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August 26, 2026

Valley Clean Energy Alliance
Community Advisory Committee
604 2nd Street
Davis, CA 95616

Re: August 27, 2026 CAC Meeting—Item 7, Draft Power Project Selection Criteria Guidelines

Dear Chair Taylor and Members of the Community Advisory Committee,

We begin with sincere appreciation for Chad Curran, Mitch Sears, and the VCE staff who prepared the draft Power Project Selection Criteria Guidelines. The draft reflects a careful review of the criteria adopted over the past two years by Ava Community Energy, Sonoma Clean Power, Silicon Valley Clean Energy, and San José Clean Energy, and it positions VCE to join its peers in California Community Power with a clear, public statement of what a great project looks like. We strongly support the draft's core elements: its prioritization of multi-trade project labor agreements, prevailing wage, and apprenticeship; its recognition of distributed energy resources under Technology Diversity; and its Community Engagement section, which is among the strongest we have seen because it begins at the planning and evaluation stage rather than at permitting.

We respectfully ask the CAC to recommend approval of the Guidelines to the Board with the refinements below. Each draws directly on language already adopted by VCE's peer CCAs, so none would put VCE ahead of the market. They would simply bring VCE's Guidelines to the level its peers have already reached.

Recommended Refinements at a Glance

Issue	**Why it matters**	**Requested refinement**
Application of Guidelines	"Can be applied" and "may be evaluated" make their use optional.	State that the Guidelines will be applied, with documented exceptions for regulatory, reliability, or cost needs.
Reporting and accountability	The Board and CAC need to know how projects were evaluated and whether commitments were met.	Report project evaluation and commitments at contract approval; request performance reporting after commercial operation.

Issue	Why it matters	Requested refinement
Joint procurement	VCE's standards should continue to guide decisions when projects are sourced through CC Power or other partners.	Apply the Guidelines when deciding whether to join jointly procured projects and advocate for consistent criteria at CC Power.
Workforce Pipeline	The proposed 5% target is below peer standards, and "targeted workers" is undefined.	Increase the target to 10% and define the workers the provision is intended to benefit.
Community benefits	Community engagement does not by itself guarantee a tangible community benefit.	Prioritize measurable benefits—including targeted hire—in affected low-income and environmental justice communities.
Location	The draft recognizes CAISO geography but does not expressly prefer California projects.	Give in-state California projects preference over out-of-state projects interconnected or able to interconnect with CAISO.
VCE-owned projects	The draft addresses contracted resources but not generation or storage VCE may develop or own.	Apply appropriate labor and workforce standards to VCE-owned projects.
Environmental responsibility	Projects may be evaluated before enforceable mitigation agreements exist.	Recognize early assessment and mitigation commitments, including compliance with applicable Habitat Conservation Plans.

Recommended Refinements Expanded

1) Make clear that the Guidelines will be applied. The draft's "can be applied" and "may be evaluated" leave the criteria optional, and sit inconsistently beside each criterion's "VCE will prioritize." SVCE's policy, which the draft most closely tracks, provides that it "shall be applied as part of the process of acquiring energy and capacity resources"; Ava, Sonoma, and SJCE likewise use affirmative language. We suggest: *"These Guidelines will be applied to the selection of long-term purchases of energy, capacity, renewable and carbon-free attributes, and other power-related attributes. Where staff determine that an exception is necessary to meet regulatory, reliability, or cost requirements, staff will document the basis for the exception when seeking Board approval."* This preserves the flexibility staff have rightly emphasized while making the Guidelines a real part of decision-making.

2) Report how projects were evaluated and whether commitments were met. The draft includes no reporting provision, so neither the Board nor the CAC can tell whether the criteria are working. Every peer reports: Ava at Board approval and after construction, SVCE at project approval and annually thereafter, and SJCE at approval with developer performance reporting within 90 days of commercial operation. We suggest a new Section 4: *“Staff will describe how each project was evaluated against these Guidelines, and the commitments the project has made, at the time it seeks Board approval of a long-term contract. Staff will request that project developers report on performance against those commitments within ninety days after the Commercial Operation Date.”*

