



Board of Directors Meeting

Wednesday, December 18, 2019

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. Please bring at least 25 copies.

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. The Board Chair may increase or decrease the time allotted to each speaker.

4. Closed Session

- A. Conference with Legal Counsel - Anticipated Litigation pursuant to Government Code section 54956.9(b): One case
- B. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer Nicolas Chaset
- C. **CONFERENCE WITH LABOR NEGOTIATORS** under California Government Code section 54957.6, EBCE Designated Representatives: Jesse Arreguin, Scott Haggerty, Dan Kalb, Diane Martinez, and Al Mendall Unrepresented Employee: Chief Executive Officer

5. General Counsel Report out of Closed Session

CONSENT AGENDA

6. Approval of Minutes from November 20, 2019

7. Contracts entered into (Informational Item)

8. Amendment to Task Order 1 of Master Services Agreement with Sacramento Municipal Utility District and Amend Rate Setting Protocol

- A. Approve an amendment to Task Order 1 of the Master Services Agreement with Sacramento Municipal Utility District (SMUD),
- B. Authorize the Chief Executive Officer (CEO) to approve and sign amendments to Task Order 1 up to the total approved fiscal year budget for Data Manager, and
- C. Amend Rate Setting Protocol

REGULAR AGENDA

9. CEO REPORT

- A. Executive Committee Meeting;
- B. Marketing and Outreach update;
- C. Local Development Business Plan Update and
- D. Update on Opt-out

10. Community Advisory Committee Report

11. Chief Executive Officer Employment Agreement Amendment (Action Item)

12. Amendment to Barclays Revolving Credit Agreement (Action Item)

Adopt a Resolution authorizing the Chief Executive Officer to execute an amendment to the Revolving Credit Agreement with Barclays Bank PLC to increase the cash borrowing capacity and increase the letter of credit capacity.

13. Extension of Accountant Contract (Action Item)

Authorize the CEO to extend the Maher Accountancy contract for an additional year through December 31, 2020 adding an amount of \$200,000 for services in 2020.

14. Reserve Fund Allocations from 2018-19 Fiscal Year Net Revenues (Action Item)

Approve the proposed contributions to the reserve funds.

15. Regulatory Update (Informational Item)

Receive update on PCIA.

16. Carbon Free Allocation (Informational Item)

Receive an update regarding potential carbon free energy allocation and associated timeline

17. Board Member and Staff Announcements including requests to place items on future Board Agendas

18. Adjournment - to Date: Wednesday January 22, 2020
Location: City of Hayward
Council Chambers
777 B Street
Hayward CA 94544

Consent Item 6



Board of Directors Meeting

Draft Minutes

Wednesday, November 20, 2019

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

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1. Welcome & Roll Call

Present: Directors: Haggerty (Alameda County), Pilch (Albany), Arreguin (Berkeley), Hernandez (Dublin), Bacon (Fremont), Mendall (Hayward), Carling (Livermore), Rood (Piedmont), Hernandez (San Leandro), Patino (Union City), Vice-Chair Martinez (Emeryville), Chair Kalb (Oakland)

2. Pledge of Allegiance

3. Public Comment

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Jessica Tovar - Spoke regarding East Bay Clean Power Alliance's concerns over nuclear energy consideration and requested the Board make an informed decision.

4. Closed Session

A. Conference with Legal Counsel - Existing Litigation (\$ 54956.9)

California Public Utilities Commission Proceeding 1909016: Order Instituting Investigation on the Commission's Own Motion to Consider the Ratemaking and Other Implications of a Proposed Plan for Resolution of Voluntary Case filed by Pacific Gas and Electric Company, pursuant to Chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Corporation and Pacific Gas and Electric Company, Case No.19-30088

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer Nicolas Chaset

C. CONFERENCE WITH LABOR NEGOTIATORS under California Government Code section 54957.6, EBCE Designated Representatives: Jesse Arreguin, Scott Haggerty, Dan Kalb, Diane Martinez, and Al Mendall Unrepresented Employee: Chief Executive Officer

5. General Counsel Report out of Closed Session

There was no reportable action taken in closed session

CONSENT AGENDA

6. Approval of Minutes from September 18, 2019

7. Contracts entered into (Informational Item)

8. Authorize the CEO to Execute a Consulting Services Agreement with Frontier Energy, Inc. Adopt a Resolution authorizing the CEO to execute a Consulting Services Agreement with Frontier Energy, Inc., retroactive to 11/1/19, to conduct services necessary to assist with the completion of municipal fleet electrification assessments and deployment plans on behalf of the cities of Albany, Berkeley, Dublin, and Oakland.

Director Mendall motioned to approve the Consent calendar except for items 8 Changes to Amendment to Administrative Procurement Policy and 10 East Bay Community Energy 2018 Emissions Factor. Director Pilch seconded the motion which passed 11/0: Excused: Director Bacon

Contract 2019-100
Resolution 2019-30

REGULAR AGENDA

9. Changes to Amendment to Administrative Procurement Policy

Adopt a Resolution to amend the Administrative Procurement Policy. The amendments are meant to clarify procurement requirements, provide additional signing authority to the CEO, permit contracts under \$5,000 to be paid by purchase order without being Approved As To Form by General Counsel, and permit the extension of agreements with existing vendors to be amended for no more than a total term of up to five (5) years while still being subject to applicable signing authority.

The Board confirmed keeping current threshold of <\$100,000 for full Board approval.

Director Pilch motioned to adopt the Resolution to amend the Administrative Procurement Policy. Director Rood seconded the motion which carried 12/0

Resolution 2019-31

10. East Bay Community Energy 2018 Emissions Factor (Informational Item)

Receive report on East Bay Community Energy's 2018 Bright Choice emissions factor.

Presented

11. CEO REPORT

- A. Finance, Administrative and Procurement Sub-committee;
- B. Marketing, Regulatory and Legislative Sub-Committee;
- C. Executive Committee Meeting;
- D. New Staff;
- E. Distributed Solar and Storage for Resource Adequacy and Customer Resilience RFP; and
- F. Marketing and Outreach Update

The Board discussed Public Safety Power Shutoff impact on Customer opt-up.

12. Community Advisory Committee Report

The Chair provided a report on the CAC Monday, 10/21/19 meeting where the committee met to discuss internal processes, worked with staff to create metrics for the LDBP Projects and provided feedback on how information is shared with the committee.

13. Chief Executive Officer Employment Agreement (Action Item)

Continued to December 18, 2019

14. Fiscal Year 2018-2019 Audited Financial Statements (Informational Item)

Acknowledge and file the Fiscal Year 2018-2019 audited financial statements.

The Board discussed:

- Audit letter language
- Accuracy of data

15. Fiscal Year 2018-2019 Annual Results and Budget Comparison (Informational Item)

Receive report comparing EBCE's financial expectations for the July 1, 2018 to June 30, 2019 fiscal year as presented in the approved, revised budget to the resulting 2018-19 fiscal year annual audit.

The Board thanked staff for management of the budget and requested a glossary of terms for ease of reading.

16. Treasurer's Report (Informational Item)

Receive quarterly report on EBCE Cash position.

The Board discussed:

- Credit Rating
- Reserve Funding minimum threshold
- Discussing reserve policy with Finance, Administrative and Procurement subcommittee

17. Delinquent Accounts and Collections Policy Review (Informational Item)

Receive an update from staff reviewing the existing Delinquent Accounts and Collections Policy.

The Board discussed:

- Community Advisory committee interest in participating in the collection agency selection
- Customer communication
- Collection hierarchy

Cynthia Landry - Spoke in support of maintaining the current collections threshold.

Jessica Tovar - Spoke regarding EBCPA recommendation to create a program similar to SMUD which prevents customers from being shut off for non-payment.

18. Medical Baseline Customer Program Development Budget (Action Item)

Adopt a Resolution to add \$500,000 in funding to the Fiscal Year 2020 Local Development Program Budget to develop and fund a program to address medical baseline customer needs during Public Safety Power Shutoffs.

