



**Regular Meeting of the Community Advisory Committee (CAC)  
of Valley Clean Energy Alliance  
Thursday, March 28, 2024 at 5:00 p.m.  
City of Woodland Council Chambers  
300 First Street, Woodland, California 95695**

CAC Members will be attending in-person and public participation will be in-person or available via Zoom Webinar (video/teleconference). Valley Clean Energy (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.

Meetings are accessible to people 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, at least two (2) working days before the meeting at (530) 446-2754 or [Alisa.Lembke@valleycleanenergy.org](mailto:Alisa.Lembke@valleycleanenergy.org).

If you have anything that you wish to be distributed to the CAC and included in the official record, please hand it to a member of VCE staff who will distribute the information to the CAC 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 CAC member with the concurrence of the CAC. Staff recommendations are advisory to the CAC. The CAC 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 participate remotely in the CAC's meeting may do so with video/teleconferencing call-in number and meeting ID code. To join remotely, please see the Zoom Webinar (video/teleconference) information below:**

**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/83980483960>

**Meeting ID: 839 8048 3960**

**By phone:**

One tap mobile:

+1-669-900-9128,, 83980483960# US

+1-669-444-9171,, 83980483960# US

Dial:

+1-669-900-9128 US

+1-669-444-9171 US

**Meeting ID: 839 80418 3960**



**Public comments may be submitted electronically or verbally 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.**

**Committee Members:** Rahul Athalye (Chair), Keith Taylor (Vice Chair), Mark Aulman, David Springer, Lorenzo Kristov, Cynthia Rodriguez, Jennifer Rindahl, Diccon Westworth, Danielle Ballard

**5:00 P.M. CALL TO ORDER**

- 1. Welcome**
- 2. Public Comment:** This item is reserved for persons wishing to address the CAC 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 Regular 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 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.
- 3. Brief VCEA Staff and Advisory Task Group Reports (≈ 15 minutes)** - Representatives of VCE staff and active Task Groups will provide verbal updates on on-going Staff and Task Group work. Task Group recommendations requiring Committee attention require a regular agenda item. Summaries of written reports received by the Committee in advance of the meeting will receive a time allocation of up to ten minutes. Otherwise, the time allocation will be five minutes, including questions and answers. The Committee may decide to allocate additional time at the end of the regular agenda.
  - a. Task Group Reports**
  - b. Staff Report**

**CONSENT AGENDA ( ≈ 5 minutes)**

- 4. Approval of February 22, 2024 Meeting Minutes.**

**REGULAR AGENDA**

- 5. Receive update on Electrification Retrofit Rebate Outreach (ERRO) Program and seeking feedback and recommendation from CAC on Concierge Service. (Discussion/Action) (≈ 30 minutes)**
- 6. 2023 Net Margin discussion and receive feedback from CAC. (Discussion/Action) (≈ 20 minutes)**



7. **Receive an update on California Public Utilities Commission’s (CPUC) BioMAT program. (Information) (≈ 30 minutes)**
8. **Receive 2024 Long Range Calendar. (Information) (≈ 5 minutes)**
9. **Advisory Committee Member and Announcements. (≈ 5 minutes)** Action items and reports from members of the Advisory Committee, including announcements, reports on meetings, and information which would be of interest to the Committee or the public.
10. **Announcement and Adjournment.** The CAC’s meeting scheduled for April 25, 2024 has been cancelled. The next scheduled meeting is Thursday, May 23, 2024 at 5 p.m. at the Yolo County Community Services Department, Cache Creek Conference Room, located at 292 West Beamer Street, Woodland, California 95695.

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

**Public participation via e-mail:** If you have anything that you wish to be distributed to the CAC and included in the official record, please e-mail it to VCE staff at [Meetings@ValleyCleanEnergy.org](mailto:Meetings@ValleyCleanEnergy.org) . If information is received by 3:00 p.m. on the day of the CAC meeting it will be e-mailed to the CAC 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 CAC 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. Items read cannot exceed 300 words or approximately two (2) minutes in length. 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 agenda for a regular or special CAC meeting are available for public review on the VCE website. Records that are distributed to the CAC 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 CAC. Questions regarding VCE public records related to the meeting should be directed to Board Clerk Alisa Lembke at (530) 446-2750 or [Alisa.Lembke@ValleyCleanEnergy.org](mailto:Alisa.Lembke@ValleyCleanEnergy.org). The Valley Clean Energy website is located at: <https://valleycleanenergy.org/cac-meetings/>.

