



2021-2024 STRATEGIC PLAN

Prepared by JSR Strategies | September 8, 2021

A Letter to Our Pioneer Community

Being a community-owned, nonprofit utility means putting our customers and community at the heart of everything we do at Pioneer Community Energy. While change is transforming virtually every aspect of our business, Pioneer's purpose won't change. We exist to enhance the quality of life for our customers and community. What will change is our need to deliver value in new ways to meet the evolving expectations of our customers and the communities we serve.

Actions Fuel Success

I'm proud to share significant successes in Fiscal Year 2021. Some examples include:

- The Governing Board approved the expansion of Pioneer's service territory to include unincorporated El Dorado County and the City of Placerville. Representatives from the expansion territory joined the Board in March 2021, and Pioneer will begin service in January 2022.
- Pioneer conducted the inaugural customer survey to residents and commercial and industrial customers. We listened to our customers, and in June 2021, Pioneer launched the Green100 rate that gives customers the option to meet their energy needs from 100% renewable sources.
- Through fiscal management, Pioneer maintained its rates and has not changed them since 2019. Since Pioneer's formation in 2018 through 2020, we have saved our communities \$32.5 million on their utility bills compared with PG&E's rates.
- When Pioneer launched, it accumulated debt with Placer County Treasury in providing working capital. The debt to the County Treasury was paid in full in May 2021.
- Pioneer signed a contract with El Dorado Irrigation District (EID) for power generated by its hydroelectric facility over the next 10 years. The contract represents Pioneer's commitment to investing in local projects focusing on renewable energy sources. This partnership provides a mutually beneficial arrangement that meets EID's hydroelectric generation goals while providing Pioneer with cost-effective, clean electricity for ratepayers.
- Pioneer and Park Billing Company, Inc., signed a settlement agreement regarding electric generation rates charged to mobile home park (MHP) residents in the Pioneer service area, ensuring that MHP residents receive the benefits of Pioneer's competitive rates. This issue was addressed by SB 1117, which was passed by the California Legislature and signed by Governor Newsom in September 2020. The new law protects all MHP residents in the state.

Planning Promotes Confidence

The 2021–2024 Strategic Plan identifies opportunities with which we stand to make the greatest improvement and those areas where we need to mitigate risk. Although we are in stable financial condition and our core business is sound, Pioneer's work is not done. During the coming three years, our adaptive strategies will focus on diversifying our energy supply portfolio using a comprehensive analysis process to develop and update our Integrated Resource Plan. We will seek opportunities to optimize our resources, focus on grid resiliency, and hone partnerships with our various stakeholders. Decisions come with financial implications; hence the need for reasonable forecasting, scenario modeling, and risk management.

Relationships Matter

Through a focused employee engagement and strategic ownership process, Pioneer team members at every level are positioned to make meaningful contributions toward the initiatives and goals outlined in this document. The intrinsic understanding and alignment around Pioneer's values and collective goals will help to better promote organizational success.

Externally, our focus will remain on our local communities and assisting them with their energy needs. Time and attention will be spent with regulators, legislators, and other key decision-makers to influence outcomes to help reduce costs and improve the quality of life for our customers. Through education, collaboration, and a willingness to do what is in the best interest of our customers, we will navigate the changing business environment with confidence.

Input from stakeholders gathered at strategic planning workshops held in May 2021 was crucial in developing the inaugural edition of the Strategic Plan. I want to express my sincere appreciation and thanks to the Board of Directors and our Pioneer team for their commitment to — and valuable support of — this important effort.

Embracing the Future

We know change will continue to accelerate, and while change often isn't easy, it also brings opportunities. At Pioneer, we're embracing the future with confidence. As a united team, Pioneer employees look forward to proudly serving the energy needs of our owner communities in a reliable, environmentally responsible, and competitively priced manner.



Here's to the future,

A stylized, handwritten signature in dark ink that reads "Donald Eckert".

Donald Eckert
Executive Director
Pioneer Community Energy

Pioneer Board Members

Local representation of our region can be seen throughout Pioneer's Joint Powers Authority and Board of Directors. With their leadership, Pioneer provides the communities we serve a choice in power.



