

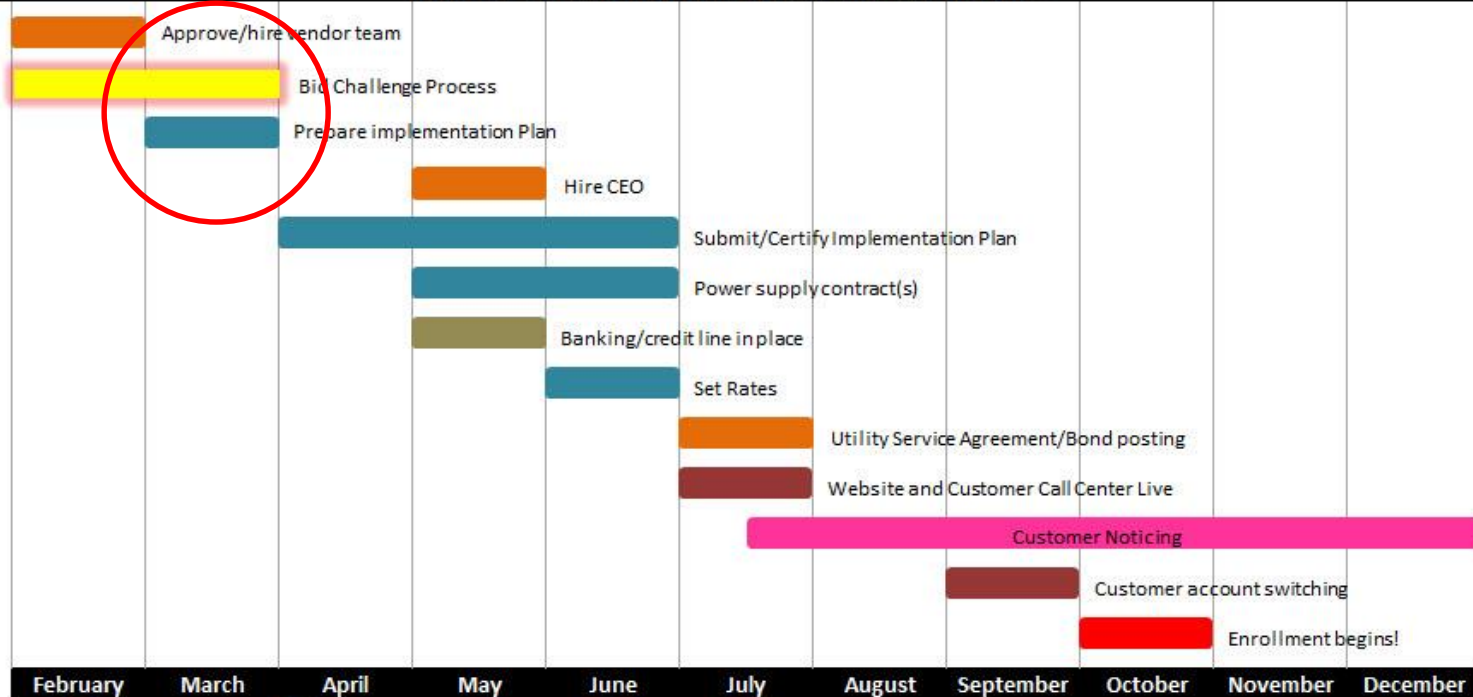


**Board of Directors Meeting**  
**February 15, 2017 \* 6:00 pm**  
**Hayward City Council Chambers**  
**Hayward, CA**

# Item 6: Timeline Update/Impact of Bid Challenges



**East Bay Community Energy Critical Path Timeline**



- Admin/Project Management
- Tech and Energy Services
- Banking
- Data Management/Call Center
- Marketing/Outreach

- February**  
Target #1  
Approve Vendor Contracts
- 1st Week of April**  
Target #2  
Submit Implementation Plan
- May**  
Target #3  
Secure Credit
- June**  
Targets #4/5  
Finalize Power Contract(s) and Set Rates
- Mid July**  
Target #6  
First Customer Notice

