



Board of Directors Meeting

Wednesday, April 22, 2020

5:00 pm

Please click the link below to join the webinar:

<https://zoom.us/j/451762210>

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

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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 cob@ebce.org.

If you have anything that you wish to be distributed to the Board, please email it to the clerk by 4:00 pm the day of the meeting.

1. Welcome, New Member Swear-in & 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 and must complete an electronic [speaker slip](#). The Board Chair may increase or decrease the time allotted to each speaker.

CONSENT AGENDA

4. Approval of Minutes from March 18, 2020

5. Contracts entered into (Informational Item)

REGULAR AGENDA

6. CEO REPORT

- A. Executive Committee Meeting;
- B. Finance, Administration, and Procurement Subcommittee;
- C. Marketing, Regulatory and Legislative Subcommittee; and
- D. Marketing and Account Services update

7. Community Advisory Committee Report

8. Treasurer's Report (Informational Item)

Receive report on EBCE Cash position.

9. OCEI - Vistra Project Upsize (Informational Item)

Receive an update regarding an increase in the project size with Vistra Energy as part of the Oakland Clean Energy Initiative. We are increasing the project from 20MW/80MWh by 80% to 36.25MW/145MWh. There are no other material changes with the contract. The RA contract is expected to begin delivering resource adequacy in January 2022 for a period of 10 years.

10. Resolution Electing to Become Subject to the Uniform Public Construction Cost Accounting Act; Ordinance Establishing Informal Bidding Procedures (Action Item)

- A. Adopt a Resolution of the Board of Directors of the East Bay Community Energy Authority Electing to Become Subject to the Uniform Public Construction Cost Accounting Act; and
- B. Adopt Urgency Ordinance EBCE O-2020-1 and read by title only: AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY ESTABLISHING INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

11. Power Content Procurement Floor (Action Item)

Amend the Bright Choice product power content guidelines to instill the clean energy procurement floor starting in 2020.

12. PG&E Carbon-Free Allocations Decision (Action Item)

Staff is not making a specific recommendation to accept or not accept nuclear. Instead, staff has developed two distinct options to lay out the costs and benefits of accepting or not accepting the nuclear allocation. The fundamental question for accepting nuclear or not comes down to a trade-off between having nuclear and lower greenhouse gas emissions, or not having nuclear and accepting higher greenhouse gas emissions.

The current staff position of neutrality on whether to accept the nuclear allocation is premised on the presumption that the EBCE Board of Directors has approved in a previous Board item the modification of EBCE's Bright Choice Power Content Guidelines, and in so doing, has removed any financial benefit to EBCE of accepting the nuclear allocation. If the Bright Choice Power Content Guidelines are not changed, the EBCE staff recommendation shifts to a position of supporting the nuclear allocation to allow EBCE to realize energy procurement cost savings.

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

14. Adjournment - to Date: Wednesday, May 20, 2020

accepting the nuclear allocation. The fundamental question for accepting nuclear or not comes down to a trade-off between having nuclear and lower greenhouse gas emissions, or not having nuclear and accepting higher greenhouse gas emissions.

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

14. Adjournment - to Date: Wednesday, May 20, 2020



Draft Minutes

Special Meeting

Board of Directors Meeting

Wednesday, March 18, 2020

6:00 pm

Teleconference Options:

Webinar:

<https://zoom.us/j/248503899>

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US: +1 669 900 6833 or +1 929 205 6099 or
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1. Welcome & Roll Call

Present: Directors: Haggerty (Alameda County), Pilch (Albany), Arreguin (Berkeley), Hernandez (Dublin), Munro (Livermore), Mei (Fremont), Mendall (Hayward), Rood (Piedmont), Hernandez (San Leandro), Patino (Union City), Sutter (Community Advisory, Martinez (Emeryville) and Kalb (Oakland)

2. Temporarily Increase the Signing Authority of the CEO for a Period of 90 Days to Maintain Operations During the COVID-19 Pandemic (Action Item)

Adopt a Resolution temporarily increase the signing authority of the Chief Executive Officer for a period of 90 days.