JIM HOLMES
Chair, Placer County
Board of Supervisors



JEFF DUNCAN
Vice Chair, Mayor,
Loomis Town Council



JOHN HIDAHL
El Dorado County
Board of Supervisors



SUZANNE JONES
Placer County
Board of Supervisors



ALICE DOWDIN CALVILLO
Auburn City Council



GREG JANDA
Rocklin City Council



DAN KARLESKINT
Lincoln City Council



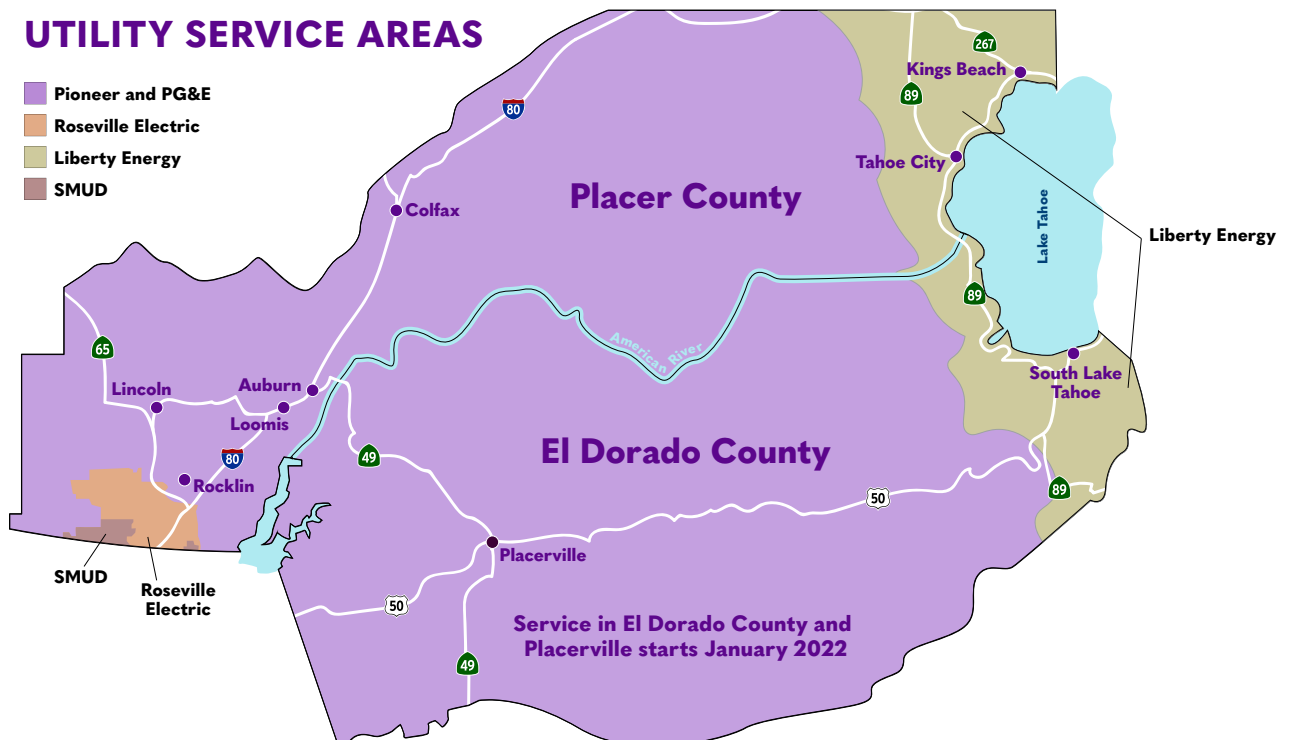
WES HEATHCOCK
Colfax City Manager



MICHAEL SARAGOSA
Placerville City Council

UTILITY SERVICE AREAS

- Pioneer and PG&E
- Roseville Electric
- Liberty Energy
- SMUD



Executive Summary

Community Choice Aggregation and the delivery of reliable, independent electricity is a complex and constantly evolving field. To remain focused and effectively meet the needs of the region, Pioneer Community Energy developed the 2021–2024 Strategic Plan as a road map to continue its role as a leader in community-based power and guide the success of our current and future initiatives.

The Strategic Plan was developed through collaborative work with the Board of Directors and research across stakeholder groups. The process included several planning sessions in 2021 that garnered information regarding who Pioneer serves, clarity on our role, and distinguishing factors as a regional partner in Community Choice Aggregation. Our process confirmed organizational direction and established the foundational statements highlighted in this Strategic Plan.

Mission Statement

Pioneer Community Energy is a locally owned provider of electricity — powering the communities we serve with competitive rates, reliable service, and a choice in energy options.

Vision Statement

A community partner in reliable energy solutions and positive local impact, powering today and empowering tomorrow.

