



**Valley Clean Energy CAC Meeting – Thursday, July 22, 2021
via video/teleconference**

Item 8 – Quarterly Power Content Update



Public Comments

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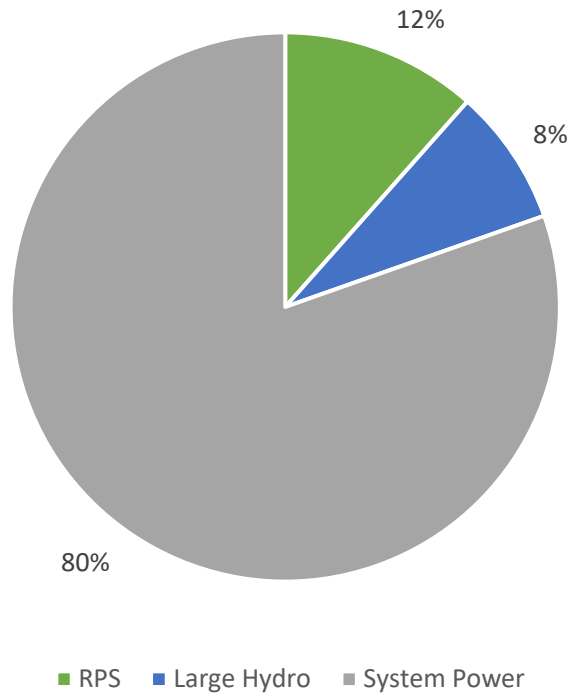
Item 8 - Quarterly Power Content Update: 2021 Original Target and Update

	Approved	Updated	Updated %
VCEA Retail Load	719,098	737,146	
Renewable Supply	77,458	85,135	12%
Aquamarine Solar	23,028	23,028	
Indian Valley	1,500	1,177	
Putah Creek Energy Farm	930	930	
Short Term RECs	52,000	60,000	
Large Hydro	79,427	59,427	8%
Hydro Contract	29,427	29,427	
PG&E Allocation Estimate	50,000	30,000	
System Power	562,213	592,584	80%

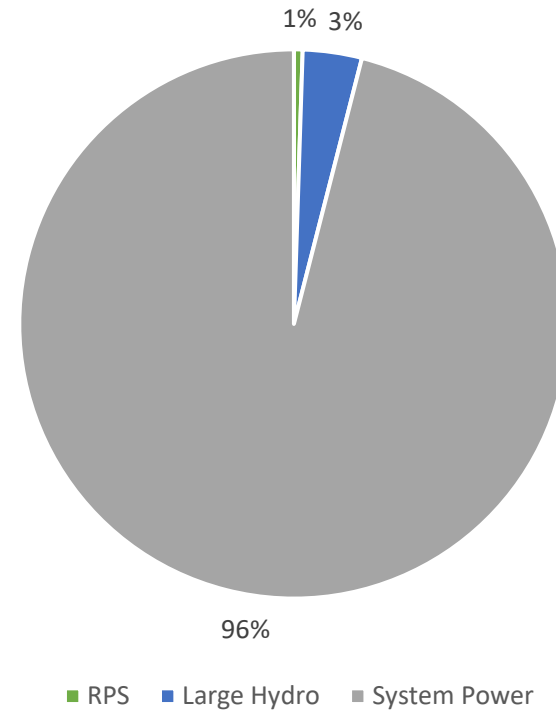
- 1) Approved % based on VCE Board policy decision (June 2020)
- 2) PG&E estimate lowered based on lower than expected 1Q allocations
- 3) Indian Valley only ran for two months in 2021
- 4) If hydro continues to come in low, PPA CODs are delayed, or load stays high, will need to procure additional ST RECs (hydro availability unlikely).

Item 8 – Quarterly Power Content Update: 2021 Year to Date vs. Target

2021 Current Plan



2021 Year to Date



2021 RPS deliveries will primarily happen in 3Q and 4Q.

Item 8 – Quarterly Power Content Update: Long Term Agreements (under development)

VCE Contracted Resources

(1) Aquamarine Solar Facility – Kings Co.

