Valley Clean Energy Alliance

New Rate Structure and Dividend Program Guidelines

Purpose: VCE is setting a new rate structure and dividend program to help VCE improve financial stability and maintain focus on its primary goals: a cleaner environment, meeting the members’ climate action goals, building agency reserves, offering custom tailored programs, and awarding customers for their loyalty and trust.

Program Guidelines:
• Match PG&E electric generation rates less PCIA exit fee
• Require a minimum 5% annual net margin (less principal debt payments) before any dividends are paid to VCE customers
• Require the enrollment process for the legacy NEM accounts (accounts with solar installation prior to June 2018) in the VCE service area has begun before any dividends are paid to VCE customers
• Annually based on the audited financial statements:
  • Calculate the Annual Net margin less principal debt payments
  • If Annual Net margin < 5% - no customer dividends and Board determine allocation of net margin to Cash reserves and & Local Program reserves
  • If Annual Net margin > 5% - Board determine allocation of any surplus (over 5%) to Cash reserves, Local Program reserves and Customer Dividends
• Guidelines of Allocation of Annual Net Margin
  • Annual Net Margin <= 5%
    • Up to 95% to Cash Reserves (Until 90-days of cash reserves met)
    • At least 5% to Local Program Reserves
  • Annual Net Margin > 5%
    • Follow guidelines for Annual Net Margin up to 5%
    • Annual Net margin in excess of 5%:
      • At least 50% to Cash Reserves (Until 90-days cash reserves met)
      • Remaining excess allocated between Cash Dividends and Local Programs Reserve at the discretion of the Board annually

Adopted: June 17, 2019
• Board approves allocation of Annual Net Margin on or around the September Board meeting

• Any surplus allocation to customer dividends will appear as bill credits or the customer may have the option to apply their dividend to the Local Program Reserve. Any customer dividends will appear as bill credits as follows:
  • Residential customers – annually in October bill
  • Non-residential customers – bi-annually in October and April bills

Adopted: June 17, 2019