	$ -	100%
NET INCOME	$ 15,672,328	$ 14,541,700		

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5 (c)

TO: Board of Directors

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

SUBJECT: Monthly Treasurer's Report (Informational Item) – July 31, 2025

DATE: September 11, 2025

RECOMMENDATION:
Accept the Treasurer's report on VCE's cash, investments, debt, and unaudited financial statements (with comparative year to date information) and Actual vs. Budget year to date for the month ending July 31, 2025.

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

The Financial Statements include the following reports:

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

In addition, Staff is reporting the Actual vs. Budget variances year to date ending July 31, 2025.

<u>Financial Statements for the period July 1, 2025 – July 31, 2025</u>
In the Statement of Net Position, VCE, as of July 31, 2025, has a total of $66,927,853 in its checking, money market and lockbox accounts, $1,100,000 restricted assets for the Debt Service Reserve account, and $1,800,000 restricted assets related to supplier deposits. On July 31, 2025, VCE's net position was $81,661,824.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded $9,586,291 of revenue (net of allowance for doubtful accounts), of which $11,445,082 was billed in, and $4,924,244 represents estimated unbilled revenue. The cost of electricity for the July revenue totaled $6,329,037 For July, VCE's gross margin was approximately (35%) and the net loss totaled $2,793,855. The year-to-date change in net position was $18,466,183.

In the Statement of Cash Flows, VCE cash flows from operations were $2,356,032 due to July cash receipts of revenues being more than the monthly cash operating expenses.

Bank Account Balances (as of 03/31/2025):

Operating Account:	$	34,956,738
Insured Cash Sweep Account:	$	32,801,263
Debt Service Account:	$	1,100,000
CAISO Operational Account:	$	6,127,821
Total Cash on Deposit	$	74,985,822

Note: VCE receives 4.45% interest earnings for the average balance on the ICS account and CAISO operational account equal to the Local Agency Investment Fund (LAIF) state investments rate. July 2025 earnings were $140,455.

VCE's Outstanding Loan Balances (as of 03/31/2025):

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 July 31, 2025 was $0. VCE has issued, but undrawn, letters of credit for a total of $3,897,000 for regulatory and power purchase requirements.

Actual vs. Budget Variances for the year to date ending July 31, 2025

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

- Electric Revenue – ($8,634,897) and -15% – Unfavorable variance mainly driven by lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Purchased Power – $6,268,482 and 18% – Favorable mainly due to renewable energy credit sales in Q1 and lower load than forecasted by residential and agriculture customers due to mild winter and summer temperatures.
- Labor & Benefits $267,374 and 22% – Favorable Variance due to vacancy for additional budgeted positions. Recruitments are in progress and expected to be filled in Q4.
- Programs $1,076,774 – Favorable Variance due to timing differences in AgFIT closeout, current year program activities, and member agency support services.
- Wholesale Energy Support $56,518 – Favorable Variance due to the IRP process being delayed by CPUC.

Attachments:

5) Financial Statements (Unaudited) July 1, 2025 to July 31, 2025 (with comparative year to date information.)
6) Actual vs. Budget for the year to date ending July 31, 2025

VALLEY CLEAN ENERGY ALLIANCE

FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE PERIOD OF JULY 1 TO JULY 31, 2025

PREPARED ON AUGUST 31, 2025

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
JULY 31, 2025
(UNAUDITED)

ASSETS	
Current assets:	
Cash and cash equivalents	66,927,853
Accounts receivable, net of allowance	12,138,189
Accrued revenue	4,924,245
Prepaid expenses	263,693
Inventory - Renewable Energy Credits	-
Other current assets and deposits	7,934,705
Total current assets	92,188,684
Restricted assets:	
Debt service reserve fund	1,100,000
Total restricted assets	1,100,000
TOTAL ASSETS	$ 93,288,684
LIABILITIES	
Current liabilities:	
Accounts payable	253,027
Accrued payroll	149,686
Interest payable	-
Due to member agencies	-
Accrued cost of electricity	7,256,679
Other accrued liabilities	2,105,194
Security deposits - energy supplies	1,800,000
User taxes and energy surcharges	62,275
TOTAL LIABILITIES	$ 11,626,860
NET POSITION	
Net position:	
Local Programs Reserve	1,085,585
Restricted	1,100,000
Unrestricted	79,476,239
TOTAL NET POSITION	$ 81,661,824

VALLEY CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENDITURES AND
JULY 31, 2025
(WITH COMPARATIVE YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JULY 31, 2025	YEAR TO DATE
OPERATING REVENUE		
Electricity sales, net	$ 9,586,291	$ 48,533,867
Other revenue	-	$ 26,530
TOTAL OPERATING REVENUES	9,586,291	48,560,397
OPERATING EXPENSES		
Cost of electricity	6,329,037	27,894,518
Contract services	343,646	1,568,593
Staff compensation	137,225	1,013,963
General, administration, and other	122,983	565,919
TOTAL OPERATING EXPENSES	6,932,891	31,042,992
TOTAL OPERATING INCOME (LOSS)	2,653,400	17,517,405
NONOPERATING REVENUES (EXPENSES)		
Interest income	140,455	880,708
Interest and related expenses	-	-
Other Non Operating Revenues	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	140,455	880,708
CHANGE IN NET POSITION	2,793,855	18,398,113
Net position at beginning of period	78,867,969	63,263,712
Net position at end of period	$ 81,661,824	$ 81,661,824

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
JULY 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JULY 31, 2025	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	$ 8,984,783	$ 44,181,032
Payments received from other revenue sources	-	26,530
Receipts for security deposits with energy suppliers	-	-
Payments to purchase electricity	(5,778,746)	(25,093,185)
Payments for contract services, general, and adminstration	(712,780)	(2,831,883)
Payments for member agency services	-	-
Payments for staff compensation	(137,225)	(1,013,963)
Return of security deposits to energy suppliers	-	-
Other cash payments	-	-
Net cash provided (used) by operating activities	2,356,032	15,268,531
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Principal payments of Debt	-	-
Interest and related expenses	-	-
Other Non Operating Revenue	-	-
Net cash provided (used) by non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	140,455	880,708
Net cash provided (used) by investing activities	140,455	880,708
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,496,487	16,149,239
Cash and cash equivalents at beginning of period	62,596,426	70,311,489
Cash and cash equivalents at end of period	65,092,913	86,460,728
Cash and cash equivalents included in:		
Cash and cash equivalents	66,927,853	66,927,853
Restricted assets	1,100,000	1,100,000
Cash and cash equivalents at end of period	$ 68,027,853	$ 68,027,853

VALLEY CLEAN ENERGY ALLIANCE
STATEMENTS OF CASH FLOWS
JULY 31, 2025
(WITH YEAR TO DATE INFORMATION)
(UNAUDITED)

	FOR THE PERIOD ENDING JULY 31, 2025	YEAR TO DATE
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 2,653,400	$ 17,517,405
Adjustments to reconcile operating income to net cash provided (used) by		
Depreciation expense		
Increase (decrease) for uncollectible accounts	114,200	477,600
(Increase) decrease in net accounts receivable	(2,536,475)	(4,425,617)
(Increase) decrease in accrued revenue	1,718,575	(1,474,947)
(Increase) decrease in prepaid expenses	5,775	37,297
(Increase) decrease in inventory - renewable energy credits	-	-
(Increase) decrease in other assets and deposits	(197,693)	(200,968)
Increase (decrease) in accounts payable	(48,458)	(496,405)
Increase (decrease) in accrued payroll	9,833	(1,788)
Increase (decrease) in due to member agencies	-	-
Increase (decrease) in accrued cost of electricity	550,291	2,801,333
Increase (decrease) in other accrued liabilities	-	-
Increase (decrease) security deposits with energy suppliers	-	-
Increase (decrease) in user taxes and energy surcharges	-	-
Increase (decrease) in security deposits from energy suppliers	70,012	1,021,376
Increase (decrease) in user taxes due to other governments	16,571	13,245
Increase (decrease) in advances from public purpose programs	-	-
Net cash provided (used) by operating activities	$ 2,356,032	$ 15,268,531

