



Board of Directors Meeting

Wednesday, May 16, 2018

6:00 pm

City of Hayward

Council Chambers

777 B Street

Hayward, CA 94544

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 736-4981 or Scabrera@ebce.org.

If you have anything that you wish to be distributed to the Board please hand it to the clerk who will distribute the information to the Board members and other staff

1. **Welcome & Roll Call**
2. **Pledge of Allegiance**
3. **Public Comment**

This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker.

CONSENT AGENDA

4. **Contract Amendment with Davis Wright Tremaine, LLP**
Approve an Amendment to the Agreement with Davis Wright Tremaine LLP to add \$50,000 to the Professional Services Agreement and to modify the scope of work to include regulatory work related to resource adequacy.
5. **Technical Energy Evaluation Services**
Authorize the CEO, or his designee, to negotiate and execute a Professional Services Agreement with Edison Energy in the amount not to exceed \$350,000 for a term of one year to provide Technical Energy Evaluation services to assist in EBCE's CA Renewable Energy Project request for proposals process.
6. **Approval of 100% Renewable Energy Product Green-e Energy Certification**
Approve use of Green-e Energy certification for 100% Renewable Energy Product.

- 7. Authorize CEO to enter into a short-term office space lease agreement**
Authorize CEO Nick Chaset to enter into a short-term office space lease agreement not to exceed six months, in an amount not to exceed \$200,000.

REGULAR AGENDA

- 8. Approval of Minutes from April 18, 2018**
- 9. Chair and Vice-Chair Elections**
- 10. CEO Report (Informational Item)**
Accept CEO report on:
A. Executive Committee Meeting;
B. Update on Opt-outs; and
C. Local Development Business Plan Update
- 11. CAC Appointment Recommendations (Action Item)**
Appoint the following applicants to the Community Advisory Council for four-year terms ending, 5/16/2022:
A. Mary Sutter, Hayward;
B. Jane Franch, Berkeley; and
C. Richard O'Connell, Berkeley
- 12. East Bay Community Energy Fiscal Year 2018 - 2019 Budget (Discussion Item)**
Discuss and Approve Proposed Fiscal Year 2018-2019 Budget. Which includes projections for Revenues, Expenses, Financial Reserves, and Local Development.
- 13. Phase 2 Rates and Discount (Action Item)**
Adopt the following Phase II rates:
A. Bright Choice = 1.5% less than PG&E (same as Phase 1)
B. Brilliant 100 = equal to PG&E (same as Phase 1)
C. 100% Renewable = \$0.01 per kilowatt hour premium above PG&E
- 14. Demand Response Pilot (Action Item)**
Approve the proposed Demand Response Pilot program to be offered to up to 100 E19/E20 customers in the summer of 2018, as a way to encourage continued demand response in exchange for a bill credit on par with current PG&E programs.
- 15. California Renewable Energy Request for Proposals (Informational Item)**
Discuss EBCE's planned California Renewable Energy Project Request for Proposals
- 16. Board Member and Staff Announcements**
- 17. Adjournment -** to Date: Wednesday, June 20, 2018
Location: City of Hayward,
Council Chambers
777 B Street
Hayward, CA 94541



Consent Item 4

TO: East Bay Community Energy Board of Directors
FROM: Leah S. Goldberg, General Counsel
SUBJECT: Contract Amendment with Davis Wright Tremaine, LLP
DATE: May 16, 2018

Recommendation

Approve an Amendment to the Agreement with Davis Wright Tremaine LLP to add \$50,000 to the Professional Services Agreement and to modify the scope of work to include regulatory work related to resource adequacy.

Background and Discussion

EBCE entered into an Agreement with Davis Wright and Tremaine on November 13, 2107, for an amount not to exceed \$75,000 in legal services related to the CPUC Power Charge Indifference Adjustment rulemaking and negotiating with PG&E on matters related to the Jack London Development Project.

EBCE finds that it may need to engage in regulatory interactions related to obtaining resource adequacy and will need specialty legal assistance. Since Davis Wright Tremaine LLP has the expertise to assist EBCE and since EBCE already has an agreement with the firm, staff proposes that EBCE and Davis Wright Tremaine amend the Agreement for legal services to include this scope of work and to increase the amount on the Agreement by \$50,000. This would bring the total not to exceed amount on the Davis Wright Tremaine Agreement to \$125,000.

Conclusion

For the above reasons, staff requests Board approval of an amendment to the Agreement with Davis Wright Tremaine, LLP.

Attachment:

- A. Amendment to Agreement with Davis Wright Tremaine, LLP

Amendment to Agreement with Davis Wright Tremaine, LLP
for Specialty Legal Services

This Amendment to Agreement with Davis Wright Tremaine, LLP for Specialty Legal Services ("Amendment") is made this 16th day of May 2018, by and between the East Bay Community Energy Authority, a Joint Powers Agency formed under the laws of the State of California ("EBCE") and Davis Wright Tremaine, LLP, a California limited liability partnership ("DWT"), for the purposes of adding a task to the existing scope of work and associated funding.

Recitals

- A. EBCE and DWT entered into that certain agreement for legal services dated November 13, 2017, ("Agreement") wherein DWT agreed to assist EBCE with regulatory proceedings related to the Power Charge Indifference Adjustment proceedings at the California Public Utilities Commission and the negotiating with PG&E for the Jack London Development Project.
- B. The total compensation for these two items was capped at \$75,000 for work performed on such matters in the calendar year 2017.
- C. EBCE is in need of additional legal assistance related to resource adequacy, and DWT has the expertise and manpower available to assist EBCE in this area.

Now therefore, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1. The "Fees and Costs; Billing and Payment" section of the Agreement will be amended to add Fifty Thousand Dollars (\$50,000) to the fixed fee amount of Seventy-Five Thousand Dollars (\$75,000) for a not-to-exceed amount of total compensation under the Agreement of One Hundred Twenty-Five Thousand Dollars (\$125,000) to cover all costs and legal fees.
- 2. Schedule 1 will be amended to include the following:

Matter #3:

DWT will assist EBCE as needed on resource adequacy issues and associated regulatory matters on a time and materials basis using the billing rates as discussed in the Agreement. Such assistance may include giving advice to the CEO, the General Counsel and the Deputy General Counsel, draft necessary documents, reviewing documents drafted by EBCE legal staff, participating in legal strategy discussion, and communicating with the CPUC or any other regulatory agency or entity as necessary to advance EBCE's interests related to resource adequacy or similar regulatory matters.

- 3. All other terms and conditions in the Agreement not otherwise modified by this Amendment will remain in full force and effect.

In witness whereof, the Parties have entered into this Amendment on the date written above.

East Bay Community Energy Authority,
A Joint Powers Authority

Davis Wright Tremaine, LLP,
A California Limited Liability Partnership

Scott Haggerty Date
Chair Board of Directors

Patrick Ferguson, Date
Partner

Approved as to form:

Leah S. Goldberg, General Counsel



Consent Item 5

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer
SUBJECT: Technical Energy Evaluation Services
DATE: May 16, 2018

Recommendation

Authorize the CEO, or his designee, to negotiate and execute a Professional Services Agreement with Edison Energy in the amount not to exceed \$350,000 for a term of one year to provide Technical Energy Evaluation services to assist in EBCE's CA Renewable Energy Project request for proposals process

Background

East Bay Community Energy (EBCE) is currently in the planning stages of issuing a Request for Proposals (RFP) for long-term renewable energy Power Purchase Agreements (PPA). The solicitation is expected to focus on utility scale renewable energy projects within California for contracts of 10+ years. On April 24, 2018, EBCE issued a solicitation for Technical Energy Evaluation Services to support the administration, project analysis, and contract negotiations associated with this RFP. Six qualified proposals were received from a variety of counterparties. EBCE staff subsequently shortlisted and interviewed a subset of vendors based on qualifications, scope of proposal, and pricing.

Discussion

On April 24, EBCE issued an RFP for technical energy evaluation services. Six bidders responded to the RFP. Each bid was evaluated on the basis of competency to perform scope of work, best fit, price competitiveness, and EBCE's special procurement preferences. Each of the proposals was reviewed by EBCE Staff. Four bidders were interviewed. Based on staff review, no bidder was found to be eligible for any Special Procurement Preferences. Below is a table ranking the bidders (5 - being highest score, 1 - being lowest score)

Table 1 - Bidder Ranking

	Edison Energy	The Energy Authority	E3	Level Ten Energy	Clean Power House	Schneider Electric
Competency /Experience	5	3	5	4	4	4
Scope/Fit	5	4	3	4	4	3
Price	4	4	3	2	4	1
Total	14	11	11	11	12	8
Special Procurement Preferences:						
Alameda County	No bidder met any of EBCE’s Special Procurement Preferences					
Union Labor						
WMDV-LGBT Owned Business						

Based on EBCE staff scoring of the proposals and interviews, staff is recommending the selection of Edison Energy to provide services to assist in the upcoming California renewable energy long-term PPA RFP.

Staff is eager to issue this RFP in a timely manner and working with Edison Energy to provide administration services will allow the solicitation protocol to be issued in an expeditious manner. Furthermore, utilizing these services will help to facilitate a transparent, objective, and competitive solicitation process that seeks participation from a significant number of project developers. Such an RFP will encourage a significant volume of project proposals to inform EBCE’s power procurement and portfolio management. This will enable EBCE to seek the most cost effective PPA pricing while balancing the objectives of obtaining a diverse portfolio, high quality projects with development certainty, and low forecasted risk.

Edison Energy is a subsidiary of Edison International, which has a market capitalization of \$21B and an investment grade rating. Edison Energy is a well-established energy services company and has managed over \$5B of energy spend. Edison provides a trusted platform within the renewable energy industry.

EBCE staff is seeking approval to negotiate a contract with Edison Energy and for the CEO, or his designee, to negotiate and execute a contract to provide Technical Energy Evaluation services at a contract cost not to exceed \$350,000.

EBCE staff recommends working with Edison International to provide technical energy evaluation services, which may include:

- a) **RFP Management:** Provide documents and tools to assist in creating and administering the solicitation protocol, data aggregation, review of proposals, and developer diligence
- b) **Project and portfolio analytics:** Proposal evaluation and project diligence, including scenario modeling to assess forecasted project pricing and risk analysis
- c) **Contract Negotiation:** PPA and term sheet creation and commercial and legal assistance in contract negotiations and execution

Attachments:

- A. Resolution Authorizing the CEO, or his designee, to negotiate and execute a Professional Services Agreement with Edison Energy; and
- B. Standard Consultant Agreement

RESOLUTION NO. _____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all of the member jurisdictions.

Section 2. EBCE intends to issue a Request for Proposals for long term renewable energy Power Purchase Agreements (PPA) and is in need of technical expertise to assist in drafting the Request for Proposals, managing the Requests for Proposals, and analyzing the proposal responses, including appropriate modeling and forecasting, and negotiating the PPAs.

Section 3. EBCE solicited bids for the technical assistance with long term energy procurement Requests for Proposals and received six qualified responses. EBCE selected Edison Energy as the successful bidder subject to entering into a mutually acceptable Consulting Services Agreement.

Section 4. The Chief Executive Officer is hereby authorized to negotiate and execute an agreement with the Edison Energy in a form substantially similar to the attached Consulting Services Agreement in an amount not to exceed \$350,000 for a one-year term.

ADOPTED AND APPROVED this 16th day of May, 2018.

Scott Haggerty, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

**Consulting Services Agreement for
Technical Energy Evaluation Services By And Between East Bay Community
Energy Authority and [Edison Energy]**

This Consulting Services Agreement (“Agreement”) is made this [] day of May, 2018, (“Effective Date”) by and between East Bay Community Energy Authority, a joint powers authority formed under the laws of the State of California (“EBCE”) and [Edison Energy], a [] (“Consultant”) for the purpose of providing Technical Energy Evaluation services to EBCE.

Section 1. Recitals

1.1 The Authority is an independent joint powers authority duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) with the power to conduct its business and enter into agreements.

1.2 Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

NOW THEREFORE, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties to this Agreement, agree as follows:

Section 2. Term

The term of this Agreement is from the Effective Date of this Agreement through May 31, 2018, unless terminated earlier pursuant to Section 8.

Section 3. Scope of Work/Compliance with Laws and Regulations

3.1 Consultant agrees to perform the scope of work (the “Work”) in Exhibit A in accordance with the compliance schedule in Exhibit B.

3.2 Consultant represents and warrants that it has the skill and expertise to perform the Work. Consultant agrees to obtain any and all necessary licenses, approvals or permits necessary to perform the Work.

3.3 Consultant and its Subconsultants must comply with all federal, state and local laws and regulations in performing the Work under this Agreement.

Section 4. Consultant Staffing

Exhibit C contains a list of Consultant's project manager and all team members. Consultant will not change or substitute the project manager or any team members or add additional team members without EBCE's advanced consent.

Section 5. Subconsultants

5.1 Consultant agrees to use only those Subconsultants listed on Exhibit D. Any changes to Exhibit D to add or remove a Subconsultant must be approved by EBCE in advance, in its sole and absolute discretion.

5.2 Consultant agrees to require all Subconsultants to comply with the terms of this Agreement, including without limitation, maintaining insurance in compliance with the insurance obligations under Section 9, the Confidentiality requirements under Section 11 and indemnifying EBCE under Section 12.

Section 6. Compensation and Payment

6.1 The maximum compensation under this Agreement is \$350,000.

6.2 If the Work under this Agreement is to be performed on a time and materials basis, Consultant must submit invoices to EBCE on a monthly basis complete with the name of the individual that conducted the Work, the time spent and a brief description of the tasks performed during that time. On all invoices, Consultant must include the total compensation left on the Agreement after deducting the amount of the invoice and must submit invoices to EBCE by the 20th of the month following the month in which Consultant performed the Work.

6.3 If the Work under this Agreement is to be performed on a task or project basis, the Consultant will submit an invoice within thirty (30) days of completing the project to the satisfaction of EBCE for full payment, unless other arrangements have been made.

6.4 EBCE will not agree to pay any markups on Subconsultant Services or supplies unless such markups are included in Exhibit E, Compensation/Budget and such markups were included in Consultant's bid, if applicable.

6.5 The following are conditions on EBCE's obligation to process any payments under this Agreement:

6.5.1 If the Consultant is a U.S. based person or entity, the Consultant must provide to EBCE a properly completed Internal Revenue Service Form W-9 before EBCE will process payment. If the Consultant is a U.S. based person or entity, but has neither a permanent place of business in California nor is registered with the California Secretary of State to do business in California, the Consultant must provide EBCE with a properly completed California Franchise Tax Board form related to nonresident withholding of California source income before EBCE will process payment.

6.5.2 If the Consultant is not a U.S. based person or entity, the Consultant must provide EBCE with the applicable Internal Revenue Service form related to its foreign status and a California Franchise Tax Board form related to nonresident withholding before EBCE will process payment.

6.6 EBCE agrees to pay invoices within forty-five (45) days of receipt. Invoices may be sent to EBCE by U.S. mail or electronic mail to SCabrera@EBCE.org. Invoices will be deemed received on the next business day following the date of transmission via electronic mail or three days after placement in the U.S. mail.

6.7 EBCE, as a Joint Powers Authority, is a separate public entity from its constituent members and will be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant acknowledges that it will have no rights and agrees not to make any claims, take any actions or assert any remedies against any of EBCE's constituent members in connection with this Agreement.

Section 7. Records Retention and Ownership of Work Product

7.1 The Consultant must retain all ledgers, books of accounts, invoices, vouchers, cancelled checks, background materials, or other records relating to its performance under this Agreement for a period of three years following termination of this Agreement.

