



THE POWER TO CHOOSE



VALLEY
CLEAN ENERGY

Valley Clean Energy is giving Woodland, Davis and unincorporated Yolo County an independent, reliable way to power our communities



A CHOICE FOR WHERE WE GET OUR POWER

BY THEA MARIE ROOD

In Yolo County, it's all about being local. Whether we are cheering UC Davis athletic teams, shopping in our historic downtowns, or drinking wine made from grapes grown right here in Yolo County, we are all looking for ways to support our neighbors.

Starting this June, residents and businesses in Woodland, Davis and unincorporated Yolo County will be able to get local energy, too, through an independent provider — Valley Clean Energy (VCE).

"VCE was created to deliver value to our local communities," said Mitch Sears, Interim General Manager of VCE. "Our mission includes cost-competitive clean electricity, product choice, price stability, energy efficiency and greenhouse gas emission reduction."

VCE is a Community Choice Energy program, one of approximately 14 similar programs in California that will be operational by the end of the year, with more on the way. Community Choice Energy programs are so popular because they are designed to offer an alternative to the single for-profit utility company model that has dominated the California electricity landscape for generations.

"We are creating competition where it didn't exist, which is very beneficial, not just for customers joining VCE but also for customers of PG&E," Sears said.

"As a locally based energy provider, VCE is accountable to the communities it serves, not shareholders."

Lucas Frerichs
Chair of the Valley Clean Energy Board



VCE is run by a six-member board of directors made up of elected city council and board of supervisor representatives from the City of Woodland, the City of Davis and Yolo County. The VCE Board of Directors holds monthly public meetings and is advised by a nine-member Advisory Committee that represents each of the three member jurisdictions.

"As a locally based energy provider, VCE is accountable to the communities it serves, not shareholders," said Lucas Frerichs, Chair of the VCE Board.

Local decision-making means a focus on using revenues to meet local needs and goals, which could include creating incentives for green energy programs or purchasing more renewable energy for nearby sources.

"We want to return value to our community — value that has been leaving," Sears said.

VCE has partnerships with existing local utility companies: PG&E will continue to maintain lines, monitor outages and provide billing services, and the Sacramento Municipal Utility District (SMUD), long recognized for its

innovative energy programs, will act as a consultant, ensuring VCE has a strong start.

"We'll make local decisions based on our customers' needs, but SMUD is helping to implement them," said Sears. "SMUD has 70 years of experience in not-for-profit wholesale energy and there is good alignment between VCE and SMUD in terms of how electricity is produced."

Valley Clean Energy Board of Directors

Angel Barajas (City of Woodland)
Duane Chamberlain (Yolo County)
Robb Davis (City of Davis)
Lucas Frerichs (Chair/City of Davis)
Don Saylor (Yolo County)
Tom Stallard (Vice Chair/City of Woodland)



THREE WAYS YOU HAVE CHOICE

1

Choice in Energy Providers

VCE offers residents and business owners an alternative to PG&E, a for-profit utility company that has been the only option for electricity in our area. PG&E customers in Woodland, Davis and unincorporated Yolo County will be automatically enrolled into VCE and can opt out at any time.

2

Choice in Energy Products

LightGreen — In this standard VCE service, 42 percent of the electricity comes from renewable sources at rates that are 2.5 percent less than PG&E's generation rates.