VALLEY CLEAN ENERGY
2025 YTD ACTUAL VS. BUDGET
FOR THE YEAR TO DATE ENDING 07/31/2025

Description	YTD Actuals	YTD Budget	YTD Variance	% over /-under
Total Revenues	$ 49,441,103	$ 58,076,000	$ (8,634,897)	-15%
Electric Revenue	$ 48,533,866	$ 57,081,000	$ (8,547,134)	-15%
Interest Revenues	$ 880,707	$ 575,000	$ 305,707	53%
Reimbursable Revenues	$ 26,530	$ 420,000	$ (393,470)	-94%
Purchased Power	$ 27,894,518	$ 34,163,000	$ (6,268,482)	-18%
Purchased Power Base	$ 27,894,518	$ 32,537,000	$ (4,642,482)	-14%
Purchased Power Contingency 5%	$ -	$ 1,626,000	$ (544,818)	-34%
Labor & Benefits	$ 960,626	$ 1,225,000	$ (264,374)	-22%
Salaries & Wages/Benefits	$ 727,556	$ 1,008,000	$ (280,444)	-28%
Contract Labor	$ 141,993	$ 112,000	$ 29,993	27%
Human Resources & Payroll	$ 91,077	$ 105,000	$ (13,923)	-13%
Office Supplies & Other Expenses	$ 187,863	$ 304,200	$ (116,337)	-38%
Technology Costs	$ 62,250	$ 29,200	$ 33,050	113%
Office Supplies	$ 3,593	$ 7,000	$ (3,407)	-49%
Travel	$ 9,797	$ 23,000	$ (13,203)	-57%
CalCCA Dues	$ 111,160	$ 112,000	$ (840)	-1%
CC Power	$ -	$ 126,000	$ (126,000)	-100%
Memberships	$ 1,064	$ 7,000	$ (5,936)	-85%
Contractual Services	$ 1,466,602	$ 1,586,800	$ (120,198)	-8%
Other Contract Services (e.g. IRP)	$ -	$ 42,000	$ (42,000)	-100%
Don Dame	$ 1,941	$ 12,600	$ (10,660)	-85%
Wholesale Energy Services (TEA)	$ 447,482	$ 504,000	$ (56,518)	-11%
2030 100% Renewable & Storage	$ -	$ 17,500	$ (17,500)	-100%
Customer Support Call Center	$ 670,375	$ 563,500	$ 106,875	19%
Operating Services	$ 109,927	$ 70,000	$ 39,927	57%
Commercial Legal Support	$ 17,162	$ 14,000	$ 3,162	23%
Legal General Counsel	$ 15,316	$ 49,000	$ (33,685)	-69%
Regulatory Counsel	$ 103,671	$ 119,000	$ (15,329)	-13%
Joint CCA Regulatory counsel	$ -	$ 11,200	$ (11,200)	-100%
Legislative - (Lobbyist)	$ 38,500	$ 40,250	$ (1,750)	-4%
Accounting Services	$ -	$ 1,750	$ (1,750)	-100%
Financial Consultant	$ 2,000	$ 87,000	$ (85,000)	-98%
Audit Fees	$ 60,230	$ 55,000	$ 5,230	10%
Marketing	$ 116,538	$ 217,000	$ (100,462)	-46%
Marketing Collateral	$ 116,508	$ 189,000	$ (72,492)	-38%
Community Engagement Activities & Sponsorships	$ 30	$ 28,000	$ (27,970)	-100%
Programs	$ 51,984	$ 1,401,500	$ (1,349,516)	-96%
Program Costs (Rebates, Incentives, etc.)	$ 145,519	$ 500,000	$ (354,481)	-71%
Member Agency Advisory Services	$ -	$ 91,000	$ (91,000)	-100%
AG Fit	$ (93,535)	$ 800,000	$ (893,535)	-112%
PIPP Program	$ -	$ 10,500	$ (10,500)	-100%
Rents & Leases	$ 26,703	$ 28,700	$ (1,997)	-7%
Hunt Boyer Mansion	$ 26,703	$ 14,700	$ 12,003	82%
Lease Improvement	$ -	$ 14,000	$ (14,000)	-100%
Other A&G	$ 260,019	$ 493,500	$ (233,481)	-47%
Development - New Members	$ -	$ 14,700	$ (14,700)	-100%
Strategic Plan Implementation	$ 46,929	$ 44,800	$ 2,129	5%
Strategic Plan Update & Community Focus Group	$ -	$ 70,000	$ (70,000)	-100%
PG&E Data Fees	$ 175,794	$ 175,000	$ 794	0%
Insurance	$ 37,296	$ 56,000	$ (18,704)	-33%
Banking Fees	$ -	$ 133,000	$ (133,000)	-100%
Miscellaneous Operating Expenses	$ 10,067	$ 7,000	$ 3,067	44%
Contingency	$ -	$ 140,000	$ (140,000)	-100%
	0	0		
TOTAL OPERATING EXPENSES	$ 30,974,920	$ 39,566,700	$ (8,591,780)	-22%
Interest on RCB Term loan	$ -	$ -	$ -	100%
NET INCOME	$ 18,466,183	$ 18,509,300		

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: September 11, 2025

Please find attached Keyes & Fox's July/August 2025 Regulatory Memorandum dated September 3, 2025 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

Attachment: Keyes & Fox Regulatory Memorandum dated September 3, 2025

KEYES&FOX LLP

EQ Research

Valley Clean Energy Alliance

Regulatory Monitoring Report

To:	Valley Clean Energy Alliance (VCE) Board of Directors
From:	Sheridan Pauker, Partner, Keyes & Fox LLP Jason Hoyle, Director of Research, EQ Research, LLC
Subject:	Monthly Regulatory Update
Date:	September 3, 2025

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

NEW Climate Credit OIR

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

Recent Developments: On July 28, the CPUC issued the OIR establishing a new proceeding to improve the California Climate Credit. The Climate Credit partially distributes funds from the proceeds of carbon allowance sales under the state's cap-and-trade program as twice annual lump-sum bill credits to all electric customers and certain qualifying small businesses.

Analysis: The proceeding may consider options for modifying the use of the Climate Credit by exploring eligibility criteria for distributions, the timing of distributions, and education and outreach efforts.

Next Steps: Comments on the OIR are due September 26 and reply comments are due October 13.

Additional Information: OIR (Aug. 20, 2025); Docket No. R.25-07-013.

NEW Distribution Interconnection Rules

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

Recent Developments: On August 20, the CPUC issued the OIR establishing a new proceeding to review and refine Rule 21 distribution-level interconnection regulations. The OIR identifies 8 broad topics within the preliminary scope, including electrical independence tests, interconnection timelines and disputes, EV interconnections, non-exporting resource interconnections, cost sharing of upgrade costs and costs due to load reduction, Net Billing Tariff implementation, costs and standards for communications and interoperability of distributed energy resources and IOUs' Wholesale Distribution Access Tariff (WDAT) tariffs and consistency with Rule 21. An August 29 staff email clarified that the purpose of providing a 60-day extended comment period on the OIR was to encourage stakeholders to comment extensively and thoughtfully regarding any and all issues, priorities, and proposals that may be appropriate to the rulemaking.

Analysis: This proceeding will impact the future development and deployment of distributed energy resources statewide.

Next Steps: Comments on the OIR are due October 20 and reply comments are due November 10.

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

IRP Rulemaking (2025)

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

Recent Developments: Opening comments on the OIR were filed on August 1 and reply comments were filed August 15. On August 18, the ALJ issued a Ruling granting CalCCA's motion to extend the deadline for LSEs to submit their load forecasts for the upcoming IRP until September 12. On August 28, an ALJ Ruling scheduled the prehearing conference for September 29.

Analysis: Comments on the OIR emphasized the need for a six-month minimum time period from issuance of the Ruling IRP specifying contents of the upcoming IRPs until the IRPs are due, which would make the next IRPs due in February or March of 2026, if adopted. CalCCA also commented that the proceeding should consider transmission and non-transmission alternatives to address reliability needs in the most cost-effective manner to reduce reliance on gas resources, how to ensure that Department of Water Resources (DWR) central procurement is effective and efficient, the development of a structured process for LSEs to request waivers of penalties for Mid-Term Reliability (MTR) noncompliance and other issues.

Next Steps: An ALJ ruling on the contents of IRP filings was expected in August but is delayed, and IRP filings will be due no earlier than December 1. LSE load forecasts are now due September 12. The prehearing conference will be held September 29.

Additional Information: Ruling on prehearing conference (Aug. 28, 2025); Ruling on load forecasts (Aug. 18, 2025); OIR (Jul. 2, 2025); Docket No. R.25-06-019.

IRP Rulemaking (2020)

Background: This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, and ongoing reliability obligations. This proceeding will consider a Staff Proposal on the RCPPP, and remaining work on the RCPPP will occur in the new IRP rulemaking, R.25-06-019.

Recent Developments: On July 15, parties filed comment on the RCPPP Staff Proposal whose stated goal is to give LSEs a more predictable regulatory framework for procurement requirements, with longer lead times, as compared with the "order-by-order" Mid-Term Reliability Procurement the Commission has ordered in the past several years (Summary Slides). On July 21, American Clean Power California (ACPC) filed a Motion requesting a new expedited procurement requirement for resources that would be eligible to take advantage of the expiring federal tax credits. On August 5, parties filed responses to the ACPC Motion and reply comments on the RCPPP. On August 13, the CPUC issued a Proposed Decision that would grant and expand on SCE's Petition for Modification and eliminate the use of "bridge" contracts for mid-term reliability procurement compliance entirely.

Analysis: In reply comments on the ACPC Motion, the IOUs and CCAs generally did not support the proposed new expedited procurement due largely to the short timeframe and its potential to further increase prices and conflict with existing procurement requirements. In comments on the RCPPP Staff Proposal, CalCCA argued that LSEs' investments should not be undermined by regulatory changes, the framework should be transactable, take practical realities into account (supply chain, interconnection delays, federal policy) and adopt a penalty waiver process and the CPUC should coordinate with the CEC to improve load forecast accuracy and the Commission should adjust the Slice-of-Day reliability framework. The Proposed Decision eliminating the use of bridge contracts presents many uncertainties for LSEs which have procured and contracted based on the previous rule allowing such contracts.

Next Steps: Comments on the Proposed Decision are due September 2, reply comments are due September 8, and the Proposed Decision may be adopted, at earliest, at the CPUC's September 18 meeting. Information about the 2025 IRP filing is expected soon.

Additional Information: RCPPP Staff Proposal and Summary Slides (Jul. 15, 2025); Proposed Decision (Aug. 13, 2025); ACPC Motion (Jul. 21, 2025); Amended Scoping Memo and Ruling (Correction/Clarification) (Apr. 18, 2024); Docket No. R.20-05-003.

RA Rulemaking (2025-2026)

Background: This proceeding considers resource adequacy (RA) requirements for LSEs and will address the 2025 and 2026 RA compliance years, local RA procurement obligations for the 2025-2028 compliance years, and further development of the 24-hour Slice-of-Day (SOD) framework. Track 3 is focused on remaining RA capacity issues, including what planning reserve margin (PRM) the Commission should require for LSE RA procurement obligations.

Recent Developments: On July 28, the Western Power Trading Forum filed an Application for Rehearing (AFR) of D.25-06-048, arguing that the 18% Planning Reserve Margin for RA compliance in 2026 and 2027 is insufficient to meet state reliability goals. The IOUs filed a joint response on August 12 in opposition to the AFR. On August 21, the CPUC issued the 2023 RA Report. The report summarizes LSE compliance with the Commission's RA requirements for 2023, average System RA prices, lists citations for violations of RA rules and discusses the GHG emissions of each LSE.

Analysis: The 2023 RA Report found that CPUC-jurisdictional LSEs collectively met their System RA obligations for all months in 2023, the weighted average System RA pricing in September 2023 was 93% higher than that in 2022, the CPUC issued 24 citations for 56 RA violations in 2023 for a total of $24,388,462. The report also describes a new, publicly available RA citations database, and shows that VCE had the lowest citation amount of any CCA in 2023.

