



## Staff Report Item 9

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Nicolas Chaset, Chief Executive Officer  
**SUBJECT:** Approve Local Development Business Plan  
**DATE:** July 18, 2018

---

### Recommendation

Approve a resolution to adopt the Local Development Business Plan and direct the CEO, or his/ her designee, to develop implementation plan(s) for the Early Actions outlined in Section 1 of the Local Development Business Plan, and to file a notice of exemption under CEQA with Alameda County.

### Background

The Local Development Business Plan is the culmination of over twelve months of in-depth analysis and community engagement that lays out a series of local development early actions, outlines a series of policy principles and defines a set of metrics to measure the impact on Alameda County of local development activities. The Plan itself is the by-product of twenty-five distinct studies that covered a wide range of issues, from a solar and wind siting analysis, to a deep-dive into EBCE's energy efficiency potential that relied on innovative use of AMI data, to a workforce development study that evaluated ways EBCE can support a robust clean energy jobs ecosystem.

All facets of the LDBP have undergone extensive public comment and review. This started with an initial series of focus groups that helped scope the plan. As draft work products were developed and published, written public comment was solicited for each LDBP draft document, public workshops and webinars were held where the documents were presented and discussed, and industry expert panel reviews of the work products were conducted. As the LDBP team transitioned from completing the background documents to drafting the Plan itself, a day long LDBP Community Symposium was held to take further public comment. Finally, when the draft plan was released in June 2018, another round of public comment was solicited, followed by two public workshops and a presentation of the Plan to the EBCE Executive Board and the Community Advisory Committee.

This final Local Development Business Plan incorporates comments from twenty-three stakeholders, the EBCE Executive Committee, and the Community Advisory Committee.

## Discussion

The Local Development Business Plan consists of three sections. The first section focuses on a series of local development Early Actions that are designed to allow EBCE to pursue a broad set of local development activities through a series of controlled pilot projects. The underlying goal of this approach is to allow EBCE to make tangible progress across wide-range of local development strategies while positioning EBCE to iteratively measure the impact of these actions in areas like jobs created, GHG emissions reduced, customer cost-savings, and dollar cost to EBCE.

Table 1 - Overview of Early Actions and 2018-2019 Budget Estimate

LDBP Early Actions	'18-'19 Cost	Description of Early Action Budget Impact	Est. Cost at Full Implementation (where applicable)
Demand Response	\$ 100,000	EBCE DR strategy is predominantly focused on leveraging customer data platform to drive incremental participation in existing DR programs, as a result EBCE costs in '18-'19 are to cover technical consulting	Premature to provide an estimate of full costs of these initiatives due to fact that they are heavily reliant of use of EBCE data platform and as a result may end up costing EBCE relatively small amounts of EBCE funds. As these actions are more fully developed, EBCE may seek to provide incremental incentives
Energy Efficiency	\$ 100,000	EBCE EE strategy is predominantly focused on leveraging customer data platform to drive incremental participation in existing EE programs, as a result EBCE costs in '18-'19 are to cover technical consulting	
Building Electrification	\$ 50,000	EBCE building electrification strategy is to focus on leveraging customer data platform to support existing building electrification programs being developed at StopWaste, BayREN and AQMD	
Transportation Electrification	\$ 500,000	\$500,000 budget is based assumption of pilot program where EBCE costs are a mix of incentives (direct incentives or incremental rate discounts) and EBCE implementation costs	
MuniFIT	\$ 223,368	Estimate 5 MWs installed in Fiscal '18-'19, full 15 MWs installed by 2020	Est. Annual cost of 15 MWs of MuniFIT: <b>\$1,148,897</b>
Community Shared Solar	\$150,000	In Fiscal 18-19, assumption is that no project is completed while project teams are developing program. \$150,000 budget is to cover technical assistance to project teams and EBCE overhead costs. Assumption is 5 MWs of projects that are installed in second half 2019/2020 and that PPA rate comparable to MuniFIT	Est. Annual cost of 5 MWs of Community Shared Solar: <b>\$382,966</b>
Community NEM	\$ 225,000	EBCE incremental costs associated with Community NEM will take the form of direct payments for Resource Adequacy from Solar + Storage. Assumption is that EBCE contracts for 5 MW of RA from community NEM partner	Est. Annual cost of 5 MWs of RA from Community NEM projects: <b>\$ 450,000</b>
C&I RE Pilot	\$ 100,000	\$100,000 budget is based on assumption of a pilot program where EBCE costs are related to hiring legal and technical consultants to develop business case and	Costs of on-going implementation of this program will likely be in the