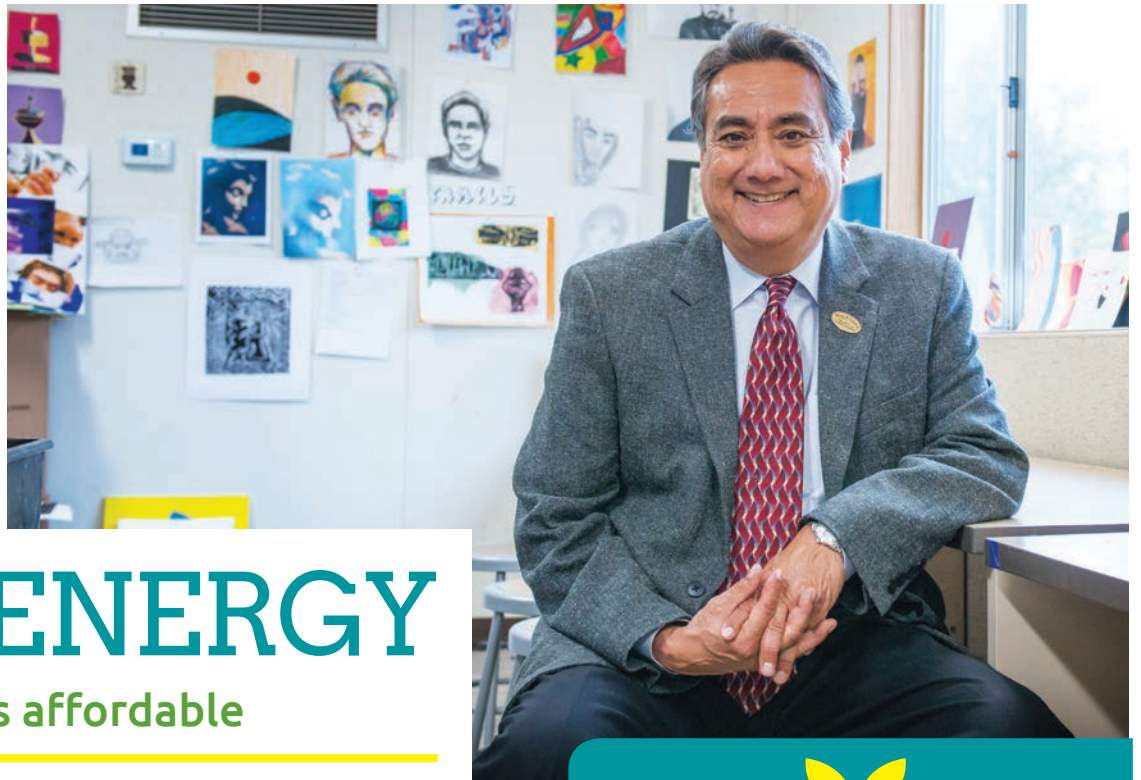
UltraGreen — For a slightly higher rate, customers can choose energy that is from 100 percent renewable sources.

3

Choice in Investments

VCE revenue will stay in Yolo County communities. Investment decisions by VCE's local board members could include incentive programs for energy efficiency retrofits or development of new renewable power projects.

Yolo County Office of Education Superintendent Jesse Ortiz said energy savings with Valley Clean Energy would allow his office to invest those savings into more energy-efficient projects.
PHOTO BY MELISSA UROFF



SHOP LOCAL — FOR YOUR ENERGY

Healthy competition will keep rates affordable for businesses and residents

BY MATT JOCKS

Valley Clean Energy is aiming to be more green. But it also figures to be more lean. And that could end up helping the bottom line of its customers in potential savings and environmental responsibility.

That combination appeals to Jesse Ortiz, the Superintendent of the Yolo County Office of Education and a Woodland resident.

“Our office spends about \$200,000 a year on energy,” Ortiz said. “If we could save 2.5 percent on electricity generation, which is what they are talking about, that could allow us to look into investing more in other energy-efficient projects and reallocate funding to enhance the educational environment, which in turn assists in improving educational outcomes.”

It also speaks to the larger goal of his office.

“We look at savings, but we also have to look at the children we are serving,” he said. “We should do anything we can do to slow the degradation of our environment for the children we’re trying to prepare for the future. You can’t separate those things. It all goes hand in hand.”

Serving the common good of Yolo County residents now and in the future was why VCE was created — to introduce choice to the local energy market and invest in local sources of energy where possible.

Underlying it all is VCE’s status as a not-for-profit public agency. Rather than having private shareholders, the customers, as well as local energy producers, effectively become the shareholders.

VCE will serve a potential market of 55,000 customer accounts in Woodland, Davis and unincorporated Yolo County, with a possibility of adding more jurisdictions in

“We look at savings, but we also have to look at the children we are serving ... It all goes hand in hand.”

Jesse Ortiz
Superintendent, Yolo County Office of Education

the future. While VCE will shop on the open energy market through its wholesale energy agent SMUD, it also has a goal to increase the amount of local renewable energy it purchases from Yolo County suppliers. This approach will help the agency manage its power costs and keep rates stable by being less susceptible to factors beyond local control.

Local customers will have a choice to buy energy from more renewable sources when they select one of VCE’s two energy programs: LightGreen and UltraGreen.

While the cost of the 100 percent renewable UltraGreen package will be slightly higher than PG&E rates, the LightGreen option will be 2.5 percent lower than PG&E’s generation rates while keeping well ahead of California’s renewable portfolio requirements. That makes a win-win for businesses that want to be greener and leaner.

“Lower rates are not only good for our consumers but will insure that our businesses, farmers and industries remain competitive,” said Tom Stallard, VCE Board Member and Woodland City Council member.



