



Staff Report Item 14

TO: East Bay Community Energy Board of Directors
FROM: Annie Henderson, VP Marketing and Account Services
SUBJECT: EBCE Rate Modifications (Informational Item)
DATE: March 20, 2019

Recommendation

Receive an update from staff regarding EBCE rate modifications

Background

On February 15, 2019, PG&E filed a proposal to implement their 2019 generation rates in two parts, instead of doing so through a single change, which has been PG&E's typical course of action. EBCE filed a protest against this bifurcation, arguing that it would cause needless customer confusion. However, the California Public Utilities Commission (CPUC) did not recognize request to delay PG&E's proposal. PG&E's proposed rate change schedule set a first rate change to occur on March 1, 2019 and a second rate change to occur sometime between May 1 and July 1, 2019. With no response from CPUC, PG&E changed their rates on March 1, 2019.

The March 1 PG&E rate changes increased generation rates between 2% to 4%. EBCE forecasts that PG&E's second phase of rate changes will decrease PG&E's generation rates, though the specific rate reduction levels are not yet known. The specific rates will be included in the ERRR proceeding.

EBCE's forecasts that these two rate changes, when taken together, will result in an overall reduction in PG&E's generation rates for 2019.

At the September 2018 Board Meeting, the Board gave EBCE staff authority to modify EBCE rates in response to PG&E rate changes to ensure that EBCE continues to offer a 1.5% discount. Given that EBCE forecasts PG&E's two rate changes to result in a decrease in PG&E's 2019 generation rate, EBCE staff is implemented the Board Sept 2018 directions by adjusting EBCE's rates in response to the March 1, 2019 rate change to maintain our 1.5% discount for Bright Choice, parity for Brilliant 100, and premium of one cent/kilowatt-hour for Renewable 100.

PG&E's second rate change will occur later this spring, and staff plans to modify EBCE's rates again to maintain our value proposition across services. Practically, this will mean that EBCE will be raising its rates in March and then lowering its rates sometime between May and July with PG&E's second rate change in order to maintain a consistent value proposition.

EBCE staff provided an email notice to the Board on February 28, 2019 indicating the intent to make March rate modifications. We will continue to update the board on the status of the second phase of rate changes and its impact on EBCE customers.

EBCE back-end systems were updated as of March 11, 2019. Customer bill cycles that begin on or after March 1 will reflect these updated rates. Customer bill cycles that began prior to March 1 will be billed for the entire bill cycle at the previous rates.

EBCE staff will communicate this rate adjustment to customers through a message on customer bills indicating that EBCE is continuing to maintain its 1.5% discount relative to PG&E rates, by providing talking points for call center representatives, updating EBCE Rate Sheets online, and calling a small population of our largest customers to notify them of the changes in PG&E rates and the fact that EBCE is continuing to provide its stated 1.5% discount.

Fiscal Impact

Increase in PG&E rates will result increase EBCE revenues by \$3m-\$5m over the next 3-4 months.

CEQA

Not a project

Attachments

- Updated Rate Sheet