



East Bay Community Energy Local Development Business Plan

LDBP Project Team:

DRAFT LDBP Executive Committee Review and Discussion

ALH|ECON

ALH Urban & Regional Economics

June 29th, 2018



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**LOCAL DEVELOPMENT
BUSINESS PLAN**
2018

EAST BAY COMMUNITY ENERGY
CLEANER ELECTRICITY. COMMUNITY BENEFITS.

“As the Community Choice process in Alameda County has evolved over time, many local officials and stakeholders have expressed a desire for EBCE to act upon a strong commitment to the development of local renewable energy resources as the way to achieve a host of program goals related to greenhouse gas reductions, business development, job creation and ratepayer savings and local wealth generation. This kind of development requires a transition over time from simply procuring renewable electricity on the wholesale market to creating an optimized system of local distributed energy resources that play a larger and larger role in addressing the energy needs of our communities. But this transition does not happen by accident; the fundamental challenge is to set out a roadmap for making it happen within an aggressive yet achievable timeframe.” —from the Local Development Business Plan RFP

EBCE Goals and Priorities

- ▶ **EBCE's relationship with its customers is the highest priority**
- ▶ **Maintaining stable and competitive rates is essential**
- ▶ **Prioritizing the development and utilization of local clean energy resources in ways that maximize local benefits is highly important to the EBCE community**
- ▶ **Actively supporting the development and maintenance of a highly skilled local workforces is key to EBCE's stability & success**
- ▶ **The Local Development Business Plan is an important tool that will support EBCE's ongoing efforts to deliver on each of these core goals and priorities**

Overarching Principles of the LDBP

- ▶ **Develop a high-level roadmap and framework for accelerating local DER deployment and maximizing community benefits**
- ▶ **Offering innovative program designs can overcome market failures & incentivize meaningful community & organizational benefits**
- ▶ **Development of local, clean, dispatchable, and distributed energy resources supports EBCE's core values and goals**
- ▶ **EBCE can support a vibrant local economy and workforce, and protect its most vulnerable customers through targeted local energy programming and investments**
- ▶ **A diversified portfolio of local programs coupled with retail rate savings can deliver greater benefit than rate savings alone**

Central LDBP Concepts & Mechanisms

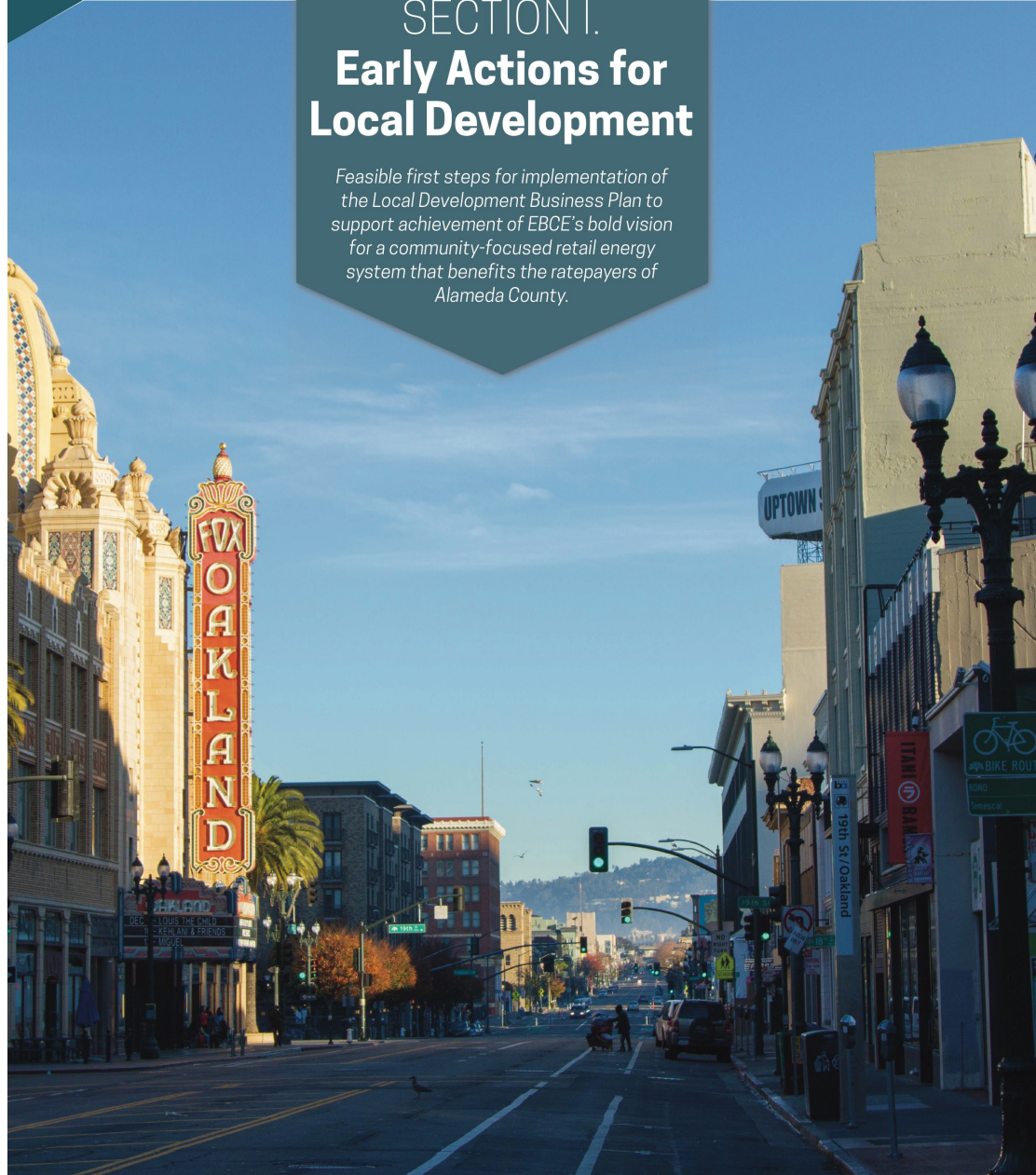
- ▶ **Effective delivery of LDBP Programs depends on a robust, integrated data platform & advanced data management**
- ▶ **A phased-in approach is necessary, & supports successful implementation of the LDBP**
- ▶ **Community Benefit Adders (CBA's) can be an effective tool to ensure & enhance beneficial local outcomes**
- ▶ **Market responsive pricing (MRP) can maximize impacts, constrain costs, & minimize risks associated w/LDBP implementation**
- ▶ **Contractual relationships with EBCE customers & stakeholders can create lasting, mutually beneficial partnerships**