TAKING ENERGY INTO OUR OWN HANDS

Valley Clean Energy is focused on steering local energy consumption toward green energy: solar, wind and hydro. These are more sustainable because they rely on renewable sources, and they will also keep VCE ahead of current and anticipated state requirements for reduction of carbon-based sources that increase greenhouse gas levels.

VCE’s model of seeking local energy sources — primarily solar and hydro — also makes the plan more stable.

“Operating this way [with local energy] makes this more sustainable,” said VCE Board Member Don Saylor. “It’s going to take away some of the vagaries of long distance transmission of energy, as well as the volatility of some of those markets.”

Saylor said the long-term plan, once VCE is established, is to offer incentives for customers to move into fully renewable energy packages.



Paul Muller of Full Belly Farm in Capay Valley, shown here with daughter Hannah, is moving toward clean energy sources. Valley Clean Energy will allow them to further achieve this goal.
PHOTO BY MELISSA UROFF

A RESPONSIBLE CHOICE

As demand for clean energy grows, Valley Clean Energy will be ready to supply it

BY THEA MARIE ROOD

Full Belly Farm in Capay Valley strives to be a good steward of natural resources. That includes where the farm gets its energy.

“In the agricultural industry, we’re really redesigning how we think about energy — biologically and through technology,” said Paul Muller, one of the farm’s owners. “This is huge in terms of mitigating climate change. As we see temperatures rise and climate changes, we know we must be proactive as farmers.”

Full Belly Farm is already moving in the direction of green energy. Muller said he now runs 80 percent of his packing shed and 75 percent of his mechanic shed via solar panels. He is optimistic that Valley Clean Energy could help his farm rely even less on fossil fuels.

“I feel we should do whatever we can to keep fossil fuels in the ground longer,” he said. “VCE is making better energy choices and also sends a message to energy providers and policy makers that renewable energy is what people want.”

That demand is part of a statewide trend toward renewable energy, said Valley Clean Energy Interim General Manager Mitch Sears.

While demand for clean energy is coming from local communities, it’s also coming from the top down. A series

of laws have given California the most ambitious standard in the country in terms of clean energy, with a requirement for 50 percent of our electrical power to come from renewable sources — like solar or wind — by the year 2030.

“It’s anticipated that half of the electricity statewide will be delivered by one of these Community Choice Energy programs within the next five years,” said Sears, who noted Valley Clean Energy and other Community Choice Energy programs may be able to help the state meet its renewable energy standard more quickly than for-profit utility companies.

How? By being more accountable to its local community and by purchasing more renewable power than the utilities are required to. “Our energy has more

renewable content because it’s our mission — both at the base rate for the 42 percent LightGreen program and with the 100 percent renewable UltraGreen program,” said Sears.

Where will it come from? VCE’s current portfolio includes electricity from hydro and wind energy sources and the program is supportive of exploring other technologies, such as biomass and solar + energy storage, that are now being developed to consistently deliver even more renewable energy at competitive rates.

“Renewable energy is what people want.”

Paul Muller
Owner, Full Belly Farm



CLEANER BENEFITS US ALL

- VCE will purchase electricity from **hydro and wind energy providers** and will deliver higher rates of renewable content to customers than PG&E. VCE will also support **new technology** — such as solar + energy storage — and the development of new renewable generation facilities.
- VCE is working in cooperation with **SMUD**, the first large utility in California to have 20 percent of its power come from renewable sources, a figure that is now approaching 30 percent and is predicted to reach 41 percent by 2020. SMUD’s current power portfolio is more than 50 percent carbon-free.
- As a **Community Choice Energy program**, VCE will make **local choices** to further improve greenhouse emissions by delivering cleaner energy and exploring the creation of local incentive programs for local farmers, businesses and residents.
- The Center for Climate Protection estimates Community Choice Energy programs will **reduce at least 5 million metric tons of greenhouse gas emissions** cumulatively by 2020, compared to investor-owned utilities like PG&E.

Mary Kimball, Executive Director of the Center for Land-Based Learning, says Valley Clean Energy's local accountability will mean better service for customers in Yolo County.

PHOTO BY MELISSA UROFF

SHINING A LIGHT ON ENERGY DECISIONS

Local governance means
transparency and accountability

BY MATT JOCKS

For Valley Clean Energy, listening to customers is more than the right thing to do. It is essential to survival.

For Mary Kimball, Woodland resident and Executive Director of the Center for Land-Based Learning, a nonprofit educational center focusing on sustainable agriculture, the concept and form of Valley Clean Energy makes perfect sense.

"Anything that is locally controlled will always have the needs of the community it serves first. They will know those needs in a much more intimate way," she said. "When I see the people who are involved in the decision-making process for VCE, some of these are people I know, whom I have worked with, and they are people I respect."

