



## Staff Report Item 9

**TO:** East Bay Community Energy Board of Directors

**FROM:** Nick Chaset, Chief Executive Officer

**SUBJECT:** JPA Member Election to Default Phase 1 Customers onto *Brilliant 100*

**DATE:** March 21, 2018

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### **Recommendation**

Adopt the resolution directing staff to make the necessary arrangements to allow the default service for the Phase 1 enrollment in certain cities to be *Brilliant 100* for all non-residential customers and approving amendment to the terms and conditions.

### **Background**

On February 7, 2018, the EBCE Board of Directors approved two product services for customers within EBCE territory: a default service called *Bright Choice* that will be 85% carbon-free and offered at a 1.5% discount to the PG&E generation rate, and a second service called *Brilliant 100* that will be 100% carbon-free and offered at the same cost as the PG&E generation rate.

Many member jurisdictions have Climate Action Plans (CAP) with specific greenhouse gas (GHG) emission reduction goals to be achieved by specific dates. Customers receiving *Brilliant 100* service achieve additional GHG emissions savings that contribute to cities meeting their CAP goals. Three City Councils have passed resolutions requesting the EBCE Board of Directors to enroll customers within their jurisdiction in *Brilliant 100* service as the default option, which will increase GHG savings at no additional cost to customers.

- [Albany Resolution](#) approved at March 5th city council meeting
- [Emeryville Resolution](#) [approved] at March 20th city county meeting
- [Hayward Resolution](#) approved at March 6th city council meeting

## Analysis & Discussion

Enrolling customers directly into *Brilliant 100* service requires the following changes to the standard process. EBCE staff is prepared to execute on these items in order to implement the decision of the city councils and EBCE Board of Directors.

- The Terms and Conditions of Service must be updated to reflect the rate differences in certain jurisdictions.
- Customers within jurisdictions that requested direct enrollment in *Brilliant 100* will receive a different notice from jurisdictions with standard customer enrollment in *Bright Choice*.
- The start of the noticing process will be delayed by one week and the first two batches of notices will be consolidated.
- EBCE staff will facilitate drafting, printing, and mailing a letter on city letterhead and signed by the director and alternate from that city to customers within the jurisdiction explaining direct enrollment in *Brilliant 100*.
- The EBCE website and select marketing collateral will be updated to include information about jurisdictions that requested customers direct enrollment in *Brilliant 100*.
- The SMUD call center will be trained on which jurisdictions have selected *Brilliant 100* for customer enrollment.
- EBCE staff will follow-up with any strategic commercial accounts within the identified jurisdictions to update the customer on the enrollment process and facilitate opt down to *Bright Choice* if cost savings is critical to that business.
- The Interactive Voice Response (IVR) system implemented by SMUD will verify if a customer is already receiving *Brilliant 100* service and provide an option for the customer to opt down through the automated system.

EBCE is working closely with SMUD to configure their customer management systems to enroll all customers in *Brilliant 100* within identified jurisdictions. As this request to change the standard process comes very close to the launch of the call center and its supporting systems on April 2nd, SMUD has indicated it may come at an additional cost to EBCE. EBCE staff are actively pursuing mechanisms to implement the enrollment of Albany and Hayward businesses in *Brilliant 100* at program launch, but doing so will alter the enrollment experience of these customers.

Additionally, there are several items that cannot be changed in time for launch in June. EBCE staff continues to investigate how and when updates may occur.

- Certain marketing collateral may not reflect this variation from the standard enrollment program. EBCE staff is exploring the ability to update an animated video but it is unclear if this can be accomplished by launch.
- An opt down form may not be available on the EBCE website. SMUD is already testing its systems, including the opt up and opt out forms on the website. EBCE staff is exploring the ability to add a form to support customer opt down from *Brilliant 100* to *Bright Choice*.
- The IVR system has already been recorded in English and Spanish. A general information section of the IVR notes that *Bright Choice* is the default product. This will not be updated before launch. EBCE staff is looking into when the recording can be updated.

**Attachments**

- A. Resolution
- B. Exhibit A - Amended Terms and  
Conditions

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY  
DIRECTING STAFF TO MAKE NECESSARY ARRANGEMENTS TO ALLOW  
THE DEFAULT SERVICE FOR PHASE 1 ENROLLMENT IN CERTAIN CITIES TO BE BRILLIANT 100  
FOR ALL NON-RESIDENTIAL CUSTOMERS**

**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, Castro Valley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, San Leandro, and Union City, to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all the member jurisdictions.

Section 2. On February 7, 2018, the Board of Directors approved two product offerings—a default product called Bright Choice composed of electricity sources that are 85% carbon-free, and an opt-up product called Brilliant 100 that is 100% carbon-free. At that same meeting, the Board of Directors established a framework for setting the rates for these products namely that Bright Choice would be 1.5% below PG&E rates and Brilliant 100 would match PG&E rates.