7.2 EBCE owns all rights, including without limitation, all licenses, copyrights, service marks and patents, in and to all Work Product(s), whether written or electronic, without restriction or limitation upon their use and immediately when and as created by the Consultant, any Subconsultants, or any other person engaged directly or indirectly by the Consultant to perform under this Agreement. Work Product(s) includes, but is not limited to, all writings, reports, drawings, plans, data, video, media, photographs, renderings, plans, software, models, documents or other materials developed or discovered under this Agreement. All Work Product(s) will be considered “works made for hire.” And all Work Product(s) and any and all intellectual property rights arising from their creation will be and remain the property of EBCE without restriction or limitation upon their use, duplication or dissemination by EBCE. Consultant agrees not to obtain or attempt to obtain copyright protection in its own name for any Work Product.

Section 8. Termination

8.1 EBCE may terminate this Agreement for any reason by giving Consultant written notice. The termination notice may set the date of termination, but if no such date is given, termination is effective seven (7) days following the date of the written notice.

8.2 EBCE may terminate this Agreement immediately upon written notice for any material breach of this Agreement by Consultant or any of its Subconsultants. If EBCE terminates this Agreement for cause and obtains the same services from another consultant at a greater cost, the Consultant is responsible for such excess costs in addition to any other remedies available to EBCE.

8.3 Upon termination for any reason, EBCE has the option of requiring the Consultant to complete work up to the date of termination or to cease work immediately. EBCE has the further option to require Consultant to provide EBCE any finished or unfinished Work or Work Product prepared by the Consultant up to the date of termination.

8.4 EBCE will pay Consultant the reasonable value of services satisfactorily rendered by the Consultant to EBCE up to the date of written Notice of Termination. If EBCE authorizes Consultant to continue performing the Work through the date of termination, EBCE will pay Consultant the reasonable value of services satisfactorily rendered up through the date of termination, providing such services are in compliance with the Compensation/Budget in Exhibit E.

8.5 Upon termination of this Agreement, and at no cost to EBCE, Consultant, its Subconsultants and anyone working for EBCE under control of Consultant must return all Work Product to EBCE. Consultant may only retain copies of the Work Product by express written permission of EBCE.

Section 9. Insurance

9.1 Consultant must procure, maintain and comply with the insurance requirements in Exhibit F throughout the full Term of this Agreement. Consultant must provide proof of insurance either in the form of a certificate of insurance or, if requested by EBCE, a copy of the insurance policy, prior to performing any work under this Agreement.

9.2 Consultant agrees not to terminate any of the required insurance coverage during the term of this Agreement. Consultant must give EBCE ten (10) days written notice and obtain EBCE's written approval prior to making any modifications in the insurance coverage.

9.3 Consultant must either include Subconsultants under its insurance policies or require each Subconsultant to comply with the insurance obligations in Exhibit F.

Section 10. No Discrimination or Conflict of Interest

10.1 Consultant represents and warrants, on behalf of itself and its Subconsultants, that it has not and will not discriminate against anyone based on his/her age, color religion, sex, sexual orientation, disability, race or national origin.

10.2 Consultant represents and warrants, on behalf of itself and its Subconsultants, that it is familiar with local, state and federal conflict of interest laws, that in entering into this Agreement it is not violating any of the conflict of interest laws, that it will avoid any conflicts of interest during the term of this Agreement, and that it will notify EBCE immediately if it identifies any conflicts of interest Consultant understands that violations of this Section 10 could result in immediate termination of this Agreement and disgorgement of compensation.

10.3 In accordance with the California Political Reform Act (Cal. Gov't Code section 81000 *et seq.*), Consultant will cause each of the following people performing services under this Agreement to file a Form 700 within 30 days after the person begins performing services under this Agreement and subsequently in conformance with the requirements of the Political Reform Act by filing the original with the EBCE Clerk to the Board of Directors. Each of the identified positions must disclose interests in accordance with the EBCE Resolution-2018-7, Conflict of Interest Code as may be amended from time to time.

Name	Position or Assignment

Section 11. Confidentiality

11.1 Except as authorized by EBCE or as otherwise required by law, Consultant shall not disclose to any third party(ies) any draft or final Work Product, discussions or written correspondence between Consultant and its Subconsultants or discussions or written correspondence between Consultant and EBCE staff. In the event Consultant receives a request from any third party requesting disclosure of any Work Product, discussions, communications or any other information Consultant is prohibited from disclosing, Consultant will immediately notify EBCE and wait for direction from EBCE before disclosing the information.

11.2 For the purposes of this Section 11, “third parties” refers to any person or group other than EBCE staff and Board members. For example, “third parties” include community groups, Board advisory groups, other governmental agencies, other consultants or members of the community.

11.3 This Section 11 will survive the expiration or termination of this Agreement.

Section 12. Indemnity

12.1 Consultant agrees, at its sole cost and expense, to indemnify, defend, with counsel reasonably approved by EBCE, protect and hold harmless EBCE, its officers, directors, employees, agents, attorneys, designated volunteers, successors and assigns, and those EBCE agents serving as independent contractors in the role of EBCE staff (collectively “Indemnitees”) from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, penalties,

judgements, liens and losses of whatever nature that arise, directly or indirectly, in whole or in part, out of or are in any way related to Consultant's or Subconsultant's performance or failure to perform the Work under this Agreement, regardless of whether the Consultant or its Subconsultants acted or failed to act intentionally, willfully, recklessly or negligently. Consultant agrees that its indemnity and defense obligations include all costs and expenses, including all attorney fees, expert fees, mediation, arbitration, or court costs in connection with the defense. Consultant further agrees to indemnify, defend, protect and hold harmless Indemnitees from and against any breach of this Agreement and any infringement of patent rights, trade secret, trade name, copyright, trademark, service mark or any other proprietary right of any person(s) caused by EBCE's use of any services, Work Product or other items provided by Consultant or its Subconsultants under this Agreement.

12.2 Consultant's obligations in Subsection 11.1 do not apply to the extent any claim, loss, damage, injury, expense or liability that results from the sole negligence or willful misconduct of Indemnitees.

12.3 Consultant's obligation to defend EBCE applies to the maximum extent allowed by law and includes defending Indemnitees as set forth in California Civil Code sections 2778 and 2782.8.

12.4 The Consultant's obligations under Section 12 applies regardless of the existence or amount of insurance the Consultant carries or has made available to EBCE.

12.5 The Parties agree that this Section 12 survives the expiration or earlier termination of the Agreement.

Section 13. Consultant is an Independent Contractor

13.1 Consultant and its Subconsultant(s) are and at all times will be independent contractors. Consultant has complete control over its operations and employees and is not an agent or employee of the EBCE, and must not represent or act as the EBCE's agent or employee. Consultant agrees, on behalf of itself and its employees and Subconsultants, that it does not have any rights to retirement benefits or other benefits accruing to EBCE employees, and expressly waives any claim it may have to any such rights.

13.2 As an independent contractor, Consultant has complete control over its Subconsultants, Sub, suppliers, affiliates agents and any other person or entity with whom the Consultant contracts in furtherance of this Agreement (collectively "Subconsultants"). Subject to the requirements of Section 5 of this Agreement, Consultant is solely responsible for selecting, managing and compensating its

Subconsultants, and for ensuring they comply with this Agreement.

Section 14. Miscellaneous Terms and Conditions

14.1 EBCE Authority.

The Chief Executive Officer or his/her designee is authorized to take all actions under this Agreement, including without limitation, amendments that fall within the Chief Executive Officer's signing authority, termination or modification of terms.

14.2 Waiver.

Waiver by either party of any one or more conditions, Sections, provisions or performance of this Agreement will not be a waiver of any other provision; nor will failure to enforce a provision or Section in one instance waive the right to enforce such provision or Section in the future. In no event will payment by EBCE to Consultant constitute or be construed as a waiver by EBCE of any breach or default of this Agreement, nor will such payment prejudice any of EBCE's other rights or remedies.

14.3 Governing Law.

Consultant and EBCE agree that this Agreement will be interpreted under the laws of the State of California.

14.4 Venue.

Any litigation resulting from this Agreement will be filed and resolved by a state court in Alameda County, California, or if appropriate, the federal courts in the Northern District of California located in San Francisco.

14.5 Audit Rights.

All records or documents required to be kept pursuant to this Agreement must be made available for audit at no cost to EBCE, at any time during regular business hours, upon written request by EBCE. Copies of such records or documents shall be provided to EBCE at EBCE's offices unless an alternative location is mutually agreed upon.

14.6 Recitals and Exhibits.

The Recitals in Section 1 above are intentionally made a part of this Agreement. All Exhibits and any other documents incorporated by reference are a part of this Agreement.

14.7 Notices.

Any notices required to be given under this Agreement must be made in writing and may be delivered a) personally, in which case they are effective upon receipt; b) by U.S. Mail, in which case they are effective three (3) days following deposit in the U.S. Mail, unless accompanied by a return receipt in which case, they are effective upon the date on the receipt; or c) by electronic mail, in which case they are effective upon confirmation of receipt, and if no confirmation of receipt, they are effective one day after transmission, providing that a hard copy is also sent via U.S. mail. All notices must be sent to the addresses below:

EBCE

Attn: Howard Chang
C/o WeWork
1111 Broadway, 3rd Floor
Oakland, CA 94607
Email: hchang@ebce.org
Phone: 510-809-7458

Consultant

Attn:

Email:
Phone:

14.8 Assignment.

Except to the extent this Agreement authorizes Consultant to use Subconsultants, Consultant will not assign any part of this Agreement without the EBCE's prior written consent. EBCE, at its sole discretion, may void this Agreement if a violation of this provision occurs.

14.9 Integrated Agreement.

The Recitals, this Agreement and the Exhibits attached to this Agreement contain the complete understanding between EBCE and Consultant and supersedes any prior or contemporaneous negotiations, representations, agreements, understandings and statements, written or oral respecting the Work up through the Effective Date of this Agreement.

14.10 Amendments.

Any and all amendments or modifications to this Agreement must be made in writing and signed by each Party before such amendment will be effective.

14.11 Government Claims Act.

Nothing in this Agreement waives the requirements to comply with the Governmental Claims Act, where applicable.

14.12 Severability.

If a court of competent jurisdiction holds any Section or part of this Agreement to be invalid or unenforceable for any reason and the Work can still be performed, the Parties agree to sever the invalid or unenforceable Section from this Agreement and that all remaining Sections or parts of this Agreement will continue to be enforceable.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed this Agreement on the dates below to be effective upon the Effective Date.

EBCE, a California Joint Powers Authority

(full name of consultant and the entities status e.g. "a California Corporation")

Nick Chaset, CEO
Date:

By:
Title:

By:
Title:
Date:

Approved as to form:

Leah S. Goldberg
General Counsel

LIST OF EXHIBITS

EXHIBIT A: SCOPE OF WORK

EXHIBIT B: SCHEDULE

EXHIBIT C: CONSULTANT STAFFING

EXHIBIT D: SUBCONSULTANTS

EXHIBIT E: COMPENSATION/BUDGET

EXHIBIT F: INSURANCE REQUIREMENTS

EXHIBIT A
SCOPE OF WORK

EXHIBIT B
SCHEDULE

EXHIBIT C
CONSULTANT STAFFING

EXHIBIT D
SUBCONSULTANTS

EXHIBIT E
COMPENSATION/BUDGET

Exhibit F

INSURANCE REQUIREMENTS

A. Minimum Scope and Limits of Insurance. Consultant must procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000.00) per project or location. If Consultant is a limited liability company, the commercial general liability coverage must be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant must obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Exhibit F.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant must execute a declaration that it has no employees.

4) Professional Liability/Errors & Omissions Insurance with minimum limits of Two Million Dollars (\$2,000,000.00) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Exhibit F must be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide.

C. Additional Insured/Additional Named Insured. The automobile liability policies must contain an endorsement naming EBCE, its officers, employees, agents and volunteers as additional insureds. The commercial general liability policy must contain an endorsement naming EBCE, its officers, employees, agents and volunteers as additional named insureds.

D. Primary and Non-Contributing. The insurance policies required under this Agreement must apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to EBCE. Any insurance or self-insurance maintained by EBCE, its officers, employees, agents or volunteers, will be in excess of Consultant's insurance and will not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Agreement will not prohibit Consultant and Consultant's employees, agents or Subconsultants from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against EBCE.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by EBCE. At EBCE's option, Consultant must either reduce or eliminate the deductibles or self-insured retentions with respect to EBCE, or Consultant must procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant agrees not to cancel any insurance coverage during the Term. Consultant further agrees not to, reduce or otherwise modify the insurance policies required by this Agreement during the term of this Agreement, without the prior written approval of EBCE. The commercial general and automobile liability policies required under this Agreement must be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to EBCE. If any insurance policy required under Agreement is canceled or reduced in coverage or limits, Consultant must, within two business days of notice from the insurer, phone and notify EBCE via electronic mail and certified mail, return receipt requested, of the cancellation of or reductions to any policy.

H. EBCE Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Agreement in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements of this Exhibit F, EBCE may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, EBCE may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant must promptly reimburse EBCE for any premium paid by EBCE or EBCE, in its sole discretion, may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant must furnish EBCE with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Agreement. The endorsements are subject to EBCE's approval. EBCE may request, and Consultant must provide complete, certified copies of all required insurance policies to EBCE. Consultant must maintain current endorsements on file with EBCE. Consultant must provide proof to EBCE that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant must furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant will not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify EBCE under Section 12 of this Agreement.

K. Subconsultant Insurance Requirements. Consultant's insurance coverage must include its Subconsultants or Consultant must require each of its Subconsultants that perform Work under this Agreement to maintain insurance coverage that meets all of the requirements of this Exhibit F.



Consent Item 6

TO: East Bay Community Energy Board of Directors
FROM: Dan Lieberman, Sr. Manager, Account Services
SUBJECT: Approval of 100% Renewable Energy Product Green-e Energy Certification
May 16, 2018
DATE:

Recommendation

Approve use of Green-e Energy certification for 100% Renewable Energy product.

Discussion

There has been some interest from large corporate customers and the public regarding whether EBCE's 100% renewable energy product will be Green-e Energy certified.

About Green-e

Green-e is the national leader in clean energy certification, ensuring that green power products meet environmental and consumer protection standards, and that customers get what they pay for. Green-e makes it easy for businesses and individuals to purchase verified clean energy with confidence, and for consumers to choose sustainable products and services. Green-e is the standard used by other environmental certifications including LEED green building certification and U.S. EPA's Green Power Partnership.

Supply

Green-e's national standard has criteria governing what will be eligible for certification. Green-e's standards are not the same as the California Renewable Portfolio Standard, but there is considerable overlap. Eligible renewable resources for Green-e include wind, solar, geothermal, biomass, and hydropower, with some restrictions. For example, hydropower must be certified by the Low Impact Hydropower Institute, and all renewable energy facilities must have been brought online within the past 15 years.

Demand

At the current time, there is interest in Green-e certification from several of EBCE's Top 200 customers, representing millions of kilowatt-hours of demand.

Discussion

There is value to EBCE to obtain Green-e certification for our renewable energy service at the time of product launch. Third party certification adds credibility, confirming that the product meets environmental and consumer protection criteria, and is independently verified by a California-based non-profit. Other CCAs have obtained Green-e certification for their green power programs including MCE, Peninsula Clean Energy, Silicon Valley Clean Energy, and CleanPowerSF. In brief discussions with staff, they mentioned that the certification did create an administrative burden on staff, but that it also created trust and value with customers.

If EBCE does not pursue Green-e certification, there is some risk that some customers may pursue the purchase of Green-e certified Renewable Energy Certificates from another vendor.

It is worth noting that Dan Lieberman, EBCE's Senior Manager of Account Services, previously worked at Center for Resource Solutions managing the Green-e program. He then worked for seven years helping electric utilities with their Green-e certification and audits, and he obtained Green-e certification for Peninsula Clean Energy's ECO100 service.