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

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report - Item 4**

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**TO:** Community Advisory Committee  
**FROM:** Alisa Lembke, Board Clerk/Administrative Analyst  
**SUBJECT:** CAC February 22, 2024 Meeting Minutes  
**DATE:** March 28, 2024

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**Recommendation**

Receive, review and approve the attached February 22, 2024 meeting minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, FEBRUARY 22, 2024 AT 5:00 P.M.  
CITY OF DAVIS COMMUNITY CHAMBERS  
23 RUSSELL BOULEVARD, DAVIS, CALIFORNIA 95616**

Chair Athalye established that there was a quorum present and opened the Community Advisory Committee of Valley Clean Energy Alliance in a meeting on Thursday, February 22, 2024 beginning at 5:02 p.m., held at City of Davis Community Chambers, located at 23 Russell Boulevard, Davis, California 95616.

**Welcome and Roll Call**

Committee Members Present: Raul Athalye (Chair), Keith Taylor (Vice Chair), David Springer, Lorenzo Kristov, Jennifer Rindahl, Diccon Westworth

Committee Members Absent: Mark Aulman, Danielle Ballard, Cynthia Rodriguez

**Welcome** Chair Athalye welcomed everyone.

**Public Comment / Introductions** There were no verbal or written public comments on items not listed on the agenda nor on the Consent Agenda items.

**Brief Task Group and VCE staff Reports** **Task Group Reports:**  
Legislative/Regulatory: Lorenzo Kristov informed those present that there was nothing to report on the regulatory side of things. VCE Staff Yvonne Hunter informed those present that the last of the legislative bills were introduced, which are being reviewed by the Task Group and Staff. VCE Executive Officer Mitch Sears informed those present that he and others attended yesterday's CalCCA Lobby Day in Sacramento, where they met with legislative staff.

Programs & Outreach: Keith Taylor informed those present that the Task Group met and discussed how to market UltraGreen; the current Customer 10% opt out rate and how to get to 95% opt in rate; VCE's Outreach & Marketing plan; AgFIT; and, other programs. He reminded those that the Almond Festival in Esparto is happening this Sunday, February 25<sup>th</sup> and he and CAC Member Diccon Westworth will be attending.

Staff Report: VCE Chief Operating Officer Gordon Samuel informed those present that the Board did not hold a meeting in February, which will make the March meeting agenda full. He invited those who would like to help Staff at the Almond Festival booth, to contact VCE Staff Rebecca Boyles. Mr. Sears informed those present that he and VCE Staff Edward Burnham were joint guests who presented a case study



to the UC Davis Graduate students. The case study was on VCE’s financial outlook – reserves, programs, dividends, rates, etc.

**Consent Items**

There were no written or verbal comments as identified above.

Lorenzo Kristov made a motion to approve the Consent agenda, Item 4, seconded by David Springer. Motion passed with Aulman, Ballard, and Rodriguez absent. The following item was:

- 4. approved January 25, 2024 meeting Minutes.

**Regular Agenda**

**Item 5: Strategic Plan update. (Information)**

VCE Staff Edward Burnham introduced this item and VCE Staff provided a summary of 2023 accomplishments of goals and objectives outlined in VCE’s Strategic Plan. The CAC and Staff discussed the need to highlight VCE’s accomplishments in collateral (pamphlets and social media) and the opportunity to encourage Customers to opt up to UltraGreen now that renewable power is coming online. There were no written public comments.

Verbal Public Comment: Chris Granger of Cool Davis emphasized that with VCE’s new power coming online and our resource portfolio growing, now is a great opportunity to mobilize the community to opt up to UltraGreen.

Due to time constraints and the presence of VCE consultants at this meeting, Item 7 – Resource Adequacy “Slice-of-Day” framework presentation will be moved before Item 6 – ERRO / Concierge Service.

**Item 7: Resource Adequacy “Slice-of-Day” framework presentation. (Information)**

Mr. Samuel introduced this item and introduced Jaclyn Harr and Jay Strickland from The Energy Authority (TEA). TEA provided an overview of traditional and updated Resource Adequacy (RA) products and requirements, reviewed California Public Utility Commission’s (CPUC) goals of restructuring RA, and defined “Slice of Day”.