Next Steps: N/A

Additional Information: Application for Rehearing (Jul. 28, 2025); 2023 RA Report (Aug. 21, 2025); D.25-06-048 (Jun. 27, 2025); CalCCA Analysis (Apr. 25, 2025); Scoping Memo and Ruling (Dec. 18, 2023); OIR (Oct. 16, 2023); Docket No. R.23-10-011.

RPS Rulemaking

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

Recent Developments: On July 28, parties filed comments on Retail Sellers' Draft 2025 RPS Procurement Plans. On August 1, VCE submitted its 2024 RPS Compliance Report. On August 18, the CPUC issued D.25-08-009 denying the large IOUs' request for the CPUC to adopt a framework for pre-approval of short-term RPS transactions based on the transactions' compliance with achievable, upfront standards.

Analysis: No parties filed comments on VCE's Draft 2024 RPS Procurement Plan.

Next Steps: A proposed decision on Draft RPS Plans is expected in Q4 2025.

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

Demand Flexibility

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

Recent Developments: On August 29, the CPUC issued D.25-08-049 adopting guidelines for the large IOUs' demand flexibility (DF) rate design protocols and closing the proceeding. The Decision includes specific provisions requiring the allowing CCAs to develop their own dynamic rates and requiring the IOUs to provide detailed descriptions of how they will collaborate with CCAs on multiple features of demand flexibility rates. The Decision also specifically identifies the AgFIT program as an example of an acceptable demand flexibility rate. CalCCA, in its comments on the proposed decision, encouraged the Commission to keep the proceeding open to establish the systems and processes needed to enable CCAs to offer demand flexibility rates to their customers and encouraged the Commission to expand the IOU reporting requirements related to collaboration with CCAs.

Analysis: The Decision closed the proceeding without addressing several issues relating to CCA collaboration and dynamic rates and pilots which the commission intends to address in future proceedings. LSEs such as CCAs have the ability to offer demand flexibility rates based on the characteristics of their customer base and also have the option to develop their own dynamic generation rate. Additionally, the Decision requires IOUs to provide a detailed description in their rate proposals of how they will collaborate with CCAs.

Next Steps: The proceeding is closed.

Additional Information: D.25-08-049 (Aug. 29. 2025); PG&E AL 7627-E (Jun. 27, 2025); PG&E AL 7592-E (May 7, 2025); Final Evaluation of VCE's AgFIT Pilot (Apr. 25, 2025); D.24-01-032 (Jan. 26, 2024); Phase 1 Scoping Memo and Ruling (Nov. 2, 2022); OIR (Jul. 22, 2022); Docket No. R.22-07-005.

PCIA/ERRA Reform

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

Recent Developments: On July 28, Applications for Rehearing of D.25-06-049 were filed by CalCCA and San Jose Clean Energy/Ava Community Energy. Both Applications challenge the changes to the calculation of the RA MPB.

Analysis: Track 1 changes will have an impact on PCIA charges beginning in 2026.

Next Steps: The Decision's changes to the RA MPB will be implemented in the Fall Update this October. A scoping memo for Track 2 is expected.

Additional Information: Applications for Rehearing of CalCCA and Ava/SJCE (Jul. 30, 2025); D.25-06-049 (Jun. 27, 2025); Scoping Memo (Apr. 8, 2025); ALJ Ruling (Mar. 21, 2025); Ruling & Staff Report on RA MPB (Feb. 26, 2025); OIR (Feb. 26, 2025); Docket No. R.25-02-005.

PG&E 2027 Phase 1 GRC

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

Recent Developments: On July 31, the Assigned Commissioner issued a Scoping Memo and Ruling. The scope includes consideration of issues raised by CalCCA and other parties, such as customer demand and load forecasting for electrification, load flexibility, data center load forecasts, staffing analysis, and pending loads. In addition, the Scoping Memo confirms that all the issues from PG&E's Application Section IX.F are within scope, including re-vintaging issues related to reinvestments in utility-owned generation assets.

Analysis: CalCCA's Protest focused on the issue of re-vintaging for PG&E's proposed reinvestments in its utility-owned generation assets in this case.

Next Steps: Public hearings will be held in October and November 2025. Intervenor testimony is due in February 2026.

Additional Information: Scoping Memo and Ruling (Jul. 31, 2025); Application (May 16, 2025); Docket No. A.25-05-009.

PG&E 2023 Phase 2 GRC

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

Recent Developments: On August 18, in response to PG&E's August 14 notification that the company identified an error in the calculation of marginal distribution capacity costs (MDCC), the ALJ issued an email Ruling temporarily suspending the schedule.

Analysis: N/A

Next Steps: The schedule is suspended and PG&E is required to propose a modified schedule by October 1.

Additional Information: Ruling (Aug.18, 2025); Request for scoping amendment (Jun. 12, 2025); PG&E AL 7588-E (May 2, 2025); Scoping Memo (Mar. 21, 2025); Application (Sep. 30. 2024); Docket No. A.24-09-014.

PG&E 2026 ERRA Forecast

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

Recent Developments: On July 30, PG&E submitted AL 7663-E providing notification that the 4% ERRA trigger threshold had been reached as a result of an over-collection. On July 31, the Assigned Commissioner issued a Scoping Memo and Ruling.

Analysis: The ERRA trigger notice is submitted when the ERRA account is more than 4% over- or under-collected from the prior year's generation revenues. PG&E expects the balance to self-correct and be less than 1% by the end of 2025.

Next Steps: Intervenor testimony is due September 2, rebuttal testimony is due September 23, and the Fall Update will be submitted on October 15.

Additional Information: Scoping Memo and Ruling (Jul. 31, 2025); PG&E AL 7663-E (Jul. 30, 2025); PG&E 2026 ERRA Forecast Application (May 15, 2025); Docket No. A.25-05-011.

PG&E 2024 ERRA Forecast (Consolidated Track 2)

Background: See PG&E 2026 ERRA Forecast background. The April 2 Scoping Memo and Ruling consolidated all three major IOUs' ERRA forecast proceedings for the sole purpose of addressing issues related to the definition of and accounting for "fixed generation costs" in a Track 2.

Recent Developments: On July 31, the CPUC issued D.25-07-014 adopting a definition of "fixed generation costs" that will be used during evaluation of the large IOUs' (PG&E, SCE, SDG&E) annual ERRA applications, and closing the proceeding. The Decision adopts the definition of fixed generation costs as "costs that do not change based on the amount of electricity customers use or the amount of operating time associated with the electricity generation." This definition - unchanged from the Commission's initial proposal in August 2023 - will be used consistently across the large electric utilities in ERRA proceedings. Other issues related to the common costs addressed in the large electric utilities' ERRA applications (e.g., re-vintaging of utility-owned generation resources) are not addressed in this decision.

Analysis: The decision is intended to standardize the treatment of these costs across all the IOUs.

Next Steps: The proceeding is closed.

Additional Information: D.25-07-014 (Jul. 31, 2025); Scoping Memo & Ruling (Oct. 11, 2024); ALJ Ruling on Track 2 schedule (May 1, 2024); Joint CCA Motion (Apr. 26, 2024); IOU Motion (Apr. 25, 2024); Scoping Memo and Ruling (Apr. 2, 2024); D.23-12-022 (Dec. 19, 2023); Scoping Ruling and Memo (Sep. 15, 2023); ERRA Trigger Application (Jul. 28, 2023); CalCCA Protest (Jun. 16, 2023); PG&E 2024 ERRA Forecast Application (May 15, 2023); Docket No. A.23-05-012.

PG&E 2024 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.
Recent Developments: No recent developments.
Analysis: N/A
Next Steps: Intervenor testimony is due September 15, a status conference on the need for evidentiary hearings is set for November 14, and briefs are due in early 2026.
Additional Information: Scoping Memo and Ruling (May 2, 2025); Joint Prehearing Conference Statement (Apr. 16, 2025); Ruling (Mar. 27, 2025); PG&E 2024 ERRA Compliance Application (Feb. 28, 2025); Docket No. A.25-02-013.

Provider of Last Resort Rulemaking

Background: A Provider of Last Resort (POLR) is the utility or other entity that has the obligation to serve all customers (PG&E currently serves in this role for VCE's service area). Phase 1 of this proceeding concluded in April 2024 and addressed POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned customer migration to the POLR. Phase 2 builds on Phase 1 to set the requirements and application process for non-IOU entities to serve as the POLR. Phase 3 will address specific issues not resolved in Phase 1 or 2.
Recent Developments: On July 29, the CPUC issued Final Resolution E-5406 addressing the financial monitoring and reporting requirements that were adopted in D.24-04-009, adopting CalCCA's requested financial monitoring, and reporting guidelines for implementation of D.24-04-009.
Analysis: The Resolution will implement the CCA monitoring and reporting requirements under the new POLR rules established last year. The Resolution provides additional details and clarity on the expanded financial monitoring requirements. The Resolution clarifies when financial reporting requirements are triggered and adds additional details about how the financial security ratios are to be calculated.
Next Steps: A ruling on the need for legal briefs in Phase 2 is expected in 2025 and resolution of the Threshold Questions is expected 2025, after which the primary topic areas will be addressed.
Additional Information: Final Resolution E-5406 (Jul. 29, 2025); ALJ Ruling (May 28, 2025); PG&E AL 7596-E and 7596-E-A (May 12 & 28, 2025); Scoping Memo and Ruling (Oct. 24, 2024); ALJ Ruling (Aug. 6, 2024); Joint CCA Advice Letter on new registration (Jul. 17, 2024); Joint CCA Advice Letter on financial modeling and reporting guidelines (Jul. 1, 2024); D.24-04-009 / Appendix (Apr. 22, 2024); OIR (Mar. 25, 2021); Docket No. R.21-03-011.