Fiscal Impact

In addition to the cost of supply, EBCE would need to make two annual direct payments to participate in Green-e. There is a certification fee to pay to the San Francisco-based non-profit Center for Resource Solutions, the operator of Green-e certification, and a supply audit also needs to be conducted by an auditor. The annual cost of certification is \$5,000 plus a volumetric fee of \$0.031 per MWh (assessed the following year); and the direct cost of the audit would be about \$4,000. The audit and Marketing Compliance Review will consume some staff time.



Consent Item 7

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Authorize CEO to enter into a short-term office space lease agreement
DATE: May 16, 2018

Recommendation

Authorize CEO Nick Chaset to enter into a short-term office space lease agreement not exceed six months and not to exceed \$200,000

Discussion

EBCE currently has a month to month lease for space that support up to 12 employees. As EBCE expects to hire between 5-9 employees over the next three months, more office space is required.

EBCE Staff is commencing the process of evaluating options for EBCE's long-term headquarters. Within six months, EBCE expects to have completed its review of long-term office space options and have a recommendation for Board approval. This request serves as an interim solution to support EBCE growth until that exercise has been completed.

Attachment:

- A. Resolution Authorizing CEO Nick Chaset to enter into a short-term office space lease agreement

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all of the member jurisdictions.

Section 2. EBCE currently rents office space on short term lease from WeWork. The existing space can accommodate up to 12 employees. EBCE has nine employees now, but anticipates that number will grow over the next three months to a point that EBCE will outgrow the existing office space.

Section 3. The EBCE Board of Directors finds that it is in the best interest of EBCE for all staff offices to be in close proximity to one another to allow for easy collaboration.

Section 4. The Board of Directors hereby authorizes the Chief Executive Officer to negotiate and execute a lease for additional office space with a term of six months or less, in an amount not to exceed \$200,000 for the full term.

ADOPTED AND APPROVED this 16th day of May, 2018.

Scott Haggerty, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



DRAFT
SUMMARY MINUTES

Board of Directors Meeting

Wednesday, April 18, 2018

6:00 pm

San Leandro Civic Center

835 East 14th Street

San Leandro, CA 94577

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 736-4981 or Scabrera@ebce.org.

If you have anything that you wish to be distributed to the Board please hand it to the clerk who will distribute the information to the Board members and other staff

1. Welcome & Roll Call

Present: Directors: Pilch (Albany), Arreguin (Berkeley), Hernandez (Dublin), Martinez (Emeryville), Bacon (Fremont), Mendall (Hayward), Spedowfski (Livermore), Rood (Piedmont), Hernandez (San Leandro), Dutra-Vernaci (Union City), Eldred (Community Advisory Committee) and Chair Haggerty (Alameda County)

Excused: Vice-Chair Kalb (Oakland)

2. Pledge of Allegiance

3. Closed Session

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of California Government Code Section 54956.9--one case.

No reportable action was taken in Closed session

4. Public Comment

This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker.

Barbara Stebbins - Invited the Board to the Local Clean Energy Alliance event Community Microgrids: Building Resilience and Sustainability on May 10, 2018 at 7:00pm at 436 14th Street, 5th floor, Oakland, CA.

Al Weinrub - Spoke regarding the LDBP symposium and requested that a schedule for the LDBP implementation be presented to the community.

CONSENT AGENDA

5. Approval of Minutes from March 21, 2018

6. Approval of Payment of CalCCA Dues and Share of Litigation Fund

Authorize the CEO to submit payment to the California Community Choice Association for EBCE's operational membership dues and litigation fund contribution for FY17-18, in the amount of \$112,500.

7. Authorize CEO to Negotiate and Execute an Agreement for Accounting Services

Authorize the CEO to negotiate and execute an agreement with an outside accounting firm to support all facets of financial operations for a contract not to exceed \$200,000 a year, for a two-year term.

8. Approval of Corrected Traffic Control Light (TC1) Rate

Approve the corrected Traffic Control Light (TC1) rate to account for the adjusted Power Charge Indifference Adjustment (PCIA) fee. These rates remain at 1.5% below PG&E for Bright choice and on par with PG&E for Brilliant 100.

9. Contracts Entered Into

Accept the CEO's report on Contracts Entered in between March 21 and April 18

Director Dutra-Vernaci Motioned to approve the Consent Calendar. Director Arreguin seconded the motion which carried 11/0 Excused: Vice-Chair Kalb

REGULAR AGENDA

10. CEO Report (Informational Item)

Accept CEO report on:

- A. Executive Committee Meeting; and
- B. Local Development Business Plan Update

Presented

Director Eldred thanked staff for their participation at the LDBP symposium

11. Approval of 100% Renewable Energy Product (Action Item)

Review and Adopt:

- A. 100% Renewable Energy Product Timeline;
- B. Product Premium; and
- C. Mechanics for Offering Product

The Board Discussed

- Options to opt-up entire communities to 100% renewable product
- Renewable product rate
- Opt-out concerns
- Phase 2 product offerings
- Billing mechanisms
- Member City Climate Action Plans

Jim Carolla - Spoke regarding Bay Area Air Quality, climate change; support for CCA based on desire for 100% renewable energy; Agency competitiveness with existing programs; and suggested subsidizing 100% renewable product to allow for greater participation.

Richard Rollins - Thanked Board for moving forward with 100% renewable product, encouraged product to be offered at phase 2 and timing of product offerings.

Aaron Reven - Spoke regarding renewable generation that does not displace fossil fuel use if there is no demand for the energy and in support of directing premiums towards implementing the Local Development Business Plan.

Audrey Ichinose - Spoke regarding concerns with staff recommendation, not naming participating communities and county boundaries. Ms. Ichinose also spoke regarding the need to offer 100% Renewable product.

Barbara Stebbins - Spoke for East Bay Clean Power Alliance in support of a 100% renewable product offering with the Phase 2 roll out and recommended naming the product local 100% to support local development.

Jessica Tovar - Spoke for East Bay Clean Power Alliance in support of a 100% renewable product offering, local build out and suggested naming the 100% renewable product Bold Local 100% renewable as a name for the product.

Beth Weinburger - Spoke in support of 100% renewable product and concerns with delaying the third product offering. Ms. Weinburger also suggested the third product should be named to elude to local development.

Director Mendall motioned to:

- A. **Add 100% Renewable product as the third product to existing products: Bright Choice and Brilliant 100;**
- B. **Directed staff to name 100% renewable product;**
- C. **Product will be available with Phase 2 Launch and rates calculated on a Kwh bases.**

Director Arreguin seconded the motion which carried 11/0; Excused: Vice-Chair Kalb

12. Approve Stipends for the Community Advisory Committee Members for Meeting Attendance (Action Item)

Adopt a Resolution approving stipends for Community Advisory Committee members for meeting attendance.

Director Spedowski motioned to approve Stipends for the Community Advisory Committee members for meeting attendance. Director Hernandez (Dublin) seconded the motion which carried 11/0 Excused: Vice-chair Kalb

R-2018- 17

13. Board Member and Staff Announcements

Director Dutra-Vernaci asked staff to confirm that the May 2nd meeting will be cancelled.

Director Hernandez suggested agendizing a default product discussion to consider defaulting customers to Brilliant 100 and allowing customers to opt up or down.

CEO, Nick Chaset thanked the City of San Leandro and Council Member Hernandez for hosting the Community Advisory Committee and the Board of Directors meetings

14. Adjourned



Staff Report Item 10

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: CEO Report (Informational Item)
DATE: May 16, 2018

Recommendation

Accept Chief Executive Officer (CEO) report on update items below.

Executive Committee Meeting

On April 27, 2018, the Executive Committee of the East Bay Community Energy Board met for its second meeting. The agenda for the Executive Committee meeting covered chair and vice chair elections, the budget, jurisdictions electing to default communities onto a 100% renewable energy product, regionalization, and results of a study on renewable energy content, greenhouse gas emissions, and rates.

Update on Opt-Outs

EBCE has experienced 132 opt-outs through May 9, 2018. These customers represent 0.24% of EBCEs total Phase 1 accounts and 0.52% of EBCE Phase 1 load.

Table 1 - EBCE Opt-Out Count 5/9/18

City	Eligible SA	Opt Out	% of SAs	Eligible KWh	Opt Out kWh	% of Load
J04 - ALBANY INC	55,800	132	0.24%	3,511,381,139	18,243,677	0.52%
J10 - BERKELEY INC						
J15 - DUBLIN INC						
J19 - EMERYVILLE INC						
J22 - FREMONT INC						
J25 - HAYWARD INC						
J34 - LIVERMORE INC						
J43 - OAKLAND INC						
J46 - PIEDMONT INC						
J61 - SAN LEANDRO IN						
J65 - UNION CITY INC						
J78 - UNINC ALAMEDA						

The one major insight that can be derived from these statistics is that a very small number of large accounts can drive up the percentage of load that is opted-out.

Local Development Business Plan

The Local Development Business Plan (LDBP) team is working to complete an initial draft of the Local Development Business Plan to be issued for public review and comment but has informed EBCE staff that it requires an additional two to three weeks to complete the draft. The LDBP team provided the following updated schedule to EBCE staff on May 10, 2018.

Table 2 - Updated LDBP Schedule

Local Development Business Plan (LDBP) Schedule	
Task/Description	Target for Completion
Task 1 - 6:	
Finalize Drafts (to address feedback received)	Monday, April 30, 2018
Task 7:	
Finalize Drafts (to address feedback received)	Monday, April 30, 2018
Complete Initial Scenario Analysis and Summary Reports	Friday, May 7, 2018
Complete Jobs, Labor Income, and Financial Impact Report	Friday, May 1, 2018
Final Analysis of Recommended Scenario	Monday, May 14, 2018
Submit Draft LDBP Document	Monday, May 21, 2018
Final LDBP:	
EBCE posts Draft LDBP for public comment (due May 25)	Week of May 21-25, 2018
EBCE holds community meetings to review LDBP	Weeks of May 27-31 and June 3-7 2018
LDBP Public Comments due	June 11, 2018
Delivery of the Final LDBP Document for EBCE Board Review	June 15, 2018

Presentation of the Final LDBP to EBCE Executive Committee	Friday, June 29, 2018
Presentation of the Final LDBP to EBCE Board for Approval	Wednesday, July 18, 2018

Attachments

- A. Letter from LDBP Consultants, ALH Urban & Regional Economics Updating Project Schedule

May 9, 2018

Nick Chaset, CEO
East Bay Community Energy
1111 Broadway, 3rd Floor
Oakland, CA 94607

Dear Mr. Chaset;

The Local Development Business Plan Team (LDBP) is in the final stage of the project and is working to deliver a complete Draft of the LDBP for circulation and public comment in May of 2018. While our target date for delivering a complete Draft of the plan has been May 14, 2018, we are writing to request a short extension of that deadline.

The LDBP project is meant to provide a comprehensive framework for accelerating clean energy development in Alameda County using the Community Choice Aggregation mechanism, and it has been an exhaustive effort on behalf of the LDBP Team, EBCE staff, and a wide range of stakeholders. The distillation of the substantial amount of work that has been produced and delivered to EBCE for the LDBP project to-date, into the first-of-its-kind business plan, is a challenging process. While we are making steady progress, we believe that the requested extension is necessary to produce a high-caliber finished product that delivers the fullest measure of value to EBCE and its stakeholders.

The LDBP Team suggests the following timeline for completion of the LDBP project:

- Delivery of the Draft LDBP document- *May 21, 2018*
- Circulation of the Draft LDBP document- *May 21-June 8, 2018*
- Delivery of the Final LDBP document for EBCE Board Review- *June 15, 2018*
- Presentation of the Final LDBP document to EBCE Executive Committee- *June 29, 2018*
- Presentation of the Final LDBP document to EBCE Board for Approval- *July 18, 2018*

The timeline outlined above represents a slight delay from the anticipated timeline for completion of the LDBP project, and the LDBP Team accepts full responsibility for this. However, given the scope and importance of the Local Development Business Plan we believe that it is worth taking the extra time to ensure the best possible outcome. Therefore, we respectfully submit this request for an amended timeline for completion of the LDBP project

Sincerely,



Amy L. Herman, Principal
ALH Urban & Regional Economics
On behalf of the LDBP Consulting Team



Staff Report Item 11

TO: East Bay Community Energy Board of Directors
FROM: Deidre Sanders, Director of Government and Community Affairs
SUBJECT: CAC Appointment Recommendations (Action Item)
DATE: May 16, 2018

Recommendation

Appoint the following applicants to the Community Advisory Council for four-year terms ending 5/16/2022:

- A. Mary Sutter, Hayward;
- B. Jane Franch, Berkeley; and
- C. Richard O'Connell, Berkeley

Background and Discussion

For several months the CAC has had difficulty holding meetings for lack of a quorum due to vacancies and non-participation. To fill the vacancies EBCE solicited interest in serving on the Community Advisory Committee. In response to this solicitation, EBCE staff received 17 applications from throughout the county (e.g., Berkeley, Castro Valley, Fremont, Hayward, Livermore, Oakland, San Leandro). Eight applicants were invited to interview with an ad hoc committee composed of three board members (Chair Scott Haggerty, Director Dianne Martinez, Director Al Mendall). The interviews were conducted on 4/20, 4/24, and 4/27. Applicants were invited to interview based on Committee needs for regional and stakeholder diversity. Factors that influenced recommendations included ability to attend meetings and potential for conflicts of interest.

The Board has also identified the need for alternates to the CAC, but this will require an amendment to the JPA to be submitted at a future Board meeting. If the JPA amendments are approved, the alternates will be selected from the pool of interested candidates interviewed by the ad hoc Board committee and the list of alternates will be submitted to the Board for approval in the coming months.

Each of the new members would be appointed for a three-year term commencing upon their swearing in at the next CAC meeting. The three proposed CAC members would join the following group of existing CAC members.

Table 1 - Current CAC Members

Name	Residence	Stakeholder Representation
Anne Olivia Eldred	Oakland	Labor Union and Public Health (other)
Cynthia Landry	Oakland	Labor Union
Rev. Ken Chambers	Oakland	Environmental Justice and Low-Income Advocate
Megan O'Neil	Oakland	Energy Advocate and Ratepayer
Monica Padilla	Fremont	Environmental/Energy Advocate and Ratepayer
Nick Gigliotti	Pleasanton	Education/Research Center and Labor Union

Fiscal Impact

No budget impacts beyond the board-approved stipend, approved at \$50/meeting for CAC members on Wednesday, 4/18/18.

Attachments

- A. Resumes of three (3) CAC applicants recommended for appointment

Application for East Bay Community Energy (EBCE) Community Advisory Committee

East Bay Community Energy (EBCE) is seeking applicants from Alameda County to fill vacancies on its Community Advisory Committee. The Community Advisory Committee (CAC) was formed in 2016 as part of the Alameda County Board of Supervisors' 2014 decision to explore formation of EBCE with the goal of creating competition for electricity services and to accelerate investments in clean energy resources and local energy projects. EBCE seeks to ensure a diversity of members and interests for the CAC as well as members who represent all areas of the County. The CAC's members are community stakeholders appointed by the EBCE Board of Directors to provide advice and recommendations to the EBCE Board and is not a decision-making entity.

Member Roles:

- 1) Advise the Board of Directors on all subjects related to the operation of the CCA Program as set forth in a work plan adopted by the Board from time to time, with the exception of personnel and litigation decisions,
- 2) Represent the views of their respective communities in their comments and recommendations;
- 3) Serve as an information-channel back to their colleagues and communities; and
- 4) Help EBCE staff and Alameda County and city officials identify issues of concern and opportunities to educate about CCE in Alameda County

EBCE is now taking applications for membership on the CAC. **The EBCE asks that anyone wishing to apply to complete this form and submit to DSanders@ebce.org no later than 5 pm on March 14, 2018.**

NOTE: this application is a public document and will be available for review upon request. The EBCE may choose to interview final candidates.