Staff and the CAC discussed: compliance issues, Flex RA, load, trading capabilities, impacts of new requirements, reliability, management of resources, and resource acquisition timing. There were no written public comments.

Verbal Public Comment: Chris Granger of Cool Davis commented thanked VCE for paying to attention shifting load, promoting Electric Vehicle (EV) use, providing EV charging stations through the SACOG grant, shifting load, and engaging the community.



**Item 6: Receive Electrification Retrofit Rebate Outreach (ERRO) Program update and seeking feedback and recommendation from CAC on Concierge Service. (Discussion/Action)**

Staff and the CAC discussed tabling this agenda item, but first the CAC will hear public comments since there were written comments to be read into the record and there were persons present to provide verbal comments.

Written Public Comment: Chad Ihrig submitted written public comment received and distributed to the CAC members and VCE Staff dated February 22, 2024. The Board Clerk read the written public comment into the record.

Written Public Comment: Chris Granger of Cool Davis submitted written public comments with an attachment of questions and suggestions dated February 22, 2024. The written public comments were distributed to the CAC members and VCE Staff on February 22, 2024. Ms. Granger waived the reading of their written public comments into the record.

Verbal Public Comment: Chris Granger of Cool Davis Pay requested that VCE Staff take a close look at the attachment to their written public comment that outlines questions and suggestions on implementing the ERRO and Concierge Service program. Specifically, paying attention to Customer eligibility requirements and other circumstances. She offered Cool Davis' willingness to work with VCE moving forward.

Board Clerk reminded those present that all written public comments will be posted to the VCE CAC webpage.

David Springer suggested that the Programs & Outreach Task Group discuss Cool Davis' written public comments with Staff prior to the CAC's next meeting.

This item was tabled to the next meeting.

**Item 8: Receive 2024 Long Range Calendar. (Information/Discussion)**

There were no comments on this item from the CAC members. There were no written or verbal public comments.





**Item 9: Advisory  
Committee  
Member and Staff  
Announcements.**

The CAC Members and Staff had no announcements.

**Adjournment to  
Next Meeting**

The next CAC meeting is scheduled for Thursday, March 28, 2024, at 5 p.m. at the City of Woodland Council Chambers, located at 300 First Street, Woodland, California 95695. The meeting was adjourned at 6:54 p.m.

Alisa M. Lembke  
Board Clerk/Administrative Analyst

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report - Item 5**

**TO:** Community Advisory Committee

**FROM:** Rebecca Boyles, Director of Customer Care and Marketing  
Sierra Huffman, Program and Community Engagement Analyst

**SUBJECT:** Electrification Retrofit Rebate Outreach Program (ERRO) Update, and Concierge Service Discussion and Action

**DATE:** March 28, 2024

**RECOMMENDATION**

Staff requests that the CAC review and provide feedback on the Electrification Retrofit Rebate Outreach (ERRO) Program, as well as offer its recommendation to the Board to approve the Concierge Service.

**BACKGROUND**

The ERRO Program is a comprehensive outreach program in partnership with Yolo County to encourage low-income households to access \$1 billion in existing State electrification rebates, as well as other related electrification retrofit rebates for existing residential homes. Helping these households reduce ongoing energy-related costs by targeting direct outreach to them will have long-term economic as well as potential indoor air quality benefits.

**PROGRAM UPDATE**

The ERRO Program is designed to identify lower income households who have had difficulty paying their utility bills and provide support for accessing State electrification rebates. VCE will be monitoring rebate and grant opportunities as they emerge and change, to provide maximum support for customers.

VCE will work with Yolo County to reach out to households and/or landlords of multifamily dwellings to connect them with information about electrification rebates, help fill out applications, and help facilitate retrofits if needed. This project is anticipated to create replicable models for electrification retrofit rebate programs throughout the County, region, and state. The outreach program will provide template outreach materials which other jurisdictions could use to implement similar programs.

Contracting for the ERRO program has been completed, and outreach for the program is slated to commence April-June 2024, after finalizing the draft Outreach Plan. VCE plans to work with its incumbent marketing contractor REACH Strategies to minimize staff impact related to program execution.

During the planning phase, staff identified what could be a very important tool to help facilitate ERRO's success: the Concierge Service. Sacramento Municipal Utilities District (SMUD) has developed an add-on service for CCAs that provides a heightened customer experience, but adds in program-related education, as well as technical support. The customer could call, email or chat inquiries on a range of efficiency-related topics, as well as in-depth topics such as evaluating several contractor bids on electrification projects.