The Board Discussed:

- Reporting contracts signed to the Executive Committee and Board
- Types of agreements CEO will sign with new signing Authority

- Temporary suspension of Customer terms and conditions related to “Failure to pay” and the Delinquent Accounts and Policy Collections

Jessica Tovar - Spoke regarding concerns with expanding the CEO signing authority while the carbon free allotment was still up for discussion and mentioned 28 other members of the public who wished to speak in opposition of accepting nuclear energy in EBCE’s mix.

Director Arreguin motioned to adopt a Resolution increasing the CEO signing authority for 90 days during the COVID-19 Pandemic as amended:

A. Update reporting language to include the Executive Committee.

Director Haggerty seconded he motion which carried 12/0

R-2020-4

3. Elect to Become Subject to The Uniform Public Construction Cost Accounting Act and Ordinance Establishing Informal Bidding Procedures (Action Item)

- A. Adopt a Resolution electing to become subject to the Uniform Public Construction Cost Accounting Act for all public projects as defined in Public Contracting Code § 22002(c); and
- B. First Reading and Introduction of an Ordinance establishing informal bidding procedures under the uniform public construction cost accounting act

Continued to Wednesday, 4/22/20

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

Vice-Chair Martinez shared with the Board that she and Chair Kalb had directed staff to donate \$35,000 each to the Alameda County Food Bank and Meals on Wheels.

Board members provided staff with the name of local foodbanks and pantries aimed to serve seniors.

Director Pilch requested information online meetings include video.

Director Rood spoke regarding the scheduled March 25th Stopwaste WMA Board meeting and requested Directors who also sit on that Board contact him regarding matters of interest.

Director Sutter requested additional information on if CAC meetings during shelter in place.

5. Adjourned



Consent Item 5

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Contracts Entered into (Informational Item)
DATE: April 22, 2020

RECOMMENDATION

Accept the CEO's report on contracts entered into. During the March 18th, 2020 Board Meeting, the Board requested that contracts be reported to both the Executive Committee and the Board.

Originally scheduled to be reported at on the March 18th, 2020 meeting; reported to the Executive Committee on March 27th, 2020 meeting;

1. C-2020-18, Paul Ferradas (San Jose, CA), Consulting Services Agreement for photography and videography through December 21, 2020, not to exceed \$9,000.
2. C-2020-19, Silicon Valley Clean Energy and San Jose Clean Energy, Common Interest and Cost Sharing Agreement, put in place in the event the three parties would like to mutually engage a Consultant. No fiscal impact at this time.
3. C-2020-20, Willdan Energy Solutions (San Francisco, CA), Consulting Services Agreement for energy usage and rate consultation services not to exceed \$10,000 through December 31, 2020.
4. C-2020-21, Corrigan Sports Enterprises, Sponsorship Agreement, EBCE providing \$5,000 sponsorship to Oakland Running Festival.
5. C-2020-22, Bay Area Air Quality Management District, Amendment #1, amends the previously awarded Grant, adjusting the tasks and timeline, no fiscal impact.
6. C-2020-24, GRID Alternatives (Oakland, CA) Consulting Services Agreement for project design services, solar installation, and service upgrades for low-income qualifying

households participating in EBCE's Connected Communities Pilot, not to exceed \$25,890 through December 10, 2020.

Items executed after March 18th, 2020 meeting and reported to the Executive Committee March 27th;

1. C-2020-26, Community Printers (Santa Cruz, CA) \$10,000 Consulting Services Agreement for printing and marketing collateral services through June 2, 2020.
2. C-2020-27, Crossborder Energy (Berkeley) Second Amendment to the CSA adds \$5,000 for expert witness services through December 21, 2020, for a total not to exceed \$11,500.

Items executed after March 27th;