Values Statement

Pioneer Community Energy is powered by our values of reliability, excellence, independence and placing our community first. We put these values to work every day for our customers and our team members throughout our region.

Strategic Priorities will guide the goals of this plan and focus on initiatives that reinforce our commitment to local engagement, quality in service, being an employer of choice, upholding operational excellence, and ensuring financial stability and strategic growth.

To optimize outcomes for the strategic goals and objectives in this plan, key performance indicators will be monitored on an ongoing basis, with accountability reports on progress shared by staff. Adjustments to processes implementing the Strategic Plan will be made as needed by the appropriate department, and an end-of-year report will be published by Pioneer Community Energy as part of its Outreach Plan to share impact and community benefit over three years.

Pioneer is pleased to present the 2021–2024 Strategic Plan, as it marks a historic moment for our organization and will foster a period of remarkable growth and collaboration. This would not be possible without the support and shared commitment of our Board of Directors and dedicated staff. Thanks to the support of these stakeholders, Pioneer will be trailblazing renewable energy pathways and maintaining a strong foothold in the region.



Organizational Overview & Historic Background

Since its launch in February 2018, Pioneer Community Energy has provided reliable electricity, competitive rates, and community-focused programs consistent with the needs of our service territory. One of 23 California Community Choice Aggregators, Pioneer is led by local representatives from a nine-member Board of Directors and currently serves over 93,000 meters (1,100,000 MWh) in Placer County. In order to extend the benefits of community choice to our neighboring cities and counties and protect competitive rates, Pioneer will add approximately 68,000 meters (739,000 MWh) once its expansion into Placerville and unincorporated El Dorado County is underway in early 2022.

Our Power. Our Choice.

To date, Pioneer's programs focus on energy independence through long-term contracts managing megawatt costs and pursuing sustainability initiatives through hydroelectric, biomass, and other renewable energy sources. Offering customers a choice in power from 100% renewable sources, Pioneer's Green100 Program received a strong response from the community and welcomed over 100 participants who opted-in during the program's first 30 days in 2021.

Pioneer has become a leader in regional sustainability by pursuing renewable energy sources and negotiating contracts with like-minded partners in electricity generation. Operating in a constantly shifting environmental landscape, this local control of electrical power has helped mitigate the impacts of rolling blackouts and Public Safety Power Shutoff events in the communities we serve.

Providing Superior Value through Energy Independence

Pioneer customers have enjoyed benefits beyond having a choice in energy and independence from PG&E. Since the organization's launch, residents, businesses, and agricultural customers have saved more than \$32.5 million on electricity from 2018 through 2020.

Pioneer Customers Total Savings | Feb. 2018 – Nov. 2020 \$32.5 Million



Residential Customers
Total Savings
\$18,658,191

Average Annual Savings – \$93



Commercial Customers
Total Savings
\$10,924,457

Average Annual Savings
Sm. \$180; Med. \$2,291; Lg. \$2,781



Industrial Customers
Total Savings
\$2,544,002

Average Annual Savings – \$80,315



Agricultural Customers
Total Savings
\$289,681

Average Annual Savings – \$353

Pioneer was built to provide stable and competitive rates. To date, we have averaged an overall generation rate of 8.15% lower than PG&E. Pioneer has kept generation costs stable since October 2019 and has the lowest generation rate compared with other Community Choice Aggregators in the state.

Pioneer Community Energy maintains one of the lowest energy rates among California Community Choice Aggregators, according to financial statements consolidated by Goldman Sachs and audited data reported by CCA Review.

CCA	CUSTOMERS	OPERATING REVENUE	AVERAGE RATE (\$/MWh)
Central Coast Community Energy	265,923	\$238.3 million	\$81.44
CleanPowerSF	311,777	\$167.8 million	\$80.47
East Bay Community Energy	546,707	\$463.4 million	\$80.72
MCE Clean Energy	473,826	\$416.1 million	\$77.01
Peninsula Clean Energy	287,987	\$278.1 million	\$77.87
Pioneer Community Energy	87,704	\$72.5 million	\$69.02
San Jose Clean Energy	243,436	\$337.0 million	\$89.71
Sonoma Clean Energy	225,973	\$170.8 million	\$76.16
Silicon Valley Clean Energy	264,215	\$292.5 million	\$75.75
Average	281,358	\$246.8 million	\$79.76

In 2021, the Power Charge Indifference Adjustment (PCIA) imposed by PG&E increased, which added to customer costs. Despite these increased fees, Pioneer’s rates remained low and stable. PG&E’s PCIA fee fluctuates annually but will sunset as PG&E’s expensive contracts expire. Although some Pioneer rate classes remain lower than PG&E’s, the latest increase has caused other customer rate classes to be higher than PG&E’s.