City and County of San Francisco Municipalization

Background: The City and County of San Francisco (SF or City) filed this Petition for a determination by the CPUC of just compensation for acquisition by the City of PG&E property (PG&E distribution system within SF transmission assets needed for operational control, a substation and related assets) pursuant to Public Utilities Code §1401-1421. Briefing was filed in August of 2022.
Recent Developments: On August 21, PG&E filed a Motion to Compel San Francisco to provide further responses to several data requests. On August 26, PG&E submitted a Motion to Enforce ALJ Lirag's October 2024 Order issued in response to a previous Motion to Compel.
Analysis: This proceeding has consisted of discovery disputes since inception, but the Amended Scoping Memo issued on July 1 sets a schedule for the remainder of the proceeding.
Next Steps: A decision on just compensation methodology is expected in Q3 2025. The City's amended testimony is due in Q4 2025, followed by PG&E opening testimony in Q1 2026, City rebuttal testimony in Q2 2026, and hearings in Q3 2026. Briefs and reply briefs are due in 3Q 2026, and a decision on valuation is expected in Q1 2027.
Additional Information: PG&E Motion to Enforce (Aug 26, 2025); PG&E Motion to Compel (Aug. 21, 2025); Amended Scoping Memo (Jul. 1, 2025); Petition (Jul. 27, 2021); Docket No. P.21-07-012.

PG&E Billing System Modernization

Background: This proceeding addresses PG&E's plan to upgrade its legacy billing system, some portions of which date back to the mid-1990s. PG&E proposed a three-stage upgrade that would ultimately be complete in Q4 2029 and cost an estimated $761.3 million.
Recent Developments: On August 19, the CPUC issued D.25-08-008 authorizing PG&E to establish accounts to track its billing modernization initiative expenditures. On August 20, PG&E filed a Joint Case Management Statement, including the positions of CCAs in PG&E territory, and on August 25, it filed an amended version of the Statement. An August 28 Ruling sets evidentiary hearings for September 22 through September 25 and provides instructions related to hearings.
Analysis: Issues related to CCA concerns such as bill presentation, improvements to billing data access and quality, CCA service fees, and others will be covered during the evidentiary hearings.
Next Steps: The evidentiary hearing will be held September 22 – 25. A proposed decision is expected in Q1 2026.

Additional Information: 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); Joint Prehearing Conference Statement (Jan. 17, 2025); Application (Oct. 23, 2024); Docket No. A.24-10-014.

PG&E 2026 Cost of Capital

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

Recent Developments: On July 16, the Assigned Commissioner issued a Scoping Memo and Ruling and consolidated the test year 2026 cost of capital proceedings for PG&E, SCE, SDG&E, and SoCalGas.

Analysis: This proceeding will address topics such as the appropriate capital structure, cost of equity, and cost of debt that determine the financing and profit portion of rates for all utility investments.

Next Steps: The evidentiary hearing will be held September 2 – 4. Opening briefs are due September 19, reply briefs are due October 3, and a proposed decision is expected in November.

Additional Information: Scoping Memo and Ruling (Jul. 16, 2025); ALJ Ruling (May 29, 2025); Application (Mar. 20, 2025); Docket No. A.25-03-010.

Building Decarbonization

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

Recent Developments: On July 15, PG&E submitted AL 7642-E providing an update on its Q1 2025 electric line extension expenditures.

Analysis: N/A

Next Steps: N/A

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

EV Rates & Infrastructure

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

Recent Developments: On June 16, the large IOUs submitted their Joint Report on the CPUC's Submetering and Telematics Workshop, and also submitted their Joint Report on the Vehicle-Grid Integration Workshop.

Analysis: N/A

Next Steps: N/A

Additional Information: Joint Report on the CPUC's Submetering and Telematics Workshop (Jun. 16, 2025); Joint Report on the Vehicle-Grid Integration Workshop (Jun. 16, 2025); Scoping Memo and Ruling (Apr. 12, 2024); OIR (Dec. 20, 2023); Docket No. R.23-12-008.

Utility Safety Culture Assessments

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

Recent Developments: On August 26, the Assigned Commissioner issued a Scoping Memo and Ruling for Phase 2.

Analysis: Phase 2 is focused on application of safety culture to the SMJUs, determining reporting requirements, and how what size threshold differences justify reduced requirements.

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

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

Diablo Canyon 2026 Rates & VPF

Background: During the period of extended operations for the Diablo Canyon Nuclear Plant, PG&E submits an annual application forecasting its costs, market revenues from CAISO, net costs allocated to ratepayers of each large IOU, and its plan for use of volumetric performance fees (VPFs) in the upcoming calendar year.
Recent Developments: On July 2, the Assigned Commissioner issued a Scoping Memo and Ruling. Intervenor testimony was filed July 24. On August 29, an ALJ Ruling directed PG&E to file additional information on its proposed revisions to the escalation factor used to determine its management fees.
Analysis: N/A
Next Steps: Opening briefs are due October 1, and reply briefs are due October 22. A proposed decision is expected in Q3.
Additional Information: ALJ Ruling (Aug. 29, 2025); Scoping Ruling and Memo (Jul. 2, 2025); Application (Mar. 28, 2025); Docket No. A.25-03-015.

Disconnections and Reconnections

Background: This proceeding addresses approaches to the disconnection and reconnection of electric customers with a focus on improving energy access and cost containment.
Recent Developments: No recent developments.
Analysis: N/A
Next Steps: Heat-based disconnection threshold proposals must be implemented by May 1, 2026.
Additional Information: D.25-06-012 (Jun. 17, 2025); Phase 2 Scoping Memo (Jul. 15, 2022); OIR (Jul. 20, 2018); Docket No. R.18-07-005.

Other Dockets

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

Docket	Name	Status
R.19-09-009	Microgrids	D.24-11-004 adopting implementation rules for multi-property microgrid tariffs and closing the proceeding was issued November 18. Proceeding reopened for pending Application for Rehearing and Petition for Modification.
R.23-03-007	Wildfire Fund NBC 2024-2026	The CPUC issued D.24-12-001 (Dec. 9, 2024) adopting a $5.95/MWh Wildfire NBC for 2025 - a slight increase from the 2024 WF NBC charge of $5.61/MWh.
A.22-05-002	Demand Response Programs (2023-2027)	D.24-04-006, issued April 24, 2024, ended the Demand Response Auction Mechanism (DRAM) pilot programs of PG&E, SCE, and SDG&E and closed the proceeding. Proceeding reopened by Petition for Modification (PFM) (Feb. 2025), which would be denied by a Proposed Decision for Sept. 18 meeting.
A.21-06-021	PG&E 2023 Phase 1 GRC	This proceeding is inactive, but it remains open to provide further guidance on metrics relevant to auditor reports, to consider revising the energization cost recovery mechanism, and to establish reporting requirements for reviewing the reasonableness of PG&E's interim rate recovery in its next GRC.
R.23-01-007	Diablo Canyon Extension	This proceeding was closed in June 2025 with issuance of D.25-06-002.
A.24-02-012	PG&E 2023 ERRA Compliance	This proceeding was closed in June 2025 with issuance of D.25-06-007.
A.23-02-018	PG&E 2022 ERRA Compliance	This proceeding was closed in June 2025 with issuance of D.25-06-004.
A.22-02-015	PG&E 2021 ERRA Compliance	This proceeding was closed in June 2025 with issuance of D.25-06-045, but was reopened in response to an August 2025 Application for Rehearing.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summary of Community Advisory Committee's (CAC) June 26, 2025 Meeting/ Strategic Plan Update Workshop; July 24, 2025 meeting (no quorum); and, August 28,2025 Meeting

DATE: September 11, 2025

This report summarizes the Community Advisory Committee's meetings held in person and via Zoom webinar on June 26, 2025 (and Strategic Plan Update Workshop); July 24, 2025; and August 28, 2025.

Thursday, June 26, 2025 Meeting and Strategic Plan Update Workshop (held at UCANR - Davis):

A. **Regular meeting:** The CAC held their regular meeting where they were provided with updates from the Task Groups and Staff and approved a few Consent items. They convened their regular meeting and reconvened into the Strategic Plan Update Workshop.
B. **Strategic Plan (SP) Workshop:** Staff provided an overview of Community Choice Aggregations (CCA's), VCE, and VCE's Strategic Plan (SP) . Staff reviewed, discussed and received feedback on SP's Goals 1 (Financial Strength) and 2 (Procurement and Power Supply). Staff announced that the next SP Workshop will be held following the CAC's June 26, 2025 meeting (location to be determined) and will focus on Goals 3 and 4 of the Strategic Plan.

Thursday, July 24, 2025 Meeting:

A. The CAC did not have a quorum. Actionable items, such as those on Consent, were moved to the CAC's August 28, 2025 meeting. Those present did receive information updates on VCE's Power Portfolio and draft Strategic Plan and survey.

Thursday, August 28, 2025 Meeting:

A. **Provided feedback and recommendation on Major update of VCE's Strategic Plan for 2026-2029:** The CAC reviewed, discussed and provided feedback on the draft Strategic Plan Major update. The CAC made the recommendation to the Board to adopt the Major update to VCE's Strategic Plan for 2026-2029. (10-0-0).
B. **Introduction and discussion of Large Electric Load Policy:** Staff introduced and presented information on a draft Large Electric Load Policy. CAC reviewed, asked questions and requested that the item be brought back to the CAC at their September 25, 2025 meeting.

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

TO: Board of Directors

FROM: Rebecca Boyles, Director of Customer Care & Marketing

SUBJECT: Quarterly Customer Participation Update (Information)

DATE: September 11, 2025

RECOMMENDATION

Receive the attached quarterly Customer Participation update reflecting the time period of April 1, 2025 through June 30, 2025 (Quarter 2 2025).