3. C-2020-28, Energy and Environmental Economics (San Francisco) First Amendment to CSA,
4. extends termination date to June 30, 2021 and removes the requirement for task orders.
5. C-2020-29, Washington Hospital Health System (San Leandro) Electricity Service Agreement, a 5-year, nonstandard pricing agreement for customer that had been granted a direct access allocation, term begins July 21, 2020 through final billing cycle of 2025. Term extension option July 1, 2025 - August 31, 2025. Approved by Board 9/19/19, Item #17.
6. C-2020-30 NewGen Strategies and Solutions (Lapeer, Michigan) First Amendment to CSA, extends termination date and adds \$15,000 for a total not to exceed of \$33,750 for expert witness services through June 30, 2021.
7. C-2020-31 Keyes and Fox (San Francisco) Fifth Amendment to LSA, updates the scope of services and the proceeding by which EBCE will be represented and Keyes and Fox will serve as special counsel, adds additional compensation in the amount of \$15,000 for a total amount not to exceed \$140,000.
8. C-2020-32 UCSF Benioff Children's Hospital, Oakland COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$25,000 to support the hospital's response to the COVID-19 pandemic.
9. C-2020-33 East Bay Community Foundation COVID-19 Community Relief Response Grant Agreement, Grant awarded for the Hayward Community Relief Fund in the amount of \$126,500 to support the City of Hayward's response to the COVID-19 pandemic.

10. C-2020-34 East Bay Community Foundation COVID-19 Community Relief Response Grant Agreement, Grant awarded to the Berkeley Relief Fund in the amount of \$79,000 to support the City of Berkeley's response to the COVID-19 pandemic.

11. C-2020-35 St. Rose Hospital, Hayward, COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$15,000 to support the hospital's response to the COVID-19 pandemic.

12. C-2020-36 Energy GPS Consulting (Portland, OR) First Amendment to CSA, extends termination date of Consulting Services Agreement to June 30, 2021.

13. C-2020-37 Association for Energy Affordability (Emeryville) First Amendment to CSA,

14. extends termination date of Consulting Services Agreement to January 31, 2021.

15. C-2020-38 Alameda County Health System COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$40,000 to support the health system's response to the COVID-19 pandemic.

16. C-2020-39 Alameda County Disaster Relief Fund COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$88,500 to support the county's response to the COVID-19 pandemic.



Staff Report Item 6

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: CEO Report (Informational Item)
DATE: April 22, 2020

Recommendation

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

Executive Committee Meeting

The Executive Committee met on March 27, 2020 where they were briefed on EBCE's Response to COVID-19 by CEO Chaset and received an informational update on new contracts. The next meeting will be held on Friday April 24, 2020 at 12 pm.

Finance, Administration and Procurement Subcommittee Meeting

The March 13, 2020 meeting of the Finance, Administration and Procurement Sub-committee was cancelled due to issuance of the COVID-19 shelter in place order. The next meeting will be held on Friday May 15, 2020 at 3 pm.

Marketing Regulatory and Legislative Subcommittee Meeting

The next Marketing, Regulatory and Legislative Subcommittee will be held on Thursday May 21, 2020 at 3 pm.

Marketing and Account Services Update

New Bill Presentation

Updates went into effect on April 1 to improve the presentation of customer savings on the bill. Customer bills still have a section for PG&E delivery charges, which includes the fees charged to CCA customers called the Power Charge Indifference Adjustment (PCIA) and Franchise Fee. The difference is that now the EBCE section of the bill shows a credit for the same amount of PCIA and Franchise Fee, and a line for Bright Choice savings.

Two improvements are achieved with this change:

1. Savings is directly shown to a customer without the need to go through a complicated calculation

- The rate discount is now 1.5% for all customers, regardless of their PCIA vintage because the credit for PCIA and Franchise Fee are now calculated for each customer

General Example

Details of PG&E Electric Delivery Charges			
03/03/2020 - 03/31/2020 (29 billing days)			
Service For:			
Service Agreement ID:			
Rate Schedule: E1 X Residential Service			
▼			
03/03/2020 – 03/31/2020	Your Tier Usage	1	2
Tier 1 Allowance	304.50 kWh	(29 days x 10.5 kWh/day)	
Tier 1 Usage	304.500000 kWh	@ \$0.23522	\$71.62
Tier 2 Usage	180.500000 kWh	@ \$0.29600	53.43
Generation Credit			-57.12
Power Charge Indifference Adjustment			13.14
Franchise Fee Surcharge			0.33
Total PG&E Electric Delivery Charges			\$81.40
2018 Vintaged Power Charge Indifference Adjustment			