Section 3. In order to meet their climate action goals, EBCE member cities Albany, Emeryville, and Hayward have each adopted resolutions requesting that the EBCE Board of Directors set the default product service in their respective cities for Phase 1 customers at Brilliant 100 instead of Bright Choice.

Section 4. Changing the default product service for these cities requires a number of adjustments to, among other things, the terms and conditions, customer notification, marketing materials, call center preparations and training, and enrollment forms to include an opt down option.

Section 5. The Board of Directors hereby desires to accommodate the cities of Albany, Emeryville, and Hayward and therefore directs the EBCE Chief Executive Officer or his designee to take any and all necessary actions to allow for the default product service in those cities to be Brilliant 100 for all Phase 1 customers, with an option for those customers to opt down to Bright Choice. The Board of Directors further directs the Chief Executive Officer or his designee to assist the cities of Albany, Emeryville, and Hayward in reaching out to large commercial customers in those cities to update those customers about their opt down choice.

**ADOPTED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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Scott Haggerty, Chair

ATTEST:

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Stephanie Cabrera, Clerk of the Board



POLICY # \_\_\_\_\_

## Terms and Conditions of Service (Amended)

### ENROLLMENT AND SERVICE OPTIONS

#### ***Bright Choice*** (Standard, default service for customers not in Albany, Emeryville, or Hayward)

As of June 2018, East Bay Community Energy (EBCE) will be the default electric provider serving Alameda County, except the cities of Alameda, Pleasanton, and Newark. Most accounts within EBCE's coverage area will be automatically enrolled in EBCE's *Bright Choice* service, which is powered by at least 38% renewable energy and an additional minimum of 47% carbon-free energy (together, a total of 85% carbon-free) and offered at a 1.5% discount to the corresponding PG&E rate. Enrollment will occur in phases over the next 6-12 months. Customers may request to "opt up" to the *Brilliant 100* service or opt out and return to PG&E bundled service at any time, subject to the opt-out guidelines described below. *Bright Choice* electric generation rates in 2018 are set below PG&E electric generation rates, inclusive of utility exit fees. More information about rates can be found at [ebce.org/rates](http://ebce.org/rates).

#### ***Brilliant 100*** (Voluntary Program for most customers, default service for customers in Albany, Emeryville, and Hayward)

For standard customers, once enrolled, you have the option to "opt up" to EBCE's 100% carbon-free service, *Brilliant 100*, offered at the same cost as the corresponding PG&E rate. Per the request of the local city council in an effort to support sustainability goals, customers within the cities of Albany, Emeryville, and Hayward will be enrolled in *Brilliant 100* automatically at the start of service. *Brilliant 100* customers may subsequently choose to return to the standard *Bright Choice* service at no cost, inclusive of utility exit fees. Participation in voluntary programs is effective as of the customer's next billing cycle.

#### ***Early Adopter*** (Voluntary Program)

Before residential automatic enrollment begins in late 2018, residential customers are invited to "opt in" to EBCE service as Early Adopters in June 2018. Customers who enroll as Early Adopters must elect *Brilliant 100* service. Participation is voluntary, and Early Adopters who choose to return to PG&E bundled service may be subject to termination fees and special PG&E rates. Space in the Early Adopter program is limited.

### RATES, FEES AND PROGRAMS

EBCE's electric generation rates are managed to provide cleaner, greener electricity to our community at competitive rates. Any future rate changes will be adopted at duly noticed public meetings of the EBCE Board. You can view EBCE rates online at [ebce.org/rates](http://ebce.org/rates), or call 1-833-699-EBCE (1-833-699-3223) for more information. Rates and cost comparisons may change over time.

As an EBCE customer, PG&E charges you a monthly Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge. EBCE has accounted for these additional exit fees and charges in its rate

setting process. Please contact PG&E for more information about these charges.

Financial assistance programs including CARE (California Alternate Rates for Energy), FERA (Family Electric Rate Assistance) and Medical Baseline Allowance remain the same with EBCE. If you are enrolled in any of these programs with PG&E, they will continue to apply to you as an EBCE customer.

## **BILLING**

As an EBCE customer, you will continue to receive a single monthly bill from PG&E that includes all electricity-related charges, including EBCE's electric generation charges. EBCE generation charges are not duplicate or extra fees. PG&E will forward your payments for electric generation to EBCE. PG&E will continue to charge for gas services, transmission, distribution, public goods programs and other non-generation charges at the same rates it charges customers who do not receive EBCE service.

## **OPT OUT**

You may opt out of EBCE electric generation service at any time by calling 1-833-699-EBCE (1-833-699-3223) or by completing the opt-out form at [ebce.org/optout](http://ebce.org/optout). You will need your PG&E account information to begin the opt-out process.