# Item 6: CAC Application Process Underway



1. Application posted; submission deadline is 2/21
2. Board subcommittee will participate in applicant review and selection process
3. Up Next: Committee scope, logistics and conflict of interest rules
4. First meeting: TBD; anticipate late March/April

## Application for East Bay Community Energy Authority (EBCEA) Community Advisory Committee

### APPLICANT INFORMATION

Name \_\_\_\_\_

Address \_\_\_\_\_

Organization represented and title (if applicable) \_\_\_\_\_

Phone/Email Address \_\_\_\_\_

Are you a resident of Alameda County?<sup>1</sup> \_\_\_\_\_

Are you a business owner in Alameda County (firm name and location) \_\_\_\_\_

### I am Applying Under the Following Stakeholder Category (please check top 2)

- |                                                        |                                                     |
|--------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> Environmental/Energy Advocate | <input type="checkbox"/> Labor Union                |
| <input type="checkbox"/> Clean Energy Business         | <input type="checkbox"/> Environmental Justice      |
| <input type="checkbox"/> Business Owner/Association    | <input type="checkbox"/> Regional/Large Energy User |
| <input type="checkbox"/> Education/Research Center     | <input type="checkbox"/> Cultural Organization      |
| <input type="checkbox"/> Social Justice                | <input type="checkbox"/> Low Income Advocate        |
| <input type="checkbox"/> Ratepayer                     | <input type="checkbox"/> Other _____                |

Please explain why you wish to be appointed to the East Bay Community Energy Authority Community Advisory Committee and briefly describe your qualifications including any applicable experience. Please indicate if you are a representative of an organization with expertise in energy issues generally and/or Community Choice Energy specifically. Please attach a resume if you wish.

\_\_\_\_\_

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<sup>1</sup> Note: Applicants can only be considered if their home or business is located within the EBCE service territory, which currently excludes the Cities of Pleasanton and Newark.

# Item 8: Implementation Plan Overview



## The Implementation Plan is:

- A statutory requirement: Public Utilities Code, Section 366.2.(c)(3)
- Provides detail regarding process and consequences of aggregation
- A document that must be considered and adopted at a public hearing
- A document that must be submitted to (and certified by) the CPUC

## The Implementation Plan is not:

- A detailed business plan for all intended programs of the CCE
- A detailed inventory of intended tariff options
- A description of future projects that may be developed/financed by the CCE
- ***In other words, this is NOT the Local Development Business Plan or an Integrated Resource Plan***

# AB 117 Cross References: SVCE Example



<b>AB 117 REQUIREMENT</b>	<b>IMPLEMENTATION PLAN CHAPTER</b>
Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan & Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate setting
Rate setting and other costs to participants	Chapter 8: Rate setting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination

# Some Decisions for EBCE



- Initial JPA Membership: which jurisdictions are “in”?
- General description of service offerings: default product, voluntary green pricing option(s), and others, if applicable
- General description of rate/pricing strategy: will EBCE generally match PG&E’s rate structure or will there be substantial differences?
- Identification of customer programs: NEM, FIT, EE and others, if applicable
- Customer enrollment: General plan for customer enrollment (phases, schedule, targeted customer groups)
- Description of EBCE’s organizational structure

# Baseline Decisions



Item for Implementation Plan	Potential Response
Initial JPA Membership	Current EBCE members. And, if Contra Costa jurisdictions join by June 30, they could also be included (assuming a Spring 2018 launch). If new members join later, the Plan would be amended.
Will EBCE generally match PG&E's rate structure or will there be substantial differences?	Recommend that EBCE match PG&E rate structure to promote rate comparison transparency and avoid customer confusion. Should also define key principles, such as rate parity or rate savings.
General description of rate/pricing strategy: Identification of customer programs: NEM, FIT, EE and others	Key word is "general". Other plans have fairly generic language – Yes, EBCE will have EE, NEM programs, etc. Doesn't require every detail to be included.
Description of EBCE's organizational structure	This would include a proposed org. chart - Board, CAC, key staff and their functions. Should also acknowledge potential for additional committees and outsourced functions.