The Board discussed:

- Prioritizing resiliency hubs and special consideration for multifamily residences.
- Deliverable schedule

Jessica Tovar - Spoke regarding EBCPA's support for the program, the creation of additional programs, and more resiliency hubs in different communities.

Director Arreguin motioned to adopt a Resolution to add \$500,000 in funding to the Fiscal Year 2020 Local Development Program Budget. Director Pilch seconded the motion which carried 12/0

19. Inclusion of New Communities (Action Item)

Receive update and analysis on including new jurisdictions within EBCE's service area;

- A. Adopt a Resolution to include the Cities of Tracy, Pleasanton, and Newark within EBCE's Joint Powers Authority and service area, with customer enrollments to begin in 2021;
- B. Direct staff to update Exhibit A ("List of Parties") of EBCE's Joint Powers Agreement to reflect the inclusion of new member jurisdictions;
- C. Direct staff to update Exhibits B ("Annual Energy Use") and C ("Voting Shares Vote") of EBCE's Joint Powers Agreement with 2018 PG&E electric load data and to reflect the inclusion of new member jurisdictions; and
- D. Adopt a Resolution to authorize staff to update EBCE's Implementation Plan to reflect the inclusion of new member jurisdictions, and to direct staff to submit the updated Implementation Plan to the California Public Utilities Commission (CPUC) before the end of calendar year 2019.

The Board discussed:

- Anticipated enrollment timeframe
- Voting shares

Director Haggerty motioned to adopt a Resolution to include the cities of Tracy, Pleasanton and Newark within EBCE's Joint Powers Authority service area and selection Voting share Option "A". Director Martinez seconded the motion which passed 11/0; Excused: Director Arreguin

Resolution 2019-33
Resolution 2019-34

20. Community Advisory Committee Guide (Action Item)

Approve the proposed Community Advisory Committee Guide providing guidance on Advisory Committee candidate qualifications, membership and appointment process.

Director Mendall motioned to approve the Community Advisory Committee Guide. Director Bacon seconded the motion which carried 11/0; Excused: Director Arreguin

21. Board Member and Staff Announcements including requests to place items on future Board Agendas

22. Adjourned



Consent Item 7

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Contracts Entered into
DATE: December 18, 2019

RECOMMENDATION

Accept the CEO's report on contracts entered into between November 13, 2019 and December 13, 2019.

Legal Services Agreements Authorized under Resolution R-2019-24 (July 17, 2019 Board Meeting) "Approve Legal Services Agreement from certain law firms";

1. C-2019-102, Wilson Sonsini Goodrich & Rosati (San Francisco, CA), Second Amendment to Legal Services Agreement for services related to power procurement, amended to add \$150,000 to the not to exceed amount through June 30, 2020.

Other Agreements;

2. C-2019-99, Bay Area News Group (San Jose, CA), Consulting Services Agreement for advertising services not to exceed \$40,000 through December 31, 2020.
3. C-2019-101, Bentham Paulos (Berkeley, CA), First Amendment to the Consulting Services Agreement for strategic communications services, amended to add \$50,000 to the not to exceed amount through June 30, 2020.
4. C-2019-103, Crossborder Energy (Berkeley, CA). First Amendment to the Consulting Services Agreement for expert witness services, amended to add \$1,500 to the not to exceed amount thorough June 30, 2020.



Consent Item 8

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, VP Marketing and Account Services

SUBJECT: Amendment to Task Order 1 of Master Services Agreement with Sacramento Municipal Utility District and Amend Rate Setting Protocol

DATE: December 18, 2019

Recommendations

- A. Approve an amendment to Task Order 1 of the Master Services Agreement with Sacramento Municipal Utility District (SMUD),
- B. Authorize the Chief Executive Officer (CEO) to approve and sign amendments to Task Order 1 up to the total approved fiscal year budget for Data Manager, and
- C. Amend Rate Setting Protocol

Background

In November 2017, the EBCE Board of Directors adopted Resolution R-2017-14 which authorized the CEO “to enter into negotiations and execute a contract with SMUD for Data Management and Call Center for a term of two years...”. Subsequently, EBCE’s CEO signed a Master Services Agreement (MSA) with SMUD in February 2018. The MSA includes Task Order 1 “Data Management and Call Center Services”.

Since the time of contract execution, SMUD has been providing data management services, such as mass customer enrollment, customer billing, and data reporting, as well as call center services. EBCE has occasionally identified work critical to program operations that was not included in the original scope of Task Order 1.

On September 26, 2018, the EBCE board approved a Rate Setting Protocol which includes the following language:

When adjusting rates, EBCE staff recommend using the greatest [Power Charge Indifferent Adjustment] PCIA vintage by rate schedule, to ensure that the value

proposition (e.g. 1.5% savings for Bright Choice and price parity for Brilliant 100) is achieved for all customers, regardless of their PCIA vintage.

Discussion

Customer marketing indicates a 1.5% discount from PG&E rates for Bright Choice customers, parity with PG&E rates for Brilliant 100 customers, and a penny premium per kWh for Renewable 100 customer over the Brilliant 100/PG&E rate. These value propositions were directed and approved by the Board in 2018.

In order to set these rate values, EBCE's current policy is to use the highest possible PCIA and Franchise Fee, as approved in the Rate Setting Protocol, which is currently the 2019 vintage. However, nearly 90% of accounts are on a 2018 vintage and nearly 60% of our load is on 2017 vintage. Customers on the 2019 vintage account for about 0.8% of accounts and less than 0.6% of load, yet the associated PCIA fee is driving the EBCE generation rate.

The current Task Order 1 Amendment addresses this inconsistency in delivering on the approved value proposition by adjusting the configuration of the billing engine. The billing engine will use a single generation rate that is equivalent to the PG&E generation rate, then calculate the PCIA and Franchise Fee as a credit, and finally show the Bright Choice discount as a separate line item credit. Attached is a sample of how the new configuration will appear on a customer bill compared to the current configuration. The example is for an E-1 customer on a 2018 vintage PCIA.

The PCIA vintage is for a fiscal year July 1 through June 30. A departing PG&E customer received a 2018 vintage until July 1, 2019. EBCE reset our rates in July due to the change in the PCIA and changes in the PG&E generation rate. Therefore, an increased discount did not appear on a 2017 or 2018 vintage customer's bill until the statement date in August - ie. additional savings based on setting rates with the 2019 vintage PCIA have only been appearing for approximately three to four months. Updating our billing engine configuration will align customer savings with the stated discount to PG&E rates and associated value proposition.

Fiscal Impact

The cost of this Task Order 1 Amendment is \$75,000. The approved budget for "Data Manager" in fiscal year 2019/2020 is \$300,000. Therefore, this amendment falls within the approved budget.

CEQA

Not a project

Attachment

A. Sample Bill Presentation

- B. Resolution Approving an Amendment to the Task Order with Sacramento Municipal Utility District, authorizing the chief executive officer to execute amendments up to approved budget, and amending the rate setting protocol
- C. Task Order Amendment
- D. Amended Rate Setting Policy

Sample Bill Presentation

E1 Pre-2019 PCIA		12/26/2018 statement date		
Current Configuration				
PG&E Electric Delivery Charges	Usage	Cost	Total	
Tier 1 Usage	263.5	\$0.21536	\$56.75	
Tier 2 Usage	162.5	\$0.28478	\$46.28	
Generation Credit			-\$45.92	
Power Charge Indifference Adjustment			\$14.25	
Franchise Fee Surcharge			\$0.23	
EBCE Generation Charges	Usage	Cost	Total	
E1-Bright Choice Flat	426	\$0.07217	\$30.74	
Comparison				
EBCE Gen + PCIA + FF			\$45.22	
PG&E Gen Credit			-\$45.92	
Savings \$			-\$0.70	
Savings %			1.5%	

E1 Post-2019 PCIA		8/27/2019 statement date		
Current Configuration				
PG&E Electric Delivery Charges	Usage	Cost	Total	
Tier 1 Usage	217.6	\$0.22376	\$48.69	
Tier 2 Usage	8.4	\$0.28159	\$2.37	
Generation Credit			-\$26.57	
Power Charge Indifference Adjustment			\$6.12	
Franchise Fee Surcharge			\$0.15	
EBCE Generation Charges	Usage	Cost	Total	
E1-Bright Choice Flat	226	\$0.08537	\$19.29	
Comparison				
EBCE Gen + PCIA + FF			\$25.56	
PG&E Gen Credit			-\$26.57	
Savings \$			-\$1.01	
Savings %			3.8%	