Details of East Bay Community Energy Electric Generation Charges			
03/03/2020 - 03/31/2020 (29 billing days)			
Service For:			
Service Agreement ID: ESP Customer Number:			
03/03/2020 – 03/31/2020			
Rate Schedule: E1-Bright Choice			
Flat	485.000000 kWh	@ \$0.11778	\$57.12
Power Charge Indifference Adjustment Credit			-13.14
Franchise Fee Surcharge Credit			-0.33
Bright Choice			-0.86
		Net Charges	42.79
Energy Commission Tax			0.15
EBCE offers Bright Choice at a 1.5% discount to PG&E generation rates and matches PG&E generation rates for Brilliant 100. Learn more at ebce.org/bill			
Total East Bay Community Energy Electric Generation Charges			\$42.94

- Same charges for generation
- Provide credit for PCIA and Franchise Fee
- Show discount at individual line item

Image 1: Residential, E1 Bright Choice customer

Details of PG&E Electric Delivery Charges				Details of East Bay Community Energy Electric Generation Charges			
03/03/2020 - 03/31/2020 (29 billing days)				03/03/2020 - 03/31/2020 (29 billing days)			
Service For:				Service For:			
Service Agreement ID:				Service Agreement ID: ESP Customer Number:			
Rate Schedule: E1 X Residential Service				03/03/2020 – 03/31/2020			
▼				Rate Schedule: E1-Bright Choice			
03/03/2020 – 03/31/2020	Your Tier Usage	1	2	Flat	485.000000 kWh	@ \$0.11778	\$57.12
Tier 1 Allowance	304.50 kWh	(29 days x 10.5 kWh/day)		Power Charge Indifference Adjustment Credit			-13.14
Tier 1 Usage	304.500000 kWh	@ \$0.23522	\$71.62	Franchise Fee Surcharge Credit			-0.33
Tier 2 Usage	180.500000 kWh	@ \$0.29600	53.43	Bright Choice			-0.86
Generation Credit			-57.12			Net Charges	42.79
Power Charge Indifference Adjustment			13.14	Energy Commission Tax			0.15
Franchise Fee Surcharge			0.33	EBCE offers Bright Choice at a 1.5% discount to PG&E generation rates and matches PG&E generation rates for Brilliant 100. Learn more at ebce.org/bill			
Total PG&E Electric Delivery Charges			\$81.40	Total East Bay Community Energy Electric Generation Charges			\$42.94
2018 Vintaged Power Charge Indifference Adjustment							

Image 2: Small commercial, A1X Brilliant 100 customer

Details of PG&E Electric Delivery Charges

03/02/2020 - 03/30/2020 (29 billing days)
 Service For:
 Service Agreement ID:
 Rate Schedule: A1X Small General Time-of-Use Service

03/02/2020 – 03/30/2020

Customer Charge	29 days @ \$0.32854	\$9.53
Energy Charges		
Part Peak	0.519000 kWh @ \$0.24562	0.13
Off Peak	91.845000 kWh @ \$0.22471	20.64
Generation Credit		-9.54
Power Charge Indifference Adjustment		2.49
Franchise Fee Surcharge		0.06
Oakland Utility Users' Tax (7.500%)		1.74

Total PG&E Electric Delivery Charges \$25.05

2017 Vintaged Power Charge Indifference Adjustment

Details of East Bay Community Energy Electric Generation Charges

03/02/2020 - 03/30/2020 (29 billing days)
 Service For:
 Service Agreement ID: ESP Customer Number:

03/02/2020 – 03/30/2020

Rate Schedule: A1X-Brilliant 100

Off-Peak Winter	91.845000 kWh @ \$0.10323	\$9.48
Part-Peak Winter	0.519000 kWh @ \$0.12414	0.06
Power Charge Indifference Adjustment Credit		-2.49
Franchise Fee Surcharge Credit		-0.06
	Net Charges	6.99
Local Utility Users Tax (7.500%)		0.52
Energy Commission Tax		0.03
EBCE offers Bright Choice at a 1.5% discount to PG&E generation rates and matches PG&E generation rates for Brilliant 100. Learn more at ebce.org/bill		

Total East Bay Community Energy Electric Generation Charges \$7.54

Image 3: Residential, TOUC Renewable 100 Customer

Details of PG&E Electric Delivery Charges

03/02/2020 - 03/30/2020 (29 billing days)
 Service For:
 Service Agreement ID:
 Rate Schedule: Time-of-Use (Peak Pricing 4 - 9 p.m. Every Day)

