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VCE Community Advisory Committee Meeting – May 23, 2024

Item 9 – Updated Reserve policy and Dividend Program Guidelines



The logo for Valley Clean Energy features a stylized sun with rays rising over a green landscape with a blue sky. Below the graphic, the words "VALLEY CLEAN ENERGY" are written in a bold, sans-serif font.

Public Comments

To Provide Public Comment on any agenda item please:

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Item 9 – Updated Reserve policy and Dividend Program Guidelines: Overview

Present the draft updated reserve policy and dividend program guidelines to the CAC for feedback and recommendation before the item goes to the Board for consideration in June 2024.

This presentation will provide:

- Background of Reserve Policy and Dividend Program Guidelines
- Present Updated Draft Reserve Policy and Dividend Program Guidelines
- Summary and Recommendation

Item 9 – Updated Reserve policy and Dividend Program Guidelines: Brief Background

Financial Reserve Draft Updates

- Financial Reserve Policy adopted on December 14, 2017
- Policy was established during start-up phase of VCE
- Policy did not incorporate rating agency standards
- Regulatory changes and financial monitoring by agencies have increased

Dividend Program Draft Updates

- Dividend Program Guidelines adopted on June 17, 2019
- Guidelines were developed during growing pressures of PCIA and competitive rate policies.
- Incorporated VCE Rate Policy that matched PG&E

Item 9 – Updated Reserve policy and Dividend Program Guidelines: Modifications

Financial Reserve Draft Updates

- An increased Operational Financial Reserve minimum from 30 days to 120 days
- An Increased Operational Financial Reserve Target of 180 from 90 days (this increase aligns with current minimums typically seen for CCA qualification for investment grade credit ratings)
- Addition of a Rate Stabilization Reserve minimum target of 60 days

Dividend Program Draft Updates

- Increased the minimum net margin allocation of 75% from 50% towards financials reserves of net margin above > 5%
- Updated cash reserve targets as described above.

Note: Recommended updates include administrative updates and references to VCE cost recovery rate policy and rate adjustment policy and definitions of uses for Operational Financial Reserves and Rate Stabilization Reserves.

Item 9 – Updated Reserve policy and Dividend Program Guidelines: Summary and Recommendation

Summary

The proposed draft updates are expected to have a positive fiscal impact improving VCE's financial stability while building customer trust and loyalty.

Recommendation

That the CAC Recommend Board adoption of the attached draft updated financial reserve policy and dividend program guidelines.



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VCE Community Advisory Committee Meeting – Thursday, May 23, 2024



Item 10 – Recap of CalCCA 2024 Annual Conference (Information)

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2024 Annual Conference Debrief



CalCCA Board Meeting
May 9, 2024

Annual Conference: Key Stats



- 750+ Registered (sold out w/waitlist)
- 60+ Speakers
- 10 Panels + Workshops
- 100+ VIP Lunch Attendees
- 14 Committee Meetings
- 9 Community Impact Awards
- 33 Sponsors
- 30,000+ Social Media Impressions

Annual Conference: Feedback



Venue/Location



4.41 Average Rating

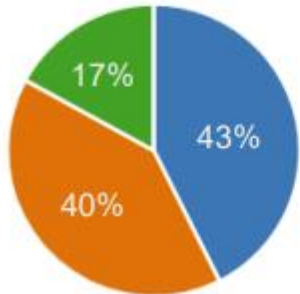
Sessions Length



4.09 Average Rating



Would you attend again?



- Definitely
- Very likely
- Possibly
- Very unlikely
- Never

Networking Time



4.09 Average Rating