50 MW PV-only

Scheduled online – Q3 2021

2 Yolo County Solar (PV) + Storage Projects

(2) 3 MW/3 MW BESS and **(3)** 20MW/6.5 MW BESS

Scheduled online – Fall 21/22

(4) Tierra Buena Battery Storage Facility - Sutter Co.

VCE share is 2.5 MW

Anticipated online – Summer 2022

(5) Aggregated Demand Response – System wide

VCE share is 7 MW

Anticipated online – Summer 2021

Solar (PV) + Storage Project

(6) Resurgence Solar I – San Bernadino Co.

90 MW (PV) / 75 MW BESS

Scheduled online end 2022





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Item 9– Rates Task Group Update



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Item 9 – Rates Task Group Update - Overview

Rates Task Group Charter

Assist staff, consultants, and the Valley Clean Energy Board Subcommittee as requested, when existing or new rate options are being considered and evaluated.

Help staff evaluate the impact of current and potential rate options on VCE customer responses and other energy choices.

Specific Tasks

1. Conduct CAC Rate Options Task Group meetings and expand participation to other interested CAC members or external experts, as needed.
2. Review rate-related financial analysis conducted by staff and consultants and provide staff with input and feedback.
3. Review proposed staff recommendations regarding rate options, including Net Energy Metering, and provide input and feedback.
4. Inform CAC on rate options and analyses reviewed by the Task Group

Item 9 – Rates Task Group Update - Background

Existing Rate Options

- Standard Green (75% Carbon Free, 45% Renewable)
- UltraGreen (100% Carbon Free, 100% Renewable)

Financial Reserve Policy

- Minimum 30 days operating expenses
- Preferred 90 days operating expenses
- 1% Net income allocation to programs

Rates Structure and Dividend Program Guidelines

- Match PG&E rates less PCIA
- Minimum $\leq 5\%$ annual net margin before dividends
- Net margin $> 5\%$
 - 50% Allocation to 90 days cash reserve
 - 50% Cash dividends and local programs

Item 9 – Rates Task Group – Current Activity

Development of Updated Financial Model and investigation of Rate Policy Options

- Baseline using VCE Policy and Guidelines
- Review impacts of potential policy adjustments
 - Increase Cash Reserve – 90, 120, 180 Days
 - Security Reserve – PPA requirements
 - Programs Reserve
- Rate Adjustments for Total Revenue Requirement
 - Include rate adjustment “trigger(s)”
 - Rate adjustments factored for seasonal activity
 - Rate adjustments factored over multi-year

Item 9 – Rates Task Group Update – Financial Model

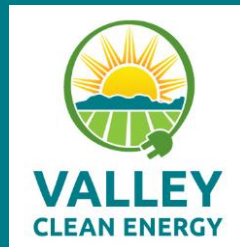
Key considerations in Financial Model Update

- Projecting the Total Costs and Total Revenue
 - Cost of Current Rate Options
 - Maintain or exceed current renewable content
 - Achieve financial targets (e.g. cash reserve targets)
 - Evaluate Cost of New Rate Options
 - 100% Local Renewable vs existing UltraGreen
 - Least Cost Option (at or below PG&E rate)
 - Conduct sensitivity analysis for new rate options
 - Total Revenue requirements for financial sustainability



**Valley Clean Energy CAC Meeting - Thursday, July 22, 2021
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Item 10 – VCE Three-Year Strategic Plan Update



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Item 10 - VCE Three-Year Strategic Plan Update

Overview

Inform the general manager and CAC of the summarized progress on the VCE Three-Year Strategic Plan goals ratified at the November 10, 2020.

Quarterly Report to VCE Management

- Staff will report quarterly to the Interim General Manager on the status of goals, objectives and metrics for which they are responsible.

Annual Report to Board and CAC Staff

- Staff will report annually to the Board and CAC on the status of goals, objectives and metrics, and will recommend any mitigations or amendments as may be necessary for Board approval.

Item 10 - Goal 1 - FINANCIAL STRENGTH

Maintain and grow a strong financial foundation and manage costs to achieve long-term organizational health.

1.1 - Maintain consistently healthy cash reserves to fund VCE's mission, vision, and goals.

1.2 - Achieve an investment grade credit rating by end of 2024.