# Key Decisions: Supply



- How much renewable energy supply does EBCE plan to start service with? Also percent of GHG-free power in the energy mix?
- PCE Example:
  - “PCE’s initial resource mix will include a renewable energy content of at least 50%.”
  - PCE is 75% GHG-free and SVCE is 100% GHG-free (but only because of large-hydro)
- MCE’s Plan (2010) noted minimum 25% RE content at launch; SCP (2013) noted minimum 33% RE at launch.
  - The IP does not need to be amended every time the RE content changes, unless it falls below the minimum level set in the IP.
- Technical consultant will suggest a portfolio mix based on: 1) program goals, 2) current market conditions and pricing, 3) feedback from Board.
- Worth noting that all CCA programs offer a default + 100% RE product





# Key Decision: Customer Enrollment Schedule



- A program as large as EBCE will enroll customers over 2-4 phases covering 12-24 months
- Other CCAs have started with commercial and municipal accounts with residential layered in over the course of each phase
- **Factors influencing enrollment schedule include:**
  - EBCE organizational and PG&E capacity
  - Program economics/budget impacts
  - EBCE credit capacity (to back power contracts)
  - Community “readiness”
- **Example from PCE:**
  - **Phase 1.** All municipal accounts, all small and medium commercial accounts, 20% of residential accounts, and all customer accounts that have voluntarily expressed interest in Phase 1 enrollment.
  - **Phase 2.** All large commercial and industrial accounts as well as 35% of residential accounts.
  - **Phase 3.** All agricultural and street lighting accounts as well as the remaining 45% of residential accounts.
  - **Phase 4.** Any remaining accounts, if necessary.

# Example: SCVE Customer Phasing Plan



## Silicon Valley Clean Energy Enrolled Retail Service Accounts Phase-In Period (End of Month)

	<u>Apr-17</u>	<u>Jul-17</u>	<u>Oct-17</u>
<b>SVCE Customers</b>			
Residential	37,627	103,475	188,136
Small Commercial	16,497	16,497	16,497
Medium Commercial	2,180	2,180	2,180
Large Commercial	141	1,007	1,007
Industrial	<15	37	37
Street Lighting & Traffic	743	743	1,376
Agricultural & Pumping	-	-	814
<b>Total</b>	<b>57,192</b>	<b>123,939</b>	<b>210,048</b>

# Other Elements: CCE Energy Programs



- Plan lists potential programs: energy efficiency, net energy metering and feed-in tariff, energy storage, etc.
- General characterization of program impacts to EBCE operations: e.g. peak load management
- Specific details of programs are not required to be reflected in the Plan
- Both MCE and SCP indicated:
  - That a NEM service option would be available for participating customers
  - That energy efficiency and demand reduction programs would be pursued, including projected load reductions associated with such programs
  - That local, distributed renewable resources would be supported through programs/tariffs of the aggregation program

- Supplier selection does not have to occur in advance of Plan submittal; can run concurrently, however no contracts can be signed until Implementation Plan is certified
- Description of supplier RFP process and short-listed respondents should satisfy requirements of the Code (while ongoing negotiations and final supplier selection occurs)
- MCE and SCP both generally described the solicitation/selection process that was utilized to identify qualified energy services providers. Also identified short list respondents.

# Other Elements: ProForma Operating Budget/Financing



- EBCE operating proforma will be validated/updated from the draft proforma in the technical study
- Key inputs: JPA membership, estimated number of accounts, resource mix/cost of power, and financing requirements
- Provides operating projections (in consideration of initial operating and supply costs and projected program revenues)
- Should also include a summary of anticipated financing requirements/plans during early-stage operations; should also indicate the possibility of longer-term financing needs associated with direct project investment.