APPLICANT CRITERIA:

1. Residents, business owners, employees or representatives of a community-based organization in the County of Alameda are eligible for membership¹.
2. Applicants should be committed to serving on the CAC and attending regular Board and planning meetings. Board meetings may take place twice monthly until the program is launched, and then may be no more frequent than once per month. Meetings will generally take place in the early evening hours. Planning meetings will be determined by the CAC. Members of the CAC will serve staggered four-year terms (the first term of three of the members shall be two years, and four years thereafter), which may be renewed.
3. Applicants with conflicts of interest that may hinder effective participation in the CAC are discouraged from applying. All applicants will be reviewed for conflicts of interest by EBCE legal counsel.

QUESTIONS: Please call or email Deidre Sanders at: 925.390.3942; dsanders@ebce.org for more information.

APPLICANT INFORMATION

Name	Mary Sutter
Address	Hayward, CA

¹ Note: Applicants can only be considered if they are residents of an EBCE member jurisdiction, which currently excludes the Cities of Pleasanton, Newark and Alameda.

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

Organization represented and title (if applicable)	
Phone/Email Address	██████████
Are you a resident of Alameda County?	Yes
How long have you lived in Alameda County?	27 years
Are you a business owner in Alameda County (firm name and location)?	Yes - Grounded Research and Consulting, LLC in Oakland, CA
Employment Information:	Self Employed
Your employer?	
Job Title?	Partner
Spouse's employer?	United Airlines
Spouse's Job Title?	Airline Mechanic

<u>I am Applying Under the Following Stakeholder Category (please check top 2)</u>			
<input type="checkbox"/>	Environmental	<input type="checkbox"/>	Labor Union
<input type="checkbox"/>	Energy Advocate	<input type="checkbox"/>	Environmental Justice
<input type="checkbox"/>	Clean Energy Business	<input type="checkbox"/>	Regional/Large Energy User

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

<input type="checkbox"/>	Business Owner/Association	<input type="checkbox"/>	Cultural Organization
<input type="checkbox"/>	Education/Research Center	<input type="checkbox"/>	Low Income Advocate
<input type="checkbox"/>	Social Justice	<input checked="" type="checkbox"/>	Other <u>Hayward Hills Property Owner Association (200</u>
<input checked="" type="checkbox"/>	Ratepayer	<input type="checkbox"/>	<u>properties) I am pursuing representing the Fairview MAC as well.</u>

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 include thoughts you have the purpose of the CAC and key goals for both the CAC and East Bay Community Energy. 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, letters of recommendation, or other relevant materials if you wish.

I desire to be a member of the Community Advisory Committee (CAC) that advises the East Bay Community Energy Authority (EBCE) because I believe in community service and have the knowledge and expertise to provide valuable advice. EBCE has two strong components that are of high interest to me - a short and direct line of communication between energy users and those who purchase that energy as well as the opportunity to help ensure reliance and sustainability within the county of Alameda.

I am an energy professional. As an evaluator of energy efficiency programs for 27 years, I understand the demand side of energy use as well as the markets in which energy is used.

I am a past president of the Alameda Municipal Power (AMP) electric utility board. AMP, a locally owned and operated electric utility, serves the town of Alameda and is overseen by an all-volunteer board of community members. The board oversees all AMP operations, helps to hire the General Manager, sets rates, determines policy, serves as regulatory oversight to ensure continued fiscal viability, and creates the long term strategy. I served for 3 years as a commissioner on the board and another 1.5 years as the board president.

I am collaborative. I see the CAC as a structured avenue for the EBCE board of directors to obtain useful advice from the community. I would strive to act as a conduit for those I represent - bringing information to the EBCE directors about what my community wants as well as taking information back to that community. I would seek out areas that EBCE directors need to understand more and work with my fellow CAC members to provide technical expertise so that the directors have the information they need to make decisions.

I am pragmatic. I believe that local communities will be on the forefront in helping ensure long term sustainability, but that to do so, they must be fiscally prudent. All my experiences help me to see the big picture and search for answers that work and still maintain the health of EBCE so it can continue to pursue its long term goals.

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

Please list three issues that you feel EBCE should address:

The top three issues that EBCE should address at this point are: 1) ensuring longevity through prudent financial choices; 2) actively pursuing efforts that combine reduction of greenhouse gases and local development; and 3) innovating on non-volumetric-based rate design. Once EBCE is up and running, I believe that the EBCE should determine specific services related to energy use that are desired by the community and consider whether it would be useful (and possible) to provide those services. EBCE should also actively seek grants that support installation of forward looking projects such as community solar, micro-grids, electric car charging stations, and energy storage.

Have you ever attended a meeting of the EBCE Community Advisory Committee?

Yes

Please describe your experience serving on a Commission or Board:

As stated above, I was a commissioner for Alameda Municipal Power for 4.5 years (2012-2016) I was also a member of my daughters charter school governing board (Alameda Community Learning Center) for several years where I helped to set school policy.

Considering your experience and activities in business, labor, professional, social or other organizations, indicate the experience, training, knowledge and skills that qualify you for appointment to the EBCE Community Advisory Committee:

As a commissioner, I regularly heard from the public and know how to listen. During national conferences for public power, I was trained in "Understanding a Utilities Cost Structure and its Effects on Customer Rates" as well as "Overview of Utility Financial Operations for Boards", both which provide an overview that is relevant as a CAC member.

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

List any position or office held in any governmental agency, civic or charitable organization, including dates:

I have not held positions or offices in these types of organizations.

Please list any special awards or recognitions received:

Do you own Property in Alameda County? If yes, please list the address(es)

Yes [REDACTED] - [REDACTED] . Hayward

Do you rent property in Alameda County?

No

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

Conflicts of Interest

State and local law require that you abstain from participation in decisions that may affect your financial interests, including sources of income, interest in real property, personal finances or investments. In addition, if appointed, you may be required to submit a disclosure statement which identifies certain of your financial interest beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this Board or Commission make decisions that may affect sources of income, interests in real property, personal finances or investments of you or your spouse? Some examples of conflicts include a) being employed by a business or organization that has a financial interest in decisions that EBCE may make, b) being employed by a business or organization that directly advocates in front of the EBCE Board of Directors, c) having a financial interest in a project or property that might benefit from a decision made by EBCE.

Yes/No I have no known conflicts of interest

If yes, please explain. Please identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this Board or Commission, and the positions you hold in these entities.

Please list at least two references: My two references are from my time as an AMP commissioner. Ann is the current board president and Jill also serves on the board in her city manager capacity.

(be sure to include lines for email address and phone numbers)

Ann McCormick - 412.230.8403 ann_mccormick@newcombanderson.com

Jill Keimach - 510.474.4700 manager@alamedaca.gov (recommendation attached).

As a member of the EBCEA Community Advisory Committee, you are making a time commitment to actively participate in the planning and development of the East Bay Community Energy program. Meetings are generally held in the evening and given the small number of members on the EBCE Community Advisory Committee, having a quorum is essential to the ability of the Committee to conduct business. Please sign the statement below indicating you have the time to prepare for and attend meetings.

I have sufficient time to devote to this responsibility and will attend scheduled meetings if appointed. I am also aware that this application is a public document.

Signature



Date 3/14/18

Application for East Bay Community Energy (EBCE) Community Advisory Committee

East Bay Community Energy (EBCE) is seeking applicants from Alameda County to fill vacancies on its Community Advisory Committee. The Community Advisory Committee (CAC) was formed in 2016 as part of the Alameda County Board of Supervisors' 2014 decision to explore formation of EBCE with the goal of creating competition for electricity services and to accelerate investments in clean energy resources and local energy projects. EBCE seeks to ensure a diversity of members and interests for the CAC as well as members who represent all areas of the County. The CAC's members are community stakeholders appointed by the EBCE Board of Directors to provide advice and recommendations to the EBCE Board and is not a decision-making entity.

Member Roles:

- 1) Advise the Board of Directors on all subjects related to the operation of the CCA Program as set forth in a work plan adopted by the Board from time to time, with the exception of personnel and litigation decisions,
- 2) Represent the views of their respective communities in their comments and recommendations;
- 3) Serve as an information-channel back to their colleagues and communities; and
- 4) Help EBCE staff and Alameda County and city officials identify issues of concern and opportunities to educate about CCE in Alameda County

EBCE is now taking applications for membership on the CAC. **The EBCE asks that anyone wishing to apply to complete this form and submit to DSanders@ebce.org no later than 5 pm on March 14, 2018.**

NOTE: this application is a public document and will be available for review upon request. The EBCE may choose to interview final candidates.

APPLICANT CRITERIA:

1. Residents, business owners, employees or representatives of a community-based organization in the County of Alameda are eligible for membership¹.
2. Applicants should be committed to serving on the CAC and attending regular Board and planning meetings. Board meetings may take place twice monthly until the program is launched, and then may be no more frequent than once per month. Meetings will generally take place in the early evening hours. Planning meetings will be determined by the CAC. Members of the CAC will serve staggered four-year terms (the first term of three of the members shall be two years, and four years thereafter), which may be renewed.
3. Applicants with conflicts of interest that may hinder effective participation in the CAC are discouraged from applying. All applicants will be reviewed for conflicts of interest by EBCE legal counsel.

QUESTIONS: Please call or email Deidre Sanders at: 925.390.3942; dsanders@ebce.org for more information.

APPLICANT INFORMATION

Name	JANE FRANCH
Address	

¹ Note: Applicants can only be considered if they are residents of an EBCE member jurisdiction, which currently excludes the Cities of Pleasanton, Newark and Alameda.

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

Organization represented and title (if applicable)	Numi, PBC (Numi Organic Tea)
Phone/Email Address	
Are you a resident of Alameda County?	yes
How long have you lived in Alameda County?	6.5 yrs
Are you a business owner in Alameda County (firm name and location)?	no
Employment Information:	Numi Organic Tea
Your employer?	Numi Organic Tea (Numi, PBC)
Job Title?	Director, Quality, Sourcing + Sustainability
Spouse's employer?	Group i (SAN FRANCISCO)
Spouse's Job Title?	Director, Design + Architecture

<u>I am Applying Under the Following Stakeholder Category (please check top 2)</u>			
<input type="checkbox"/>	Environmental	<input type="checkbox"/>	Labor Union
<input type="checkbox"/>	Energy Advocate	<input type="checkbox"/>	Environmental Justice
<input checked="" type="checkbox"/>	Clean Energy Business ?	<input type="checkbox"/>	Regional/Large Energy User

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

<input type="checkbox"/>	Business Owner/Association	<input type="checkbox"/>	Cultural Organization
<input type="checkbox"/>	Education/Research Center	<input type="checkbox"/>	Low Income Advocate
<input type="checkbox"/>	Social Justice	<input type="checkbox"/>	Other _____
<input checked="" type="checkbox"/>	Business / Residential Ratepayer	<input type="checkbox"/>	

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 include thoughts you have the purpose of the CAC and key goals for both the CAC and East Bay Community Energy. 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, letters of recommendation, or other relevant materials if you wish.

As a dedicated sustainability professional, I have committed my career to the transformative capacity of the private sector to bring about change through consumer driven models. Day to day, I've applied this through the lens of the food sector + food systems. Within our operations team I also work with our supply chain, incl. manufacturers, etc., to improve environmental performance. This has included GHG emissions reductions initiatives and pushing for renewables. I am motivated to get involved with EBCEA to represent a mission driven Oakland business, Nuni Organics Tea, and also to bring my passion + experience to the localized issue of power consumption.

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

Please list three issues that you feel EBCE should address:

- ① Consumer Education - residential + Business
- ② Optimize mix of renewables + noncarbon sources and provide cost-tiered renewable ~~mixes~~ mixes not from hydro.
- ③ Actively advocate for and facilitate electrification of homes + vehicles

Have you ever attended a meeting of the EBCE Community Advisory Committee?

no

Please describe your experience serving on a Commission or Board:

- 2005 - Carmel Unified School District Healthy school meals commission
- 2005-2008 California Native Plant Society - Monterey Bay chapter - Board member
- 2009 - University of Washington grad student representative for provost selection
- 2017 - present - Climate Collaborative Renew Board
- 2017 - present OSC² Supply Chain / operations group lead

Considering your experience and activities in business, labor, professional, social or other organizations, indicate the experience, training, knowledge and skills that qualify you for appointment to the EBCE Community Advisory Committee:

- 2007 - workshop w/ Amy Lovins - Advanced Energy Efficiency
- MS - Forest Resources - course work including cellulosic ethanol, etc - bio-based fuel stocks
- current position - lead for Nuni on Climate - GHG assessment of operations, identifying hot spots, initiatives to reduce impacts.

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

List any position or office held in any governmental agency, civic or charitable organization, including dates:

2005-2008 MEash / Hilton Bialek Habitat - Native plant program Director
2006-2008 California Native Plant Society, ^{Monterey Bay Chapter} Board Secretary, President, ^{statewide} Educational grants, ^{renew} board

Please list any special awards or recognitions received:

Do you own Property in Alameda County? If yes, please list the address(es)

Do you rent property in Alameda County?

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

Conflicts of Interest

State and local law require that you abstain from participation in decisions that may affect your financial interests, including sources of income, interest in real property, personal finances or investments. In addition, if appointed, you may be required to submit a disclosure statement which identifies certain of your financial interest beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this Board or Commission make decisions that may affect sources of income, interests in real property, personal finances or investments of you or your spouse? Some examples of conflicts include a) being employed by a business or organization that has a financial interest in decisions that EBCE may make, b) being employed by a business or organization that directly advocates in front of the EBCE Board of Directors, c) having a financial interest in a project or property that might benefit from a decision made by EBCE.

Yes/No No

If yes, please explain. Please identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this Board or Commission, and the positions you hold in these entities.

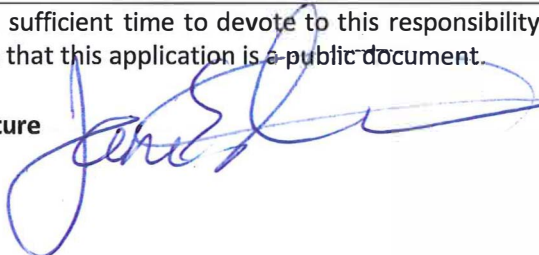
Please list at least two references: Redacted

(be sure to include lines for email address and phone numbers)

As a member of the EBCEA Community Advisory Committee, you are making a time commitment to actively participate in the planning and development of the East Bay Community Energy program. Meetings are generally held in the evening and given the small number of members on the EBCE Community Advisory Committee, having a quorum is essential to the ability of the Committee to conduct business. Please sign the statement below indicating you have the time to prepare for and attend meetings.

I have sufficient time to devote to this responsibility and will attend scheduled meetings if appointed. I am also aware that this application is a public document.

Signature



Date

3/14/18

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

Verification:

I agree that all of the information contained in my responses to the questions on this application are true and accurate to the best of my knowledge.

Signature



Print name

Jane Franch

Date:

3/14/18

East Bay Community Energy Community Advisory Committee Application

Name: Richard M. O'Connell (Ric)
Address: , Oakland

Organization Represented: Alameda County Resident.

Phone/Email Address: _____

Are you a resident of Alameda County? YES

How long have you lived in Alameda County? 10 Years

Are you a business owner?

I am the founder, Executive Director and President of the board of a California non-profit corporation (GridLab) that is based in Alameda County.

Employment Information (Organization, title)

Executive Director, GridLab. GridLab is an organization that provides technical information on grid transformation to policymakers and advocates. See gridlab.org

Spouse employer/Job Title: Homemaker

I am applying under the following categories:

Energy Advocate
Education/Research Center

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 include thoughts you have the purpose of the CAC and key goals for both the CAC and East Bay Community Energy. 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, letters of recommendation, or other relevant materials if you wish.