E1 Post-2019 PCIA		based on 8/27/19 statement date		
Updated Configuration				
PG&E Electric Delivery Charges	Usage	Cost	Total	
Tier 1 Usage	217.6	\$0.22376	\$48.69	
Tier 2 Usage	8.4	\$0.28159	\$2.37	
Generation Credit			-\$26.57	
Power Charge Indifference Adjustment			\$6.12	
Franchise Fee Surcharge			\$0.15	
EBCE Generation Charges	Usage	Cost	Total	
E1-Bright Choice Flat	226	\$0.11757	\$26.57	
Power Charge Indifference Adjustment Credit			-\$6.12	
Franchise Fee Surcharge Credit			-\$0.15	
EBCE Bright Choice Discount			-\$0.40	
Comparison				
EBCE Gen (before reduction of fees)			\$26.17	
PG&E Gen Credit			-\$26.57	
Savings \$ (EBCE Bright Choice Discount line)			-\$0.40	
Savings %			1.5%	

*updated on 12/17/19 to correct comparison error

RESOLUTION NO.**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY APPROVING AN AMENDMENT TO THE TASK ORDER WITH SACRAMENTO MUNICIPAL UTILITY DISTRICT, AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE AMENDMENTS UP TO APPROVED BUDGET, AND AMENDING THE RATE SETTING PROTOCOL**

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

WHEREAS, on September 24, 2002, the Governor of California signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the “Act”), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (“CCA”); and,

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powers agency; and on December 1, 2016, the East Bay Community Energy Authority (“EBCE” or “the Agency”) was formed 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; and,

WHEREAS, on November 1, 2017, the Board approved Resolution R-2017-14 authorizing the Chief Executive Officer (CEO) to execute an agreement with the Sacramento Municipal Utility District (SMUD); and,

WHEREAS, on June 19, 2019, the Board approved by motion a budget for fiscal year 2020 which included \$300,000 for change orders to the data management systems; and,

WHEREAS, it is in the interest of East Bay Community Energy to be fiscally responsible and manage rates to support the approved value proposition as it currently stands for Bright Choice at a 1.5% discount to PG&E generation rates, Brilliant 100 at parity with PG&E generation rates, and Renewable 100 at a premium of one cent per kilowatt-hour over the Brilliant 100 rate; and,

WHEREAS, on September 26, 2018, the Board approved by motion a Rate Setting Protocol.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board hereby approves the current scope of Task Order 1, now including the Task Order Amendment to update the configuration of the billing engine.

Section 2. The Board hereby authorizes the Chief Executive Officer to execute future Task Order Amendments with SMUD, totaling up to the approved fiscal budget.

Section 3. The Board hereby adopts the Amended and Restated Rate Setting Policy.

ADOPTED AND APPROVED this _____ day of _____, 2019.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

ATTACHMENT 3 - Task Order Amendment

AMENDMENT TO EXHIBIT A: Scope of Services

A.1 Task Order 1 – Data Management and Call Center Services

The Sacramento Municipal Utility District (SMUD) and East Bay Community Energy (EBCE) agree to the following services, terms, and conditions described in this Amendment 8 to Exhibit A, Task Order 1 (Amendment 8), the provisions of which are subject to the terms and conditions of the Master Services Agreement (MSA) between the Parties. If any specific provisions of this Amendment 8 conflict with any general provisions in the MSA, Task Order 1 or any preceding Amendments to Task Order 1, the provisions of this Amendment 8, shall take precedence. Capitalized terms used in this Amendment which are not defined in this Amendment will have the respective meanings ascribed to them in the MSA.

The Effective Date of this Amendment 8 is the date of last signature below.

Background

Current state: Current Vintage Year Methodology to calculate EBCE Generation Rates are determined by taking PG&E Unbundled Generation Rates, applying the program discount, and subtracting the highest Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge (FFS) combination for the three available vintage years. This applies to all customers in a specific rate class.

EBCE Change request: EBCE would like to use a Rate per vintage year, per product, based on the IOU assigned vintage year of the customer (Vintage Year Rate Configuration), as defined in the Scope of Work below.

1) Section 1, Scope of Work is amended as follows:**Add Section 1.11, Vintage Year Rate Configuration****A. To implement the Vintage Year Rate Configuration, SMUD Will:**

- a. Establish individual rate configurations for all rates (inclusive of billing determinants) supported by PG&E
- b. For each Rate configuration, EBCE Generation Rate will be calculated as follows:
 - i. Bright Choice: $(1.00 * \text{PG\&E Unbundled Generation Rate})$
 - ii. Brilliant 100: PG&E Unbundled Generation Rate
 - iii. Renewable 100: Brilliant 100 Rate + \$0.01 adder
 1. Renewable 100 is not part of rate table and instead appears as a separate line item adder on a customer's bill
- c. EBCE Discount will be calculated as follows, based on an example 1.5% discount:
 - i. Bright Choice: $0.015 * (-) \text{PG\&E Unbundled Generation Rate} * \text{kWh or kW}$
- by billing determinant

- ii. Brilliant 100: No Discount calculated or displayed
 - iii. Renewable 100: No discount calculated or displayed
 - 1. Renewable 100 appears as a separate line item adder on a customer's bill as kWh * \$0.01
- d. Support adding a rate configuration for each new vintage year in the future, starting with 2020 (Vintage Year Rates)
 - i. Includes rate configuration for FFS by vintage year
 - ii. Includes rate configuration for PCIA by vintage year
- e. For each vintage year fee, PCIA and FFS credits will be calculated as follows:
 - i. Total kWh * (-) Vintage Year PCIA
 - ii. Total kWh * (-) Vintage Year FFS
- f. For customers with no vintage year identified
 - i. If it is an existing service point with a previous customer that had a vintage year, that vintage year will be used
 - ii. If no such data point can be found, the default vintage year for that PG&E town or territory will be used
- g. For customers with vintage year before 2017, the most current 2017 Vintage Year Rates will be used
- h. For customers with vintage year later than the current year, the most current Vintage Year Rates of the current year will be used
 - i. Example: Current year is 2019, vintage year of 2020 found on customer, 2019 vintage year will be used in place of 2020
- i. Rate configuration will support different rate discount for each vintage year and Rate Product
 - i. Example, Bright Choice customers on 2021 vintage year may only receive a 1% discount, while all other vintage year rates will be calculated based on a 1.5% discount
- j. Allow for changes to rate discount
 - i. For example, Bright Choice is currently calculated with 1.5% Discount: (0.985 * PG&E Unbundled Generation Rate)
 - ii. Set up Rate Configuration to allow for changing from 1.5% to 1.6% which would effectively apply the Discount as follows (0.984 * PG&E Unbundled Generation Rate)
- k. Rebills
 - i. Rebills will utilize the updated configuration.
 - ii. The Vintage Year Rate used to Re-Bill a customer will be based on the effective Vintage Year Rates for the bill period affected
 - iii. The Rate Product Discount used to Re-Bill a customer will be based on the effective Rate Product Discount for the bill period affected
- l. Blue Bill display
 - i. Add new bill description for the PCIA and FFS fees. Examples:
 - 1. "PCIA Credit"
 - 2. "FFS Credit"
 - ii. PCIA and FFS credits will appear as a negative charge or credit on the EBCE blue bill charges
 - iii. Rate Product Discount for Bright Choice will appear as a negative charge or credit on the EBCE blue bill charges

- iv. Rate Product for Brilliant 100 will not appear as a separate line item
- v. Rate Product Renewable 100 will appear as an adder on the EBCE blue bill charges

Sample Blue Bill Display

Rate Schedule: A1- Bright Choice			
Summer	335.00	kWh @ 0.13336	\$ 44.68
Winter	240.00	kWh @0.09322	\$ 22.37
PCIA Credit			-\$ 15.59
FFS Credit			-\$ 0.38
EBCE Bright Choice Discount			-\$ 1.01
Total EBCE Electric Generation Charges			\$50.07

B. Configuration Changes

- a. IOU Initiated Changes include, but not limited to:
 - i. Rate Price Changes
 - ii. FFS and PCIA Changes
 - iii. New IOU Rate Schedules
 - iv. Rate Schedule Structural Rate Changes
 - 1. Examples: Changes to Seasonal Time Periods; Changes to TOU Time Definitions
- b. EBCE Initiated Changes, but not limited to:
 - i. Rate Product Discount Changes
 - 1. Example: Bright Choice 1.5% change to 1.6%
 - ii. New Rate Products
 - iii. Vintage Year Based Rate Product Discounts
 - 1. Example: Bright Choice 1.5% for all customers changed to 1.5% for 2018 vintage year and 1.6% for all other customers
- c. Out of scope, not included in the IOU or EBCE Changes:
 - i. Messaging to customers related to an IOU Initiated or EBCE Initiated Changes.