# Example: PCE Projected Financials



**Peninsula Clean Energy**  
**Summary of CCA Program Startup and Phase-In**  
**(January 2016 through December 2025)**

CATEGORY	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
<b>I. REVENUES FROM OPERATIONS (\$)</b>											
ELECTRIC SALES REVENUE	16,643,801	182,856,794	246,925,988	254,330,641	261,958,189	269,815,346	277,909,028	286,246,360	294,834,680	303,681,550	2,395,202,375
LESS UNCOLLECTIBLE ACCOUNTS	(82,713)	(909,391)	(1,227,865)	(1,264,855)	(1,302,958)	(1,342,210)	(1,382,644)	(1,424,296)	(1,467,203)	(1,511,403)	(11,915,538)
<b>TOTAL REVENUES</b>	<b>16,561,088</b>	<b>181,947,403</b>	<b>245,698,123</b>	<b>253,065,786</b>	<b>260,655,230</b>	<b>268,473,136</b>	<b>276,526,384</b>	<b>284,822,063</b>	<b>293,367,477</b>	<b>302,170,147</b>	<b>2,383,286,837</b>
<b>II. COST OF OPERATIONS (\$)</b>											
<b>(A) OPERATIONS AND ADMINISTRATIVE (O&amp;A)</b>											
STAFFING & PROFESSIONAL SERVIC	1,892,292	3,681,606	4,206,469	4,332,663	4,462,642	4,596,522	4,734,417	4,876,450	5,022,743	5,173,426	42,979,229
MARKETING	657,856	1,715,780	1,429,511	1,474,513	1,520,940	1,568,837	1,618,250	1,669,228	1,721,821	1,776,080	15,152,815
DATA MANAGEMENT SERVICES	307,326	2,825,116	4,649,417	4,672,664	4,696,027	4,719,507	4,743,105	4,766,820	4,790,655	4,814,608	40,985,244
IOU FEES (INCLUDING BILLING)	101,558	928,367	1,558,033	1,612,798	1,669,488	1,728,170	1,788,916	1,851,796	1,916,887	1,984,265	15,140,278
OTHER ADMINISTRATIVE & GENER	406,250	901,250	928,288	956,136	984,820	1,014,365	1,044,796	1,076,140	1,108,424	1,141,677	9,562,144
ENERGY PROGRAMS	125,000	901,250	1,060,900	1,092,727	1,125,509	1,159,274	1,194,052	1,229,874	1,266,770	1,304,773	10,460,129
<b>SUBTOTAL O&amp;A</b>	<b>3,490,281</b>	<b>10,953,368</b>	<b>13,832,617</b>	<b>14,141,501</b>	<b>14,459,427</b>	<b>14,786,675</b>	<b>15,123,536</b>	<b>15,470,308</b>	<b>15,827,299</b>	<b>16,194,828</b>	<b>134,279,841</b>
<b>(B) COST OF ENERGY</b>	<b>13,695,230</b>	<b>141,106,875</b>	<b>195,219,317</b>	<b>201,877,099</b>	<b>208,735,199</b>	<b>216,393,701</b>	<b>224,359,013</b>	<b>232,643,378</b>	<b>241,259,517</b>	<b>250,220,653</b>	<b>1,925,509,981</b>
<b>(C) DEBT SERVICE</b>	<b>359,374</b>	<b>3,110,953</b>	<b>3,110,953</b>	<b>3,110,953</b>	<b>2,587,491</b>	<b>2,228,118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,507,843</b>
<b>TOTAL COST OF OPERATION</b>	<b>17,544,885</b>	<b>155,171,196</b>	<b>212,162,887</b>	<b>219,129,553</b>	<b>225,782,118</b>	<b>233,408,493</b>	<b>239,482,549</b>	<b>248,113,686</b>	<b>257,086,816</b>	<b>266,415,481</b>	<b>2,074,297,664</b>
<b>CCA PROGRAM SURPLUS/(DEFICIT)</b>	<b>(983,797)</b>	<b>26,776,207</b>	<b>33,535,236</b>	<b>33,936,233</b>	<b>34,873,112</b>	<b>35,064,642</b>	<b>37,043,835</b>	<b>36,708,378</b>	<b>36,280,661</b>	<b>35,754,666</b>	<b>308,989,173</b>

## Item 9: New Member Request



- Contra Costa County and their eligible cities are exploring their CCE options which include joining MCE, as five cities already have, or if possible, joining EBCE.
  