3) Strengthen the joint procurement language. Section 3.1 has VCE only "may consider" the Guidelines in joint procurement—yet CC Power is where much of the large-scale, long-term contracting will occur. In March 2024 the CC Power Board agreed its members "abide by their governing board's policies" and that CC Power "is not and cannot be a conduit for circumventing locally adopted policies." SJCE commits to "seek to apply" its criteria in cooperative procurement, and Ava directs its representative to advocate for consistent criteria. We suggest: *“VCE will apply these Guidelines when determining whether to participate in projects sourced through joint procurement with CC Power, other CCAs, or third parties, and VCE’s representative to CC Power will advocate for project selection criteria consistent with these Guidelines.”*

4) Set the Workforce Pipeline target at 10 percent and define the workers it is meant to serve. The draft sets a 5 percent target and references "targeted workers" without defining them. Ava and Sonoma both set 10 percent of project labor hours and define a Priority Worker—Ava through categories such as veterans, the long-term unemployed, and former foster youth; Sonoma through residency in its designated communities or completion of a state-certified training program. We recommend a 10 percent target tied to a Priority Worker definition drawn from these models.

5) Prioritize measurable community benefit in low-income and environmental justice communities. Engagement alone does not guarantee benefit. SJCE gives first priority to projects that "commit to defined financial investments in low-income and environmental justice communities," and Ava prioritizes projects that "invest in" them. We suggest adding a first bullet under Section 2.8: *“Commit to defined financial investments or other measurable benefits (including targeted hire) to low-income and environmental justice communities affected by the project.”*

6) Prefer in-state California projects. Under Location, the draft prioritizes grid geography but never mentions California. Ava ranks in-state projects ahead of out-of-state, and SJCE gives first priority to projects located in California and interconnected with CAISO. We recommend adding in-state California projects as a tier after adjacent projects, subject to reliability and cost needs so VCE's procurement supports California's labor and environmental standards as well as its grid.

7) Apply the Guidelines to generation VCE develops or owns. The draft addresses offtake agreements only. Section 2.6 notes VCE's Strategic Plan calls for pursuing local distributed energy resources, and if VCE develops or owns generation or storage, the Guidelines should apply. Ava and Sonoma each include separate standards for larger and smaller owned projects. A short section applying prevailing wage, apprenticeship, and local and targeted hire to VCE-owned projects—with a project labor agreement for larger ones—would close this gap.

8) Recognize early-stage mitigation and Habitat Conservation Plan compliance. Section 2.7 rewards projects that already have an enforceable mitigation agreement, but many will not have reached that stage when VCE evaluates them. Ava and SJCE both provide that projects in an HCP area commit to compliance, and that earlier-stage projects earn priority for having assessed impacts and identified mitigation. We suggest adding: *"For projects at earlier stages of the permitting process, where the developer has assessed likely impacts to sensitive habitat or environmentally sensitive areas and committed to mitigation measures, including compliance with any applicable Habitat Conservation Plan."*

Flexibility and Cost

Staff have emphasized, correctly, that VCE must retain flexibility in a volatile energy and regulatory environment. Our refinements are designed to honor that. These Guidelines are preferences, not mandates: they tell developers at the outset what VCE values alongside cost, development risk, and regulatory fit, and VCE retains full discretion to select any project it needs. If the Board wants an explicit safety valve, Ava and SJCE both include a reservation of authority to waive the criteria for emergencies, regulatory orders, or unforeseen market changes that would unduly raise customer rates. A waiver provision of that kind is a far better way to preserve flexibility than leaving it uncertain whether the Guidelines apply at all.

The timing is also favorable. As the staff report notes, VCE is not currently in an active procurement cycle and is well positioned on its renewable and carbon-free goals. Adopting clear criteria now carries no cost today and shapes the proposals VCE sees when it next goes to market. Clear upfront preferences attract stronger, better-prepared proposals and help avoid the community opposition and permitting conflicts that have delayed or defeated projects across the state. VCE's peers have already shown that these provisions are practical and achievable; the refinements above simply bring VCE's draft to the standard those peers have set.

We urge the CAC to recommend that the Board approve the Guidelines with these refinements, and we thank VCE staff and the Committee for their leadership. We welcome the opportunity to work with staff on final language before the item reaches the Board.

Respectfully submitted,

Eric Veium, Tim Frank, Leslie Austin
Co-Directors, CCA Workforce & EJ Alliance
strongerCCAs.org