Attachment: Quarterly Report - Customer Participation update

Item 8 – Customer Participation Update

	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	NEM	Non-NEM
VCEA customers	28,472	20,564	2,624	10,849	62,509	54,476	6,084	11	1,938	14,988	47,521
Eligible customers	29,916	24,160	3,099	12,506	69,681	60,712	6,773	11	2,185	16,912	52,769
Participation Rate	95%	85%	85%	87%	90%	90%	90%	100%	89%	89%	90%

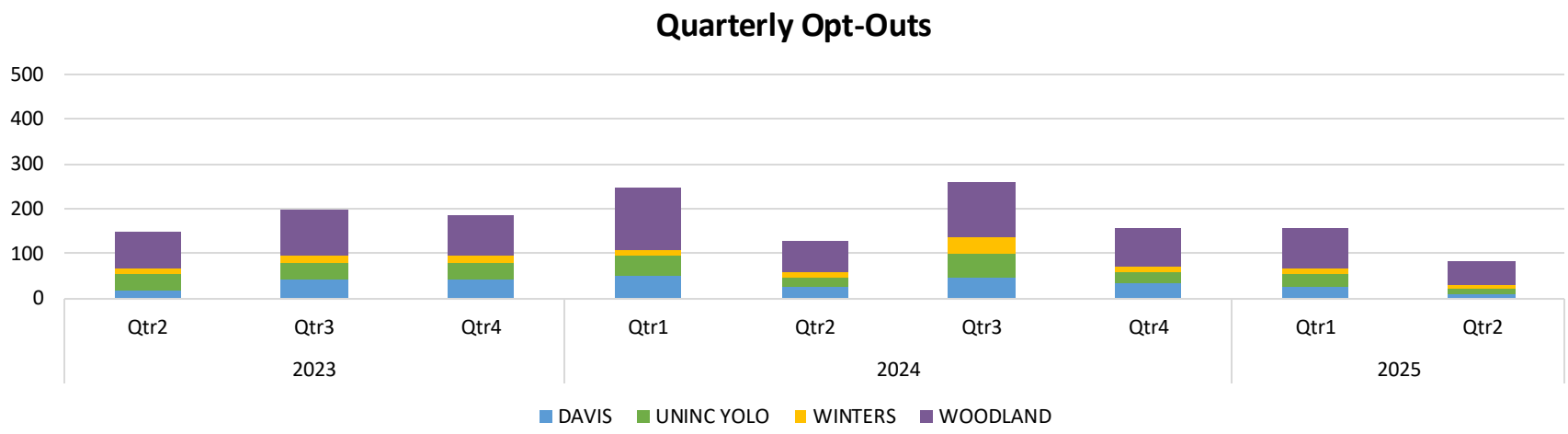
% of Load Opted Out

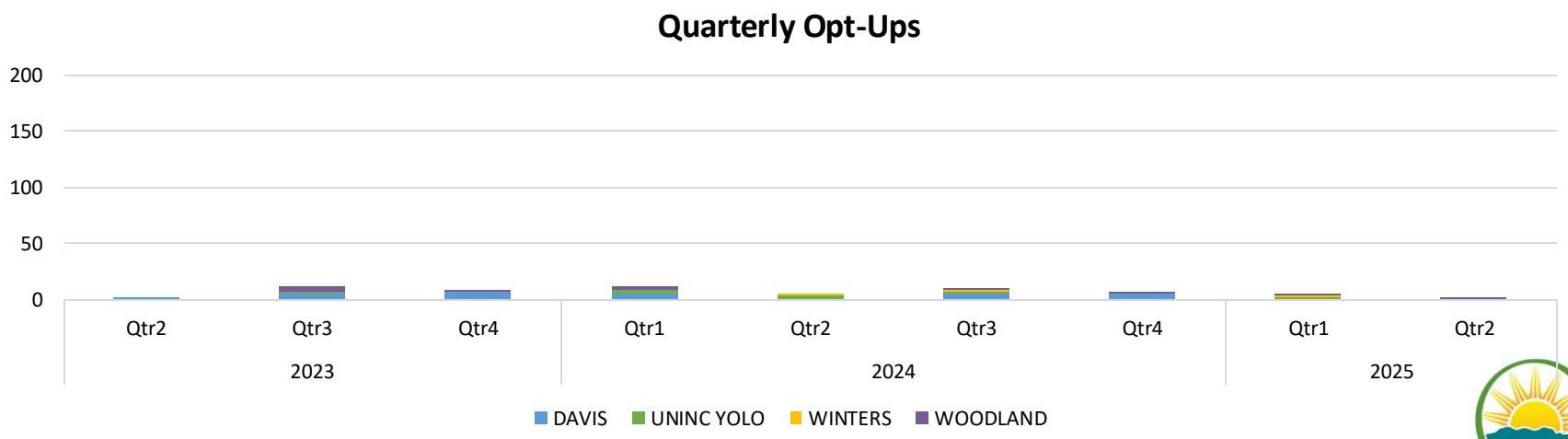
	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	Total
% of Load Opted Out	7%	11%	13%	11%	10%	10%	10%	0%	11%	10%
% of Load Opted Up	3%	1%	1%	1%	1%	1%	3%	0%	0%	1%

VALLEY CLEAN ENERGY

Status Date: 07/01/2025

Item 8 – Customer Participation Update



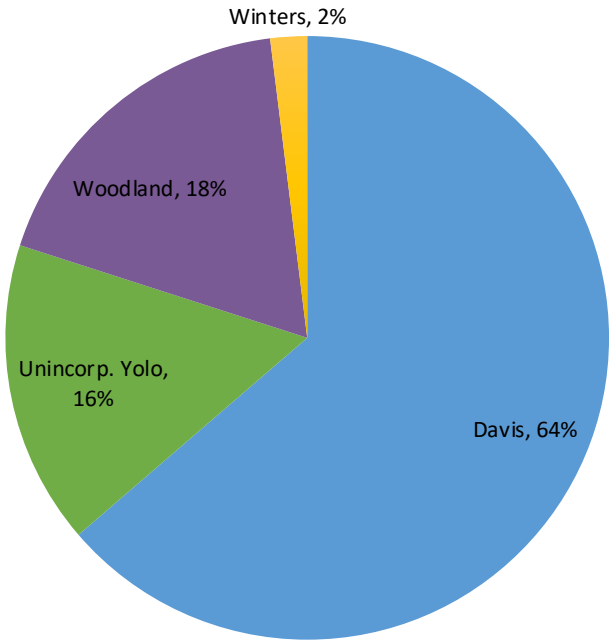


VALLEY CLEAN ENERGY

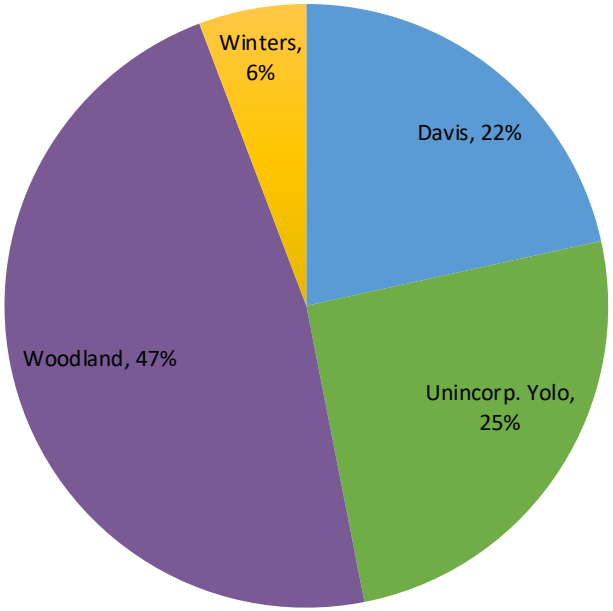
Status Date: 07/01/2025

Item 8 – Customer Participation Update

559 Opt-Ups



12,544 Opt-Outs



These pie charts are based on total opt-ups and opt-outs since launch. The percentages in the charts are the percentages of those opt-ups and opt-outs by TOT (town or territory).

VALLEY CLEAN ENERGY

Status Date: 07/01/2025

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 9

TO: Valley Clean Energy Alliance Board of Directors

FROM: Edward Burnham, Chief Financial Officer

SUBJECT: Accept and attest to the veracity of VCE's 2024 Power Source Disclosure Reports for the Base Green, Standard Green, and UltraGreen products and 2024 Power Content Label

DATE: September 11, 2025

RECOMMENDATION:
Attest to the veracity of the information presented in Valley Clean Energy's 2024 Power Source Disclosure Annual Reports and Power Content Label for the Base Green, Standard Green, and UltraGreen products.

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

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

During the 2024 calendar year, VCE delivered a substantial portion of its electric energy supply from various renewable energy sources, including eligible hydroelectric and solar resources. For UltraGreen customers, 100% of the energy delivered was generated from renewable energy resources with a greenhouse gas emissions intensity of 0 lbs CO2e/MWh. For VCE Standard Green customers, 85% of the energy delivered was from renewable energy resources with a

[1] California Public Utilities Code Section 398.1(b).

greenhouse gas emissions intensity of 32 lbs CO2e/MWh. For VCE Base Green customers, 100% of the energy delivered was from unspecified power with a greenhouse gas emissions intensity of 944 lbs CO2e/MWh. A copy of VCE's Power Content Label listing the energy resources used during 2024 is attached.

Consistent with applicable regulations and CEC guidance, VCE will complete required customer communications in accordance with the January 31, 2026 deadline. All customers currently enrolled in the VCE program will receive the Power Content Label via mail or e-mail, as applicable.

To fulfill its Power Content Label reporting obligation, VCE may provide the CEC with the Board's attestation regarding the veracity of the information presented in VCE's 2024 Power Source Disclosure Annual Reports and Power Content Label for the UltraGreen, Standard Green, and Base Green products. Staff recommends VCE self-certify the UltraGreen, Standard Green, and Base Green products in lieu of submitting them to a third-party Certified Public Accountant for a formal audit. VCE's technical consultants (The Energy Authority) prepared the Power Source Disclosure annual reports, which were subsequently reviewed by another VCE consultant (EQ Research). EQ Research's review, as detailed in the attached report, verified that the information contained in the annual reports and Power Content Label is accurate.

Based on the foregoing, staff requests that the Board accept this determination and attest to the veracity of the information included in VCE's Power Source Disclosure annual reports and Power Content Label for the Standard Green and Ultra Green products for the 2024 calendar year.

ATTACHMENTS:

1. 2024 Annual Power Source Disclosure Report for the Base Green Product
2. 2024 Annual Power Source Disclosure Report for the Standard Green Product
3. 2024 Annual Power Source Disclosure Report for the UltraGreen Product
4. 2024 Power Content Label
5. EQ Research Report re 2024 Power Source Disclosure Annual Reports and Power Content Label

2024 POWER SOURCE DISCLOSURE ANNUAL REPORT
VCE Base Green
For the Year Ending December 31, 2024

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

GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME
Valley Clean Energy Alliance

CONTACT INFORMATION	
NAME	Mitch Sears
TITLE	Chief Executive Officer
MAILING	604 2nd Street
CITY, STATE, ZIP	Davis, CA 95616
PHONE	(530) 446-2750
EMAIL	info@valleycleanenergy.org
WEBSITE URL FOR PCL POSTING	https://valleycleanenergy.org/power-sources/

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to PSDprogram@energy.ca.gov. Remember to complete the Retail Supplier Name and contact information above.