I have been a resident of Alameda county for eleven years and in the energy industry for over fifteen years. I'm passionate about renewable energy and have worked globally on developing renewable energy projects and policies. I would like to bring my expertise and experience to my new utility, EBCE, and help see it successfully launched. I see significant challenges and opportunities for EBCE at a complex time in the energy industry. For California and Alameda county to meet our ambition decarbonization goals, EBCE needs to be more integrated into regional and urban planning. Alameda county is a special place, home to Tesla, the world's

leading electric vehicle producer, and Berkeley labs, whose work on energy efficiency has been used around the world. Alameda county is also home to many leading companies in solar, storage, and data analytics for the energy industry. GridLab's offices are at the Powerhouse, an Oakland based incubator for innovative startups and policy organizations, so I have direct experience with the innovation and creativity in the industry.

Please list three issues that you feel EBCE should address:

- 1) Investigate how to leverage customer distributed energy resources (solar, storage and demand response) to provide resource adequacy, especially local RA. I would like to help EBCE to develop innovative procurement strategies to aggregate customer DERs to provide these critical services.
- 2) Understanding EBCE's role in developing and deploying Non-Wires alternatives, similar to using aggregated DER to provide resource adequacy, we can use local DERs to defer transmission and distribution investment. While EBCE is not the T&D provider, it should have a role in NWA's given those DERs are its customers.
- 3) Help EBCE develop innovative wholesale procurement strategies that can leverage commitments from large local businesses and governments to help EBCE's obtain the best pricing on long term wholesale markets.

Have you ever attended a meeting of the EBCE Community Advisory Committee?

No, but I have attended a recent meeting held by GridWorks where the local development plan was presented and a broad ranging discussion held around the role of distributed energy at EBCE.

Please describe your experience serving on a Commission or Board

I was on the board of the University of Colorado environmental center from 2004-2005. I am currently president of the board of GridLab, a California non-profit corporation.

Considering your experience and activities in business, labor, professional, social or other organizations, indicate the experience, training, knowledge and skills that qualify you for appointment to the EBCE Community Advisory Committee:

My organization, GridLab, was founded to provide grid expertise to policymakers and advocates. I have significant experience in both wholesale markets as well as DER markets and design. I have worked directly for utilities, both investor owned and municipal, helping them plan for higher penetrations of renewable energy, as well as distributed planning. I have significant experience creating procurement processes for utilities such as Duke, PG&E and NV Energy. I also understand the complexities of the California power system, having led complex multi-stakeholder projects such as the Renewable Energy Transmission Initiative (RETI).

While I am currently leading a non-profit organization, I have over 20 years of experience in business and have started and led a business, so I understand how to balance community needs with the needs of local businesses and the financial health of EBCE.

List any position or office held in any governmental agency, civic or charitable organization, including dates:

- I was an officer in the US Air Force from 1990-1994 (Active Duty) and 1994-2000 (Inactive Reserves). I separated at the rank of Captain.
- I was an intern at the Grand Canyon Trust where I worked on tribal energy issues in 2004.
- I worked at the National Renewable Energy Laboratory in 2004/2005.
- I am currently the executive director of GridLab, a California nonprofit corporation.

Please list any special awards or recognitions received:

I was awarded an award for technical excellence by the American Wind Energy Association in 2007

Do you own Property in Alameda County? If yes, please list the address(es)

Yes. , Berkeley.



Staff Report Item 12

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: East Bay Community Energy 2018 - 2019 Budget (Discussion Item)
DATE: May 16, 2018

Recommendation

Discuss proposed Fiscal Year 2018-2019 Budget, which includes projections for Revenues, Expenses, Financial Reserves, and Local Development.

Table 1 - 2018-2019 Budget Overview

Revenues	\$318,091,347
Expenses (Energy and Billing)	\$241,977,747
Debt Service	\$17,163,733
All Other Expenses	\$12,741,830
Reserve Contribution	\$42,358,707
Local Development and Programs	\$2,000,000
End of Year Surplus	\$1,849,330

Discussion

On August 2, 2017, the East Bay Community Energy Board approved an initial budget for the purposes of the East Bay Community Energy Implementation Plan. EBCE has been operating under this initial budget since then. EBCE staff has been working to prepare a budget for fiscal 2018-2019 based on significant updates that staff have made to all major inputs including energy load forecast, EBCE rates, debt repayment, staffing, marketing and outreach, overhead, professional services, financial reserve projections, local development, and customer bill credits.

On April 29, 2018, EBCE Staff presented a draft fiscal year 2018-2019 budget to the executive committee for review and feedback. After discussion, the Executive Committee

recommended the budget be brought to the full board for review. Among the items raised by the Executive Committee were a request for more examples of where surplus revenues might be spent, specific references to other CCA reserve policies, and consideration of adjustments to the Litigation Contingency. In response to the comments, staff has included Sonoma Clean Power’s current financial policy and has included an in-depth discussion of different options for the use of surplus cash. Staff has not adjusted the litigation contingency due to budget constraints.

Subsequently, EBCE Staff made a number of minor adjustments to the budget based on some updates to expected energy costs, further internal discussions about projected staffing, and updates to the reserve policies based on further review of other CCA policies.

Table 2 - Adjustment to Cost of Energy, Head Count, Budget, and Forecast Reserves

	Cost of Energy	Head Count	Budget	Forecast Reserves
4/29/18 Exec Com	\$235,938,573	28 staff	\$5,477,840	\$42,769,938
5/16/18 BoD	\$236,159,029	30 staff	\$5,558,632	\$42,358,707
Change in Forecast	\$220,456	Addition of 2 staff*	\$80,792	-\$411,231

*Added Positions: Compliance Manager (legal), Account Manager (customer)

The full proposed budget, with detailed discussion of each line item, is included as an attachment to this agenda item.

Attachments

- A. Fiscal Year 2018-2019 EBCE Budget
- B. Sonoma Clean Power Reserve Policy



Staff Report – Item 06

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, CEO
Stephanie Reynolds, Director of Internal Operations
Mike Maher, Maher Accountancy LLC

Item: Revision to Financial Policy B.2 on operating and program reserves

Date: March 22, 2018

Requested Action: Review and recommend amendment to Financial Policy B.2.

Background

Financial Policy B.2 governs the financial reserve targets for SCP. The initial policy was established at the launch of SCP and set a preliminary target of \$50 million in operating reserves, with the understanding that this would be updated in the future.

In 2017, SCP expanded its service territory to include Mendocino County, growing the size of the program by about 14%.

Also in 2017, Moody's published the first financial and credit advisory on community choice programs in California. This advisory (see attachment) identifies a number of financial risk factors relating to portfolio management and regulatory threats, which are well addressed by SCP's risk management policy and SCP's strong focus on legislative and regulatory advocacy.

What is still lacking in the industry is financial guidance on reserve balances, and in place of further guidance it is staff's opinion that the agency should act on guidance provided to other public power providers, such as California municipal utilities. The general guidance to those agencies is that six months of expenses should be kept in cash reserves and liquid short-term investments.



By November 2018, SCP is expected to exceed its initial \$50 million reserve target, leaving the question of what actions it should take following that milestone. Because staff needed to prepare the budget and rates for the fiscal year running from July 1, 2018 through June 30, 2019 in advance of board adoption of a revised financial policy, the board directed staff to prepare the budget and rates on the assumption that this draft policy was already in effect.

Staff therefore propose:

- A general operating/credit reserve target balance of six months of budgeted expenses kept in unrestricted cash and short-term investments (where capital is liquid within 30 days). Eligible investments are those allowed by the State of California, including CDs, money market accounts, approved county investment funds, and collateralized bank deposits.
- A collateral reserve with a target of 10% of annual energy-related expenses set aside in cash and short-term investments for use as collateral in energy purchases. This separate reserve is an important refinement to the prior policy, since that policy assumed that some collateral could contribute to the general operating reserves, and staff have learned that is not the case, since these funds are restricted.
- No change to the threshold for “competitive rates,” which states that funds deposited into reserves should not even be considered for use to reduce rates unless SCP’s average rates are more than 2% above PG&E’s rates.
- Revise the minimum planned contribution to reserves to equal 3% of budgeted revenues rather than 4% in recognition of the fact that the PCIA has increased over 150% since SCP launched in 2014. Note, this would not preclude planning for higher levels of contributions, when practical.



Proposed Amended Financial Policy B.2

Available Fund Balance, and Operating, Program and Collateral Reserves

SCP has an Operating Reserve for the purpose of supporting agency credit, a Program Reserve that allows multi-year program funding commitments, and a Collateral Reserve to allow the posting of collateral for energy and related purchases.

Target balances are:

Operating Reserve	50% of total annual budgeted expenses
Program Reserve	10% of total annual budgeted expenses
Collateral Reserve	10% of annual energy expenditures

Prior to reaching these targets, the following shall apply to Sonoma Clean Power Authority's financial management:

1. Rate Setting and Budgeting:

- A. If rates can be kept competitive with PG&E, a minimum of 3% of revenues shall be recovered through rates to provide for the Operating Reserve, Program Reserve and Collateral Reserve, and reduce financial risk. Rates shall be deemed competitive if SCP's average retail generation rate¹, inclusive of all fees², is not more than 2% above PG&E's average retail generation rate³.
- B. If rates cannot be kept competitive per the definition in 1.A, then the additional amount to be recovered through rates shall be reduced so that SCP's average retail rate is no more than PG&E's average retail rate. However, the withdrawal of cash reserves to reduce rates should only be done in cases where the Board makes three findings (1) the use of reserves

¹ The Average Retail Generation Rate is the total revenue collected for generation divided by the total kilowatt-hours of energy sold.

² All fees separately charged to SCP customers as determined by the CPUC. Today this includes the Power Charge Indifference Adjustment and a Franchise Fee.

³ See footnote #1.



to reduce rates is likely to be needed because of a short-term reason, and unlikely to be needed in subsequent years; (2) there is a material likelihood that SCP or its customers would be significantly harmed without the use of reserves, and (3) the benefit is greater than the potential credit downgrade from use of the reserves.

2. Allocating the Increase in Available Fund Balance, if any:

- A. 75% to Operating Reserves to support credit and mitigate financial risks.
- B. 15% to Program Reserves to support programs that have financial commitments which extend beyond the current fiscal year consistent with SCPA's mission. Program Reserve usage must be authorized by the SCPA Board of Directors with prior review by the Community Advisory Committee.
- C. 10% to the Collateral Reserves to provide a source of collateral for purchasing energy and energy-market products.

Annual Increase in Available Fund Balance shall be determined based on information reported in the annual audited financial statements. Available fund balance at the end of a fiscal year is equal to assets convertible or expected to be converted into cash within 90 days.

When one or two of the reserve targets are met, greater percentages shall be contributed to the unmet target(s) at the Board's direction.

Upon reaching the target balances, rates and budgets shall be set to maintain the target balances.

Financial Policies

Financial Policy B.1

CEO Spending Authority

The Sonoma Clean Power Authority (SCPA) CEO is authorized to make expenditures without prior Board, or Community Advisory Committee review or approval provided that:

1. For power procurement, the total annual cost does not exceed \$5 million AND the expenditure will not result in exceeding the amount annually budgeted and approved for energy and scheduling;
2. For all other expenditures the total annual cost does not exceed \$100,000 AND the expenditure will not result in exceeding the amount annually budgeted and approved in the applicable category;
3. The expenditure is consistent with all adopted SCPA policies;
4. The Board Chair and Vice Chair, and the Community Advisory Committee Chair are notified immediately following any Product purchases that exceed \$100,000;
5. The expenditure is in the best interests of SCPA customers; and
6. All expenditures in excess of \$100,000 are reported at the next Board meeting.

Approved 2014.06.05
Amended 2015.01.08
Amended 2017.02.02

Financial Policy B.2

Available fund balance, Operating Reserve, Debt Repayment and Program Fund

(Revised 06/04/2015)

Prior to reaching \$50 million total operating reserves, excluding amounts pledged as collateral, the following shall apply to Sonoma Clean Power Authority's financial management:

1. Rate Setting and Budgeting:

- A. If rates can be kept competitive with PG&E, a minimum of 4% of revenues shall be recovered through rates to provide for reserves and reduce financial risk. Rates shall be deemed competitive if SCP's average retail generation rate¹, inclusive of all fees², is not more than 2% higher than PG&E's average retail generation rate³.
- B. If rates cannot be kept competitive per the definition in 1.A, then the additional amount to be recovered through rates shall be reduced so that SCP's average retail rate is no more than 2% over PG&E's average retail rate. Under no circumstance, however, will the amount planned to provide for reserves be less than 1.5% of total annual forecasted revenues.

2. Allocating the Increase in Available Fund Balance, if any:

- A. 85% to operating reserves. The main uses of these reserves are to provide for collateral postings, debt reduction, and rate stabilization and to counter financial risks.
- B. 15% to a Program Fund to support local renewable energy project, energy efficiency, customer programs and other local efforts consistent with SCP's mission. Program Fund usage must be authorized by the SCPA Board of Directors, with prior review by the Community Advisory Committee.

After reaching \$50 million in operating reserves, excluding amounts pledged as collateral, a new financial policy shall be adopted by the Board of Directors which may reduce the rate of contributing to reserves.

Annual increase in available fund balance shall be determined based on information reported in the annual audited financial statements. Available fund balance at the end of a fiscal year is equal to assets convertible or expected to be converted into cash within 90 days.

¹ The Average Retail Generation Rate is the total revenue collected for generation divided by the total kilowatt-hours of energy sold.

² All fees separately charged to SCP customers as determined by the CPUC. Today this includes the Power Charge Indifference Adjustment and a Franchise Fee.

³ See footnote #1.

Financial Policy B.3

Accounts Receivable Reserve

In order to accurately report accounts receivable, net assets and earnings, Sonoma Clean Power Authority (SCPA) shall estimate the rate of collection of amounts billed to customers by evaluating and monitoring the historical rates of collection of amounts billed to customers. Consideration shall be given to changes in the commercial and residential customer ratio, demographics, or other factors that might influence changes from historical rates.

As changes in historical rates of collection are identified, SCPA shall adjust estimated reserve amounts and record uncollectable amounts to align with the most recent data available. SCPA shall review historical data no less than twice annually, evaluating any changes that may be needed to the estimated reserve amount and recorded uncollectable amounts.



2018-2019 East Bay Community Energy Budget

PRESENTED BY: Nick Chaset
DATE: 5/16/18



East Bay Community Energy: 2018-2019 Budget

REVENUES AND OTHER SOURCES

Electricity Sales	\$318,091,347
Interest Income	
Total Revenues	\$318,091,347

EXPENDITURES

Energy Product	
Cost of Energy and Scheduling	\$236,159,029
Data Management/Billing/Customer Service	\$4,855,406
Service Fees to PG&E	\$963,313
Energy Product Subtotal	\$241,977,747
Debt Service	
Alameda County	\$5,500,000
Barclays	\$11,663,733
Debt Total	\$17,163,733
Personnel	\$5,558,632
Marketing, Outreach, Communications and Customer Service	
	\$1,959,000
General and Administration	
	\$1,715,698
Other Professional Services	
Legal	\$976,000
Accounting	\$202,500
Technical	\$1,970,000
Legislative	\$180,000
Other Consultants	\$180,000
Other Professional Services Subtotal	\$3,508,500
Total Expenditures	\$271,883,311

REVENUES LESS EXPENDITURES \$46,208,037

Reserve Contribution	
Financial Reserve Contribution	\$35,145,981
Rate Stabilization Reserve Contribution	\$2,704,772
Collateral Reserve	\$4,507,954
Total Reserves	\$42,358,707

Local Development and Programs	
Placeholder	\$2,000,000

EOY Surplus	\$1,849,330
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EBCE staff is pleased to present this draft 2018-2019 Budget.