The SMUD team consistently earns high praise for VCE's Customer Care, and staff sees the Concierge service as a natural extension of that success. Customers may call in initially to ask about electrification, but end up having an in-depth conversation about their electric bills, or CCA in general, and the SMUD team will have all of this information at hand, as well as the ability to track the information in the customers' records for future program offerings. The Programs and Outreach Task Group (POTG) has evaluated the Concierge Service and has provided positive feedback on it as a tool for better customer service in general, as well as its suitability for the ERRO Program. Both ERRO and the Concierge service scored medium- to high-impact on the Program Implementation Criteria.

Because of the direct applicability of the Concierge Service to the ERRO program, Yolo County has agreed that part of the \$100,000 budget allotted to VCE for program administration can be spent on the Concierge Service.

#### **FISCAL IMPACT**

The ERRO Program would have a net-neutral effect on VCE's budget, as Yolo County would be providing \$100,000 in American Rescue Plan (ARP) funds to VCE for its portion of program execution. The Concierge Service would have an impact of \$55,000-\$105,000 on VCE's Program Budget (including a contingency in case of cost overruns).

#### **ATTACHMENTS :**

1. Program Preliminary Design/Implementation Form: ERRO
2. Program Preliminary Design/Implementation Form: Concierge Service



**Program Preliminary Design/Implementation Form**

**Program Concept: Electrification Retrofit Rebate Outreach (ERRO) Program**

**Date:** 2.22.24

**Staff Resources and Support:**

Assigned Program Managers: Rebecca Boyles; Sierra Huffman

Programs Task Group members: TBD

Consultant name (if applicable): REACH Strategies and SMUD

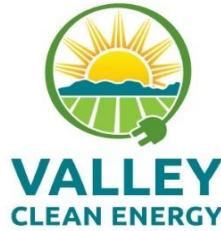
**Scope:** A program to reach out to low-income customers and provide them with access to, and technical assistance for, electrification and efficiency rebates

**Timing:** 2022-2024

**Program Design Criteria Evaluation:**

	Criteria 1	Criteria 2	Criteria 3
Criteria Type	Availability of Funds:	Staff Time	Strategic Plan Alignment
<b>Reasoning for Program Score</b>	This program brings in funds and has a new neutral effect on the budget.	Scored high on Staff Time as it will take some time, but not very much, for staff to manage	<u>Scored high on strategic plan alignment:</u> <b>Reduces GHG Emissions</b> More efficient and electrified homes would lead to less emissions <b>Customer Satisfaction</b> Customers will get complimentary access to rebates on EE and electrification, making their homes more comfortable and sustainable. <b>Addresses Environmental Justice</b> Addresses the needs of lower-income customers by making EE and electrification more accessible <b>Regulatory &amp; Legislative Goals Alignment</b> Aligns with state goals of increasing EE and electrification in CA <b>Strategic Partnerships</b> High level of collaboration with Yolo County, low-income communities, community-based organizations, and additional stakeholders

**Program Metrics and Goals:**



Performance Measures Framework	Outcome Measure	Data Tracking Frequency	Outcome Link to ARP Narrative
How much did we do?	Number of people reached	Quarterly	Measure E-2: Reduce Energy Consumption in Existing Residential and Non-Residential Buildings of the <i>Yolo County Climate Action Plan</i>
How well did we do it?	Number of existing homes converted to all electric	Quarterly	Measure E-2: Reduce Energy Consumption in Existing Residential and Non-Residential Buildings of the <i>Yolo County Climate Action Plan</i>
Is anyone better off?	Associated greenhouse gas reduction quantification	Quarterly	Measure E-2: Reduce Energy Consumption in Existing Residential and Non-Residential Buildings of the <i>Yolo County Climate Action Plan</i>

**Proposed Programs Budget:**

Resource	Source	Budget	\$ Remaining in Program Funds
Staff time	ARP Funds (external)	\$25,000-75,000	n/a
Consultant Support (inc. Concierge Service)	ARP Funds (external)	\$25,000-75,000	n/a
	<b>Total</b>	<b>\$100,000</b>	<b>\$839,000</b>

**Organizational Goals Addressed:**

Alignment with VCE's Strategic Plan

- **Goal 3:** Prioritize VCE's community benefits and increase customer satisfaction and retention.
  - **Objective 3.1:** *Develop engagement strategies to increase awareness of, and participation in, local control of VCE's energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.*

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- **Objective 3.4:** Build awareness and trust of the VCE brand through direct engagement with customers, communities, and organizations in VCE's service territory.
  - **Objective 3.5:** Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.
  - **Objective 3.7:** Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE's services and programs.
- **Goal 4.** Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety
    - **Objective 4.4:** Identify external funding sources to support decarbonization and grid-related programs and initiatives.

