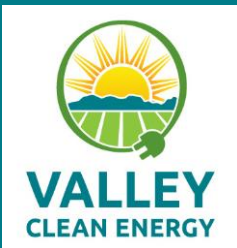




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VCE Community Advisory Committee Meeting – August 28, 2025

Item 7 - 2026-2029 Strategic Plan Major Update - Recommended draft



Public Comments

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Item 7 –Strategic Plan Update (2026-29): Overview

Overview

The purpose of this presentation is to provide background information and seek CAC feedback/recommendation on the 2026-2029 Strategic Plan Major Update

This presentation provides:

1. Background
2. Review of Recommended draft Plan Update
3. Summary and Recommendation

VCE Strategic Plan Update

2026-2026 Strategic Plan Background

VALLEY
CLEAN ENERGY

Item 7 –Strategic Plan Update (2026-29): Background

- **Valley Clean Energy** is a public energy agency based in **Yolo County** that is focused on achieving **better energy outcomes for the customers and communities** we serve.
- VCE's Strategic Plan **guides** the organization's **long-term planning and actions** to work toward those goals.
- This **Strategic Plan Major Update** will help VCE:
 - Identify Changes that we need to consider over the next few years: economics, policy, technology, etc.
 - Review key organizational elements: Mission, Vision, and Goals
 - Incorporate long-term adjustments to help meet strategic and customer requirements

Item 7 –Strategic Plan Update (2026-29): Background

Plan Update Foundation

After the preliminary review, Staff and the Strategic Plan Task Group generally agreed VCE's existing strategic plan was:

- Robust and comprehensive
- Addressed key priorities; and
- Provided a solid base from which to move forward with a Plan update

Working from the existing Strategic Plan and using feedback gathered through CAC meetings/workshops, a survey and CAC Task Group input, several iterations of the draft Plan Update were developed and considered during the update process.

Item 7 –Strategic Plan Update (2026-29): Background

Plan Update Development Feedback/Input

Plan update development feedback/input included:

- Two public workshops
- Comments and feedback from the Community Advisory Committee (CAC)
- Feedback and input from the CAC Task Group
- Customer survey

Based on gathered feedback, general themes and several specific points outlined below were incorporated into the draft Plan Update.

- Affordability
- Incorporating additional local distributed energy resources into VCE's resource mix
- Specific reference to energy resilience and energy efficiency/weatherization
- Affirming commitment and focus on low-income and other vulnerable customers

Item 7 –Strategic Plan Update (2026-29): Customer Survey Results

Survey Results: Qualitative Feedback (200+ responses)

Feedback was varied but included some recurrent themes:

- Affordability/High Rates
- Education/VCE Marketing (more brand recognition needed)
- Desire for VCE Municipalization

Examples of free form responses:

“Cheaper electricity, right now there's not much real savings over just using PGE. Bills are too high to really think about other priorities.”

“Customer service is a plus one being able to talk to someone for help.”

“Customer education about electricity and gas prices even though gas is not your game.”

“Replace PGE.”

“LOWER RATES!”

Strategic Plan 2026-2029

MAJOR UPDATE TIMELINE

Brief Survey Issued May 1st – Points allocation for customer priorities

MAY 22ND
ESPARTO
COMMUNITY
CENTER - RISE

CAC

Goals Outreach

- 1) Financial Strength / Rates
- 2) Procurement & Power Supply



April 24

CAC

Introduction of Strategic Plan Rough Draft & Timeline

APRIL 24TH
CITY OF DAVIS
CONFERENCE
ROOM



May 22



June 26

CAC

Goals Outreach

- 1) Customers and Community
- 2) Decarbonization and Grid innovation

JUNE 26TH
UCANR - DAVIS



July 24

JULY 24TH
CITY OF
WOODLAND
CHAMBERS

CAC

Review of Preliminary Draft Strategic Plan recommendation & Initial (#1) Survey Results



August 28

CAC

2026-2029 Strategic Plan Major Update Recommendation

AUGUST 28TH
CITY OF DAVIS
CONFERENCE
ROOM

SEPTEMBER 11TH
CITY OF
WOODLAND
CHAMBERS

Board

Workshop Review of CAC Strategic Plan Recommendations, Survey #1 Results and Next Steps



September 11

Board

Recommended Strategic Plan Adoption

OCTOBER 9TH
CITY OF DAVIS
COUNCIL
CHAMBERS



October 9

VCE Strategic Plan Update

2026-2026 Strategic Plan Recommended Draft Plan General/Administrative Updates

**VALLEY
CLEAN ENERGY**

Item 7 –Strategic Plan Update (2026-29): General/Administrative Updates

Categories of Plan Updates

- General/Administrative
- Specific Goal/Objective

General/Administrative Updates

General administrative updates that have been included in the draft Plan update include:

- Near-Term Vision (Launch) – Transition Plan language to “completed during launch”.
- “Affordability” as a focus – Added throughout the document to emphasize and elevate existing customer rate priority.
 - For example, **VCE MISSION** - Deliver cost-competitive affordable clean electricity, product choice, price stability, energy efficiency, and greenhouse gas emission reductions.
- Startup to Operational – In general, VCE has completed key organizational startup steps and transitioned to operational effectiveness and efficiency.
 - Transitioned language related to startup phase in specific sections.
 - Language transitioned from “establish” or “obtain” to “sustain” or “maintain”.