The reliability and value of Pioneer’s services position the organization for its expansion into new markets. As Pioneer expands its service area, the increase in volume will shore up energy independence from PG&E and protect rates through growth in reserves.

Local Advocacy for the Region

Pioneer champions legislative and regulatory policies to power the communities we serve. Our commitment to providing stable rates and dependable service aligns with some of the region’s most pressing environmental and public safety needs. Reducing the risk of wildfire, mitigating impacts of Public Safety Power Shutoffs (PSPSs), and expanding access to renewable power sources are some of the complex and ever-changing issues we address through our organization’s current and future-focused initiatives.

Helping Create Wildfire-resistant Communities

Pioneer is progressing toward funding and infrastructure supporting a local biomass program. By co-authoring legislation and providing lead testimony on Assembly Bills AB 843, AB 332, and AB 1519, Pioneer has advocated for initiatives that help power substations during PSPS events, fund bioenergy projects, and pave the way for reducing wildfire fuels in the region’s forests.

Advocacy for funding from the California Energy Commission has garnered well-deserved funds for the region and promoted wildfire resilience through grants and programs supporting bioenergy projects.

Local Advocacy for the Region



CalFire Forest Health Grants
Pioneer secured funding to get combustible materials out of forests in Placer and El Dorado counties.



CalFire Wood Products Team
Pioneer is pursuing participation in this program, which provides opportunities in biomass resource recovery.



CalRecycle
Pioneer is investigating funding opportunities through this program related to organic waste recovery aligned with California standards.



Western Placer Waste Management Authority
Pioneer is moving forward with biomass agreements with regional partners at Western Placer Waste Management Authority – preliminary site location identified with conceptual design.



Sierra Pacific Industries (SPI)
Pioneer forged a 10-year partnership agreement with SPI, ensuring the purchase of locally produced energy from renewable sources.

Powering Community Benefit

Pioneer invests in supporting the communities we serve with recession-proof, pandemic-resilient initiatives. The California energy industry is a \$138 billion business, and we believe our region's dollars should be reinvested in the local community, not distributed among shareholders.

Pioneer's commitment to its community — not shareholders — can be seen in its customer savings and its work to advance the local economy and create local jobs.

- Pioneer introduced the Arrearage Management Plan (AMP) program to help customers during the pandemic. The AMP program helps qualifying residential customers reconcile unpaid balances on their bills by offering up to \$8,000 in debt forgiveness for on-time payments.
- In 2020 alone, Pioneer contributed \$4.9 million locally:
 - » \$3.5 million to the local economy.
 - » \$1.4 million through the mPOWER program to local residents and businesses.

Community Benefit In Action

- Over \$3.5 million contributed to the local/regional economy in 2020.
- Arrearage Management Plan – Debt forgiveness program for customers utility debt accrued during the COVID-19 pandemic.
- Participating in development of a Percentage Income Payment Plan to help customers maintain control over utility balances and conserve energy.
- Small Business Payment Plans to support regional businesses in taking on the impacts of the pandemic and bolstering their recovery.
- Pioneer's agreement with El Dorado Irrigation District (EID) will be more than \$40 million in economic development actualized over the next ten years and will provide locally sourced hydroelectric energy as one of many renewable options for customers.



Foundational Statements

Following a series of planning meetings, the Pioneer Board of Directors provided landmark organizational direction approving Pioneer's mission, vision, and values statements. Our mission statement helps define us and what we do in service to the residents within our coverage territory and focuses on the work we do every day. Our vision statement identifies our commitment to partnering for the good of our community and describes the future we're continually working toward.

Mission Statement

Pioneer Community Energy is a locally owned provider of electricity — powering the communities we serve with competitive rates, reliable service, and a choice in energy options.

Vision Statement

A community partner in reliable energy solutions and positive local impact, powering today and empowering tomorrow.

Values Statements

Our organizational values define how we behave in the delivery of our mission and in the achievement of our vision. We believe it is important to stand for something and be accountable to those we serve. The following four values guide the way we prioritize and deliver our work and help shape a dynamic culture where our people thrive.

Community First

We are powered by the communities we serve — not corporate shareholders.

From the local Board of Directors representing our region to local customer service representatives who are a phone call away, we provide energy for the community, by the community.