Items covered through this presentation:

1) Overview of Revenues: Electricity Sales/Rate Assumptions

2) Overview of Expenditures

Cost of Energy

Debt Service

Reserve Contribution and Reserve Policy

Personnel

Marketing Services

General and Administration

Other Professional Services

3) Options for Residual Revenues

Customer Rate Credit

Local Development/Programs

Additional Debt Payments

Benchmarking EBCE Expenses to other CCAs

Non-Energy Expense Category	EBCE Expenses Relative to 4 CCAs
Data Management/Call Center	-9%
Personnel	-33%
Marketing/Customer Service	1%
General & Administrative	19%
Professional Services	19%
Programs	-38%

To put EBCE's non-energy expenses into context, EBCE's proposed 2018-2019 budget is compared to the existing budgets of three Bay Area CCAs – MCE, SCP, and MBCP.

The main take-aways from this comparison are :

A) EBCE has lower expenses for data management/call center services, significantly lower salary expenses for a CCA of its size (temporarily off-set by higher professional services costs), and lower program expense due to fact that EBCE is program expenditures won't start ramping up until the second half of the fiscal year.

B) EBCE has higher expenses in general services and admin mainly due to rent and potential office build out, Cal-CCA and other dues and data/software costs. Also, higher professional services budget to augment the lower salary expense since EBCE will rely on outside help as it builds its own internal capacity.

Overview of Revenues: Electricity Sales

REVENUES AND OTHER SOURCES

Electricity Sales	\$318,091,347
Interest Income	
Total Revenues	\$318,091,347

Electricity Sales Assumptions and Statistics

- Opt-Out Rate: 10% (EBCE expects opt-outs to be considerably lower but we are taking a conservative approach)
- Uncollectibles: 0.08% (used Sonoma's 2018-2019 forecast as a comparable)
- 89% Bright Choice
- 10% Brilliant 100 Opt Up
- 1% 100% Renewable Opt Up
- Total Customers Served: 547,534

Note re: Electricity Sales: due to EBCE's phase in schedule (June for Commercial, Industrial and Municipal and November for Residential), EBCE is not recognizing a full year of revenue this fiscal year.

Note: Rates/Revenues -- Costs and Price Volatility

	EBCE Rates (estimated 2/18)	EBCE Rates (actual 3/18)	Increase in Revenue
Res	\$0.06821	\$0.07272	6%
Small L&P	\$0.06538	\$0.06859	5%
Medium L&P	\$0.08216	\$0.08626	6%
E-19	\$0.07728	\$0.08124	5%
Streetlights	\$0.07726	\$0.08033	4%
Ag	\$0.06132	\$0.06523	6%
E-20	\$0.07247	\$0.07609	5%
Expected Revenue Increase (after PG&E Rate Change)		\$15,000,000	
Comparative Timeframe	Estimated Increase in Procurement Costs		
2016/2017 Actual Costs	Volatility between Jan 2018 price forecast (which was based partially on actual reported costs from 2016 and 2017) and actual observed costs in March/April 2018 increased forecast procurement costs by \$20,000,000		
Mar/Apr 2018 Observed Costs			

After EBCE set its rate discount of 1.5% in February, PG&E issued an unexpected modification to its rates which resulted in a 5% increase in EBCE's expected revenues. CCA reactions to this change have varied.

On the one hand, certain operating CCAs like Silicon Valley Clean Energy chose to increase their rate discount. Other CCAs, including another CCA start-up, Monterey Bay Clean Power, made no change to their rate discount. At EBCE's March 17 Board meeting, the Board approved a "no change" approach as well.

For EBCE, the primary reason staff recommended no change was concern over energy price volatility as demonstrated in this table. It illustrates how price volatility in energy costs that EBCE has observed has the potential to wipe out any net revenue benefit occurring as a result of PG&E's rate change.

Overview of Expenditures: Cost of Energy and Related Services

Energy Product	
Cost of Energy and Scheduling	\$236,159,029
Data Management/Billing/Customer Service	\$4,855,406
Service Fees to PG&E	\$963,313
Energy Product Subtotal	\$241,977,747

Energy Costs are made up of four primary energy products

-Block or Shaped Energy, Renewable Energy, Carbon Free Energy, Resource Adequacy

Scheduling, Data Management and Service Fees

-Scheduling costs are fees paid to NCPA to manage EBCE's energy purchases and market activity

-Data Management, Billing and Customer Service/Call Center are the fees paid to SMUD at \$1.05/customer meter/month

-PG&E Service Fees are the monthly costs paid to PG&E to use their billing and metering systems

Note re: Electricity Costs: EBCE's specific costs of energy are derived from a mix of EBCE's actual contracted costs of the four energy products and forecast costs for these four energy products. EBCE is currently in the process of soliciting and procuring for both its 2018 and 2019 power needs.

Overview of Expenditures: Debt Service

Debt Service	
Alameda County	\$5,500,000
Barclays	\$11,663,733
Debt Total	\$17,163,733

EBCE has two sources of outstanding debt: 1) Alameda County which advanced funds for start up activities, 2) Barclays Bank which is lending EBCE funds primarily for energy purchases.

Alameda County's loan to EBCE consists of \$3,000,000 in direct funding and up to \$2,500,000 in indirect costs associated with staff support of EBCE over three-plus years. EBCE is planning to fully pay-off its loan to Alameda County sometime between Q2 and Q3 of the fiscal year.

The Barclay's loan is for a maximum of \$50,000,000. EBCE is assuming it will draw between \$17,000,000 and \$40,000,000 in 2018, primarily to support collateral requirements for energy contracts. EBCE is paying down its loan to Barclays over a 30 month amortization period starting in September 2018 with full maturity in January 2021.

Overview of Expenditures: Personnel

Personnel

\$5,558,632

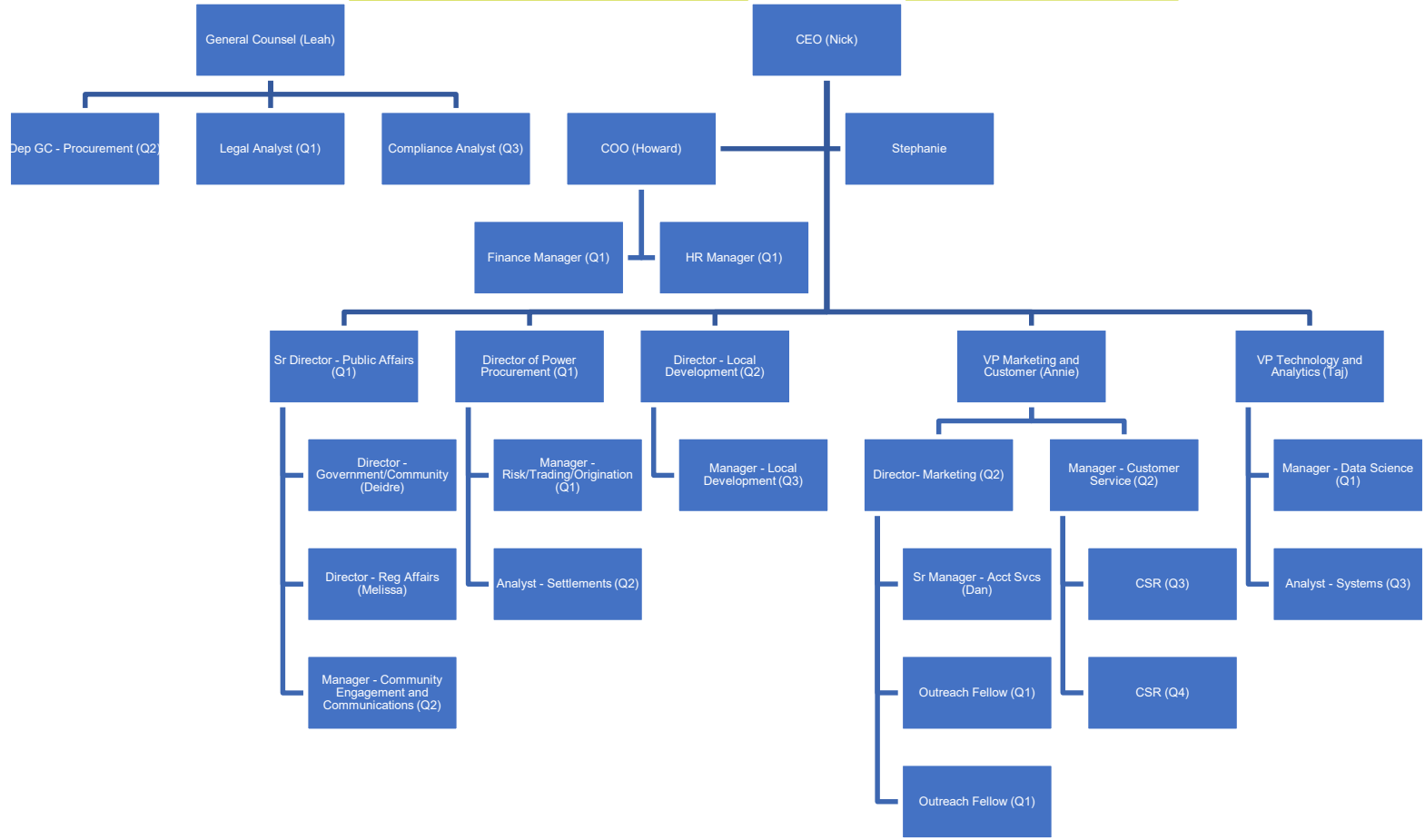
Staffing Plan

Number of staff			Salary Classification
Exec	Chief Executive Officer	Nick	CEO
Exec	Chief Operating Officer	Howard	COO
Exec	Finance Manager	Q3 2018	Manager
Exec	Office/HR Analyst	Q1 2019	Analyst
Exec	Executive Assistant/Council Clerk	Steph	Executive Assistant/Clerk of the Board
Customer	VP of Marketing and Account Services	Annie	VP
Customer	Director Marketing	Q3 2018	Director
Customer	Sr. Manager Account Services	Dan	Sr Manager
Customer	Marketing Communications Manager/Analyst	Q3 2018	Manager
Customer	Outreach Fellow	Q3 2018	Outreach Fellow
Customer	Outreach Fellow	Q3 2018	Outreach Fellow
Customer	Customer Service Manager	Q3 2018	Manager
Customer	Customer Service Rep	Q2 2019	Rep
Customer	Customer Service Rep	Q4 2018	Rep
Customer	Director/VP of Local Development & Programs	Q4 2018	Director/Deputy
Customer	Local Program Manager	Q1 2019	Manager
Power	Director of Power Procurement	Q2 2018	VP
Power	Risk and Trading Manager	Q3 2018	Director/Deputy
Power	Settlements Manager/Analyst	Q4 2018	Manager
Analysis	Data Analytics Manager/Analyst	Q4 2018	Manager
Analysis	Systems Analyst	Q 2 2019	Analyst
Analysis	VP of Technology & Analytics	Taj	VP
Legal	General Counsel	Leah	GC
Legal	Legal Analyst	Q4 2018	Analyst
Legal	Deputy General Counsel - procurement	Q4 2018	Director/Deputy
Legal	Compliance Analyst	Q1 2019	Analyst
Reg/Leg/Community	Sr. Director of Reg Affairs	Q3 2018	Sr. Director
Reg/Leg/Community	Director of Community and Government Affairs	Deidre	Director/Deputy
Reg/Leg/Community	Community Engagement and Communications Manager	Q3 2018	Manager
Reg/Leg/Community	Director – Reg Affairs	Melissa	Manager

EBCE proposes to add 21 staff positions over the course of the fiscal year. These new staff will fill a diverse range of roles, from 3 customer service roles focused on the call center transition to 2 technology and data analytics roles focused on building EBCE's technology and analytics platform to support advanced local energy programs.

The following slide presents an overview of proposed salary ranges, which are benchmarked to five other CCAs.

Overview of Expenditures: Org Chart



Overview of Expenditures: Personnel (cont.)

Job Classification	EBCE Salary Range	
	Low	High
CEO		
COO		
GC		
VP	\$169,625	\$300,000
Sr Director	\$151,500	\$229,000
Director/Deputy	\$138,083	\$229,000
Sr Manager	\$121,000	\$204,000
Manager	\$102,417	\$204,000
Analyst	\$93,083	\$124,583
Executive Assistant/Clerk of the Board	\$82,500	\$150,000
Rep	\$65,250	\$102,000
Outreach Fellow	\$50,000	\$50,000

Job Classification	Survey - includes data from MCE, MBCP, PCE, SCP and SVCP		
	low	median	high
CEO			
COO			
GC			
VP	\$135,000	\$204,250	\$300,000
Sr Director	\$113,000	\$190,000	\$229,000
Director/Deputy	\$113,000	\$163,167	\$229,000
Sr Manager	\$98,000	\$144,000	\$204,000
Manager	\$80,000	\$124,833	\$204,000
Analyst	\$87,000	\$99,167	\$150,000
Executive Assistant/Clerk of the Board	\$60,000	\$105,000	\$150,000
Rep	\$53,000	\$77,500	\$102,000
Outreach Fellow	\$50,000	\$50,000	\$50,000

Current Wage Scale for PG&E Service Representative		
	2017	2019
PG&E Service Rep	\$62,400	\$66,560
PG&E Senior Service Rep	\$87,360	\$93,600

	Headcount by Quarter	Incremental Hires per Quarter	Salary Expense by quarter
Q1 18-19	18	9	\$928,433
Q2 18-19	25	6	\$1,240,517
Q3 18-19	28	3	\$1,655,301
Q4 18-19	30	2	\$1,734,381
TOTALS	30	20	\$5,558,632

source: <http://ibew1245.com/wp-content/uploads/2017/04/Clerical-Exhibit-F-2017-2019-Second-Edition-April-2017.pdf>

Overview of Expenditures: Marketing, Outreach, Customer Service

Marketing, Outreach, Communications and Customer Service	
	\$1,959,000

Marketing and Customer Service

Cost	
Launch Related Marketing	\$1,379,000
On-Going Marketing	\$160,000
On-Going Noticing	\$260,000
Business and Industry Development	\$160,000
Total Marketing and Customer Service	\$1,959,000

Examples of Marketing and Customer Service Activities

Launch Related Marketing: enrollment mailers, print and digital advertising

On-Going Marketing: 100% renewable adoption campaign, energy program outreach, on-going community events

On-Going Noticing: NEM notices, annual CCA power content notice

Business and Industry Development: sponsorships of chambers of commerce, customer appreciation events, community grants

Overview of Expenditures: G&A

General and Administration

\$1,685,042

G&A

Office Space

Current Office		Assumes WeWork through August and after that an assessment of options which may include staying at WeWork
New Office Build/Contingency	\$562,000	If EBCE moves, this is a contingency for the cost of building out new office costs
Space Rental (total)		this is the cost for renting space for events like board meetings and community meetings

Liability Insurance

	\$23,000	this covers the cost of EBCE general liability insurance and other insurance as needed
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Misc Office Equipment and Supplies

	\$69,000	this covers the varied office supplies that are needed throughout the year, including durable equipment like printers and scanners
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Computers, Phones, Internet, software and other

Computers		staff computers
Phones, Internet, phone plan, misc		staff devices and phone/internet plans
Software (Office, Google Cloud, Confluence, misc) + Server/Firewall	\$419,475	enterprise software
Specialty Analytic Tools (rate analytics)		specialized software to perform complex energy data analysis including cost of service

Travel/Offsite Meetings

	\$141,567	staff travel, offsite meetings, meals, and other misc G&A
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Dues and subscriptions

WSPP		membership in power procurement group
Tax Assessor and Demo Subscription		data for analysis activities
Weather and Other Data for Forecasting	\$470,000	data for analysis activities
PG&E Data Requests		data from PGE for analysis and customer service
CalCCA Dues		Dues to CalCCA including legal, public relations, regulatory and legislative activities
Energy Market Intelligence		energy market data to support internal procurement efforts