VCE Strategic Plan Update

2026-2026 Strategic Plan Recommended Draft Plan Goal/Objective Updates

Item 7 –Strategic Plan Update (2026-29): Goal/Objective Updates

Revised Goal 2 and Objective 2.3 (Recommended)

These modifications are driven mainly by forecasted renewable projects' costs, regulatory changes to Power Charge Indifference Adjustment (PCIA), providing additional grid resiliency, and rate affordability to balance overall customer and community impact.

- Maintain a high renewable target (minimum 90%)
- Align with California's State 2045 goal of 100% carbon free
- Allows VCE to explore local investment in distributed energy

Updated Goal 2 (Recommended):

Manage power supply resources to consistently exceed California's Renewable Portfolio Standard (RPS) while working toward a resource portfolio that is a minimum 90% Renewable and 100% Carbon Free ~~100% renewable~~ by 2030.

Item 7 –Strategic Plan Update (2026-29): Goal/Objective Updates

Objective 2.3 (Recommended)

Develop strategies to identify and pursue cost-effective, local distributed energy resources. ~~Identify and pursue cost-effective, local distributed energy resources, including both front-of-meter solar+storage resources for VCE's renewable energy supply portfolio, as well as behind-the-meter solar+storage aggregations (VPPs) to help reduce RA requirements.~~ Strategies could include, but are not limited to, an allocation of resource portfolio investment in cost-effective local energy and storage resources even though such local investment may affect achievement of overall resource portfolio goals.

Item 7 –Strategic Plan Update (2026-29): Goal/Objective Updates

Revised Objective 3.5 (Recommended)

Adds reference to energy efficiency and building weatherization because of the key role they can play in lowering building energy needs and reducing energy bills:

Objective 3.5 (Recommended)

Develop and implement customer programs and initiatives that prioritize decarbonization, community resiliency, energy efficiency, building weatherization, rate affordability, and customer savings, including focused efforts on low-income and medically vulnerable customers.

VCE Strategic Plan Update

2026-2026 Strategic Plan Next Steps/Recommendation

VALLEY
CLEAN ENERGY

Strategic Plan 2026-2029

MAJOR UPDATE TIMELINE

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OCTOBER 9TH
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CHAMBERS



October 9

Item 7 – Strategic Plan Update (2026-29): Summary & Recommendation

Summary

Staff believe the recommended 2026-2029 Strategic Plan Major Update represents a balanced approach to moving the organization forward with setting reasonable goals for the near-term based on input from VCE's stakeholders. Staff and the strategic plan task group will keep the CAC updated based on any proposed changes that result from the Board workshop and adoption process.

Recommendation

Staff is seeking a CAC recommendation that the VCE Board of Directors approve the 2026-2029 strategic plan major update.



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VCE Community Advisory Committee Meeting – August 28, 2025

Item 8 – Large Load Service Policy



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Item 8 – Large Load Service – Introduction

Overview

Large new tech related electric loads are being added throughout the country. Most new loads are proximate to existing tech center “clusters,” but developers are increasingly looking for other hospitable locations. Tech and other electricity intensive loads can vary widely from sub-10MW installations to facilities consuming 100s of MW, or more.

The purpose of this CAC agenda item and staff report is to initiate discussion around these issues/opportunities and introduce a draft framework for how VCE would engage with new large load customers.

This informational presentation will provide:

- Background & Introduction of Preliminary Draft Large Load Service Policy
- Summary and proposed next steps
- Discussion & Feedback

Item 8 – Large Load Service – Introduction

Background

VCE Mission

- VCE's mission is *to provide clean electricity, product choice, and greenhouse gas emission reductions --- all with local control at competitive prices.*

Large New Load Considerations

- Renewable Resource Mix / Power Content Label.
- Cost to Integrate New Load
- Impact on Existing Customers / Cost Structure
- Is New Generation Included (Control, ISO Interface, Renewable, Fossil, etc.)
- Operational and Financial Risks
- How to Serve? (Existing Tariff, Negotiated Sales Contract, Conduit, Other)

Item 8 – Large Load Service – Introduction

Relative Size

Existing VCE Loads:

- About 700,000 MWh / year Retail Sales (80 aMW)
- Industrial and Agricultural Customers ~ 20% of Load
- July Peak ~ 125 aMW

Large Load Additions:

- 10 MW Expansion, about 12% Load Increase.
- 100 MW Expansion, about 125% Load Increase.
- 1000 MW Expansion, about 1,250% Load Increase.

How Should VCE Evaluate Potential New Large Load
Impacts and Provide for Contract Service?

Item 8 – Large Load Service – Draft Policy

Why Establish Policy

- No Current Policy
- Evaluate/Address Operational/Financial Risk Impacts
- Evaluate/Address Cost/Rate Impacts
- Evaluate/Address Resource Portfolio Impacts
- Reduce Uncertainty / Be Prepared / Provide Flexibility

Draft Policy – Principles

- Load Threshold: 2MW/20,000MWh
- Advance Notice to VCE
- Conduct Impact Study
 - Added Costs
 - Existing Rates
 - Renewables/Generation
 - Financial Risk
 - Credit Implications
- Recover Service Cost
- Contribute to A&G
- Policy Compliance
- Credit Assurance
- Tariff or Power Sales Contract
- EROC Review
- Board Approval

Item 8 – Large Load Service – Draft Policy

Tentative Schedule

- August 2025 – 1st CAC Introduction / Receive CAC feedback
- September 2025 - 2nd CAC Discussion
- September / October 2025 – Board Consideration

Summary

Staff is seeking feedback from the CAC on the draft Large Load Policy.

Next Update in September will include:

- Incorporate initial feedback from CAC discussion
- Propose Large Load Service Policy for recommendation