Brief Overview of the Plan

- ▶ The LDBP is designed to be both progressive and pragmatic, providing a flexible framework and innovative tools for accelerating beneficial local clean energy development
- ▶ The plan recommends a phased-in approach, in 3 stages spanning the first 5 years of EBCE operations, and is intended to be an iterative and inclusive process that engages the community:
 1. Stage 1 Launch (2018-2020): Implement a broad suite of early actions, designed to jump start local development through a combination of cost-effective programs and innovative pilots
 2. Stage 2 Expansion (2021-2022): Conduct mid-term assessment of outcomes to provide basis for scaling up local programs and determining investment allocations, expand pilots into programs
 3. Stage 3 LDBP Update (2023): Comprehensive assessment and public reporting, and 1st major update to the LDBP to reset for next 5-yr cycle

SECTION I. Early Actions for Local Development

Feasible first steps for implementation of the Local Development Business Plan to support achievement of EBCE's bold vision for a community-focused retail energy system that benefits the ratepayers of Alameda County.




Overview: Stage 1 LDBP Programs & Pilots

Early Actions for Local Development	Stage 1 Target
1. Demand Response	Implement Pilot
2. Energy Efficiency	Build Capacity/Synergy
3. Building Electrification	Implement Pilot
4. Transportation Electrification	Implement Pilot
5. Collaborative Procurement	30-60 MW
<i>Municipal Feed-in Tariff (FIT)</i>	<i>10-15 MW</i>
<i>Community Shared Solar (FIT)</i>	<i>500 kW-4 MW</i>
<i>Community Net Energy Metering</i>	<i>1-5 MW</i>
<i>Direct RE Contracting for Large Customers</i>	<i>Implement Pilot</i>
<i>Utility-scale RE and Storage</i>	<i>20-40 MW</i>
6. Enhanced Net Energy Metering	50-60 MW*
7. Community Innovation Fund	Commence Grant Solicitations

*Note- This is based on recent historical NEM installations in Alameda County, because the impact of the EBCE Enhanced NEM Community Benefit Adders is unknown. The Mid-term LDBP Assessment will provide the data necessary to validate and project the impact of the Enhanced NEM program elements (i.e., Community Benefit Adders)

SECTION II.
**Supporting
Resources,
Policies, &
Strategies**





SECTION III. Ongoing Analysis, Implementation, & Refinement

By focusing on opportunities for local clean energy development, the LDBP can help EBCE maximize beneficial outcomes for the communities of Alameda County.

Stage 1: LDBP Launch

- **Organizational Development:**
 - *Integrated Data Platform*
 - *Internal Capacity Building*
 - *Develop a High-road Workforce Policy*
- **Enhanced Net Energy Metering (NEM)**
- **Collaborative Procurement Program**
 - *Implement Round 1 of "MuniFIT"*
 - *Implement Community Shared Solar Pilot*
 - *Implement Community NEM Pilot*
 - *Direct RE Contracting Pilot (for large accounts)*
 - *Wholesale RPS Procurement Integration*
 - *Oakland Clean Energy Initiative (OCEI)*
- **Implement Demand Response Pilot**
- **Develop Fuel Switching Program**
- **Implement Transportation Electrification Pilot**
- **Promote & Enhance Existing Energy Efficiency**
- **Community Investment Fund**
 - *Energy Innovation Grants*
 - *Government Innovation Grants*
 - *Community Innovation Grants*

Stage 2: LDBP Expansion

- **Continue Implementation of Stage 1 Programs**
 - *Extend Pilots to Full-fledged Programs*
 - *Increase EBCE Investment in LDBP Programs*
 - *Ongoing Capacity Building (staffing, data, etc.)*
- **Mid-term Assessment of LDBP Program Performance & Outcomes**
 - *Use LDBP Tools/Frameworks (i.e., IMPLAN)*
 - *Clear and Transparent Public Reporting*
- **Ongoing Facilitated Stakeholder Engagement**
 - *Led by EBCE Staff & CAC Working Group*
 - *EBCE Board/Executive Committee Oversight*
 - *Use LDBP Scenario Analysis Tools*
 - *Inform Stage 2 LDBP Investment Allocations*
- **Evaluate Beneficial Rate Design Options**
- **Develop & Adopt Strategic Plan for EBCE DER Aggregation (VPP) Implementation**

Stage 3: LDBP Update

- **Comprehensive Assessment of LDBP Programs & Outcomes:**
 - *Ratepayer Impacts*
 - *Cost of Service Impacts*
 - *Jobs & Economic Impacts*
 - *Environmental Impacts*
 - *Transparent Public Reporting*
- **Expand & Refine LDBP Metrics**
- **1st Major Update to the Local Development Business Plan**
 - *Adjust Program Parameters*
 - *Integrate New Program Ideas*
 - *Adopt LDBP Implementation Framework & Timeline*



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