**Program Eligibility:** Low-income customers and customers that had trouble paying their bills during COVID

**Marketing, Education and Outreach (ME+O) Strategy:** Work with REACH to devise collateral, website, and FAQs for customers. If approved, use Concierge service to promote the program, as well as to provide technical support.

**Board, CAC, POTG Input:** POTG has evaluated and provided positive feedback. Program was approved by the Board.

**Next Steps:** Finalize budget share of Concierge Service and ERRO Outreach Plan.



**Program Preliminary Design/Implementation Form**

**Program Concept: Concierge Service**

**Date:** 2.22.24

**Staff Resources and Support:**

Assigned Program Managers: Rebecca Boyles; Sierra Huffman

Programs Task Group members: TBD

Consultant name (if applicable): SMUD

**Scope:** A “white glove” customer care service that will help customers to better understand and apply for available rebates for electrification and energy efficiency. SMUD Customer Care Team would take the calls/chats/emails and would also be able to answer questions about billing, etc.

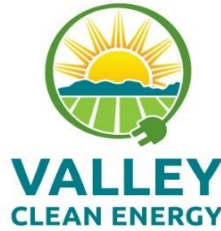
**Timing:** 2024 and beyond

**Program Design Criteria Evaluation:**

	Criteria 1	Criteria 2	Criteria 3
Criteria Type	Availability of Funds:	Staff Time	Strategic Plan Alignment
<b>Reasoning for Program Score</b>	There are available funds to initiate and continue the program without having a big effect on the Programs Fund. Additionally, APR funds for the ERRO program can cover part of the budget.	Scored high on Staff Time as it will take very little staff time to manage	<u>Scored high on strategic plan alignment:</u> <b>Reduces GHG Emissions</b> More efficient and electrified homes would lead to less emissions – this will help customers to do that <b>Customer Satisfaction</b> Customers will get complimentary access to information on rebates for EE and electrification, making their homes more comfortable and sustainable. <b>Addresses Environmental Justice</b> Addresses the needs of lower-income customers by making EE and electrification more accessible <b>Regulatory &amp; Legislative Goals Alignment</b> Aligns with state goals of increasing EE and electrification in CA <b>Strategic Partnerships</b> High level of collaboration with SMUD, low-income communities, community-based organizations, and additional stakeholders

**Program Metrics and Goals:** Number of customers served, number of rebates applied for or assisted with

Rev. 2/22/24



**Proposed Programs Budget:**

Resource	Source	Budget	\$ Remaining in Program Funds after Proposed Program Funds Spent
External Funds	ARP funds for ERRO	\$25,000-75,000	
SMUD Consultant Support: Concierge Service	VCE Programs Fund	\$55,000-\$105,000	
	Total*	\$130,000	\$709,000

*\*Please note that the total budget is to implement the Concierge Service, and for the year 1 fees. For subsequent years, the charge would be approximately \$40,000.*

**Organizational Goals Addressed:**

Alignment with VCE’s Strategic Plan

- **Goal 3:** Prioritize VCE’s community benefits and increase customer satisfaction and retention.
  - **Objective 3.1:** Develop engagement strategies to increase awareness of, and participation in, local control of VCE’s energy supply and programs with a particular focus on engaging disadvantaged and historically marginalized communities.
  - **Objective 3.4:** Build awareness and trust of the VCE brand through direct engagement with customers, communities, and organizations in VCE’s service territory.
  - **Objective 3.5:** Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.
  - **Objective 3.7:** Integrate and address the concerns and priorities of emerging and historically marginalized communities in the design and implementation of VCE’s services and programs.
- **Goal 4.** Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety
  - **Objective 4.4:** Identify external funding sources to support decarbonization and grid-related programs and initiatives.