C. PROPOSED SCHEDULE

The proposed schedule is a forecast based on current assumptions. Schedule is subject to change as mutually agreed in writing by the Parties.

Task Name	Start	Finish
Business Blueprinting	Fri 11/1/19	Mon 11/18/19
Technical Design	Mon 11/4/19	Fri 11/29/19
Development	Fri 11/15/19	Mon 1/27/20
Refactoring / System Hardening	Mon 1/27/20	Thu 2/20/20
Unit Testing	Fri 12/27/19	Mon 1/27/20

Regression Testing	Wed 1/8/20	Thu 2/6/20
User Acceptance / Functional Testing	Thu 1/23/20	Fri 2/14/20
Contingency	Fri 2/14/20	Wed 2/26/20

2) Section 5, COMPENSATION FOR SERVICES, subsection 5.3, *Optional Services*, is amended to include the following:

Description	Fixed Fee	Services
Rate Configuration per Vintage Year	\$75,000 One Time Cost upon completion of implementation which includes: <ul style="list-style-type: none"> • Initial Fee \$125,000 • One-time Service Credit per Letter Dated 11/1/2019 of \$ (50,000) 	EBCE Generation Rate calculated as per the defined scope above
IOU Initiated Configuration Changes	\$0 cost as per existing services	IOU Initiated Changes as defined above
EBCE Initiated Configuration Changes	Additional costs may be assessed	EBCE Initiated Configuration Changes as defined above

3) Amend SECTION 6, PAYMENT TERMS, to add the following:

The Development Start provided under Amendment 8 for \$10,000.00 will be billed on the November 2019 invoice. \$115,000.00 will be billed and SMUD's credit of \$50,000.00 will be applied upon Development Completion on the March 2020 invoice. EBCE will pay all undisputed portions of the invoice(s) within thirty (30) calendar days of the date of the invoice.

D. PAYMENT SCHEDULE

Task Name	Start	Payment	Invoice
Development Start	11/15/19	\$10,000.00	Nov. 2019
Development Complete	2/14/20	\$115,000.00	Mar. 2020
Go Live Credit	2/28/20	\$(50,000.00)	Mar. 2020

SIGNATURES

The Parties have executed this Amendment 8, and it is effective as of the date of last signature below.

East Bay Community Energy

By: _____

Name: _____

Title: _____

Date: _____

**Approved as
to Form:** _____

Sacramento Municipal Utility District

By: _____

Name: Arlen Orchard

Title: Chief Executive Officer and General Manager

Date: _____

**Approved as
to Form:** _____

Amended Rate Setting Protocol



AMENDED AND RESTATED RATE SETTING POLICY

From original protocol approved by motion on 9/26/18

Policy Number

December 18, 2019

Item #

I. Purpose

This policy serves to provide direction to EBCE staff on actions related to electric rates.

II. Rate Actions

a. Rate Setting

EBCE Staff must receive Board approval to revise the service level value propositions (e.g. offering a greater or lesser discount on Bright Choice).

b. Rate Setting Process

EBCE's Implementation Plan and Statement of Intent (August 2017) states that "EBCE will review its rates at a minimum once a year".

The rate review and setting process is as follows:

1. **Executive Committee meeting.** Staff will provide a staff report containing analysis of PG&E rates and preliminary recommendations for changes to EBCE's value proposition, if any.
2. **Community workshops.** Based on feedback received at the Executive Committee meeting, staff will revise analysis if needed, and solicit comments from the community. This will be achieved through three (3) community meetings in geographically diverse locations. Staff will consolidate feedback from these meetings into a supporting document that will be presented to the Board. Written comments will be accepted in lieu of, or in addition to, verbal comments made during these workshops. A specific email address will be provided to the public to submit comments, along with a clear deadline for submittal.

3. **Community Advisory Committee meeting.** The CAC will receive a presentation from staff and discuss the staff recommendation.
4. **Board meeting.** Staff will present analysis, findings, and recommendations derived from feedback from an Executive Committee meeting, Community Workshops, and a Community Advisory Committee meeting. The Board will have the opportunity to vote on staff recommendations. If Board requests further analysis, the process will return to the Executive Committee. The Executive Committee can then make a final recommendation that will be brought to the next Board meeting.

c. Rate Modification

EBCE Staff is authorized to adjust EBCE's rates to maintain the approved value proposition for each service level. If there are changes to PG&E generation rates or fees that result in a more beneficial value proposition for customers, EBCE Staff is authorized to not adjust the rates.



Staff Report Item 9

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: CEO Report (Informational Item)
DATE: December 18, 2019

Recommendation

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

Finance, Administration and Procurement Sub-committee Meeting

The Finance, Administration and Procurement Sub-committee did not meet in November.

Executive Committee Meeting

The Executive Committee met on 11/22/19 during which they provided direction to staff on developing an action item on how to proceed with allocating carbon-free energy from PG&E, which will be presented at a future Board of Directors meeting. The Committee received an update from Power Resources and heard requests to place items on future agendas.

Marketing Regulatory and Legislative Sub-committee Meeting

The Marketing, Regulatory and Legislative Subcommittee did not meet in November.

New Staff

Zac Thompson, Distributed Energy Resources Program Associate

Zac joined EBCE's Local Development Team on 11/25/19 as the Distributed Energy Resources Program Associate. Zac assists with EBCE's transportation electrification and local solar and storage initiatives to provide benefits to residents and businesses and increase resiliency in Alameda County.

Prior to EBCE, Zac served as the Zero Emission Vehicles Analyst at the City and County of San Francisco's Department of the Environment where he helped lead the development of the

City's Electric Vehicle (EV) Ready Community Blueprint, assisted in coordinating a public-private EV Working Group, and succeeded in acquiring grant funding for medium- and heavy-duty EV pilot projects.

Zac earned a B.A. in Biology from San Francisco State University.

Beckie Menten, Program Manager, Building Electrification and Energy Efficiency

Beckie joined EBCE on 11/2/19 as the Program Manager for Building Electrification and Energy Efficiency on the Local Development team. Beckie designs and implements energy efficiency and building electrification programs for the EBCE community. She focuses on programs that conserve energy, maximize the efficient use of renewable energy resources and provide important co-benefits to the community.

Beckie has more than 15 years' experience working on energy conservation and climate change mitigation strategies, including experience working at the California Public Utilities Commission, the California Energy Commission, and launching the first set of demand side management programs offered by a CCA in California during her tenure at MCE.

Beckie holds an M.S. in Environment, Technology, and Policy from Humboldt State University.

Gabrielle Ruxin, Customer Care Coordinator

Gabrielle joined EBCE on 11/2/19 as the Customer Care Coordinator on the Marketing team. Gabrielle's role focuses on providing support to residential customers and assisting with billing analysis. She helps to oversee the call center and resolve issues that arise.

Prior to joining EBCE, she worked as a CivicSpark fellow with the City of El Cerrito, where she drafted a strategic energy plan for the City which included analysis of the City's energy usage and recommendations for increasing efficiency. Most recently, Gabrielle worked at Vital Link Medical Alert Systems, providing customer service and account management to clients.