03/02/2020 – 03/30/2020

Baseline Allowance	237.80 kWh (29 days x 8.2 kWh/day)	
Energy Charges		
Peak	123.975300 kWh @ \$0.30569	\$37.90
Off Peak	353.069200 kWh @ \$0.28836	101.81
Baseline Credit	237.800000 kWh @ -\$0.08517	-20.25
Generation Credit		-51.61
Power Charge Indifference Adjustment		12.92
Franchise Fee Surcharge		0.32
Berkeley Utility Users' Tax (7.500%)		6.06

Total PG&E Electric Delivery Charges \$87.15

2018 Vintaged Power Charge Indifference Adjustment

Details of East Bay Community Energy Electric Generation Charges

03/02/2020 - 03/30/2020 (29 billing days)
 Service For:
 Service Agreement ID: ESP Customer Number:

03/02/2020 – 03/30/2020

Rate Schedule: ETOUC-Brilliant 100

Off-Peak Winter	353.069200 kWh @ \$0.10428	\$36.82
Peak Winter	123.975300 kWh @ \$0.11931	14.79
Renewable100	477.044500 kWh @ \$0.01000	4.77
Power Charge Indifference Adjustment Credit		-12.92
Franchise Fee Surcharge Credit		-0.32
	Net Charges	43.14
Local Utility Users Tax (7.500%)		3.24
Energy Commission Tax		0.14
EBCE offers Bright Choice at a 1.5% discount to PG&E generation rates and matches PG&E generation rates for Brilliant 100. Learn more at ebce.org/bill		

Total East Bay Community Energy Electric Generation Charges \$46.52

COVID-19 Relief Campaign

On April 2, EBCE launched a COVID-19 Relief campaign with an earmarked \$1.5 million toward community relief efforts in Alameda County. EBCE created a website that will catalog its relief efforts, available at: <https://ebce.org/covid>

Some of those efforts include:

- **Temporarily Suspending Customer Collection Activities and Offering Flexible Customer Payment Plans:** EBCE has suspended the return of non-paying customers back to PG&E service and is suspending collections activities through at least May 2020. EBCE is also to implement flexible payment plans for customers impacted by the Covid19 crisis.
- **Community Relief Funding:** EBCE will contribute \$1,100,000 to the twelve communities we serve to support their community relief efforts.
- **Corporate Partners Donation Initiative:** EBCE is spearheading an initiative soliciting donations from our largest customers, with a goal of raising \$1 million in April for the County food bank and Meals on Wheels programs.
- **Donation to Local Food Agencies:** EBCE's board approved \$70,000 in grants to local support programs at Alameda County Community Food Bank and Meals-on-Wheels of Alameda County.

- **Community Grant Funds:** EBCE has allocated over \$300,000 in additional funds to use for community grants in our response to COVID-19 and is developing effective strategies to utilize these funds.

Funding agreements are currently signed or in progress with:

- Berkeley Relief Fund
- Hayward Community Relief Fund
- Oakland COVID-19 Relief Fund
- UCSF Benioff Children's Hospital Oakland
- Washington Hospital Healthcare Foundation
- St. Rose Hospital Foundation
- Alameda Health System Foundation



Staff Report Item 8

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer & Treasurer
SUBJECT: Treasurer’s Report (Informational Item)
DATE: April 22, 2020

Recommendation:

Receive report on EBCE Cash position.

Treasurer’s Report

For quarter end March 31, 2020, EBCE has maintained a positive cash balance on all EBCE bank accounts. Below is a summary of Account balances, cash received, and outstanding loan balances.