There is no fee to opt out before enrollment or in the first 60 days of receiving EBCE service. If you opt out 60 or more days after EBCE service begins, or if you are an Early Adopter, you will be charged a one-time termination fee of \$5 per residential account or \$25 per commercial account. This fee will be waived for customers that opt out prior to June 1, 2019. You will also be subject to PG&E's terms and conditions of service, which will prohibit you from returning to EBCE for a full year after your opt-out date.

If returning to PG&E generation service after receiving EBCE service for more than 60 days, or after enrolling as an Early Adopter, PG&E requires that you choose one of the following options:

- Option 1) Return to PG&E generation service at the end of the current billing cycle. You will be billed at PG&E's transitional rates for a six-month period, and PG&E's standard bundled electricity rates thereafter.
- Option 2) Give six month's advance notice of your intent to return to PG&E generation service. At the end of the six-month notice period, you will be returned to PG&E service and billed PG&E's standard bundled electricity rates.

Accounts of customers who have requested to opt out will be transferred on the next day their electric meter is read. Accounts cannot be transferred in the middle of a billing cycle. Your opt-out request must be received at least 5 business days prior to your meter read date in order to switch service to PG&E before your next billing cycle begins. All other opt-out requests will be processed on the subsequent meter read date. If you opt out or otherwise stop receiving service from EBCE, you will be charged for all EBCE electricity used before ending EBCE electric service.

## **FAILURE TO PAY**

If you fail to pay your bill, EBCE may transfer your account to PG&E upon 30 days' written notice for

commercial customers and 60 days written notice for residential customers. If your account is transferred, you will be required to pay the opt-out fees described above.

### **CUSTOMER CONFIDENTIALITY**

EBCE is committed to protecting customer privacy. EBCE's policy on customer confidentiality can be found at [ebce.org/confidentiality](http://ebce.org/confidentiality) or by calling 1-833-699-EBCE (1-833-699-3223).





## Member Election to Default Phase 1 Customers onto *Brilliant 100*

PRESENTED BY: Annie Henderson

DATE: 03/21/18



# BACKGROUND

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- 2/7/18 – EBCE Board approved power mix and rate discount.

Product	Power Mix	Discount
<i>Bright Choice</i>	38% RE + 47% carbon-free = 85% clean	1.5%
<i>Brilliant 100</i>	40% RE + 60% carbon-free = 100% clean	0%

At cost parity with PG&E, Brilliant 100 service offers greater greenhouse gas emissions savings to help achieve Climate Action Plan goals.

- 3/5/18 – **Albany City Council** adopted resolution requesting all commercial accounts enrolled in Brilliant 100 service
- 3/6/18 – **Hayward City Council** adopted similar resolution
- 3/20/18 – **Emeryville City Council** voted on similar resolution

# IMPLEMENTATION

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- Procedure Changes
  - Update Terms and Conditions of Service
  - Unique notice
  - Condensed noticing schedule
  - City letter to customers
  - Update website and select marketing collateral
  - Call center training
  - Follow-up and retention of top commercial accounts
  - Automated phone system support
- Challenges
  - Certain marketing collateral may not be updated
  - An opt down form may not be available on the EBCE website.
  - General description on automated phone system will not be updated.
- Operational Concerns
  - Possible additional cost for SMUD to support enrollment change
  - Different customer experience depending on enrollment mechanism

# PHASE 1 TIMELINE

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<b>Date</b>	<b>Action</b>
3/26	Noticing process begins for Notice #1
4/9	Notice #1 delivery begins
Mid-April	City letters sent regarding enrollment in Brilliant 100
5/7	Notice #2 delivery begins
6/1	Enrollment begins
6/11	Notice #3 delivery begins
7/2	Notice #4 deliver begins

# PHASE 2 TIMELINE

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Date	Action
End April	EBCE outreach to cities complete
End May	Deadline for city resolutions for Phase 2 default to Brilliant 100*
June	Board considers any city requests for default*^
August	City letter and notice content final
Mid-August	Noticing process begins for Notice #1
September	Notice #1 delivery begins
October	Notice #2 delivery begins
November	Enrollment begins

\*Schedule accounts for reduction in city council meetings in June and July

^Schedule accounts for time to develop outreach materials and notice content

# STAFF RECOMMENDATION

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- Adopt a resolution to set default rate as *Brilliant 100* for Phase 1 customers in Albany, Emeryville, and Hayward, as requested by city councils
- Approve amended Terms and Conditions of Service, which incorporate rate information specific to Albany, Emeryville, and Hayward
- Communicate Phase 2 timeline to city staff and city councils and lead city discussions to gauge interest from elected officials and community members in a Phase 2 default to *Brilliant 100*