Kimball said that the element of competition is also important to community needs being met.

"If this were the only provider, I might not be as enthusiastic. But there is a choice," Kimball said. "I grew up in Yolo County and I haven't had a choice of energy providers for my entire adult life. I'm very excited about it."

Transparency and accountability have been a top priority from the outset for Valley Clean Energy. This is reflected in the six-member board of directors that is made up of city council and board of supervisor representatives.

"Our board of directors is made up of local elected officials, and we'll be held accountable by our customers, who are the same voters who elected us in the first place," said VCE Board Chair Lucas Frerichs, who is also an elected representative on the Davis City Council.

To increase awareness and meet state requirements, each electricity account holder will receive two notices before Valley Clean Energy's launch in summer 2018, as well as two notices after the launch. The public will also have had opportunities to be part of the decision-making process of the board regarding rates, what sources and types of energy will be in the mix, incentives, and reinvestment strategies.

"VCE rates will be set through a transparent public process at local, public meetings," Frerichs said.

Initial rates were set in March 2018, and customers should be pleased.

"Anything that is locally controlled will always have the needs of the community it serves first."

Mary Kimball

Executive Director, Center for Land-Based Learning

"VCE has set rates for 2018 to be 2.5 percent less than the generation rates of PG&E," Frerichs said.

To boost public input, the six-member VCE Board of Directors is supported by a nine-member Advisory Committee and public meetings of the board and committee are held monthly, with future agendas and past minutes posted on the VCE website, valleycleanenergy.org.



**HEARING THE
COMMUNITY'S
VOICE**

Valley Clean Energy is designed to maximize the power of the community's voice as well as the power in its homes. Here is how VCE's structure keeps things local:

- A **6-person Board of Directors** representing Woodland, Davis and unincorporated Yolo County.
- A **9-person Advisory Committee** made up of three members from each participating community.
- Monthly **public meetings** that alternate between Woodland and Davis.
- A **website** that features the agendas and minutes of all meetings (valleycleanenergy.org).
- Emphasis on **utilizing local energy** where possible and investing net revenues in local energy generating and energy efficiency projects.





“Local engagement, competitive rates, environmental leadership — those are all things that are part of what we do.”

Victoria Zavattero
SMUD Director of Community Energy Services

A TRUSTED PARTNER IN ENERGY

Valley Clean Energy will work with SMUD to procure energy

BY MATT JOCKS

When it came time to work out some of the logistics for the launch of Valley Clean

Energy, it took a while before the board realized the answer was right next door.

Or, at least, across the river.

By luck of geography, Yolo County sits next to the home of the Sacramento Municipal Utility District (SMUD), an agency well-equipped to help.

Creating a new local energy provider requires a level of manpower that can be expensive and difficult to organize.

“Most community choice providers deal with this by using several different vendors,” said VCE Board Member Don Saylor. “But here we had an agency next door that had a positive reputation for high performance. And by using one vendor, we can have a streamlined, coherent approach.”

VCE is contracting with SMUD to provide customer service, energy procurement and technical support, allowing VCE to minimize staffing while being able to draw on the deep expertise of SMUD.

“We didn’t want to have to staff up,” Saylor said. “By maintaining a low cost for staff work, we’re able to maximize the value for our rate payers.”

At the same time, Saylor said the arrangement will still allow VCE to achieve its priority of local control.

“Valley Clean Energy retains all of the decision-making authority,” he said. “We’re still responsible for the operations of the agency.”

On the other end of the equation, SMUD sees value in promoting the kind of services VCE will provide.

“Our missions are aligned pretty closely,” said Victoria Zavattero, Director of Community Energy Services for SMUD. “Local engagement, competitive rates, environmental leadership — those are all things that are part of what we do.”

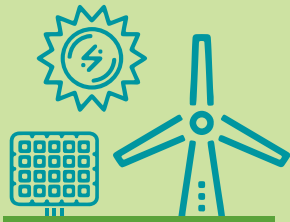
Zavattero said the revenue from the contract will enable SMUD to advance its own renewable energy goals, which will in turn benefit VCE.

“We’re also very interested in helping our neighbors take advantage of the benefits a public power model can provide,” she said.

For VCE, the arrangement seems like an obvious answer, at least in retrospect.

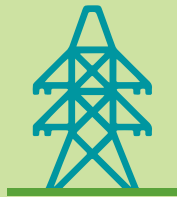
“In the course of our review process, it became clear that we had access to one of the nation’s best public utility agencies,” Saylor said. “No one has done it this way before. This is a new and innovative approach.”