Account Balances as of 3/31/20

Ending In	Account	Amount
*0045	Internal Operating	\$ 1,544,786
*2886	Operating Fund	\$ 29,532,314
*3199	Lockbox (Includes \$4,000,000 reserve)	\$ 12,713,746
*6189	Operating Reserve Fund	\$ 40,702,939
*8900	Money Market	\$ 255
*9364	Insured Cash Sweep	\$ 47,662,531
	Total	\$ 132,156,571
	Last Quarter	\$ 131,237,441
	Increase/(Decrease)	\$ 919,130

Cash Received by month into Lockbox Account

January 2020 \$ 39,792,819

February 2020 \$ 35,652,793

March 2020 \$ 35,586,675

Total \$111,032,287

Outstanding Loan Balances:

Barclays Credit Facility: \$0.00

Collateral/Customer Pre-payments:

\$0 collateral held

Customer Delinquency:

As of February 2, 2020

30 - 60 Days: \$2,159,916

60 - 90 Days: \$ 194,402

90+ Days: \$2,215,388

More recent data has not yet been provided by PG&E and billing vendor on the date this report was generated



Staff Report Item 9

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer
SUBJECT: OCEI - Vistra project upsize (Informational Item)
DATE: April 22, 2020

Recommendation

Receive an update regarding an increase in the project size with Vistra Energy as part of the Oakland Clean Energy Initiative. We are increasing the project from 20MW/80MWh by 80% to 36.25MW/145MWh. There are no other material changes with the contract. The RA contract is expected to begin delivering resource adequacy in January 2022 for a period of 10 years.

Background

The Oakland Clean Energy Initiative was a first-of-its-kind joint RFP that was issued with PG&E, where EBCE solicited resource adequacy from clean resources in downtown Oakland and PG&E sought local transmission related reliability needs. EBCE's primary goal of this RFP was to bring local investment into the clean virtual transmission solutions in specific load pockets within downtown Oakland and drive the closure of the peaker plant currently located in Jack London Square. In doing so, EBCE will secure local Greater Bay Area Resource Adequacy in an affordable and reliable manner. The RFP was launched in June 2018 and targeted a minimum of 20MWs of resource adequacy located within two specific load pockets in downtown Oakland. Prior to this upsizing EBCE awarded and executed contracts with Vistra Energy, esVolta, and SunRun Inc, totaling 27.5MW.

Since the initial signing of these contracts, EBCE engaged in discussions with CAISO and PG&E to determine that an increase in resources was needed to address the load needs in downtown Oakland. An addition of approximately 16MW was needed in order to adequately serve as a virtual transmission solution and to allow for the shutdown of the existing peaker plant. By executing this contract with Vistra Energy, the owner of the peaker plant, staff believes that EBCE can best ensure that the peaker plant comes offline and is properly decommissioned in the most expeditious manner since the current site of the peaker plant would be utilized to house the new clean battery storage system. PG&E recently received the necessary internal approvals on their contracts associated with OCEI and plan to file the CPUC advice letters to seek regulatory approval.

In total EBCE has now signed 43.75MW/175MWh from clean energy projects through the Oakland Clean Energy Initiative RFP. Combined with the Altamont Winds project in Livermore,

EBCE has now signed over 100MWs of clean energy projects in Alameda County and nearly 600MWs in the state of California.

As part of the increased signing authority issued to the CEO during the COVID-19 pandemic in the March 18, 2020 board meeting, this contract has been approved and executed.

Conclusion

EBCE is thrilled to play a crucial role in securing the necessary clean virtual transmission solutions in downtown Oakland and to help drive the closing of the existing fossil fuel peaker plant through the efforts of the Oakland Clean Energy Initiative. Signing this increased project size of 36.25MW/145MWh with Vistra Energy helps in EBCE's mission of decarbonization and creates local jobs in Alameda County.

Attachments:

- A. OCEI - Vistra Project Upsize Presentation



Oakland Clean Energy Initiative – Vistra Upsize

PRESENTED BY: Howard Chang

DATE: April 22, 2020



Introduction

- EBCE is upsizing the current 20MW Local Greater Bay Area Resource Adequacy contract with Vistra Energy, awarded through the Oakland Clean Energy Initiative (OCEI) RFP
 - Expected to begin delivering resource adequacy in January 2022 for a period of 10 years
 - Contracting entity under Vistra Energy is Dynegy Marketing and Trade, LLC
- The project is increasing by 80% from 20MW/80MWh to 36.25MW/145MWh
 - No other material changes to the contract
- As part of the increased signing authority issued to the CEO during the COVID-19 pandemic in the March 18, 2020 board meeting, this contract has been approved and executed