**Program Eligibility:** all VCE customers. For ERRO, low-income customers are key demographic.

**Marketing, Education and Outreach (ME+O) Strategy:** Work with SMUD to devise customer-facing materials. If approved, use Concierge Service to promote the ERRO program, as well as to provide bill inquiry and general CCA support.

**Board, CAC, POTG Input:** POTG has evaluated and provided positive feedback. Service was introduced to the Board, with positive feedback.

**Next Steps:** Finalize budget share of Concierge Service.

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report – Item 6**

**TO:** Community Advisory Committee

**FROM:** Edward Burnham, Director of Finance & Internal Operations

**SUBJECT:** Allocation of 2023 Net Margin

**DATE:** March 28, 2024

**RECOMMENDATION**

1. Informational – Discussion and Feedback

**OVERVIEW**

This staff report presents the various options the Board has in determining how to allocate the estimated net margin for 2023. Staff is presenting this information to the Community Advisory Committee (CAC) for discussion and feedback. VCE’s audit is in progress and financial statements will be presented to the Board at the April meeting. Taking into account the Dividend Program parameters, as well as available and forecast cash reserves, Staff is considering various options outlined below for VCE’s 2023 net margin of \$16.5 million:

- Minimum allocation of \$238,000 to the Local Programs Reserve (LPR)
- Minimum allocation of \$10,039,500 to cash reserves
- Discretionary Allocation (After Cash Reserves) of \$5,510,500

**BACKGROUND AND ANALYSIS**

The Board adopted the VCE Rate Structure & Dividend Program Guidelines on June 17, 2019, to guide the allocation of the audited net margin for each year. The guidelines can be found [here](#).

Key aspects of the Dividend Program are:

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

Based on the estimated 2023 Financial Statements, the conditions above have been met. Staff will present the final recommendation of the allocation of net margin to the Board on May 09, 2024, to meet timeline requirements for possible additional rate credits outlined below. As noted, when the Board adopted the Dividend Program Policy in June 2019 a 5% minimum net margin is in the lower range of typical net margin goals for the utility sector and most other industries.

Dividend Program Formula

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

- Net margin up to 5% is to be allocated as follows:
  - At least 5% (of the 5%) goes to LPR for program implementation

- The balance goes to cash reserves
- Net margin above 5% is to be allocated as follows:
  - At least 50% to cash reserves
  - Remainder allocated amongst customer dividends and LPR

Below is a summary of VCE's Allocation for 2023:

**Table 1 - VCE Dividend Program Allocation - 2023**

Description		Estimated 2023 Results	Avg. Days Cash	
Electricity Sales		95,330,080	216,000	
Operating Expense		78,830,080		
Operating Margin		16,500,000		
Principal Debt Payments		712,252		
Adjusted Net Margin less principal Debt Payments		15,788,000		
Adjusted Net Margin Percentage		16.56%		
Allocation Amount <=5%		4,767,000		
Allocation Amount > 5%		11,021,000		
<b>Allocation of Net Margin up to 5%</b>	<b>Percentage</b>	<b>Allocation Amount</b>	<b>Operating Days Cash</b>	
Cash Reserves Allocation	95%	4,529,000	21	Minimum
Local Programs Allocation	5%	238,000	1	Minimum
<b>Allocation of Net Margin above 5%</b>	<b>Percentage</b>	<b>Allocation Amount</b>		
Allocation to Cash Reserves	50%	5,510,500	26	Minimum

Based on the customer dividend program formula above, VCE minimum allocations result in \$238,000 to LPR, \$0 to dividends, and the balance to cash reserves. The estimated discretionary allocation amount for 2023 is \$5,510,500.

Discretionary Allocation Considerations:

Based on the current and forecasted cash reserve for 2023 and previous direction from the Board regarding reserve targets, Staff is considering a recommendation to allocate the majority of the discretionary allocation to cash reserves for the initial investment grade credit rating. VCE is estimated to have ended 2023 with ~90+ days and is currently projected to end 2024 with ~180+ in unrestricted operating cash. The Board has set reserve targets to increase to 180+ days of cash on hand in 2024 to better position VCE to obtain its initial investment grade credit rating. All scenarios described later in this report provide for additional program funds and dividend funds in the form of additional rate discounts starting as early as July 1<sup>st</sup>.

Staff considered the following factors related to this preliminary recommendation.