Reliable

We know our customers depend on us, and we go above and beyond to provide stable and competitive rates while working to minimize rotating outages and Public Safety Power Shutoffs. The communities we serve can rely on us to be a transparent and ethical source of power.

Excellence

We instill excellence throughout our service. This means delivering a professional customer service experience and focusing our work on providing dependable sources of electricity. Powering what matters most in our community is our priority.

Independence

Independence distinguishes Pioneer from investor-owned PG&E. Because we are community-owned, we advocate for the region and offer a choice in energy. Pioneer invests in local businesses, grid resiliency, and community well-being — not corporate payouts.

Strategic Priorities

Pioneer Community Energy was created to serve the needs of our region. As a steward of Placer County and El Dorado County resources, Pioneer strives to excel in each of its strategic priorities. These Strategic Priorities are actionable and are demonstrated throughout our work and organizational goals and objectives.

Local Engagement

- Listen to our customers.
- Grow our relationships with residents and businesses.
- Launch a Community Program Advisory Committee.

Quality in Service

- Ensure the highest quality customer service.
- Keep rates stable and competitive.
- Launch community requested programs.





Strategic Priority 1: Local Engagement

Pioneer's distinguishing feature compared with investor-owned utility companies is our ownership structure. Local control is significant to our region, and therefore local engagement is essential to fulfilling our mission. We know Pioneer customers want a choice, and it is incumbent upon us to establish and nurture relationships within our local communities. We don't take our customers for granted, and we are committed to not only serving our customers but also representing them. We use the following strategies and tactics to achieve this goal.

Objective 1.1: Reinforce community listening channels by increasing engagement with current, returning, and future customers. Achieve a 92% participation rate by Dec. 31, 2023.

Objective 1.2: Residents and businesses are the backbone of our communities. Pioneer will work to strengthen comprehensive relationships, which includes engaging the top 20 commercial and industrial customers in each county we serve by June 30, 2022.

Objective 1.3: Launch a Community Program Advisory Committee in 2021.

Objective 1.4: Pioneer staff will increase the organization's presence within the communities we serve by participating in local events.

Objective 1.5: Grow engagement and reach of communications channels and ensure all platforms are providing engagement opportunities for residents and local businesses.

- In 2022, increase social media presence and followers on Facebook by 400%.
- Conduct an annual customer survey in winter 2022.
- Increase presence in El Dorado County through targeted social media and digital ad buys.

Strategic Priority 2: Quality In Service

Pioneer's mission to power the communities we serve with competitive rates, reliable service, and a choice in energy options comes from our commitment to quality service. This means we listen to our customers and respond to meet their needs.

Objective 2.1: Maintain the trust and responsiveness Pioneer customers expect in their service experiences.

- Ensure quick response times to customer service inquiries.
- Monitor and evaluate Calpine call center and billing services performance quarterly.

Objective 2.2: Keep Pioneer's rates competitive through policies and programs that ensure stability and a choice in power.

- Commit to a policy that strengthens Pioneer's response to rate volatility in the energy market by Dec. 31, 2021.
- Develop a cost-effective, grid-resilient product to increase access for business community members interested in joining Pioneer.

Objective 2.3: Prioritize community programs and develop new service programs by Dec. 31, 2022.

- Begin exploring economic development rates to incentivize businesses to move to the territory, using subsidized rates that benefit the community.
- Explore rate programs that incentivize local solar and biomass project development.



Strategic Priority 3: Employer of Choice

Pioneer team members are foundational to our success. We attract qualified staff and provide necessary training while fostering an environment that promotes workforce loyalty.

Objective 3.1: Conduct a biennial compensation and benefits study to ensure competitive wages and enhance employee retention.

Objective 3.2: Uphold Pioneer's company culture through internal communication channels and team engagement opportunities.

- Conduct an annual all-staff survey.
- Lead quarterly team-building activities.
- Invest in employee professional development pathways.



Strategic Priority 4: Operational Excellence

Reliability is central to our efforts and a core value of Pioneer. By prioritizing operational excellence, we retain our independence and agility as a provider while supporting our community by offering more options for reliable energy.

Objective 4.1: Continue grid resiliency efforts to mitigate PSPS events in our communities.

Objective 4.2: Position our business portfolio to be capable of diversification through the development of one biomass project.

Objective 4.3: Diversify Pioneer's energy procurement by issuing requests for proposals to potential partners to procure energy at "least cost, best fit" for the portfolio.

Objective 4.4: Target diversification of Pioneer's power source portfolio through procurement with regional suppliers.