She earned her B.S. in Environmental Science from the University of California at Los Angeles.



Staff Report Item 12

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer & Treasurer
SUBJECT: Amendment to Barclays Revolving Credit Agreement
DATE: December 18, 2019

Recommendation

Adopt a Resolution authorizing the Chief Executive Officer to execute an amendment to the Revolving Credit Agreement with Barclays Bank PLC to increase the cash borrowing capacity and increase the letter of credit capacity.

Background and Discussion

Currently, EBCE has a \$50 million credit facility (the “facility”) with Barclays Bank PLC (Barclays), executed on March 15, 2018 and amended on August 1, 2019. The facility has a cash borrowing capacity of \$25 million and a letter of credit (LC) capacity of \$30 million. Currently, EBCE has no outstanding cash balance on this facility.

Staff is proposing to increase the facility to a total of \$80 million with a \$60 million cash capacity and a \$35 million LC capacity. The current market conditions are very favorable in light of strong results from the 2018-2019 fiscal year. An increase in the credit facility will provide increase cash for working capital purposes and improve EBCE’s liquidity metrics, which are viewed favorably by the credit rating agencies. The current cash borrowing rate is LIBOR plus 2.50%. With the proposed increase in size, this rate will stay the same for borrowings up to \$25 million and will increase to LIBOR plus 2.65% for any draw above that amount. The LC rate at 1.75% and the undrawn commitment fee at 0.95% will remain unchanged.

In addition to the increase of available borrowing capacity, EBCE will also be required to hold 10% of outstanding balance above \$25 million on the cash borrowing sub-facility in reserves. Currently, the Revolving Credit Agreement requires EBCE to hold a fixed amount of \$7 million in a reserve account for the facility. At the maximum cash draw of \$60 million, an additional \$3.5 million would be required to be held in reserves.

With the increase in capacity, the term of the agreement would also be extended to three years from the signing date. Currently, the cash portion of the agreement is set to expire May 15, 2021. With the approval of this amendment, the new sunset date would be approximately December 19, 2022 with the exact date being established at the day of the execution of the agreement. The original RFP sought a credit facility for up to 5 years and up

to \$60,000,000. The proposed changes would maintain a duration shorter than 5 years, but would exceed the original facility size. Staff recommends moving forward with this amendment with Barclays without issuing a new RFP in order to move quickly under favorable market conditions. Per the Procurement Policy, staff received approval from the Chair and Vice-Chair of the board to move forward with approval of this amendment without requiring the issuance of a new RFP.

Fiscal Impact

Terms & conditions of the proposed changes are provided in the attached Amendment Agreement, and details regarding interest rates, fees, and proceeds are summarized herein to comply with California Government Code Section 5852.1, requiring such presentation to the board.

- A. Interest cost per annum:
 - a. 1.75% for issued LC's (without draws made by the LC holder)
 - b. LIBOR + 2.50% for cash draws and LC draws not reimbursed on the same day if the overall balance against the facility is less than \$25 million
 - c. LIBOR + 2.65% for cash draws and LC draws not reimbursed on the same day if the overall balance against the facility is greater than \$25 million
 - d. 0.95% commitment fee for undrawn amounts of the facility
- B. Finance charges to third parties: Estimated to total \$75,000 to cover costs such as counsel, recording, and issuance fees
- C. Proceeds: Maximum gross proceeds are \$80,000,000 for a fully utilized facility. Because this is a revolving credit facility this amount may be lower and fluctuate at any time up to a maximum of \$80,000,000.
- D. Total Payment amount:
 - a. Based on a maximum draw amount of \$80,000,000 for the remaining duration of the facility through December 2022, then with a maximum unreimbursed draw on the letter of credit of \$35,000,000 through July of 2024, total payment amount accounting for interest and finance charges is estimated at \$9,700,000 based on an assumed LIBOR of 2.25%. Total payment under these assumptions, including principal repayment, is estimated at \$89,700,000.
 - b. Based on an average loan balance of \$10,000,000 in cash through December of 2022, and \$10,000,000 in issued, drawn and unreimbursed LC through July of 2024, total payment amount accounting for interest, finance charges, and commitment fees is estimated at \$2,400,000 based on an assumed LIBOR of 2.25%. Total payment under these assumptions, including principal repayment, is estimated at \$22,400,000.

Attachments

- A. Amendment Agreement to Barclays Revolving Credit Agreement
- B. Resolution authorizing the CEO to execute the Amendment Agreement

AMENDMENT AGREEMENT

AMENDMENT AGREEMENT entered into on January 2, 2020 (the “Amendment Agreement”) between EAST BAY COMMUNITY ENERGY AUTHORITY (the “Borrower”) and BARCLAYS BANK PLC, together with any successors and assigns (the “Bank”).

WITNESSETH:

WHEREAS the Borrower and the Bank entered into an Amended and Restated Revolving Credit Agreement, originally dated March 15, 2018, as amended and restated as of August 1, 2019 (the “Original Agreement”); and

WHEREAS, the Borrower has requested that the Commitment available to the Borrower under the Original Agreement be increased;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

1. Amendment. The Borrower and the Bank hereby agree that effective on the date hereof:

(a) The definition of “*Applicable Spread*” in Section 1.01 of the Original Agreement is amended to read as follows:

“*Applicable Spread*” means, as of any date of determination, (a) prior to August 1, 2019, (i) with respect to Collateralized Loans (as defined in the Prior Agreement), one hundred forty basis points (1.40%) and (ii) with respect to Uncollateralized Loans (as defined in the Prior Agreement), five hundred twenty-five basis points (5.25%), and (b) on and including August 1, 2019 and thereafter, (i) two hundred fifty basis points (2.50%) for Loans (or portions thereof) and Unreimbursed Amounts (or portions thereof) when the Borrowed Amount Outstanding is less than or equal to \$25,000,000, and (ii) two hundred sixty-five basis points (2.65%) for any Loans (or portions thereof) and Unreimbursed Amounts (or portions thereof), when the Borrowed Amount Outstanding is in excess of \$25,000,000, in each case, taking into account any Loans or Unreimbursed Amounts to be advanced on such date.”

(b) The definition of “*Available Commitment*” in Section 1.01 of the Original Agreement is amended to read as follows:

“*Available Commitment*” means an amount equal to \$80,000,000 adjusted from time to time as follows: (a) downward in an amount equal to any Loan made to, and an amount equal to the L/C Obligations related to any Letter of Credit issued for the account of, the Borrower under the Commitment; (b) prior to the Loan Facility Scheduled Termination Date only, upward in an amount equal to the principal amount of any Loan made to the

Borrower under the Commitment that is repaid or prepaid in the manner provided herein; (c) upward in an amount equal to the principal amount equal to the L/C Obligations related to any Letter of Credit issued for the account of the Borrower under the Commitment that is repaid, prepaid, expires or terminates, as applicable, in the manner provided herein; (d) downward in an amount equal to any reduction thereof effected pursuant to Section 2.04 hereof; (e) downward to the Letter of Credit Sublimit on the Loan Facility Scheduled Termination Date; and (f) downward to zero upon the Commitment Termination Date in accordance with the terms hereof; provided, that, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed (i) \$80,000,000 from January 2, 2020 to but excluding Loan Facility Scheduled Termination Date, and (ii) \$35,000,000 from and after the Loan Facility Scheduled Termination Date.”

(c) The following definition is added after the definition of “*Borrower*” in Section 1.01 of the Original Agreement:

“*Borrowed Amount Outstanding*’ means the aggregate principal amount of Loans plus the aggregate principal amount of Unreimbursed Amounts outstanding at any time.”

(d) The definition of “*Commitment*” in Section 1.01 of the Original Agreement is amended to read as follows:

“*Commitment*’ means the Bank’s obligation to (a) make Loans to the Borrower pursuant to Section 2.01 and (b) issue Letters of Credit for the account of the Borrower pursuant to Section 2.03. Subject at all times to Sections 2.04 and 6.02 hereof, the Commitment from (x) January 2, 2020 to but excluding the Loan Facility Scheduled Termination Date shall be \$80,000,000, and (y) the Loan Facility Scheduled Termination Date and at all times thereafter shall be \$35,000,000.”