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential
California Energy Commission's website.
If you have questions, contact Power Source Disclosure (PSD) staff at PSDprogram@energy.ca.gov or (916) 639-0573.

2024 POWER SOURCE DISCLOSURE ANNUAL REPORT
VCE Base Green
For the Year Ending December 31, 2024

Base Green	Portfolio Totals	PCL Data
Retail Sales	1,767.00	
Total Specified	-	
Biomass & Biogas	-	0%
Geothermal	-	0%
Eligible Hydroelectric	-	0%
Solar	-	0%
Wind	-	0%
Large Hydroelectric	-	0%
Nuclear	-	0%
Emerging Technologies	-	0%
Other	-	0%
Natural Gas	-	0%
Coal & Petroleum	-	0%
Unspecified Power - ACS	-	
Unspecified Power - Spot Market	1,767.00	
Unspecified Power - Total	1,767.00	100%
Total PCL GHGs (MT CO2e)	756.28	
Emissions intensity (MT CO2e/MWh)	0.43	
PCL GHG Intensity (lbs CO2e/MWh)		944
Unbundled REC %		49%

Base Green

Facility Name	Fuel Type	Net Procurement	Annual PCL GHGs (MT CO2e)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Base Green

Total Retired Unbundled RECs	870

RETIRED UNBUNDLED RECS				
Facility Name	Fuel Type	State or Province	RPS ID	Total Retired (in MWh)
McFadden Ridge	Wind	WY	60896A	100
Rolling Hills	Wind	WY	60806A	770

2024 POWER SOURCE DISCLOSURE ANNUAL REPORT
VCE Standard Green
For the Year Ending December 31, 2024

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

GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME
Valley Clean Energy Alliance

CONTACT INFORMATION	
NAME	Mitch Sears
TITLE	Chief Executive Officer
MAILING	604 2nd Street
CITY, STATE, ZIP	Davis, CA 95616
PHONE	(530) 446-2750
EMAIL	info@valleycleanenergy.org
WEBSITE URL FOR PCL POSTING	https://valleycleanenergy.org/power-sources/

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to PSDprogram@energy.ca.gov. Remember to complete the Retail Supplier Name and contact information above.

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation California Energy Commission's website.

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

2024 POWER SOURCE DISCLOSURE ANNUAL REPORT
VCE Standard Green
For the Year Ending December 31, 2024

Standard Green	Portfolio Totals	PCL Data
Retail Sales	668,501.00	
Total Specified	646,109.32	
Biomass & Biogas	-	0%
Geothermal	-	0%
Eligible Hydroelectric	6,279.00	1%
Solar	538,362.00	81%
Wind	22,359.00	3%
Large Hydroelectric	79,109.32	12%
Nuclear	-	0%
Emerging Technologies	-	0%
Other	-	0%
Natural Gas	-	0%
Coal & Petroleum	-	0%
Unspecified Power - ACS	-	
Unspecified Power - Spot Market	22,391.68	
Unspecified Power - Total	22,391.68	3%
Total PCL GHGs (MT CO2e)	9,583.64	
Emissions intensity (MT CO2e/MWh)	0.01	
PCL GHG Intensity (lbs CO2e/MWh)		32
Unbundled REC %		1%

Standard Green

Facility Name	Fuel Type	Net Procurement	Annual PCL GHGs (MT CO2e)
Resurgence Solar I, LLC	Solar	245,825	0
Aquamarine Westside, LLC	Solar	82,382	0
Willy 9 Chap 2	Solar	198,793	0
-	-	-	0
-	-	-	0
Westlands Solar Blue (OZ) Owner, LLC	Solar	10,638	0
Manzana	Wind	20,000	0
Narrows No. 1 Powerhouse	Eligible Hydroelectric	6,279	0
SEPV Sierra	Solar	724	0
Cabazon Wind Partners	Wind	2,359	0
Balch #1 PH	Large Hydroelectric	1,437	0
Balch #2 PH	Large Hydroelectric	4,654	0
Belden	Large Hydroelectric	3,843	0
Bucks Creek	Large Hydroelectric	953	0
Butt Valley	Large Hydroelectric	1,530	0
Caribou 1	Large Hydroelectric	2,566	0
Caribou 2	Large Hydroelectric	3,516	0
Cresta	Large Hydroelectric	3,424	0
Drum #1	Large Hydroelectric	316	0
Drum #2	Large Hydroelectric	1,513	0
Electra	Large Hydroelectric	2,962	0
Haas	Large Hydroelectric	4,866	0
James B Black	Large Hydroelectric	4,532	0
Kerckhoff #2 PH	Large Hydroelectric	4,488	0
Kings River	Large Hydroelectric	1,139	0
Pit 1	Large Hydroelectric	2,122	0
Pit 3	Large Hydroelectric	3,343	0
Pit 4	Large Hydroelectric	3,461	0
Pit 5	Large Hydroelectric	4,621	0
Pit 6	Large Hydroelectric	2,479	0
Pit 7	Large Hydroelectric	3,274	0
Poe	Large Hydroelectric	5,571	0
Rock Creek	Large Hydroelectric	5,642	0
Salt Springs	Large Hydroelectric	1,125	0
Stanislaus	Large Hydroelectric	2,778	0
Tiger Creek	Large Hydroelectric	2,351	0
NID-Chicago Park	Large Hydroelectric	605	0

Standard Green

Total Retired Unbundled RECs	9,130

RETIRED UNBUNDLED RECS				
Facility Name	Fuel Type	State or Province	RPS ID	Total Retired (in MWh)
Rolling Hills	Wind	WY	60806A	2,730
Campbell Hill	Wind	WY	61017A	6,400

2024 POWER SOURCE DISCLOSURE ANNUAL REPORT
VCE UltraGreen
For the Year Ending December 31, 2024

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

GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME
Valley Clean Energy Alliance

CONTACT INFORMATION	
NAME	Mitch Sears
TITLE	Chief Executive Officer
MAILING	604 2nd Street
CITY, STATE, ZIP	Davis, CA 95616
PHONE	(530) 446-2750
EMAIL	info@valleycleanenergy.org
WEBSITE URL FOR PCL POSTING	https://valleycleanenergy.org/power-sources/

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to PSDprogram@energy.ca.gov. Remember to complete the Retail Supplier Name and contact information above.

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential
California Energy Commission's website.

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

2024 POWER SOURCE DISCLOSURE ANNUAL REPORT
VCE UltraGreen
For the Year Ending December 31, 2024

UltraGreen	Portfolio Totals	PCL Data
Retail Sales	10,189.00	
Total Specified	10,189.00	
Biomass & Biogas	-	0%
Geothermal	-	0%
Eligible Hydroelectric	5,673.00	56%
Solar	4,516.00	44%
Wind	-	0%
Large Hydroelectric	-	0%
Nuclear	-	0%
Emerging Technologies	-	0%
Other	-	0%
Natural Gas	-	0%
Coal & Petroleum	-	0%
Unspecified Power - ACS	-	
Unspecified Power - Spot Market	-	
Unspecified Power - Total	-	0%
Total PCL GHGs (MT CO2e)	-	
Emissions intensity (MT CO2e/MWh)	-	
PCL GHG Intensity (lbs CO2e/MWh)		0
Unbundled REC %		0%

UltraGreen

Facility Name	Fuel Type	Net Procurement	Annual PCL GHGs (MT CO2e)
Resurgence Solar I, LLC	Solar	645	0
Putah Creek Solar Farm North	Solar	3,871	0
Indian Valley Hydro	Eligible Hydroelectric	5,673	0

UltraGreen

Total Retired Unbundled RECs	-

RETIRED UNBUNDLED RECS				
Facility Name	Fuel Type	State or Province	RPS ID	Total Retired (in MWh)

2024 POWER CONTENT LABEL				
Valley Clean Energy Alliance				
	Standard Green	UltraGreen	Base Green	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO2e emitted per megawatt hour)	**32**	**0**	**944**	
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power				
RPS Eligible Renewables	**85%**	**100%**	**0%**	
Biomass & Biogas	0%	0%	0%	
Geothermal	0%	0%	0%	
Eligible Hydroelectric	1%	56%	0%	
Solar	81%	44%	0%	
Wind	3%	0%	0%	
Large Hydroelectric	**12%**	**0%**	**0%**	
Nuclear	**0%**	**0%**	**0%**	
Emerging Technologies	**0%**	**0%**	**0%**	
Other	**0%**	**0%**	**0%**	
Natural Gas	**0%**	**0%**	**0%**	
Coal & Petroleum	**0%**	**0%**	**0%**	
Unspecified Power (primarily fossil fuels)	**3%**	**0%**	**100%**	
Total	**100%**	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	1%	0%	49%	

■ This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance periods. RECs that are purchased separately from the renewable energy ("Unbundled RECs") can be used for RPS compliance, but they do not factor into the power mixes or GHG emissions intensities above.

■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC link below.

■ Unspecified power is electricity purchased from a genericized pool on the open market.

https://valleycleanenergy.org/power-sources/	**Want to learn more?** **Visit https://www.energy.ca.gov/pcl**

Valley Clean Energy Alliance

POWER SOURCE DISCLOSURE INDEPENDENT REVIEW OF

STANDARD GREEN, ULTRAGREEN, AND BASE GREES PRODUCTS

FOR REPORTING YEAR 2024

To: Edward Burnham, Chief Financial Officer

From: Miriam Makhyoun, CEO and Nikhil Tyagi, Senior Analyst, EQ Research, LLC

Date: August 28, 2025

Introduction

Valley Clean Energy Alliance (VCE) has engaged EQ Research, LLC (EQ Research) to assist with an independent review of VCE's Base Green, Standard Green, and UltraGreen Power Source Disclosure (PSD) Annual Reports (together, the "Annual Reports") and Power Content Label (PCL) for the year ending December 31, 2024. EQ Research performed the procedures enumerated below to assist VCE with complying with the auditing and verification requirements of the PSD Program, as defined in Section 1394.2 of the California Code of Regulations, Title 20.