1.3 - Commit to fiscal efficiencies to build a program foundation from which to deliver customer and community value.

1.4 - Manage customer rates to optimize VCE's financial health while maintaining rate competitiveness with PG&E.

Obj	Key Developments	Planned Activities
1.1	<ol style="list-style-type: none"> Board Approved Arrearage Management Plan January 2021 Drafting Collections Policy 	Collections Policy to be submitted for approval Q3 2021
1.2	<ol style="list-style-type: none"> Participated in CCA educational webinar on establishing credit ratings for CCAs budgeted for financial advisor to support process of establishment of first credit rating 	Development Timeline for credit rating by Q3 2021
1.4	<ol style="list-style-type: none"> CAC Rates Task group to develop additional customer rate option 	Rate options study in development

Item 10 - Goal 2 - PROCUREMENT & POWER SUPPLY

Manage power supply resources to consistently exceed California's Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is 100% carbon neutral by 2030.

2.1 - Continue to identify and pursue cost effective local renewable energy resources.

2.2 - Acquire sufficient bundled energy and renewable resources to achieve VCE's greenhouse gas reduction targets.

2.3 - Deploy storage and other strategies to achieve renewable, carbon neutral, resource adequacy, and resiliency objectives.

2.4 - Identify and pursue cost effective, local distributed energy (e.g., behind the meter rooftop Solar + storage) resources to help meet reliability needs.

2.5 - Study and present options for achieving a 100% carbon neutral resource portfolio as well as 100% carbon free resource portfolio (carbon free hour by hour) by 2030.2

2.6 - Optimize the hedging strategy to mitigate risk in accordance with the energy risk

Obj	Key Developments	Planned Activities
2.1	In Q1 2021, executed a 90MW PV +75MW BESS 20 yr. PPA which will provide VCE stable low-cost power and resource adequacy.	On schedule for Dec 2022 commercial operation and monitoring dev. activities
2.5	Carbon Neutral Task Group formed and consultant selected	Study has been initiated

Item 10 - Goal 3 - CUSTOMERS & COMMUNITY

Prioritize VCE's community benefits and increase customer satisfaction and retention.

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.

3.2 - Develop programs and initiatives to better support community goals, including supporting member agency achievement of energy-sector emissions reduction targets.

3.3 - Design and implement a strategy to more effectively engage local business and agricultural customers.

3.4 - Build awareness and trust of the VCE brand through direct engagement with customers, communities and organizations.

3.5 - Develop customer programs and initiatives that prioritize decarbonization, community resiliency and customer savings.

3.6 - Measure and increase customer satisfaction, using tools such as surveys and focus groups, while maintaining an overall participation rate of no less than 90%.

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.

Item 10 - Goal 3 - CUSTOMERS & COMMUNITY – Cont.

Obj	Key Developments	Planned Activities
3.1	4 virtual presentations with Spanish translation; new posts on social media in Spanish; programs survey developed/deployed with special attention to equity issues	
3.2	Provided cost analysis for all member jurisdictions to opt up to UltraGreen	Follow up with city staff
3.4	Staff's goal is to increase website hits by 25% in 2021 (results: 63% increase in sessions; 33% increase in pageviews; 13% increase in Twitter). Initiated a website refresh, integrating feedback. Analyzed Key Accounts spreadsheets for completeness.	Website refresh Completion
3.5	3-year Programs Plan adopted. Programs in development.	Implement pilot residential demand response (OhmConnect)
3.6	First-ever survey for customer feedback developed and deployed. OTG held focus group meeting. Analyzed opt-out process for misinformation vulnerabilities and made changes: customers will now be routed to a CSR to opt out during business hours.	Hold CSR focus group and monitor opt-out trends.
3.7	Operationalized and publicized Arrearage Management Plan (AMP) including new webpage for customers having trouble paying. Finalizing call-out campaign to provide info to customers having trouble paying. Implemented policy of translating all new material into Spanish. Increased Spanish social media posts. Board approved EJ statement, formed Board Subcommittee Working Group. Staff participation in CalCCA Equity Committee.	Monitor AMP participation. Continue call-out campaign Continue posting in Spanish, measure success Dec 2021.