- Formal request received on 1/23/17 for EBCE membership information; EBCE Board authorized response on 1/30/17
  
- CCCo is Requesting 4 pieces of information:
  - 1) Cost to join
  - 2) Board representation
  - 3) Steps/process to join
  - 4) Estimated time of electric service delivery



## Proposed terms:

- EBCE will not charge Contra Costa jurisdictions to join and will absorb costs within current implementation budget and future financing.
- County/city staff would be asked to assist with JPA coordination and local outreach
- Total cost to include new members is roughly \$350,000 if ALL eligible jurisdictions decide to join. Costs spread out in phases.
- Steps to join and representation on EBCE Board same as Alameda County jurisdictions; Can be seated as soon as 2<sup>nd</sup> reading of CCA ordinance is complete and JPA Agreement is approved and signed.
- Contra Costa customer enrollments would begin in Spring of 2018, regardless of 2017 or 2018 program launch.
- Proposed deadline of June 30<sup>th</sup> for initial new members; can also join later if preferred

# The Message to Contra Costa County



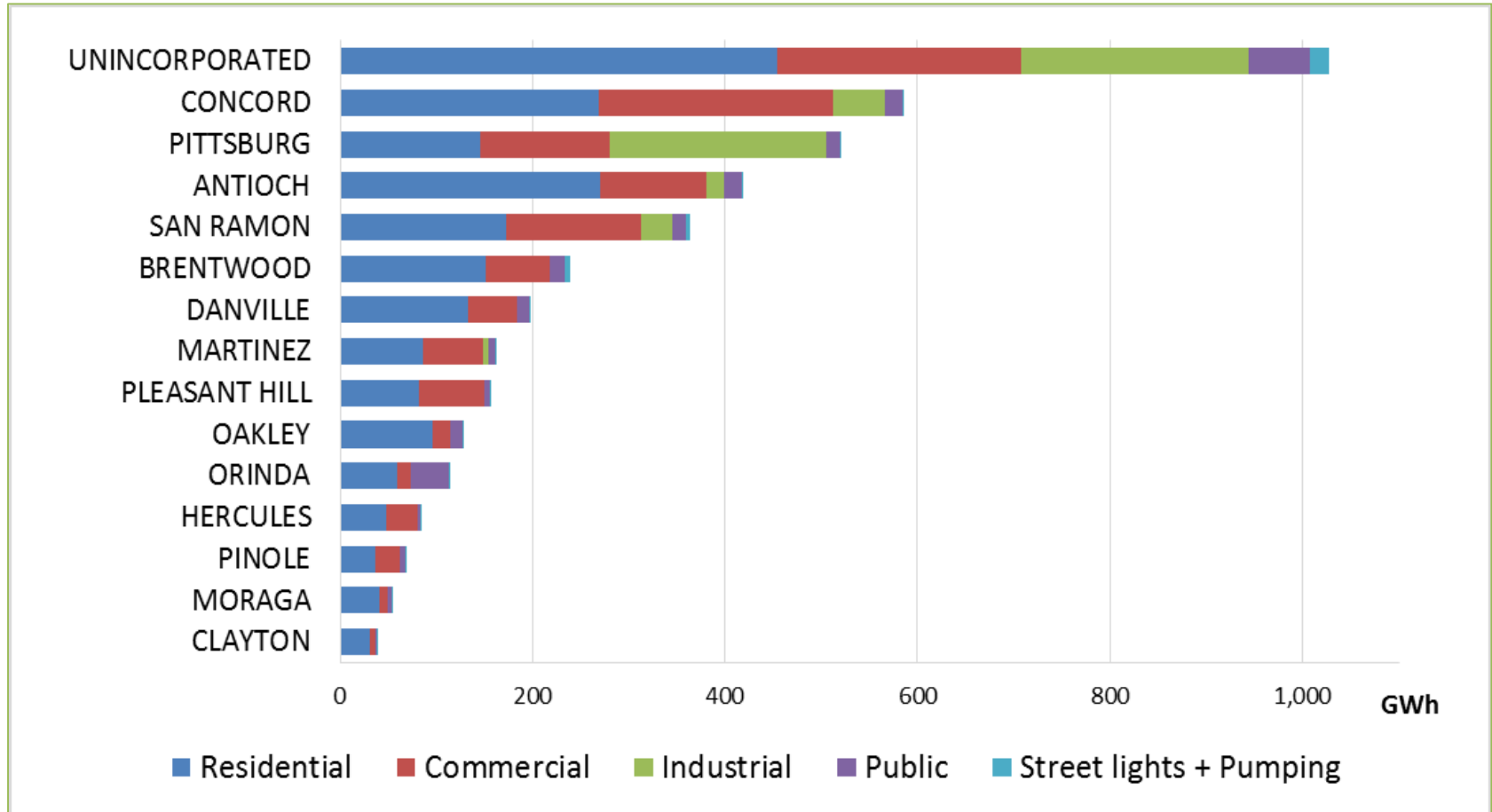
- Opportunity to join a new CCE program “on the ground floor”
  - Many organizational and policy decisions will be made in this formative phase
- EBCE will be the biggest in the state, could potentially have “economies-of-scale” benefits
- EBCE would become an East Bay regional JPA
  - Long history of bi-county cooperation, through JPAs and other programs.
- EBCE will have a major emphasis on local renewables development
  - Will include CCCo in local development business plan
- EBCE offering to cover the upfront costs of absorbing new members