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

[1] All files referenced in this report can be accessed at: https://eq-research.sharefile.com/public/share/web-sf4ce4c98aa674799b43f60e928f8d799

[2] See the file entitled, "VCE 2024 WREGIS RETIREMENT REPORT" in the ShareFile link.

Review Procedures and Findings

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

Base Green, Standard Green, and UltraGreen PSD Report Review

Audit Procedures (1)(A)

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

Source 1 (EIA): Energy Information Administration (EIA) Form 923 detailed data, *EIA923_Schedules_2_3_4_5_M_12_2024_Early_Release.xlsx*, Page 1 Generation and Fuel Data, accessed on August 11, 2025, from https://www.eia.gov/electricity/data/eia923/

Source 2 (EIA): EIA Form 860 detailed data, *3_1_Generator_Y2024_Early_Release.xlsx*, Operable tab, accessed on August 11, 2025, from https://www.eia.gov/electricity/data/eia860/

Source 3 (CEC): California Energy Commission (CEC), California's Renewables Portfolio Standard (RPS) Public Search exported to Excel, accessed on July 28, 2025, from https://rps.energy.ca.gov/Pages/Search/SearchApplications.aspx

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

- Note 1: The listed EIA Plant ID # 64489 for Resurgence Solar I, LLC includes two rows in the EIA data: one for the battery portion showing negative MWh and another for the solar portion showing only positive MWh. The solar portion was used to validate the contents of this report.
- Note 2: The listed EIA Plant ID # P393 for Leeward Renewable Energy's ("Leeward") Willow Spring/Willy 9 Chap 2 is not consistently reported under that EIA ID. In other EIA forms, such as EIA 923, the plant is reported under EIA ID # 64864. TEA informed EQ Research that Leeward combined Willow Springs 3 with Chaparral Springs in approximately the year 2024 and renamed the project Willy 9 Chap 2.
- Exception 1: There is no EIA Form 923 generation data for Putah Creek Solar Farm North so the kWh could not be cross verified with EIA data.
- Exception 2: There is no EIA Form 923 generation data for Westlands Solar Blue (OZ) Owner, LLC so the kWh could not be cross verified with EIA data.

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

- Exception 1: There is an overage of 1,998 MWh reported in the PSD Annual Reports for EIA Plant ID # 64489 Resurgence Solar I, LLC when compared to the net MWh reported in Form 923 2024 Early Release.

[3] There were no resales.
[4] This information was checked against information in the following links: Source for RPS IDs: https://rps.energy.ca.gov/Pages/Search/SearchApplications.aspx; Source for EIA IDs: https://www.eia.gov/electricity/data/eia923/. (Last accessed August 11, 2025).

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

Audit Procedures (1)(B)(1)

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

EQ Research verified the above information by comparing information from 52 invoices for power purchases represented in the Annual Reports along with the CEC and EIA data mentioned in (b) Audit Procedures (1)(A) above. The invoices were for purchases of 582,246.25 MWh out of the total 656,298 MWh reported (89% of the portfolio). TEA confirms there are additional invoices not included in the sample EQ Research reviewed which cover the remaining 11% of the MWhs reported in the Annual Reports. The sample of 52 invoices includes full records of deliveries from the following PCC1 resources: Aquamarine Westside, LLC, Putah Creek Solar Farm North, Resurgence Solar I, LLC, and Willy 9 Chap 2. The sample also includes invoices for 40,000 MWh of other PCC1 RECs and 10,000 MWh of unbundled RECs.

EQ Research notes one exception which is explained by WREGIS exports and TEA's correspondence:

- Exception 1: VCE's invoices for PCC1 RECs from Putah Creek Solar Farm North are short by approximately 7 MWh. The WREGIS export confirms VCE did retire all MWh reported in its Annual Reports. TEA notes that VCE contacted the Seller to rectify the invoice shortage and make the proper payment for the additional 7 MWh.

See Appendix B. Sample of Purchases VCE used to Prepare Appendix B. Sample of Purchases VCE used to Prepare Annual Reports.

Audit Procedures (1)(B)(2)

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

Audit Procedures (1)(B)(3)

EQ Research verified a match between the date of generation from the 52 invoices in the sample to the reporting period of the information used to prepare Annual Reports.

See the "Energy Delivery Term" column in Appendix B. Sample of Purchases VCE used to Prepare Annual Reports and review the PCC1 delivery dates.

Audit Procedures (1)(B)(4)

VCE used 9,130 MWh of unbundled PCC3 RECs for the Base Green and Standard Green products in 2024 and these RECs were retired in 2024 according to WREGIS statements.

Audit Procedures (1)(C)

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

Audit Procedures (2)

EQ Research obtained a copy of the 2024 Power Content Label to be provided to VCE customers for the Base Green, Standard Green, and UltraGreen products. EQ Research verified that the

resource portfolio percentages listed for each product on the 2024 Power Content Label match the respective percentages listed in the Annual Reports. EQ Research also verified that the greenhouse gas emissions intensity for each product listed on the Power Content Label match those calculated in the Annual Reports.

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

Appendix A. Specified Facility Review Results

RPS	Ultra Green	Standard Green	EIA Plant ID	RPS ID	Facility Name Vlookup using EIA ID	Facility Name VLOOKUP using RPS ID	Facility Name from VCEA Annual Reports	EIA Net Generation (MWh)	Gross MWh Generation Procured by VCEA	Net MWh Procured by VCEA	% Resource MWh VCEA Reported of Total EIA MWh	RPS ID Technology	EIA Technology	VCEA Fuel Type
1	1	1	64489	65013A	Resurgence Solar	Resurgence Solar I, LLC	Resurgence Solar I, LLC	244,472	246,470	246,470	100.8%	Photovoltaic	Solar Photovoltaic	Solar
1		1	62547	64553A	Aquamarine	Aquamarine Westside, LLC	Aquamarine Westside, LLC	411,553	82,382	82,382	20.0%	Photovoltaic	Solar Photovoltaic	Solar
1		1	64864	63225A	#N/A	Willow Springs Solar 3	Willy 9 Chap 2	444,370	198,793	198,793	44.7%	Photovoltaic	#N/A	Solar
1	1		66088	64810A	Putah Creek Solar Farm North	Putah Creek Solar Farm North	Putah Creek Solar Farm North	-	3,871	3,871	#DIV/0!	Photovoltaic	Solar Photovoltaic	Solar
1	1		50129	60161A	Indian Valley Dam Hydro Projec	Indian Vly Hydro Elec Ptrn.	Indian Valley Hydro	5,673	5,673	5,673	100.0%	Small Hydroelectri	Conventional Hydroelectric	Eligible Hydroelectric
1		1	58616	65111A	Westlands Solar PV Farm	Westlands Solar Blue (OZ) Owner, LLC	Westlands Solar Blue (OZ) Owner, LLC	-	10,638	10,638	#DIV/0!	Photovoltaic	Solar Photovoltaic	Solar
1		1	57484	61671A	Manzana Wind LLC	Manzana Wind	Manzana	543,661	20,000	20,000	3.7%	Wind	Onshore Wind Turbine	Wind
1		1	262	60052A	Narrows PH	Narrows No. 1 PH	Narrows No. 1 Powerhouse	80,820	6,279	6,279	7.8%	Small Hydroelectri	Conventional Hydroelectric	Eligible Hydroelectric
1		1	64611	63160A	SEPV Sierra	SEPV Sierra	SEPV Sierra	5,523	724	724	13.1%	Photovoltaic	Solar Photovoltaic	Solar
1		1	56011	60736A	Cabazon Wind Partners	Cabazon Wind Partners	Cabazon Wind Partners	96,732	2,359	2,359	2.4%	Wind	Onshore Wind Turbine	Wind
		1	217		Balch 1		Balch #1 PH	138,842	1,437	1,437	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	218		Balch 2		Balch #2 PH	443,385	4,654	4,654	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	219		Belden		Belden	365,117	3,843	3,843	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	220		Bucks Creek		Bucks Creek	42,980	953	953	2.2%		Conventional Hydroelectric	Large Hydroelectric
		1	221		Butt Valley		Butt Valley	149,328	1,530	1,530	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	222		Caribou 1		Caribou 1	221,018	2,566	2,566	1.2%		Conventional Hydroelectric	Large Hydroelectric
		1	223		Caribou 2		Caribou 2	343,994	3,516	3,516	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	231		Cresta		Cresta	338,088	3,424	3,424	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	235		Drum 1		Drum #1	31,439	316	316	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	236		Drum 2		Drum #2	148,560	1,513	1,513	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	239		Electra		Electra	288,760	2,962	2,962	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	240		Haas		Haas	459,541	4,866	4,866	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	249		James B Black		James B Black	404,659	4,532	4,532	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	682		Kerckhoff 2		Kerckhoff #2 PH	403,809	4,488	4,488	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	254		Kings River PH		Kings River	106,923	1,139	1,139	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	265		Pit 1		Pit 1	188,448	2,122	2,122	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	266		Pit 3		Pit 3	332,765	3,343	3,343	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	267		Pit 4		Pit 4	338,659	3,461	3,461	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	268		Pit 5		Pit 5	411,541	4,621	4,621	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	269		Pit 6		Pit 6	242,296	2,479	2,479	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	270		Pit 7		Pit 7	293,248	3,274	3,274	1.1%		Conventional Hydroelectric	Large Hydroelectric
		1	272		Poe		Poe	540,615	5,571	5,571	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	275		Rock Creek		Rock Creek	601,547	5,642	5,642	0.9%		Conventional Hydroelectric	Large Hydroelectric
		1	279		Salt Springs		Salt Springs	107,749	1,125	1,125	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	285		Stanislaus		Stanislaus	268,818	2,778	2,778	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	287		Tiger Creek		Tiger Creek	225,092	2,351	2,351	1.0%		Conventional Hydroelectric	Large Hydroelectric
		1	412		Chicago Park		NID-Chicago Park	59,785	605	605	1.0%		Conventional Hydroelectric	Large Hydroelectric
							TOTALS	8,473,887	656,298	656,298	7.74%			