(e) The definition of “*Letter of Credit Sublimit*” in Section 1.01 of the Original Agreement is amended to read as follows:

“*Letter of Credit Sublimit*’ means an amount equal to the lesser of (a) \$35,000,000 and (b) the Commitment. The Letter of Credit Sublimit is part of, and not in addition to, the Commitment.”

(f) The definition of “*Loan Facility Scheduled Termination Date*” in Section 1.01 of the Original Agreement is amended to read as follow:

“*Loan Facility Scheduled Termination Date*’ means January 2, 2023.”

(g) The definition of “*Loan Sublimit*” in Section 1.01 of the Original Agreement is amended to read as follows:

“*Loan Sublimit*’ means an amount equal to the lesser of (a) \$60,000,000 and (b) the Commitment. The Loan Sublimit is part of, and not in addition to, the Commitment.”

(h) The definition of “*Operating Reserve Fund Requirement*” in Section 1.01 of the Original Agreement is amended to read as follows:

“*Operating Reserve Fund Requirement*” means (i) initially, an amount equal to \$7,000,000, and (ii) any time the aggregate principal amount of Loans outstanding is in excess of \$25,000,000, the sum of (a) \$7,000,000 plus (b) 10% of the amount by which the aggregate principal amount of Loans outstanding exceeds \$25,000,000.

(i) Section 5.29(e) of the Original Agreement is amended to read as follows:

“If, on any date, the balance in the Operating Reserve Fund of the Borrower shall be less than the amount required pursuant to clause (d) above, the Borrower shall, within thirty (30) days of such date, deposit sufficient additional funds into the Operating Reserve Fund to satisfy such requirement; provided, however, if the Operating Reserve Fund Requirement increases above \$7,000,000 pursuant to the terms hereof, the Borrower shall concurrently with such increase in the Operating Reserve Fund Requirement deposit moneys in the Operating Reserve Fund in an amount sufficient to meet the increased Operating Reserve Fund Requirement.”

2. Representations. In addition to the representations and warranties set forth in Article IV of the Original Agreement, which are hereby deemed repeated by each Borrower as of the date hereof, the Borrower hereby represents and warrants to the Bank that:

(a) it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, is in good standing;

(b) it has the power to execute and deliver this Amendment Agreement and to perform its obligations under the Original Agreement, as amended by this Amendment Agreement, and has taken all necessary action to authorize such execution, delivery and performance;

(c) the person signing this Amendment Agreement on its behalf is duly authorized to do so;

(d) it has obtained all governmental and other consents and authorizations that it is required to obtain in connection with its execution and delivery of this Amendment Agreement, all such consents and authorizations are in full force and effect and all conditions of any such consents and authorizations have been complied with;

(e) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its articles and by-laws, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; and

(f) its obligations under the Original Agreement, as amended by this Amendment Agreement, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally and subject, as

to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or in law).

3. Agreement Ratified and Confirmed. Except as expressly modified by this Amendment Agreement, the Original Agreement is in all respects ratified and confirmed and the terms, provisions and conditions thereof are and shall remain in full force and effect. From and after the date hereof all references to the Original Agreement shall mean such agreement as amended by the terms hereof.

4. Governing Law and Jurisdiction. This Amendment Agreement shall be governed by and construed in accordance with the governing law and jurisdiction provision set forth in the Original Agreement, as amended by this Amendment Agreement.

5. Documents to be Delivered. On or prior to the date hereof, the Borrower shall deliver to the Bank:

(a) evidence reasonably satisfactory to the Bank of the (i) authority of the Borrower to enter into this Amendment Agreement and (ii) authority and genuine signature of the individual signing this Amendment Agreement on behalf of the Borrower to execute the same;

(b) a certified copy of the resolution or resolutions (or the equivalent thereof) of the governing body of the Borrower, certified by an appropriate official of the Borrower, pursuant to which the Borrower is authorized to enter into this Amendment Agreement; and

(c) an executed opinion of counsel to the Borrower, in form and substance satisfactory to the Bank, as to the due authorization, execution and delivery of this Amendment Agreement, and that the Original Agreement, as amended by this Amendment Agreement, is valid, binding, and enforceable against the Borrower.

6. Fees. In connection with this Amendment Agreement, the Borrower shall pay the fees and expenses of McDermott Will & Emery LLP, counsel to the Bank, in connection with this Amendment Agreement.

7. Entire Agreement. The Original Agreement, as amended by this Amendment Agreement, constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

8. Definitions. Capitalized terms used in this Amendment Agreement and not otherwise defined herein shall have the meanings specified for such terms in the Original Agreement.

9. Counterparts. This Amendment Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

[Remainder Of This Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment Agreement as of the date first above written.

BARCLAYS BANK PLC

By: _____
R. Cassandra Bolz
Authorized Signatory for and on
behalf of Barclays Bank PLC

EAST BAY COMMUNITY ENERGY AUTHORITY

By: _____
Name:
Title:

RESOLUTION EBCE R-2019-___

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY APPROVING AN
AGREEMENT AMENDING THE REVOLVING CREDIT AGREEMENT WITH
BARCLAYS BANK PLC, AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO
EXECUTE THE SAME ON BEHALF OF THE AUTHORITY, AND CERTAIN
RELATED MATTERS**

WHEREAS, pursuant to Resolutions Nos. R-2018-3 and R-2019-25, adopted on February 28, 2018 and July 17, 2019, respectively, by the Board of Directors of the East Bay Community Energy Authority (“EBCE”), EBCE has previously entered into an Amended and Restated Revolving Credit Agreement, originally dated March 15, 2018, as amended and restated as of August 1, 2019 (the “Credit Agreement”), with Barclays Bank PLC (“Barclays”); and

WHEREAS, the Credit Agreement provides EBCE with a cash borrowing capacity of \$25 million and a letter of credit capacity of \$30 million (the “Credit Facility”) for the purposes of increasing liquidity and purchasing power and facilitating essential collateral postings in the form of letters of credit in lieu of cash; and

WHEREAS, EBCE desires, and Barclays is willing, to amend the Credit Agreement to increase the cash borrowing capacity and increase the letter of credit capacity, as follows (collectively, the “Credit Facility Amendments”): (i) increasing the cash borrowing capacity from \$25 million to \$60 million, and increasing the letter of credit capacity from \$30 million to \$35 million, subject to a maximum total credit facility amount of \$80 million through the expiration of the cash borrowing sub-facility and \$35 million thereafter; (ii) extending the expiration of the term for the cash borrowing sub-facility from May 15, 2021 to three years after execution of the Amendment Agreement (as defined below); and (iii) maintaining the existing interest rate for any cash borrowings and draws made by letter of credit holders not reimbursed by EBCE on the same day totaling \$25 million or less in aggregate amount concurrently outstanding, while increasing the interest rate for the portion of such sums in excess of \$25 million in aggregate amount concurrently outstanding by fifteen basis points (collectively, the “Credit Facility Amendments”); and

WHEREAS, pursuant to subsection 4.7 of Section II of the Third Amended and Restated Administrative Procurement Policy (Policy Number 1.5), adopted by the Board of Directors on November 20, 2019, the Chair and the Vice Chair of the Board of Directors have approved the suspension of the procurement method requirements of Section V (Professional Services Procurement) of the policy by the Chief Executive Officer in connection with the proposed Credit Facility Amendments; and

WHEREAS, there has been presented at this meeting a proposed form of Amendment Agreement (the “Amendment Agreement”) to be entered into by EBCE and Barclays to facilitate the Credit Facility Amendments; and

WHEREAS, in compliance with Government Code Section 5852.1, EBCE has obtained from Barclays the certain required good faith estimates and such estimates have been disclosed at this meeting;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS

SECTION 1. The above recitals, and each of them, are true and correct.