Overview of Expenditures: Other Professional Services

Other Professional Services		
Legal		\$976,000
Accounting		\$202,500
Technical		\$1,970,000
Legislative		\$180,000
Other Consultants		\$180,000
Other Professional Services Subtotal		\$3,508,500

Professional Services		
Legal		
Regulatory	\$240,000	support on-going engagement at CPUC, CEC, Air Resources Board and CAISO
Energy Procurement	\$432,000	support negotiation and contracting of short, medium and long term energy transactions
Finance	\$84,000	support financing activities that may arise related to credit needs and long term renewables
General	\$100,000	support general legal needs
Legal - Litigation Contingency	\$120,000	contingency for potential costs of litigation
Accounting		
Accounting	180000	accounting services
Audit	22500	EBCE annual financial audit
Technical		
Energy Analysis (short and long term market analysis, integrated resource planning, procurement)	\$1,170,000	support for energy market analysis for both short and long term energy transactions. Support and analysis of long-term renewable energy solicitations. On-going assessment of energy risk management policies and EBCE energy positions
General Technical Consulting (i.e. financial)	\$800,000	support for general organizational needs including, finance, credit, public relations, local program design and community engagement
Legislative		
Sacramento Advocacy	\$180,000	support EBCE engagement at CA Legislature
HR/Admin		
HR/Admin	\$144,000	support for human resources and administration of EBCE
IT	\$36,000	information technology support

Overview of Expenditures: Reserve Contributions and Proposed Reserve Policy

Reserve Contribution	
Financial Reserve Contribution	\$35,145,981
Rate Stabilization Reserve Contribution	\$2,704,772
Collateral Reserve	\$4,507,954
Total Reserves	\$42,358,707

For the 2018-2019 Fiscal Year, EBCE is proposing to three types of reserve contributions. The reasoning is that staff believes that EBCE must move swiftly to build necessary reserves to position it for a credit rating within the first 3-5 years of operations. Staff has been in consultation with Barclay’s Bank about necessary reserve levels to achieve an A or better rating from a credit rating agency. Barclay’s review of Moody’s “US Municipal Joint Action Agencies” rating methodology found the following:

Baa	A	AA
30-90 day operating reserve	90-150 day operating reserve	150—250 day operating reserve

Based on this feedback, Staff plans to recommend that EBCE adopt a target reserve policy that establishes an operating reserve of 50% (182 days) of operating expense within three-five fiscal years - which would put EBCE on track to seek a rating during its fourth or fifth year of operations. In addition to the financial reserve, Staff is recommending an additional rate stabilization and a collateral reserve. Both Sonoma Clean Power and MCE have recently updated their reserve policies to target the 50% of operating reserve benchmark.

For the purpose of this proposed budget, staff will recommend implementing this policy by allocating 10% of annual revenue to the Financial Reserve, 1.5% of revenue to the Rate Stabilization Reserve, and 2.5% to the Collateral Reserve. (A 10% of revenue target would position EBCE to meet its 50% goal by the fourth fiscal year).

Overview of Expenditures: Local Development and Programs

Local Development and Programs

Placeholder

\$2,000,000

As EBCE works to finalize the Local Development Business Plan, Staff will have a clearer idea of where it will be focusing resources in fiscal year 2018-2019. The \$2,000,000 expenditure outlined here was developed in consultation with the Local Development Business Plan team and covers a range of initiatives, including local renewable energy development, customer programs like energy efficiency and demand response, support for workforce development and investment in innovative community programs.

After this first year of operations, Staff would like to introduce a Local Development reserve that is included in each year's budget and targets setting aside a portion of revenue to fund Local Development activities in the following year. Staff has not included a Local Development reserve this year given that the LDBP is still in process. Instead, Staff recommends focusing on prioritizing the use of surplus funds to fund Local Development in the next fiscal year.

Year-End Surplus

EOY Surplus

\$1,849,330

EBCE expects to end the year with a revenue surplus after making contributions to its reserves, paying off debts to Alameda County, making its scheduled Barclay's debt service payments and investing in Local Development.

The Board need not set policies or provide guidance on how to use surplus at this time. Staff would like to take the time to discuss a number of options that should be brought back during the next budgeting cycle.

- Low Income Bill Credit:** \$1.5m could pay for an annual credit of \$15 for all CARE customers
- Local Development Reserve:** \$1m in a Local Development reserve could support building a MW of local solar.
- Debt Repayment:** \$1m early repayment of debt could decrease interest expense by over \$100k
- Increased Renewable Energy Procurement:** \$1m investment in incremental renewable procurement would be the equivalent of over 5,000 homes being powered by 100% renewable energy for a year
- Customer Dividend:** \$2m in customer dividends could almost double the average residential discount



Staff Report Item 13

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Phase 2 Rates and Discount (Action Item)
DATE: May 16, 2018

Recommendation

Adopt the following Phase II rates:

- Bright Choice = 1.5% less than PG&E (same as Phase 1)
- Brilliant 100 = equal to PG&E (same as Phase 1)
- 100% Renewable = \$0.01 per kilowatt hour premium above PG&E

Staff's recommendation for Phase 2 is to make no change to EBCE's rates, except for the addition of the 100% Renewable rate. As illustrated in the previous discussion on budget, the current rates provide adequate revenue to recover all operating expenses, meet reserves and make initial investments in Local Development. Given current uncertainty surrounding energy procurement costs, staff does not recommend increasing discounts at this time.

Consider policy to prioritize use of surplus revenues to provide an annual bill credit to CARE, FERA, and Medical Baseline customers.

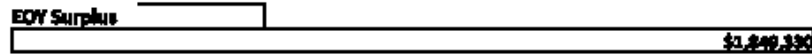
If the Board is interested in considering additional customer discounts, staff's recommendation is to adopt a policy to prioritize the use of surplus revenues at the end of the year to provide additional bill credits to low-income customers.

Discussion

Staff's recommendation for Phase 2 is to make no change to EBCE's rates, except for the addition of the 100% Renewable rate. As illustrated in the previous discussion on budget, the current rates provide adequate revenue to recover all operating expenses, meet reserves, and make initial investments in local development. Given current uncertainty surrounding energy procurement costs, staff does not recommend increasing discounts at this time.

If EBCE's financial performance exceeds these forecasts, then there may be additional room for increasing discounts, though these surplus funds could also be allocated to things such as local development, debt repayment, or increasing EBCE's renewable energy content.

Figure 1 - Forecast End of Year Surplus and Options for Use of Funds



EBCE expects to end the year with a revenue surplus after making contributions to its reserves, paying off debts to Alameda County, making its scheduled Barclay's debt service payments and investing in Local Development.

The Board need not set policies or provide guidance on how to use surplus at this time. Staff would like to take the time to discuss a number of options that should be brought back during the next budgeting cycle.

- Low Income Bill Credit:** \$1.5m could pay for an annual credit of \$15 for all CARE customers
- Local Development Reserve:** \$1m in a Local Development reserve could support building a MW of local solar.
- Debt Repayment:** \$1m early repayment of debt could decrease interest expense by over \$100k
- Increased Renewable Energy Procurement:** \$1m investment in incremental renewable procurement would be the equivalent of over 5,000 homes being powered by 100% renewable energy for a year
- Customer Dividend:** \$2m in customer dividends could almost double the average residential discount

Any additional discount or bill credit for Phase 2 at this point in the fiscal cycle would require a reduction in one or more expense line-items. As a reference, EBCE staff has analyzed the fiscal impact of adding just the Phase 2 bill credit. In one scenario, staff evaluated a bill credit for all residential customers set at \$10. In a second scenario, staff evaluated a tiered bill credit with general residential customers receiving \$7.50 and CARE/FERA/Medical Baseline receiving a \$15 bill credit. In a third scenario, staff evaluated only adding a \$15 bill credit for CARE/FERA/Medical Baseline customers. In each scenario, the bill credit would be applied once at the end of the year.

Table 1 - Fiscal Impact of Increased Phase 2 Discount

	Total Annual Bill Credit	Total Customer Bill Savings (including 1.5% rate discount)
Fixed: \$10 annual bill credit	\$4,794,796	3.9%
Tiered: \$7.50 annual for residential, \$15 for CARE	\$4,315,316	3.3%/5.2%
Limited: \$15 annual for CARE/FERA/Medical Baseline	\$1,438,439	5.2%

Of the three scenarios, only the increased discount for CARE/FERA/Medical Baseline customers could be paid for out of the current budget without making an adjustment to Reserves or Local Development.

If the Board is interested in considering additional customer discounts, staff recommends the Board adopt a policy to prioritize the use of surplus revenues at the end of the year to provide additional bill credits to low-income customers.

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY
APPROVING RATES FOR BRIGHT CHOICE AND BRILLIANT 100 PRODUCTS
AND A 100% RENEWABLE ENERGY PRODUCT

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all of the member jurisdictions.

Section 2. At the February 7, 2018 Board of Directors regular meeting, the Board established the initial energy products to be provided by EBCE namely Bright Choice containing 85% greenhouse gas free content and Brilliant 100 containing 100% greenhouse gas free content.

Section 3. At the February 7, 2018 Board of Directors regular meeting, the Board also set a framework for establishing rates by benchmarking the rates off PG&E rates such that Bright Choice rates will be set at 1.5% below PG&E’s 2018 rates and Brilliant 100 rates will match PG&E’s 2018 rates.

Section 4. At the March 21, 2018 Board of Directors regular meeting, the Board adopted the rates sheets establishing the rates for the Bright Choice and Brilliant 100 products.

Section 5. At the April 18, 2018 Board of Directors regular meeting, the Board approved offering a third energy product consisting of 100% renewable energy to be offered concurrently with the Phase II customer launch.

Section 6. At the April 18, 2018 Board of Directors regular meeting, the Board approved a framework for the 100% renewable product rates whereby the 100% renewable product will cost an additional fee per kilowatt-hour above the PG&E base rate, which is the equivalent to the difference between the cost of Bright Choice and the 100% renewable energy product.

Section 7. Based on the rates framework and PG&E’s 2018 rates, which were effective on March 1, 2018, the Board hereby adopts the rates for Bright Choice and Brilliant 100 as adopted by the Board of Directors by Resolution on March 21, 2018 for the Phase 2 residential launch, and sets the rates for the 100% renewable product at \$0.01 per kilowatt-hour above the PG&E base rate, which is the equivalent of a \$0.01 per kilowatt above EBCE’s Brilliant 100 rate.

Section 8. The Board reserves the right to modify the rates from time to time to stay competitive with PG&E rates and maintain the rates consistent with the previous framework or adopt a new framework. Any rates adjustment shall be made at a noticed public meeting.

ADOPTED AND APPROVED this day of 16th day of May, 2018.

Scott Haggerty, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



Staff Report Item 14

TO: East Bay Community Energy Board of Directors
FROM: Taj Ait-Laoussine, Vice President of Technology and Analytics
SUBJECT: Demand Response Pilot (Action Item)
DATE: May 16, 2018

Recommendation

Approve the proposed Demand Response Pilot program to be offered to up to 100 E19/E20 customers in the summer of 2018, as a way to encourage continued demand response in exchange for a bill credit on par with current PG&E programs.

Background on Demand Response and Peak Day Pricing

Demand response programs provide incentives to customers to encourage them to reduce their demand during critical peak periods. Demand response helps California manage its peak electricity demand, avoids the need for peaking power plants, reduces the cost of energy during certain hours, prevents pollution from peaking power plants, and increases the reliability of the grid. PG&E offers demand response programs to its residential and commercial customers. In addition, there are third-party providers in California who aggregate demand response.

Peak Day Pricing (PDP) is a demand response program offered by PG&E to non-residential customers. PDP is a default but optional rate component that provides participants a discount over regular electricity rates throughout the summer (May 1 to October 31). However, PG&E may designate up to 15 summer days as 'Event Days', during which customers will incur a surcharge between 2pm and 6pm. Event Days are declared based on weather conditions. Customers are notified one day ahead of Event Days, and are encouraged to shift or reduce their load from 2pm to 6pm the next day to avoid surcharges and help alleviate peak demand.

Unlike most other Demand Response programs, CCA customers are currently not eligible to participate in PG&E's PDP program. EBCE proposes to conduct a pilot demand response that would be built much like PG&E's PDP program, and provide customers an opportunity to lower their costs in exchange for providing a demand response benefit to California in general, and to EBCE in particular.

The Proposal

After reviewing historical customer data, discussing PDP with key customer accounts, and analyzing the impact of PDP on customer bills, EBCE staff proposes to offer a pilot demand response program to a subset of customers, to encourage them to continue to provide demand response in exchange for a similar discount/surcharge rate structure as PDP. The specifics are as follows:

- **Eligible Customers:** all service points on E19 or E20 rate schedules that are currently enrolled in PDP. There are currently 1,506 customers that meet these criteria. This subset of customers has been selected because 1) they represent some of the largest EBCE accounts; 2) they are more likely to be aware of the PDP program and to actively manage their load (thereby providing a demand response benefit and receiving a commensurate bill reduction); and 3) their PDP credit is relatively straightforward to calculate. The pilot will be limited to 100 service points.
- **Duration of the Pilot:** June 1, 2018 to October 31, 2018
- **Proposed Discounts & Surcharges:** The discounts and surcharges are delineated in Table 1 below. The billing adjustments shown are identical to the ones offered by PG&E.

Table 1

Rate Schedule	Event Surcharge (\$/kWh)	Peak kW Credit (\$/kW)	Part Peak kW Credit (\$/kW)
E19P	\$1.20	\$5.66	\$1.38
E19S	\$1.20	\$5.82	\$1.44
E19T	\$1.20	\$4.20	\$1.05
E20P	\$1.20	\$6.22	\$1.47
E20S	\$1.20	\$5.69	\$1.40
E20T	\$1.20	\$5.95	\$1.42

- **Event Day Notification:** EBCE staff will monitor PG&E systems and relay notification via email or phone call to the pilot customers whenever an Event Day is declared, one day ahead of the event.
- **Credit Calculation and Payment:** At the end of the PDP Season, EBCE will calculate the discounts and surcharges for each customer enrolled in the pilot. If the sum of all credits and surcharges is in the customer's favor, EBCE will issue a credit to the customer. If the sum of all credits and surcharges is not in the customer's favor, the customer will not receive any bill adjustments.
- **Customer Notification:** If the pilot is approved, EBCE staff plans to send all qualified E19 and E20 customer a separate notice informing them of the opportunity to enroll in the pilot.

As stated above, in the event that the customer has a net loss from participating in the pilot program (i.e. event day surcharges exceed credits), EBCE staff recommends that no charge be levied against the customer. This is essentially a form of bill protection, ensuring that the

customer does not risk being penalized for participating in this pilot program. PG&E offers a similar bill protection to PDP customers during their first year of enrollment.

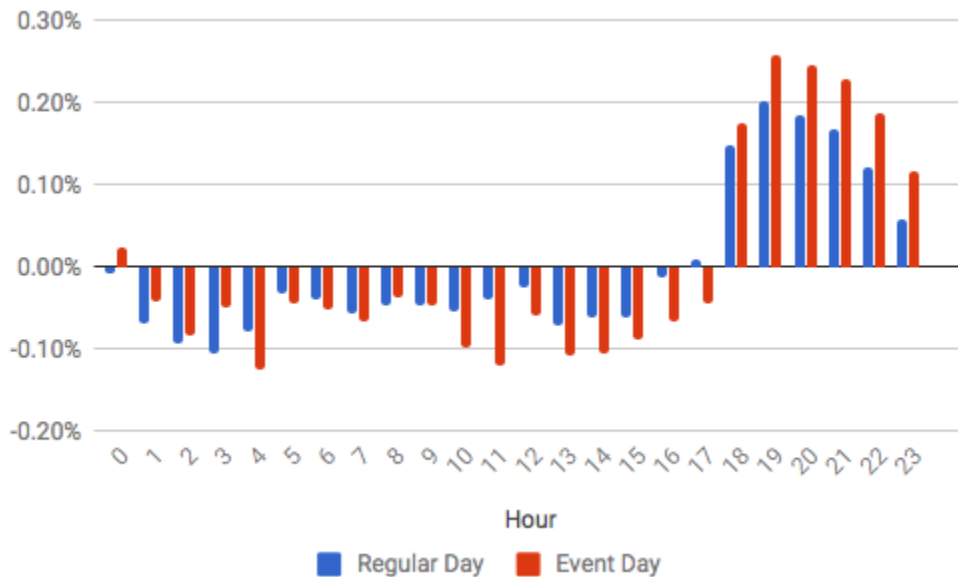
Analysis

This proposal is informed by an analysis of EBCE PDP customers, a comparison of those customers to non-participating customers, and an informal review of what other CCAs are doing.