Appendix B. Sample of Purchases VCE used to Prepare Annual Reports

Invoice File Name	VCEA MWh on Invoice	Energy Delivery Term	Invoice or PO#	PCC1/2/3	Resource	VCEA PCL Total MWh	Invoice Total MWh	Invoice Total >= PCL Total	Delta
AQUA-01-2024	2,695.40	January 2024	AQUA-01-029						
AQUA-02-2024	1,507.72	Feburary 2024	AQUA-01-030						
AQUA-03-2024	1,486.22	March 2024	AQUA-01-031						
AQUA-04-2024	3,694.04	April 2024	AQUA-01-032						
AQUA-05-2024	3,696.62	May 2024	AQUA-01-033						
AQUA-06-2024	10,650.10	June 2024	AQUA-01-034						
AQUA-07-2024	12,670.07	July 2024	AQUA-01-035						
AQUA-08-2024	12,889.80	August 2024	AQUA-01-036						
AQUA-09-2024	12,001.13	September 2024	AQUA-01-037						
AQUA-10-2024	9,501.31	October 2024	AQUA-01-038						
AQUA-11-2024	6,514.10	November 2024	AQUA-01-039						
AQUA-12-2024	5,076.34	December 2024	AQUA-01-040	1	Aquamarine Westside, LLC	82,382.00	82,382.85	TRUE	0.85
24-1	192.00	January 2024	24-1						
24-2 (revised)	28.63	Feburary 2024	24-2						
24-3	2.75	March 2024	24-3						
24-4	344.27	April 2024	24-4						
24-5	379.71	May 2024	24-5						
24-6	558.13	June 2024	24-6						
24-7	454.74	July 2024	24-7						
24-8	643.71	August 2024	24-8						
24-9	434.16	September 2024	24-9						
24-10	461.28	October 2024	24-10						
24-11	215.71	November 2024	24-11						
24-12	148.68	December 2024	24-12	1	Putah Creek Solar Farm North	3,871.00	3,863.77	FALSE	(7.23)
Resurgence 1-2024	7,172.08	January 2024	2853						
Resurgence 2-2024	13,230.75	Feburary 2024	3046						
Resurgence 3-2024	17,420.60	March 2024	3452						
Resurgence 4-2024	25,829.16	April 2024	3747						
Resurgence 5-2024	28,666.86	May 2024	4046						
Resurgence 6-2024	28,143.58	June 2024	4343						
Resurgence 7-2024	26,473.47	July 2024	4683						
Resurgence 8-2024	28,203.58	August 2024	5035						
Resurgence 9-2024	23,704.61	September 2024	5338						
Resurgence 10-2024	19,935.85	October 2024	5736						
Resurgence 11-2024	14,680.24	November 2024	6074						
Resurgence 12-2024	13,003.59	December 2024	6352	1	Resurgence Solar I, LLC	246,470.00	246,470.36	TRUE	0.36
Leeward 2024-1	10,047.48	January 2024	ARCR_412000022						
Leeward 2024-2	11,118.42	Feburary 2024	ARI412_0000011						
Leeward 2024-3	15,828.43	March 2024	ARI412_0000012						
Leeward 2024-4	20,293.36	April 2024	ARI412_000014						
Leeward 2024-5	23,050.11	May 2024	ARI412_0000015						
Leeward 2024-6	22,382.05	June 2024	ARCR_412000041						
Leeward 2024-7	22,603.49	July 2024	ARIR412_000061						
Leeward 2024-8	21,765.37	August 2024	ARI412_0000047						
Leeward 2024-9	18,187.66	September 2024	ARI412_0000048						
Leeward 2024-10	15,422.79	October 2024	ARI412_0000051						
2024-11 Chaparral 2 VCE (revised)	10,333.17	November 2024	Excel sheet						
Leeward 2024-12	8,496.94	December 2024	ARI412_0000059	1	Willy 9 Chap 2	198,793.00	199,529.27	TRUE	736.27
Dec 2024 Renewable Energy Credit	20,000.00	March 2024	143238						
VCEA-RECs-PCC1	10,000.00	November 2024	140761						
VCEA-RECs-PCC1Dec	10,000.00	December 2024	141380	1			40,000.00		
VCE PCC3 REC	10,000.00	April 2024	143603	3	Unbundled Recs		10,000.00	TRUE	10,000.00
					TOTALS	**531,516.00**	**582,246.25**	**TRUE**	**50,730.25**

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 10

TO: Board of Directors

FROM: Edward Burnham, Chief Financial Officer / Treasurer

SUBJECT: Approve and Adopt Capitalization Policy

DATE: September 11, 2025

RECOMMENDATIONS
Approve the attached resolution adopting a capitalization policy for VCE.

BACKGROUND & ANALYSIS
The purpose of this report is to recommend the adoption of a formal Capitalization Policy for Valley Clean Energy (VCE). A capital asset is defined as a tangible or intangible item with a useful life of more than one year and an acquisition cost above a specified threshold. As a public agency responsible for managing significant assets, a formal policy is important for transparent and consistent financial reporting in accordance with governmental accounting standards. This policy will establish a clear framework for defining, tracking, and depreciating capital assets, enhancing VCE's financial strength.

Rationale for Adopting a Capitalization Policy
A formal capitalization policy is a best practice for public agencies and provides multiple benefits for VCE:

- Improved financial reporting: The policy will clarify the distinction between expenses and capital assets, ensuring financial statements accurately reflect the organization's net position and asset base.
- Adherence to governmental accounting standards: By setting clear capitalization thresholds and methods, VCE will comply with authoritative accounting pronouncements and best practices recommended by organizations such as the Government Finance Officers Association (GFOA).
- Enhanced fiscal management and stability: The policy supports VCE's strategic objectives for fiscal efficiency and long-term financial health, including maintaining adequate cash reserves and enabling rate stability.
- Record-keeping efficiency: It will streamline the process of recording and tracking long-lived assets, making it easier for staff to manage assets throughout their useful lives and for auditors to verify financial records.

Key Components of the Proposed Policy
The attached policy includes the following standard elements for a government agency:

- Capital Asset Definition: A capital asset is defined as a tangible or intangible item with a

useful life of more than one year and an acquisition cost above a specified threshold.

- Capitalization Thresholds: The policy sets a minimum dollar amount, such as the GFOA-recommended $5,000, for individual assets or asset classes to be capitalized rather than expensed.
- Useful Life and Depreciation: It outlines how the historical cost of assets will be depreciated over their estimated useful lives to reflect the consumption of the asset's service value.
- Record-Keeping and Procedures: The policy details the process for tracking capital assets.

Fiscal Impact

Adopting a formal capitalization policy is not expected to create a significant fiscal impact in terms of direct costs. Any related costs, such as minor staff time for implementation or potential software enhancements for asset tracking, are well within the existing operational budget. In the long run, the policy is expected to lead to fiscal efficiencies through better asset management and more accurate financial forecasting, which supports VCE's overall financial goals.

CONCLUSION

Staff recommends that the Board adopt the proposed Capitalization Policy Draft as presented in the attachment to this staff report. Adoption will formalize VCE's accounting practices, ensure compliance with governmental accounting standards, and contribute to the long-term fiscal health and transparency of the organization.

Attachments

1. Capitalization Policy Draft
2. Resolution 2025-XXX adopting Capitalization Policy

VALLEY CLEAN ENERGY
DRAFT CAPITALIZATION POLICY

I. PURPOSE

This accounting policy establishes the method of maintaining fixed asset information and the minimum cost (capitalization amount) that shall be used to determine the fixed assets that are to be recorded in Valley Clean Energy's (VCE) annual financial statements.

II. DEFINITIONS

Fixed Asset - A Fixed Asset is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; and (2) was acquired or produced for a cost of $5,000 or more.

III. POLICY

VCE Fixed Assets must be capitalized and depreciated for financial statement (or bookkeeping) purposes. VCE will maintain a fixed asset registry with the following information:

Maintenance of Fixed Asset Registry

- Description of the equipment
- Serial number or other identification number
- Asset category
- Acquisition date
- Cost
- The asset's estimated useful life.

Capitalization thresholds

VCE establishes **$5,000** as the threshold amount for minimum capitalization. Any items costing below this amount should be expensed in VCE's financial statements.

Useful Life

The useful life of an asset is that period during which the asset provides benefits. Estimates of useful life consider factors such as physical wear and tear and technological changes that bear on the economic usefulness of the asset. The following chart summarizes the useful life for each type of currently held property and equipment:

Asset Category	Useful Life
Building Improvement	20-30
Furniture & Equipment	5-15
IT Hardware/Software	3-7

Depreciation Rates

All assets will be depreciated down to a zero residual value on a straight-line basis, over the useful life of the asset.

Depreciation

VCE will account for depreciation expense on a basis consistent with generally accepted accounting principles and effective tax regulations, as appropriate on all Capitalized Assets that have a value of more than **$5,000** and a useful life of more than one year.

A change in the recovery period of any class of Capitalized Asset will not affect the recovery period assumed for assets acquired prior to that change or prior to the date of this policy.

The depreciation method used will be straight-line basis using a one-month lag.

Depreciation expense with respect to Capitalized Assets acquired at any time during one month will begin to be recognized in the following month.

DRAFT

VALLEY CLEAN ENERGY ALLIANCE

RESOLUTION NO. 2025-XXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE ADOPTING A CAPITALIZATION POLICY

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

WHEREAS, to achieve its strategic goals, VCE must adopt a Capitalization Policy to establish a clear framework for defining, tracking, and depreciating capital assets, enhancing VCE's financial strength; and,

WHEREAS, VCE will comply with authoritative accounting pronouncements and best practices recommended by organizations such as the Government Finance Officers Association (GFOA); and,

NOW, THEREFORE, the Board of Directors of the Valley Clean Energy Alliance hereby adopts a capitalization policy (Exhibit A).

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

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Bapu Vaitla, VCE Chair

_____
Alisa M. Lembke, VCE Board Secretary

Attachment: Exhibit A – Capitalization Policy

Exhibit A

Capitalization Policy