- Power Costs - Staff anticipates ongoing power cost increases and regulatory pressures related to changing resource adequacy requirements (increased costs = decreased days cash on hand)
- VCE's current 180 day cash reserve target does not include rate stabilization. An additional 30-90 days would provide for long-term rate stabilization.
- Available funds for dividends would increase VCE's current 1% discount during peak season.

- CPUC has approved increased security requirements in the proposed decision of phase one of the provider of last resort proceeding.
- VCE continues to provide an additional ~2.5%/ \$1.1M annually in discounts to 25% of customers (CARE and FERA)
- PG&E's additional Transmission/Distribution rate increase in March 2024 (projected +13%)

Staff considered the following allocation scenarios.

Scenario 1:

	Percentage	Allocation Amount	Operating Days Cash	Maximum
<b>Discretionary Allocation (After Cash Reserves)</b>	<b>50%</b>	<b>5,510,500</b>	<b>26</b>	
Cash Reserves	75%	4,132,800	19	
Local Programs (Targeted 2024/25 Spend)	10%	551,100	3	
Customer Dividends (Targeted 2024/25 Spend)	15%	826,600	4	

Scenario 2:

	Percentage	Allocation Amount	Operating Days Cash	Maximum
<b>Discretionary Allocation (After Cash Reserves)</b>	<b>50%</b>	<b>5,510,500</b>	<b>26</b>	
Cash Reserves	70%	3,857,300	18	
Local Programs (Targeted 2024/25 Spend)	10%	551,100	3	
Customer Dividends (Targeted 2024/25 Spend)	20%	1,102,100	5	

Scenario 3:

	Percentage	Allocation Amount	Operating Days Cash	Maximum
<b>Discretionary Allocation (After Cash Reserves)</b>	<b>50%</b>	<b>5,510,500</b>	<b>26</b>	
Cash Reserves	80%	4,408,300	20	
Local Programs (Targeted 2024/25 Spend)	5%	275,500	1	
Customer Dividends (Targeted 2024/25 Spend)	15%	826,600	4	

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

## CONCLUSION

Staff believes that these scenarios represent a disciplined and financially prudent approach to building reserves and providing some additional level of rate relief. The longer-term outlook (2024+) shows increased stability and cost certainty due to VCE's fixed price long-term renewable power purchase contracts coming fully online combined with a cost-recovery based rate structure. Staff will be returning in May to the CAC for discussion on updating the reserves policy and dividend program for updates to current targets and requirements for VCE's initial investment grade credit rating. Staff is seeking feedback from the CAC to inform its recommendation on the allocation of the 2023 net margin that is anticipates taking to the Board in May.

**VALLEY CLEAN ENERGY ALLIANCE  
COMMUNITY ADVISORY COMMITTEE**

**Staff Report – Item 8**

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**TO:** Community Advisory Committee

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

**SUBJECT:** Review of 2024 Long Range Calendar meeting topics

**DATE:** March 28, 2024

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Please find attached the 2024 Board and Community Advisory Committee (CAC) Long Range Calendar, which includes CAC meeting proposed topics located at the bottom.

At any time, if you have an item that you would like added, please send an email to Chief Operating Officer Gordon Samuel, Board Clerk Alisa Lembke, CAC Chair and Vice Chair for consideration.

Please note that the CAC's November and December 2024 meeting dates are as follows:

- **November 21, 2024** (3<sup>rd</sup> Thursday) – City of Woodland Council Chambers
- **December 19, 2024** (3<sup>rd</sup> Thursday) – City of Davis Community Chambers

The April 2024 CAC meeting has been cancelled due to VCE Staff attending the 2024 CalCCA Annual Conference the prior week April 16-18, 2024.