OCEI Background

- First-of-its-kind joint RFP with PG&E issued in June 2018
- Purpose: To meet local transmission needs to enable the shut down of the natural gas peaker plant in Jack London Square
- EBCE sought local Greater Bay Area resource adequacy and PG&E sought reliability needs to serve as a virtual transmission solution
- RFP eligibility requires local resources located in downtown Oakland
- Minimum target of 20MW
- EBCE previously awarded and executed contracts with 3 projects developed by Vistra Energy, esVolta, and SunRun Inc, totaling 27.5MW
- With this upsizing, the projects total 36.25MW

Background on the Upsize

- Since the initial signing of these contracts, EBCE engaged in discussions with CAISO and PG&E to determine that an increase in resources was needed to address the load needs in downtown Oakland
- An addition of approximately 16MW was needed in order to adequately serve as a virtual transmission solution and to allow for the shutdown of the existing peaker plant
- By executing this contract with Vistra Energy, the owner of the existing peaker plant, EBCE can best ensure that the peaker plant is phased out in the most expeditious manner since the current site of the peaker plant would be utilized to house the new clean battery storage system
- PG&E recently received the necessary internal approvals on their contracts associated with OCEI and plan to file the CPUC advice letters to seek regulatory approval shortly

Vistra RA Project Details



- New project size: 36.25MW/145MWh
- Local Greater Bay Area Resource Adequacy
- Expected Initial Delivery Date is January 2022
- Delivery Point: Oakland Substation C
- Project is contingent on PG&E receiving CPUC approval for its contract related to reliability
- System will utilize Tier 1 lithium batteries
- System will utilize existing permits and the existing interconnection facility of the Oakland Generation Facility
- Committed to utilizing union labor for construction and Oakland-based O&M staff

EBCE's Commitment to Clean Energy

- EBCE has signed a total of 43.75MW/175MWh of clean battery storage to deliver resource adequacy through the Oakland Clean Energy Initiative RFP, including in front of the meter and behind the meter systems.
- EBCE has signed over 100MWs of clean energy projects in Alameda County including OCEI and the Altamont Winds project under construction in Livermore
- EBCE has signed nearly 600MWs in the state of California, including solar, solar plus storage, wind, and standalone battery storage
- EBCE is in active discussions to contract additional new clean energy resources in Alameda County and California



Staff Report Item 10

TO: East Bay Community Energy Board of Directors

FROM: Inder Khalsa, EBCE General Counsel

SUBJECT: Resolution Electing to Become Subject to the Uniform Public Construction Cost Accounting Act; Ordinance Establishing Informal Bidding Procedures (Action Item)

DATE: April 22, 2020

Recommendation

- A. Adopt a Resolution of the Board of Directors of the East Bay Community Energy Authority Electing to Become Subject to the Uniform Public Construction Cost Accounting Act; and
- B. Adopt Urgency Ordinance EBCE O-2020-1 and read by title only: AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY ESTABLISHING INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

Background and Discussion

To facilitate upcoming construction projects that may be subject to the public contract code, staff recommends that the Board adopt the attached resolution and urgency ordinance in order to become subject to the Uniform Public Construction Cost Accounting Act (UPCCAA; Public Contract Code § 22000 - 22045) and establish informal bidding procedures.

It is common practice for JPAs to follow the procurement policies of the designated agency in their JPA Agreement. EBCE is subject to the same restrictions upon the manner of exercising power possessed by the City of Emeryville, including the rules governing contracting by local municipalities set forth in PCC § 20160 - 20174.

The PCC includes very specific criteria that must be followed when advertising for and awarding public projects valued at over \$5,000 (known as formal bidding procedures). These requirements are very formal and often times cumbersome. They provide virtually no flexibility in obtaining quotes for and expeditiously implementing smaller public projects, such as those repairs and/or improvements valued over \$5,000 but less than \$60,000. To address this, the Legislature established the UPCCAA in 1983 to provide alternative bidding procedures with higher dollar thresholds that would account for escalating construction costs over time.

Currently, under the UPCCAA, any work that meets the definition of a public project and is valued at \$45,000 or less may be:

- Performed by the employees of a public agency by force account.
- By negotiated contract. This means EBCE can obtain spot quotes rather than developing detailed plans and specifications for small repairs and renovations, which can result in additional financial savings and rapid implementation.
- By purchase order. EBCE can simply select someone through an on-call service and issue a purchase order for routine work that falls within the definition of public project.