		contracts to allow one or more large customer to directly contract with a large RE facility	form of legal and technical consulting
CA/Alameda County RFP	\$0	EBCE assumes it will contract with a minimum of 20 MWs of Alameda-sited renewables as a result of its 2018 Renewables RFP. No budget impact this fiscal year is assumed as all projects are assumed to be built in 2019 and beyond	Est. Annual cost of 20 MWs of Alameda County Solar (assumes \$20/MWh premium over generic California solar): <b>\$860,000</b>
Oakland Clean Energy Initiative	\$0	EBCE assumes it will contract for RA and renewable energy as part of the OCEI. No budget impact this fiscal year is assumed as all projects are assumed to be built in 2019 and beyond	Premature to estimate costs of procurement associated with OCEI given unique structure of project and coordination with PG&E
Enhanced NEM	\$ 104,593	Assumes 5% of all NEM projects installed every year in Alameda County rely on adders - based on historical installation rate of 30-45 MWs a year - we assume 6 MWs of NEM with adders installed annually	Est. Annual cost of 6 MWs of NEM & NEM adder payments: <b>\$200,136</b>
Community Investment	\$ 450,000	Assumes \$150,000 in grants available across each of the three verticals. For each grant area, EBCE will convene a working group consisting of Board Members, CAC Members and relevant community representatives to develop an implementation plan and governance structure	Est. Annual cost of full scaled up grant program: <b>\$1,500,000</b> (\$500,000 per investment area)
<b>2018-2019 EBCE Fiscal Year LDBP Costs: \$ 2,002,961</b>			<b>Known on-going annual costs for LDBP early actions: \$4,541,999</b>

The table above provides a high-level overview of each of the Early Actions outlined in Section 1 of the Local Development Business Plan, as well as an estimate of their associated budget impact in both the current fiscal year as well as a projection of their budget impact at full implementation. One item worth highlighting is that the Early Actions represent over 45MW - 60 MWs of incremental renewable energy development in Alameda County during Stage 1 of LDBP implementation. These projects alone will result in hundreds of millions of dollars of investment in Alameda County, the creation of hundreds of good paying jobs, and provide a solid foundation for scaling up LDBP implementation over time.

Section 2 of the Local Development Business Plan provides a review of some of the key takeaways from the LDBP background documents, including recommendations around how EBCE can support workforce development, how EBCE can use tools like community benefit adders and how EBCE can integrate local development into its Integrated Resource Planning. Among the key next steps that are suggested in Section 2 is the development of a workforce support plan that focuses on identifying ways that EBCE can take action to support the development of a sustainable, clean energy workforce in Alameda County.

Section 3 provides a detailed overview of the metrics - and the associated tools to perform analysis - that EBCE should use to measure the impact of the LDBP on Alameda County.

Table 2 - LDBP Metrics

Category	Metric
Direct Annual Jobs Created	Full-time Equivalent (FTE) per \$Million Invested
Labor Wage Impacts	Direct Job Wages (\$'s/hour)
Fiscal Impacts	Costs (\$'s spent), Cost Savings (\$'s saved), Surplus Revenue
Customer Cost Savings	\$'s saved (Total and by Customer Class)
Local Energy Generation	MWh's Generated per Year
GHG Emission Reductions	Metric Tons of CO2e reduced, GHG Intensity (MTCO2e/MWh)
Criteria Air Pollution Reductions	Metric Tons of Criteria Pollutants reduced

Finally, Section 3 also provides a robust framework for ongoing implementation and refinement of the LDBP, and a 3-stage implementation timeline covering the first five years of EBCE operations. The process for assessing LDBP impacts - which is described in detail in Section 3 - will, in turn, allow EBCE to assess which Early Actions merit continued and/or increased investment and which Early Actions may not be worth continued focus.

Table 3 - LDBP Phases

Phase 1- Launch: 2019-2020	Phase 2- Expansion: 2021-2022	Phase 3- Update: 2023
EBCE focuses on implementing the Early Actions with reports back to the Board and the community at the end of each fiscal year	EBCE assesses impact of Early Actions and begins community engagement to evaluate which local development efforts to scale up and which ones to de-emphasize	EBCE starts implementing local development efforts at scale and begins process of more in-depth update to the Local Development Business Plan based on measured impacts of Early Actions

### Fiscal Impact

The early actions outlined in the LDBP are expected to have a fiscal impact of \$2,000,000 in this fiscal year and carry with them encumbrances in the form of power purchase obligations that will cost EBCE upwards of \$4,000,000 a year in above market energy costs.

### Attachments

- Resolution
- Final Local Development Business Plan
- Overview of Local Development Business Plan comments and adjustments to Plan in response
- Local Development Business Plan presentation