Item 10 - Goal 4 - DECARBONIZATION & GRID INNOVATION

Promote and deploy local decarbonization and grid innovation programs to improve grid stability, reliability, community energy resilience, and safety.

4.1 - Working with a variety of local, regional and state partners, develop a grid innovation roadmap for VCE's service territory that supports community energy resilience and reliability.

4.2 - Develop a VCE decarbonization roadmap to guide near and long-term program decisions and offerings.

4.3 - Increase participation in VCE's UltraGreen 100% renewable product.

4.4 - Identify external funding sources to support decarbonization and grid-related programs and initiatives.

Obj.	Key Developments	Planned Activities
4.1	Worked w/ the CAC on a building electrification statement. The Board adopted a statement supporting and encouraging electrification of new buildings.	Check-in with member jurisdictions
4.3	Generated and shared UltraGreen analysis with member jurisdictions.	Check-in with member jurisdictions
4.4	Submitted Winters Downtown micro-grid proposal in Yolo Co. American Recover Plan (ARP) process	Monitor County ARP process; ID additional outside funding sources for project

Item 10 - Goal 5 - REGULATORY & LEGISLATIVE AFFAIRS

Strongly advocate for public policies that support VCE's Vision/Mission.

5.1 - Work with CalCCA and other partners to proactively engage State regulators, legislators, and other State authorities in developing policy that furthers VCE's mission and facilitates our contributions to decarbonization, grid reliability, energy resiliency, affordability, local programs and social equity.

5.2 - Develop relationships with community stakeholder organizations that foster support for VCE's mission and vision.

5.3 - Optimize regulatory compliance activities.

Obj	Key Developments	Planned Activities
5.2	Identify key stakeholder groups within VCE service territory – in process,2. Attended Winters Chamber of Commerce on 4.10.213. Met with Cool Davis to explore formalizing a relationship to work on shared decarbonization and electrification goals.	Initial Stakeholder list by end of Q2 21 Decision around structure to formalize (e.g. MOU)
5.1	Actively engaged in CalCCA sponsored legislation on PCIA – SB 610 (Portantino) Active support of AB 843 (Aguiar-Curry) – access for CCA's to BioMat resources3. CAC Leg/Reg Task Group – bi-weekly meeting	SB 610 made 2 yr bill – continue to monitor progress. Continue to monitor progress of AB 843
5.3	Including Regulatory Staffing in FY 21-22 budget proposal	Beginning recruitment process

Item 10 - Goal 6 - ORGANIZATION, WORKPLACE & TECHNOLOGY

Analyze and implement optimal long-term organizational, management, and information technology structure at VCE.

- 6.1 - Develop a roadmap to evaluate and guide future steps toward formation of a local Publicly Owned Utility (POU).
- 6.2 - Evaluate and pursue opportunities for shared services with other CCAs for certain functions.
- 6.3 - Develop an evaluation framework to guide future expansion opportunities beyond the existing service territory.
- 6.4 - Identify optimal management, staffing and contracting structure of VCE in the near and long term; factors include balance of internal staff vs. consultant support services, transition of leadership positions to permanent internal employees.
- 6.5 - Promote diversity, equity and inclusion in leadership, hiring, promotion, and contracting policies.
- 6.6 - Support health, wellness and a productive workplace.
- 6.7 - Create an innovation-focused culture that rewards proactive participation, problem solving, new ideas, and creative use of partnerships.
- 6.8 - Deploy a modernized IT infrastructure that enables knowledge management, analytics and collaboration through robust use of data and information resources.

Obj.	Key Developments	Planned Activities
6.1	Engaged Don Dame to prepare process outline – technical steps	Outreach to CMUA
6.2	Joined CC Power – “Super JPA” for joint procurement with other CCA’s Outreach to City of Stockton RE: City’s feasibility study	Participating in CC Power Long-term procurement process; decision on PPA in late 2021
6.3	Research other CCA expansion evaluation methods in process.	Continued outreach to other CCA’s
6.4	Onboarding Director of Finance & Internal Operations	Budgeted (1) ½ time regulatory Analyst and (1) Intern for Marketing and Support
6.8	Working with County of Yolo GIS team on developing VCE platform for	