The analysis of E19 and E20 PDP participants provided the following insights:

- As illustrated in **Figure 1** below, in aggregate PDP participants ‘deepen’ their energy usage reduction during event days and hours, when compared to non-participants and non-event days. The figure shows 24 groups of bars, one for each hour of the day, averaged over the summer of 2017. Each bar represents the difference between the percent of daily load in that specific hour for PDP participants, minus the percent of daily load in that specific hour for non-participants. The blue bars represent the calculations for regular days, and the red bars represent them for event days. The sum of all the blue bars and all of the red bars is zero. While this is a complex way of analyzing the data, it clearly illustrates how hours 14 through 17 (the event hours) are significantly lower during event days (red) than non-event days (blue) and most other hours. This indicates that on event days, PDP customers shift some of their load from event hours to other hours.

Figure 1 PDP Participants vs. Non-Participants



- Overall, most PDP participants are actually net losers in the PDP program, because they are either not aware of the program or are not actively managing their load. Only

158 E19/E20 customers appear to be benefitting from the program, while 1,346 customers appear to be losing by being on the program¹.

What Other CCAs Are Doing

Other CCAs have faced the same issue with enrolling customers that participate in PG&E's PDP program, and have handled it in different ways:

- **Do Nothing** - Do not inform the customers and let them make their own decisions.
- **Customer Notification** - Send customers a letter indicating that the PDP program and CCA enrollment are not compatible and let them decide how to proceed with opt-outs.
- **Bill Protection without Event Notification** - Provide customers with a bill protection mechanism that recalculates their bill at the end of the season, and credits them as appropriate based on the PDP rates. Some CCAs are doing this bill protection upon request, others are offering it for all PDP-enrolled customers.
- **Event Notification and Bill Protection** - Provide customers with notification of event days, encourage them to respond, and recalculate their bill at the end of the season based on PDP rates.

The recommendation of EBCE staff is essentially the same as the last option. This option is currently being contemplated by another CCA, but has not yet been implemented. Staff recommends against only providing bill protection without event notification, since this is effectively compensating the customer without giving them any signal to alter their demand. This dilutes the demand response benefit of the program.

Financial and Other Impacts

Using 2017 data and 2018 rates, EBCE staff was able to calculate an approximate cost/benefit for each E19/E20 customer enrolled in PDP (see footnote 1 on the previous page). If all customers were allowed to enroll, the data indicates that the cost to EBCE would be between \$200K and \$450K, with an expected average of \$300K. The total load of all 158 customers that would be receiving a credit amounts to 33,000 MWh. So, in aggregate, this represents an average credit of 0.9 cents/kWh.

Given how the pilot program is being designed, EBCE staff estimates no significant additional costs to execute and implement the pilot. The enrollment, notification, and calculation of bill credits will be performed by existing EBCE staff. There may be a nominal one-time cost to issue the credits through the billing system (to be determined).

The pilot program could generate several benefits:

- **Customer Retention** - By offering customers this option, EBCE can remain competitive with PG&E by providing the full range of credits available. Anecdotal evidence indicates that this can help customers elect to remain with EBCE service, and even opt-up to the premium product offering.

¹ This analysis is approximate as it is based on hourly data rather than 15 minute data, and since specific customer enrollment options such as capacity reservations are not necessarily known. It is deemed directionally accurate.

- **Demand Response Benefit** - By continuing to provide customers the demand response signal through Event Day Notification, this proposal ensures that EBCE receives more of the demand response benefit than a simple bill protection mechanism. This benefit can manifest in multiple ways:
 - Lower load during peak hours - which are typically more expensive hours - resulting in potentially lower procurement costs to EBCE;
 - Decreased need for power generation from peaking power plants, which can result in less emissions; and,
 - Increased grid reliability.

- **Direct Experience in Demand Response Programs** - The pilot should generate valuable staff experience in implementing a demand response program. This could facilitate the future roll out of other programs that are more specifically tailored to the needs of Alameda County and EBCE.

The pilot will also seek to more clearly understand the costs and benefits of operating such a program and will use metered and market pricing data to calculate a more complete cost/benefit analysis.

Conclusion

This proposed pilot program will enable EBCE staff to offer large energy users an option equivalent to PG&E's PDP program. This will allow those customers to benefit from the same types of bill credits available to them under PG&E service, allowing EBCE to remain competitive. Unlike a simple bill protection mechanism, this program will continue to encourage those customers to provide a demand response benefit and will allow EBCE staff to better understand the costs, benefits, and mechanics of implementing a demand response program.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY
APPROVING A PILOT DEMAND RESPONSE PROGRAM

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all of the member jurisdictions.

Section 2. Demand response programs provide incentives to customers to encourage them to reduce their demand during critical peak periods. Peak day pricing (“PDP”) is a demand response program offered by PGE to non-residential customers. The PG&E program offers participants a discount over regular electricity rates throughout the summer (May 1 to October 31). EBCE customers are not eligible to participate in PG&E’s PDP program.

Section 3. EBCE proposes to conduct a pilot demand response PDP program similar to PG&E’s PDP program to provide customers an opportunity to lower their usage during critical peak hours when needed, reducing their summer energy costs, and allowing EBCE to understand how PDP can help EBCE better manage the peak electricity demand, avoid reliance on peaking power plants, increase the reliability of the grid and overall better

Section 4. The Board of Directors hereby approves the proposed Demand Response Pilot program to be offered to up to 100 E19/E20 customers in the summer of 2018, in order to encourage continued demand response in exchange for a bill credit on par with current PG&E programs.

ADOPTED AND APPROVED this 16th day of May, 2018.

Scott Haggerty, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



Proposed Pilot Program Demand Response

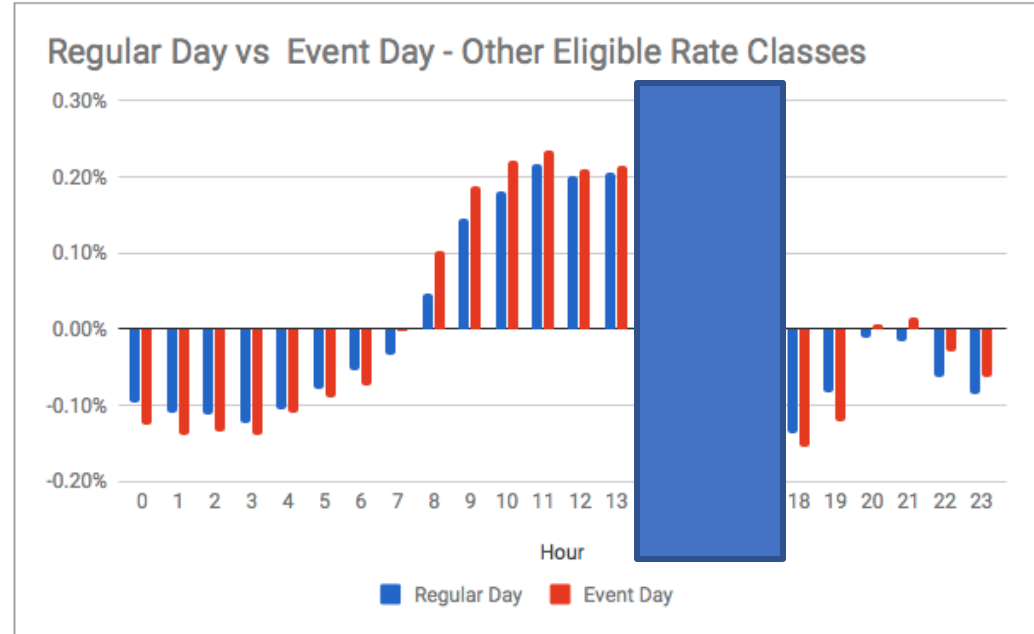
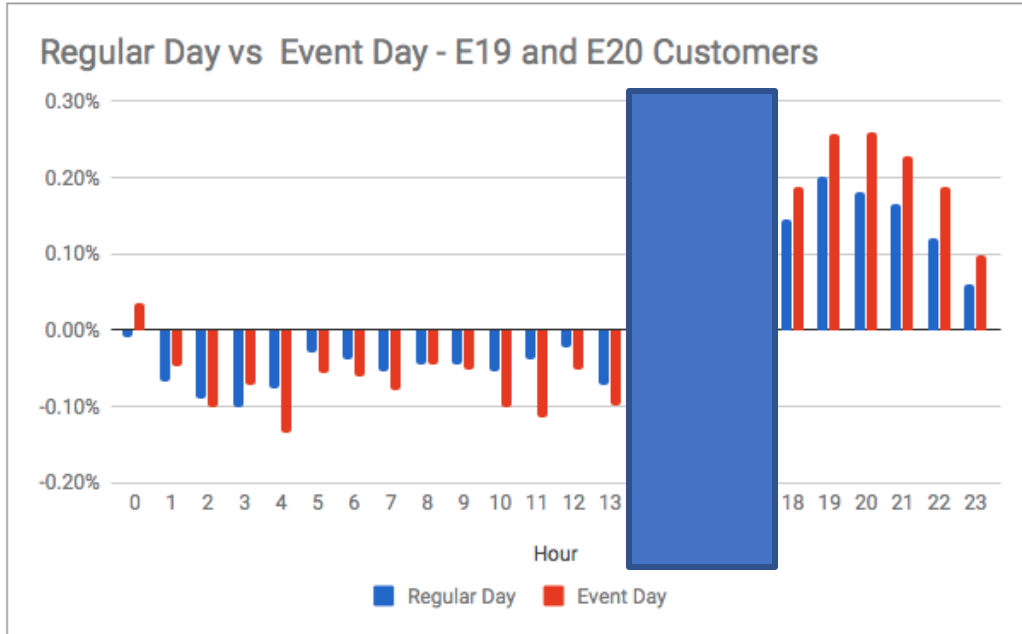
Taj Ait-Laoussine
May 16, 2018



OVERVIEW

- Demand Response provides incentives to customers to reduce demand during critical peak hours.
- Peak Day Pricing (PDP) Program at PG&E:
 - Default but Optional Program
 - Runs May 1 through October 31
 - Up to 15 Event Days per season, declared on day ahead, 2pm to 6pm
 - Lower summer rates, but significant surcharges during event periods
 - ~30K EBCE Prospective Customers Currently Enrolled, ~ 30% of total load
 - For some large accounts, seasonal credits > \$100K, > 7% of Summer Bill
- PDP is not compatible with CCA Service.

Impact of PDP Participants



- Each bar represents the difference between the percent of daily load in that specific hour for PDP participants, minus the percent of daily load in that specific hour for non-participants. The blue bars represent the calculations for regular days, and the red bars represent them for event days. The sum of all the blue bars and all of the red bars is always zero across the day.
- The left chart illustrates the behavior of E19 and E20 participants, the right chart for all other eligible rate classes.
- Data on the left indicates that E19 and E20 participants have lower loads during the target hours when compared to regular customer, and deepen their load reductions during event hours.
- Data on the right indicates that customers on other rate classes are not as well aligned with target hours, and overall do not provide much of a increase in load reduction

Proposal

- Provide a program equivalent to PDP, on a pilot basis
- Open to E19 / E20 customers, currently on PG&E's PDP, up to 100
- EBCE will provide event day notification to motivate demand response
- EBCE will calculate credit / surcharges at the end of the season
- Customers will be credited any net credit left after event day charges have been deducted

Rate Schedule	Event Surcharge (\$ /kWh)	Peak kW Credit (\$/kW)	Part Peak kW Credit (\$/kW)
E19P	\$1.2	\$5.66	\$1.38
E19S	\$1.2	\$5.82	\$1.44
E19T	\$1.2	\$4.20	\$1.05
E20P	\$1.2	\$6.22	\$1.47
E20S	\$1.2	\$5.69	\$1.40
E20T	\$1.2	\$5.95	\$1.42

Impacts

- Costs – additional credits expected on the order of \$200K - \$400K
- Potential Benefits
 - Remain competitive with full PG&E product options
 - Reduce peak demand and peak procurement costs
 - Reduce need to rely on peak power plants
 - Increase grid reliability
- Learning from the Pilot
 - Mechanics of implementing a customer program
 - More fully refined cost / benefit analysis.



Staff Report Item 15

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: California Renewable Energy Request for Proposals (Informational Item)
DATE: May 16, 2018

Recommendation

Discuss EBCE's planned California Renewable Energy Project Request for Proposals.

EBCE staff recommends issuing a request for proposals for long-term contracts with California-sited renewable energy projects. Within this request for proposals, EBCE staff is recommending including a discrete set of workforce and local development criteria.

- a) **Workforce:** workforce development standards developed based upon recommendations from the Local Development Business Plan include mandatory prevailing wage requirement, and preference for project labor agreements, locally-sited projects, and local hire requirements.
- b) **Local Development:** local development standard is to set a minimum target of 20 megawatts (MW) to be procured from Alameda County-sited projects.

Background

East Bay Community Energy (EBCE) is proposing an RFP soliciting competitive proposals for the sale and purchase of renewable energy. For the purposes of the RFP, the renewable energy generation facility must meet the California Energy Commission's definition as a Portfolio Content Category 1 Eligible Renewable Resource ("PCC1"). Through this RFP, EBCE seeks to purchase renewable energy to meet a portion of its electric energy needs in 2019 and subsequent years, for terms of ten (10) or more years. EBCE's goal is to purchase electricity and attributes from eligible PCC1 resources through this RFP starting as early as 2019 to:

- support long-term low and stable operating costs,
- increase the renewable energy content of its wholesale electricity portfolio, and
- create California and local workforce benefits through the creation of jobs to construct and maintain renewable energy infrastructure across Alameda County and California, including
 - stable and skilled workforce and local workforce development,
 - opportunities for disadvantaged workers, and
 - local union jobs.

Discussion

EBCE staff proposes to issue an RFP for California-sited renewable energy projects in June 2018. Within this RFP process, EBCE seeks to procure hundreds of megawatts (MW) of new projects. The specific volumes of procurement that EBCE staff will recommend to the Board for approval will be based on a quantitative assessment of actual project bids, EBCE's analysis of the impact of a range of procurements on EBCE's rates, and EBCE's Integrated Resource Plan - which will be brought to the Board for review and approval in June and July 2018.

As part of this procurement, EBCE staff is recommending including a minimum target of 20 MW within Alameda County. The inclusion of the 20 MW target is staff's effort to ensure that this procurement includes a meaningful quantity of local development. The 20 MW target is based on staff's qualitative assessment of the projects that have been reviewed to date and a sense of how contracting with one or more Alameda County projects would impact EBCE's rates.

This procurement also includes robust workforce development standards, focused on creating good local jobs for projects in Alameda County and good union jobs for projects throughout California. These standards were largely developed based on the recommendations from the Local Development Business Plan and those included in EBCE's Oakland Clean Energy Initiative Solicitation. They include requirements and preferences related to:

- 1) utilizing a stable and skilled workforce,
- 2) contributing to local workforce development,
- 3) creating opportunities for disadvantaged workers, and
- 4) supporting union jobs in Alameda County and across California.