SECTION 2. The Board of Directors hereby approves and authorizes amendment of the terms of the Credit Facility to incorporate the Credit Facility Amendments. The proposed form of the Amendment Agreement presented to this meeting and on file with the Secretary is hereby approved, and the Chief Executive Officer is hereby authorized and directed, for and in the name and on behalf of EBCE, to execute and deliver to Barclays the Amendment Agreement in substantially said form, with such changes thereto as the Chief Executive Officer, after consultation with counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The Chief Executive Officer and the Secretary of the Board, and other appropriate officers of EBCE, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of EBCE, to execute and deliver any and all documents, certificates, representations, and agreements as they, with the advice of counsel, shall approve, and to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, to effectuate the actions that the Board of Directors has approved in this Resolution.

SECTION 4. All actions heretofore taken by the officers and agents of EBCE with respect to the Credit Facility Amendments and the Amendment Agreement are hereby ratified, confirmed and approved.

ADOPTED AND APPROVED this 18th day of December, 2019.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



Staff Report Item 13

TO: East Bay Community Energy Board of Directors
FROM: Jason Bartlett, Finance Manager
SUBJECT: Extension of Accountant Contract (Action Item)
DATE: December 18, 2019

Recommendation

Authorize the CEO to extend the Maher Accountancy contract for an additional year through December 31, 2020 adding an amount of \$200,000 for services in 2020.

Background and Discussion

EBCE uses an independent accountant to support ongoing financial operations. The accountant is crucial to EBCE's invoicing, payments, and reporting functions.

Per Resolution No R-2018-16, EBCE staff solicited bids for accounting services and selected Maher Accountancy in April of 2018. Although the Resolution allowed for a two-year engagement, the original contract was for 13 months of service from June 1, 2018 to June 30, 2019 and was extended for a six-month period through December.

The extended contract was for a term not longer than six months beginning July 1, 2019 to allow for the future accountant selection process to stagger with future auditor selections. Although the two positions of accountant and auditor are independent of each other, for information sharing purposes it is beneficial to ensure EBCE is not transitioning accountants at the time of an audit, which begins on July 1st of each year. In this manner, moving forward EBCE would be selecting an accountant after an audit is complete.

During the contracted 19 months, Maher Accountancy has assisted with two audits and has performed exceptionally well in managing EBCE's books and ledgers. The firm's familiarity with the CCA space is unparalleled as they are the accounting firm for several other CCA's, including Clean Power Alliance, Marin Clean Energy, Monterey Bay Community Power, Peninsula Clean Energy, Silicon Valley Clean Energy, and Sonoma Clean Power.

EBCE has negotiated a contract price with Maher Accountancy of \$13,250 per month for the following calendar year. This new rate is still competitive with the originally solicited bids, which ranged up to \$14,000 per month in 2018. In addition to the monthly charge, there is an additional one-time charge of \$15,000 to provide accounting assistance with EBCE's annual

audit. This also remains competitive with original bids. The total not-to-exceed amount of the extension is \$200,000.

EBCE wishes to continue to benefit from the expertise of Maher Accountancy and seeks Board approval to extend the current contract for an additional year through December 31, 2020 and add an additional \$200,000 to the contract budget.

Fiscal Impact

The contract extension will call for a monthly fixed rate of \$13,250 for the year to equal \$159,000, an additional charge of \$15,000 to provide accounting services to assist with the annual audit, and an amount of allocated for contingencies for a total not-to-exceed amount of \$200,000 for the year.

Attachments

- A. Resolution authorizing the CEO to extend EBCE's contract with Maher Accountancy for an additional year through December 31, 2019 at a not-to-exceed amount of \$200,000.
- B. First Amendment to the Consulting Services Agreement for Services by and Between East Bay Community Energy Authority and Maher Accountancy.

RESOLUTION NO.____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO DELEGATE AUTHORITY TO CEO TO EXTEND THE TERM AND INCREASE THE BUDGET OF THE CONSULTING SERVICES AGREEMENT MAHER ACCOUNTANCY

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

WHEREAS, 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.

WHEREAS, The Board of Directors delegated authority to the CEO to select an accounting firm in April 2018, after EBCE solicited bids.

WHEREAS, EBCE executed a Consulting Services Agreement with Maher Accountancy from a term of one year, from May 31, 2018 to June 30, 2019. EBCE then executed another Consulting Services Agreement with Maher Accountancy from July 1, 2019 to December 31, 2019.

WHEREAS, Maher Accountancy has extensive experience providing accounting services to CCA’s specifically, and EBCE would like to continue to benefit from the firm’s expertise through December 31, 2020.

WHEREAS, Maher Accountancy is still providing service at competitive costs relative to the initially received bids.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The CEO or his or her designee is hereby authorized to negotiate and execute the Agreement in substantially the same form attached as Exhibit A, which shall be effective for a period of twelve months and shall not exceed \$200,000 in total compensation, to allow Maher Accountancy to continue providing accountancy services.

ADOPTED AND APPROVED this _____ day of _____, 2019.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

**First Amendment to the Consulting Services Agreement for Services by and Between
East Bay Community Energy Authority and Maher Accountancy**

This First Amendment to the Agreement with Maher Accountancy, for Consulting Services (“Amendment”) is made this 3rd day of December, 2019, by and between the East Bay Community Energy Authority, a Joint Powers Agency formed under the laws of the State of California (“EBCE”) and Maher Accountancy, an California corporation, for the purposes of extending the termination date and providing for additional compensation.

Recitals

- A. EBCE and Maher Accountancy entered into that certain agreement for consulting services dated July 1, 2019, wherein Maher Accountancy agreed to provide accounting services to EBCE.
- B. EBCE desires to continue to use Maher Accountancy’s expertise in the area of accounting services and Maher Accountancy has the 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. Section 2 of the Agreement is modified to identify a termination date of December 31, 2020, unless terminated earlier pursuant to Section 8 of the Consulting Services Agreement.
- 2. Section 6.1 of the Agreement is modified so that the maximum compensation under the Agreement is \$299,000 (adding an additional amount of \$200,000 for additional services).
- 3. Exhibit E – Compensation/Budget, is amended as outlined in Exhibit E.
- 4. 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

Maher Accountancy
An individual

Name:
Title:

Name:
Title:

Approve as to Form
EBCE General Counsel

Name:
Title:

Exhibit E

Compensation/Budget

Monthly Financial Operational Assistance Fee: \$13,250 (\$159,000 for 2020).

Financial Audit Management: \$15,000

Contingency for out of scope work: \$26,000

Additional services not included in the scope of this document (“out of scope work”) will be subject to an additional charge as agreed upon by the parties.

Reimbursable Expenses:

Administrative, overhead, secretarial time of overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by EBCE and shall only be reimbursed to the extent consistent with the Authority’s travel policy. Subscription and transaction fees for cloud-based accounts payable system (Bill.com) will be borne by EBCE.



Staff Report Item14

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer & Treasurer
SUBJECT: Reserve Fund Allocations from 2018-19 Fiscal Year Net Revenues (Action Item)
DATE: December 18, 2019

Recommendation

Approve the proposed contributions to the reserve funds.

Background and Discussion

On June 20, 2018 the Board of Supervisors approved by resolution R-2018-26 the adoption of a financial reserve policy, P-2018-10. This policy established reserve fund targets, along with minimum and maximum contribution limits, for the purposes of establishing and supporting agency credit, finance necessary collateral postings, and to support local development program funding.

In accordance with this policy, and after successfully completing its first full operating year, EBCE is conducting its first allocation of net revenues to these funds. To fulfill this action, the following table, from the approved policy, provides the guidelines for funding the reserve funds by establishing their targets and their minimum and maximum annual funding contribution in terms of percent of revenue.

Table 1 - Overview of Reserve Policies

	Target	Max Annual Contribution	Min Annual Contribution
Operating/Credit Reserve	6 months of Operating Expense	10% of revenues	5% of revenues
Rate Stabilization	1.5% of Revenues	1.5% of revenues	0.5% of revenues
Collateral	10% of Energy Expense	2% of revenues	0.5% of revenues
Local Development	10% of Revenues	2.5% of revenues	1% of revenues
Total		16% of revenues	7.0% of revenues

From the audited financial statements, 2018-19 revenues are \$387,251,933

Given the minimum reserve fund allocations, 7% of revenues is \$27,107,635
 Given the maximum reserve fund allocations, 16% of revenues is \$61,960,306

Based upon the June 30, 2019 audited financial statements, EBCE staff recommends contributing a total of \$40,513,687 to the reserve funds, which is 10.5% of revenues. This number is calculated from the Statement of Net Position (page 9 of the audited financial statements) as the sum of assets convertible to cash less the total liabilities. Please see Table 2, below, for the calculation.