Objective 4.5: Maintain zero customer data breach incidents through investment in Information Technology (IT) resources.

- Conduct annual IT cybersecurity audits and improve employee cybersecurity awareness through training and consistent messaging.



Strategic Priority 5: Financial Stability & Strategic Growth

Pioneer operates in a manner that ensures financial stability and delivers customer value. Service area expansion will allow us to leverage greater collective buying power for our communities, so we will pursue active agency growth to regions that share our values.

Objective 5.1: Pursue expansion opportunities with like-minded communities by initiating conversations with leadership within the jurisdictions.

Objective 5.2: Build policies and procedures that facilitate the growth of our service area.

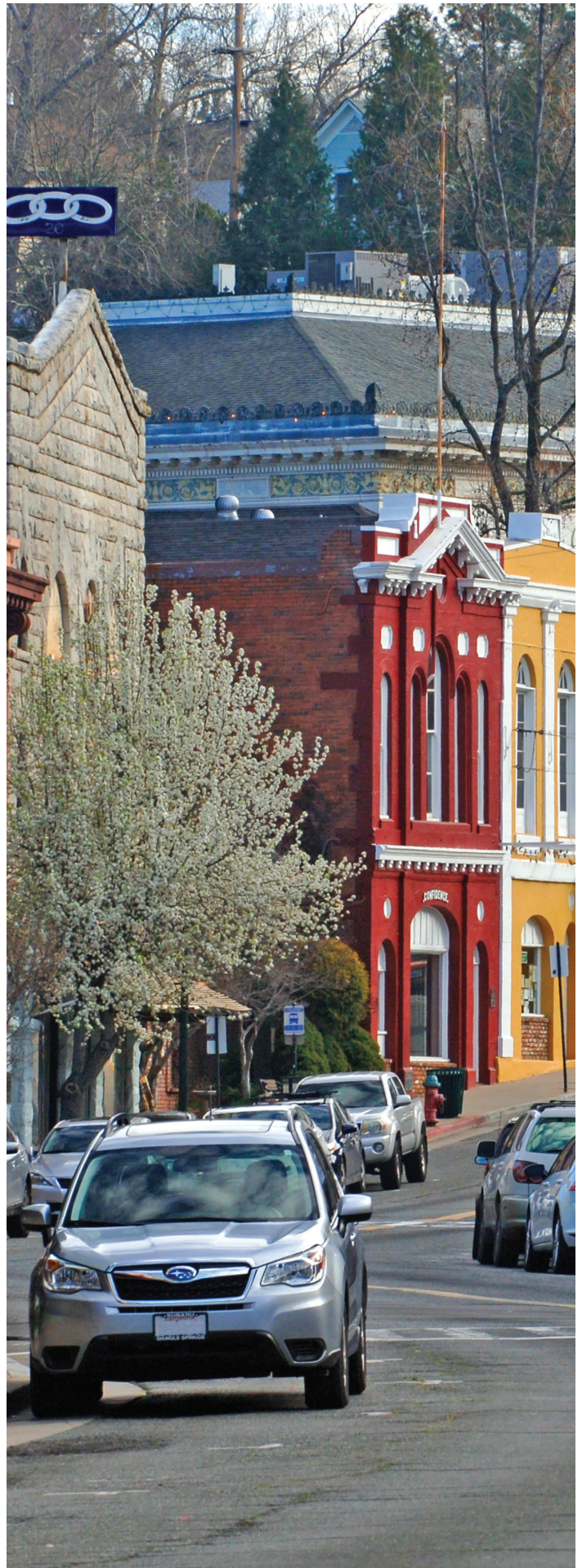
Objective 5.3: Implement policies that support the achievement of cash reserve targets.

Objective 5.4: Achieve an investment-grade credit rating.

Objective 5.5: Maintain participation in legislative and regulatory proceedings that positively impact the Power Charge Indifference Adjustment (PCIA) rate, advocate for cost-savings legislation and regulations, and work to hold PG&E accountable through legislation including SB 612, OCIA transparency efforts and AB 843.

Conclusion

Strategic planning is a critical component of effective governance and management for any organization, especially Community Choice Aggregators. The 2021–2024 Strategic Plan outlines key initiatives of Pioneer Community Energy to sustain its success and growth for years to come and will guide fundamental decisions and actions that shape the organization. Thanks to the support and regional leadership of our Board of Directors, we can continue to implement strategies that improve the lives and well-being of people living and working in our region.





PIONEER
COMMUNITY ENERGY

www.pioneercommunityenergy.ca.gov