# Local Development Business Plan



- Emphasis on community benefits reflected through the LDBP
- Labor and environmental stakeholders have joined together, for the first time, to jointly support the CCE program. This removes what has often been a contentious relationship in the past
- Key tasks in LDBP:
  - *Solar Siting Survey (much like has already been done in Contra Costa)*
  - *Energy efficiency technical and program analysis*
  - *Focus on innovate program development and financing options – trying to advance the overall CCE model.*
- We believe this may be of interest to Contra Costa and the analysis could be extended to include new members.

# Contra Costa Load by Eligible Jurisdictions



# EBCE Voting Implications



- Current EBCE Voting Members: 12
- Contra Costa Eligible Jurisdictions: 15

1 <sup>st</sup> Tier: Simple Majority 1 member/1 vote		2 <sup>nd</sup> Tier: Voting Shares Vote Based on load size	
Current EBCE Members	Current EBCE + Contra Costa jurisdictions	Current EBCE Members	Current EBCE + Contra Costa jurisdictions
12 possible votes	13-27 possible votes (depending on who joins)	Each member's vote varies by load size; requires three Board members to call for this voting process	
Alameda jurisdictions represent 100% of vote	Alameda jurisdictions represent 92% - 44% of vote	Alameda jurisdictions represent 100% of vote	If all CCCo jurisdictions join, Alameda jurisdictions represent 65% of vote
		<u>The Top 4:</u> Oakland = ~25% Fremont = ~16% Hayward = ~10% Berkeley = ~9%	<u>The Top 4:</u> Oakland = ~16% Fremont = ~11% Unincorp. CCCo = ~8% Hayward = ~7%

# Scheduled Contra Costa Meetings



## ➤ **Upcoming meetings:**

- ❖ Board of Supervisors: March 21
- ❖ Concord Public Workshop: February 23
- ❖ Danville and Oakley council meetings (am/pm): March 14
- ❖ Concord City Council: April 11
- ❖ Potential Mayors Conference Presentation: Date TBD

# Item 10: EBCE Board Meeting Schedule



## East Bay Community Energy Proposed 2017 Board of Directors Calendar

EBCE Board meetings to begin at 6:00 pm in Hayward City Council Chambers

Regular Board meetings on first Wednesday of each month

Second meetings (as needed for accelerated timeline) on the third Wednesdays

Some exceptions due to space availability

Date	Notes
January 30	Inaugural Board meeting
February 15	Regular Board meeting
March 1	Regular Board meeting
March 15	Second meeting if needed
April 12*	Regular Board meeting
April 19	Second meeting if needed; 4/26 is also available if preferred
May 3	Regular Board meeting
May 17	Second meeting if needed
June 14*	Regular Board Meeting
June 21	Second meeting if needed
July 5	Regular Board meeting
July 19	Second meeting if needed
August 2	Regular Board meeting
September 6	Regular Board meeting
October 4	Regular Board meeting
November 1	Regular Board meeting
December 6	Regular Board meeting

\*This is the *second* Wednesday. April 5<sup>th</sup> and June 7<sup>th</sup> are unavailable.





## Questions?

For further information, please contact:  
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