Table 2: Net Unrestricted Assets Available for Reserve Funds	
Cash & Equivalents	38,773,514
Accounts Receivable	43,551,376
Accrued Revenue	28,125,065
Convertible Assets	110,449,955
Total Liabilities	69,936,268
Unrestricted Available for Reserves	40,513,687

Table 3 outlines the reserve funds, the proposed allocation amounts, and the percent of revenue calculations.

Table 3 - Reserve funds and allocations

Reserve Funds	Min %	Min Allocated	Max %	dded Allocation	% of Revenue	Ending Balance
Operating Credit	5.0%	19,362,597	10.0%	13,406,052	8.5%	32,768,648
Rate Stabilization	0.5%	1,936,260	1.5%	-	0.5%	1,936,260
Collateral	0.5%	1,936,260	2.0%	-	0.5%	1,936,260
Local Development	1.0%	3,872,519	2.5%	-	1.0%	3,872,519
Total Reserves	7.0%	27,107,635	16.0%	13,406,052	10.5%	40,513,687

EBCE staff does not recommend allocating more than the net of convertible assets to the reserve funds as other assets, such as deposits, prepaid expenses, and restricted cash, are outstanding as working capital. Incorporating these monies into the reserve amounts could expose EBCE to credit and operating risk and limits cash available to cover potential market energy cost increases.

Fiscal Impact

This allocation is not expected to impact normal operations and establishes a firm commitment to meeting EBCE’s financial security. This commitment will convey positive intent and sound financial practice as EBCE pursues a credit rating. By establishing a credit rating, EBCE will be able to reduce collateral costs, borrowing rates, and allow for better terms when negotiating long-term power purchase agreements.



Regulatory - PCIA Update

December 18 2019



The Basic Idea

Portfolio cost minus portfolio value/revenues equals a PCIA revenue requirement (the “indifference amount”)



The 2020 ERRRA Forecast

PCIA rates will rise substantially: 30% with the “cap,” 60% without.

System Average 2020 Increase from 2019 (\$/kwh)	PG&E's proposal	With CCA changes
Capped Increase: All vintages	0.00500	Same
Uncapped Increases		
2017 Vintage (cents/kWh)	0.01827	0.01056
2018 Vintage (cents/kWh)	0.01843	0.01035

We are Hitting the “Cap”

PCIA rates will be “capped” for some time

- The cap is \$.005/kwh/year maximum increase
- Even with changes we seek at CPUC the rate change >\$.005/kwh/year
- Calculated on a system average basis – some rate classes may see a greater or lesser change

PCIA Rate Increase Drivers

The PCIA is going up for multiple reasons

- Utility-owned generation costs increased
- Utility forecasts of sales and prices were off
- There were one-time charges in the transition to the new rate structure from D.18-10-019

We are Challenging the Increase

Comments on 2020 ERRA Forecast Filed at the CPUC 12/6/20

- Asking for a reduction in the indifference amount of ~\$400 million
- Even with the reduction the otherwise-applicable PCIA rate will still exceed the “cap”.

The Cap May Be Temporary

- **If PG&E undercollections get too high, PG&E can raise rates**
- The cap is associated with a “trigger” level of undercollections
- No one knows yet how the trigger will work



Staff Report Item 16

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, CEO
SUBJECT: Carbon Free Allocation (Informational)
DATE: December 18, 2019

Recommendation

Receive an update regarding potential carbon free energy allocation and associated timeline.

Background and Discussion

The purpose of this memorandum is to provide background and information for the Board as part of an informed discussion about a potential allocation of greenhouse gas (GHG) free energy from PG&E.

For background on the allocation, we incorporate by reference this informational [presentation](#) to the Executive Committee on November 22, 2019.

Since we prepared the executive committee memorandum, PG&E has submitted an [Advice Letter](#) to the California Public Utilities Commission (CPUC) for approval to implement the allocation mechanism. The Advice Letter proposes to add a new Appendix P (Carbon Free Energy) to PG&E's bundled procurement plan (BPP).

PG&E states in the Advice Letter that "Carbon Free Energy for purposes of Appendix P is energy produced by large hydroelectric resources and nuclear resources... PG&E proposes to offer to sell Carbon Free Energy to eligible Load Serving Entities (LSEs)" for the calendar years of 2019 and 2020. The two conditions of the "sale" are that offtakers 1) agree that the allocation is a reasonable way to manage the disposition of carbon free energy and 2) agree to waive our right to argue over the allocation after it's accepted. There is no payment required.

Other key elements of the Advice Letter are:

- Limited in time to 2019-20
- Limited in the resources to which it applies:
 - In-state
 - Large hydroelectric
 - Nuclear

- Only available to retail suppliers whose customers pay PCIA with large hydroelectric and nuclear energy in their PCIA vintage
- Requires active agreement between retail suppliers to offer and to take generation. **There is no obligation to accept an allocation of nuclear energy, or hydroelectric energy. An offtaker can choose to take neither, only one, or both.**
- Contingent wholly or partially on action by the California Energy Commission (CEC) and the CPUC.

Staff estimates that the allocation PG&E offers to EBCE may contain the following:

- 600 GWh of large hydroelectric power
- 1,400 GWh of nuclear power

The PCIA is a non-bypassable charge set annually by the CPUC. **The allocation mechanism, and whether EBCE accepts an allocation, has no impact at all on PCIA charges.** Regardless of what happens with the allocation mechanism, all customers, EBCE customers included, pay for, and will continue to pay for, PG&E large hydroelectric and nuclear generation costs through the PCIA.

Staff are preparing comments on the Advice Letter and working through various allocation scenarios. At this time, we do not have proposed options ready for the board’s review. Staff will return to the board for an informational discussion to be followed by a vote at a subsequent meeting.

Timeline

Below are critical milestones that impact a decision around whether or not EBCE accepts a potential carbon free allocation from PG&E. Note that many of these dates are approximate, as there is no set time within which the CPUC must act on the advice letter.

Date	Category	Action
12/2/19	Carbon Free Allocation	PG&E Advice Letter issued
12/18/19	Board Meeting	Informational Item on Carbon Free Allocation Timeline
12/22/19	Carbon Free Allocation	EBCE Comments due on PG&E Advice Letter
1/16/20	Rate Proceedings	CPUC Final Decision on PCIA and Generation Rates
1/20/20	Carbon Free Allocation	Earliest possible Draft Resolution from CPUC on Advice Letter
1/22/20	Board Meeting	Update on status of Rate Proceeding (informational) Carbon Free Allocation Options (informational)
2/19/20	Board Meeting	Update on status of Rate Proceeding (informational) First opportunity to vote on Carbon Free Allocation with Update on Draft CPUC Resolution if issued in January
-2/20/20	Carbon Free Allocation	Likely time frame for a Draft Resolution from CPUC staff on Advice Letter
3/1/20	Rate Proceedings	New Generation Rate and PCIA go into effect
3/18/20	Board Meeting	Second opportunity to vote on Carbon Free Allocation options
3/26/20	Carbon Free Allocation	CPUC vote on Resolution, if draft circulated by 2/20/20
4/1/20	Carbon Free Allocation	PG&E Carbon Free Offer, if Advice Letter approved 3/26/20
4/15/20	Board Meeting	Update on final PG&E Carbon Free Allocation offer
5/1/20	Carbon Free Allocation	EBCE must notify PG&E of decision to accept or decline the carbon free allocation offer
5/16/20	Carbon Free Allocation	PG&E begins delivering allocation if accepted by EBCE

Financial Impacts

There is no financial impact associated with this update. The financial impact of potential Carbon Free Allocation options will be provided as part of future board item(s).