HOW IT WORKS



SOURCE (VCE)

Procure and facilitate delivery of energy with advice from SMUD.



DELIVERY (PG&E)

Maintain and operate the delivery infrastructure and customer billing system.



SUPPORT (SMUD)

Handle customer call center, technical support and provide energy procurement services.



CUSTOMER (YOU)

Choose your mix of energy, LightGreen (42% renewable) or UltraGreen (100% renewable).



POWERING THE LOCAL ECONOMY

How businesses can do more with lower rates from VCE

BY RODNEY OROSCO

River City Bank President and Chief Executive Officer Stephen Fleming knew he was taking a chance when he decided to finance the Marin Energy Authority in May 2010.

It's a business decision he doesn't regret.

Marin Energy Authority is a Community Choice Energy program that gives local governments the authority to create a power company on behalf of their communities. Since then, River City Bank has added 10 similar programs to its rolls, including Valley Clean Energy.

Financing Valley Clean Energy definitely appealed to Fleming (he lives in Davis after all). But it also comes down to one local business supporting another.

Valley Clean Energy will be providing renewable, dependable electricity to the same local customer base as River City Bank, which is the largest, independent, locally-owned bank in the Sacramento region.

"We like the idea of local control," Fleming said. "And we like the idea of choice."

"We like the idea of local control. And we like the idea of choice."

Stephen Fleming
President and CEO,
River City Bank



That is exactly what Valley Clean Energy will offer. Businesses will now have the choice to buy sustainable energy from a not-for-profit, public company with headquarters in their county. Or they could choose not to join and stick with PG&E.

"If people want to, they can opt out of the program," Fleming said. "There is no downside to this program."

If the track record of other local energy companies is any guide, Valley Clean Energy's future will be one of supplying renewable, dependable energy to the region at rates that are 2.5 percent lower than the competition's generation rates.

Reducing energy costs for business customers is something that can have an economic benefit for the entire community.

"Lower utility bills means more money in the pocket of local business owners, which in turn, means they have more to spend on other goods and services, creating an economic ripple effect throughout our communities," said Valley Clean Energy Board Chair Lucas Frerichs.



FREQUENTLY ASKED QUESTIONS

How do I enroll?

Anyone with a PG&E electricity account in Woodland, Davis and unincorporated areas of Yolo County will automatically be enrolled. Service will begin in June 2018 — no action is required to begin enjoying cleaner, cheaper electricity and you can opt back into PG&E service at any time.

Does Valley Clean Energy (VCE) replace PG&E?

No. PG&E will continue to provide electricity to homes and businesses. PG&E will continue to maintain the power lines, turn on and off power, resolve outages and handle the billing. What Valley Clean Energy does is purchase electricity with higher renewable and lower greenhouse gas (GHG) content than is offered by PG&E.

How can VCE offer such competitive rates?

What makes this program so powerful is that VCE buys electricity through a competitive process that encourages private energy companies to compete to provide clean, renewable power at lower costs.

How will VCE set rates?

VCE electricity rates are set through a transparent public process. Rates for 2018 were set in March 2018 at a public meeting of the VCE Board of Directors in Woodland. Members of the public are given an opportunity and are encouraged to participate during public hearings.

Isn't renewable power more expensive than electricity from traditional sources?

Not anymore. The cost of renewable sources has dropped dramatically. In fact, in California, renewable energy is often cheaper than fossil fuel because after initial construction costs, wind and sun are free. And new resources such as solar + energy storage are now being developed to deliver reliable energy at competitive rates.

On June 1, 2018, Valley Clean Energy will begin providing clean, reliable energy to 55,000 customers in Woodland, Davis and unincorporated Yolo County.

POWERING OUR FUTURE

Communities in Yolo County have a new, local choice in energy

Like what VCE offers?

You don't have to do anything – you'll be automatically enrolled in LightGreen, VCE's lower-cost energy program (42 percent from renewable sources) with rates 2.5 percent below PG&E's generation rates.

Want to go greener?

For a slightly higher rate, customers can opt into UltraGreen, which delivers electricity from 100 percent renewable sources.

Want to stay with PG&E?

Customers have the option of opting out and staying with PG&E. VCE will even waive the transition fee back to PG&E for the first year.

Launch Timeline

April 2018 Pre-Launch (Customer Notice 1)	May 2018 Pre-Launch (Customer Notice 2)	June 1, 2018 Launch (Customer Notice 3)	July Post-Launch (Customer Notice 4)
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**VALLEY
CLEAN ENERGY**

www.valleycleanenergy.org

Learn about energy choices

Attend a public meeting

Share your story



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