**Attachment:**

1. 2024 Board and CAC Long Range Calendar

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

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

		<ul style="list-style-type: none"> <li>• Update to VCE Conflict of Interest Code</li> <li>• Calendar Year 2023 Audited Financial Statements (James Marta &amp; Co.)</li> <li>• 2023 Net Margin Allocation</li> <li>• ERRO/Concierge Service</li> <li>• BioMAT Program (placeholder)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Action</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> <li>• Information/Discussion</li> </ul>
April 16 – 18, 2024	CalCCA Annual Conference San Jose	VCE Staff and some Board and CAC members attending	
April 25, 2024	Advisory Committee (Davis)	• NO MEETING	•
May 9, 2024	Board (Woodland) Tentative meeting at UC Davis California Lighting Technology Center	<ul style="list-style-type: none"> <li>• Resource Adequacy “Slice-of-Day”</li> <li>• 2023 Net Margin Allocation</li> <li>• Load Management Standards</li> <li>• Recap of CalCCA April 2024 Annual Conference</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Discussion/Action</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>
May 23, 2024	Advisory Committee (Yolo County Community Services Dept., Cache Creek Room, Woodland)	<ul style="list-style-type: none"> <li>• Load Management Standards</li> <li>• Customer Participation update (1<sup>st</sup> Quarter 2024)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> </ul>
June 13, 2024	Board (Davis)	<ul style="list-style-type: none"> <li>• Re/Appointment of Members to Community Advisory Committee (Annual)</li> <li>• Customer Participation Update</li> <li>• Mid-Year 2024 Financial Update</li> <li>• Legislative update</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
June 27, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>• Power Procurement / Renewable Portfolio Standard Update</li> <li>• Outreach and Marketing Plan (placeholder)</li> <li>• Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>

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

July 11, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li>• Status of SACOG Grant – Electrify Yolo</li> <li>• Customer Participation Update (2<sup>nd</sup> Quarter 2024)</li> <li>• Power Portfolio Renewable Content Update (<i>placeholder</i>)</li> <li>• Outreach and Marketing Plan (<i>placeholder</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion/Action</li> <li>• Information</li> <li>• Information/Discussion</li> <li>• Discussion/Action</li> </ul>
July 25, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>• NO MEETING*</li> </ul>	
August 8, 2024	Board (Davis)	<ul style="list-style-type: none"> <li>• NO MEETING*</li> </ul>	
August 22, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>• Customer Participation Update (2<sup>nd</sup> Quarter 2024)</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> </ul>
September 12, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li>• Certification of Standard and UltraGreen Products / 2023 Power Content Label (Annual)</li> <li>• Enterprise Risk Management Update (Bi-annual)</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Information</li> </ul>
September 26, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>• Receive Board Staff Report on Certification of Standard and UltraGreen Products / 2023 Power Content Label</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> </ul>
October 10, 2024	Board (Davis)	<ul style="list-style-type: none"> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• 2024 Operating Budget Update and 2025 preliminary Operating Budget</li> <li>• Customer Participation Update (3<sup>rd</sup> Quarter 2024)</li> <li>• Progress Update on Programs Plan and 2025 program concepts</li> <li>• Legislative End of Session Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>
October 24, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>• 2023 Power Content Label outreach</li> <li>• Customer Participation Update (3<sup>rd</sup> Quarter 2024)</li> <li>• Draft 2025 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
November 14, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li>• 2025 Operating Budget Update</li> <li>• 2023 Power Content Label outreach</li> <li>• 2025 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
November 28, 2024 November 21, 2024 (rescheduled to November 21 due to Thanksgiving holiday on Nov. 28 <sup>th</sup> )	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li>• GHG Free Attributes</li> <li>• Legislative End of Session Update</li> <li>• 2025 Budget Update/Preview</li> <li>• Review and finalize CAC Task Group Year-end Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion</li> </ul>

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



December 12, 2024	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Approve 2025 Operating Budget (Annual) and 2025 Customer Rates</li> <li>• GHG Free Attributes</li> <li>• Receive VCE Grant/Program activity summary</li> <li>• Receive CAC Year-end Task Group Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Action</li> <li>• Information</li> <li>• Information</li> </ul>
December 26, 2023 December 19, 2024 (rescheduled to December 19 due to Christmas holiday on Dec. 25 <sup>th</sup> )	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• 2025 CAC Task Group(s) formation (Annual)</li> <li>• Power Procurement / Renewable Portfolio Standard Update</li> <li>• Election of Officers for 2025 (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Nominations</li> </ul>
January 9, 2025	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members (Annual - new Members only)</li> <li>• Election of Officers for 2025 (Annual)</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2024)</li> <li>• 2024 Year in review: Customer Care &amp; Marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Information</li> <li>• Information</li> </ul>
January 23, 2025	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• Rates/Budget 2025 Update</li> <li>• Customer Participation Update (4<sup>th</sup> Quarter 2024)</li> <li>• Review 2025 Task Group “Charges”</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discuss/Action</li> </ul>

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

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