Public projects valued between \$60,000 and \$200,000 may be let to contract using informal bidding procedures set forth in the UPCCAA, while public projects valued at greater than \$200,000 must still be formally bid under PCC guidelines. UPCCAA procedures also:

- Prohibit splitting projects into smaller projects to evade provisions of the code;
- Establish notice and advertising requirements for informal bidding of public projects; and
- Establish criteria for the rejection of bids.

To utilize the alternative, streamlined bidding/award procedures allowed under the UPCCAA, EBCE must (1) adopt a resolution electing to become subject to the UPCCAA and notify the State Controller of that election, and (2) adopt an ordinance enacting the informal bidding requirements set forth in the UPCCAA. The value of this streamlined process has increased as EBCE and Alameda County confront the challenges posed by the national health crisis related to the COVID-19 pandemic.

Staff estimates that by adopting the proposed resolution, EBCE public projects will be implemented significantly faster than under the EBCE's current bidding procedures. Moreover, the current COVID-19 public health crisis underscores the urgent need for a reliable and more resilient electric utility. Consequently, staff recommends adopting the proposed urgency ordinance, which will go into effect immediately.

Attachments:

- A. Resolution of the Board of Directors of the East Bay Community Energy Authority Electing to Become Subject to the Uniform Public Construction Cost Accounting Act; and
- B. Urgency Ordinance EBCE O-2020-1 Establishing Informal Bidding Procedures

RESOLUTION EBCE R-2020-__

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY ELECTING
TO BECOME SUBJECT TO THE UNIFORM PUBLIC CONSTRUCTION
COST ACCOUNTING ACT**

WHEREAS, the EBCE Joint Powers Agreement provides that the power of East Bay Community Energy Authority (“EBCE”) is subject to the same restrictions upon the manner of exercising power possessed by the City of Emeryville; and

WHEREAS, pursuant to the Uniform Public Construction Cost Accounting Act, California Public Contract Code Section 22000 *et seq* (“the Act”), the Uniform Construction Cost Accounting Commission, in conjunction with the State Controller, has established uniform public construction cost accounting procedures for implementation by local public agencies electing to be governed by the provisions of the Act in performing or contracting for construction of public projects; and

WHEREAS, the Board of Directors has determined that it is in the best interests of EBCE to be subject to the provisions of the Act. The benefits to EBCE include, but are not limited to, availability of alternate bidding procedures allowing EBCE to perform work costing up to and including \$60,000, as may be revised, by force account, and to let contracts by informal procedures for public projects costing up to and including \$200,000, as may be revised, or more under specified circumstances; and

WHEREAS, California Public Contract Code Section 22030 provides that any public agency that wishes to avail itself of the alternative procedures for bidding and contracting for public projects must elect, by resolution, to become subject to the uniform construction cost accounting procedures set forth in the Public Contract Code and must notify the State Controller of its election; and

WHEREAS, California Public Contract Code Section 22034 requires each public agency that elects to become subject to the uniform construction cost accounting procedures to enact an informal bidding ordinance that complies with the requirements set forth in Section 22034; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

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

SECTION 1. The Board of Directors finds that all of the facts set forth in the foregoing Recitals are true and correct.

SECTION 2. Pursuant to the authority set forth in the Uniform Public Construction Cost Accounting Act, California Public Contract Code Section 22000, *et seq.*, EBCE

hereby elects to be subject to the uniform public construction cost accounting procedures set forth in the Uniform Public Construction Cost Accounting Act and to the policies and procedures manual and cost accounting review procedures established thereunder, as each may be amended from time to time.

SECTION 3. The Secretary shall notify the State Controller of EBCE's election pursuant to Section 2, above. The Chair shall sign, and the Secretary shall certify to the adoption of this Resolution. This Resolution shall take effect and be in full force immediately.

ADOPTED AND APPROVED this 22nd day of April, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

ORDINANCE NO. O-2020-1

**AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF THE
EAST BAY COMMUNITY ENERGY AUTHORITY ADOPTING THE
UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT
(PUBLIC CONTRACT CODE SECTION 22000 ET SEQ.)**

WHEREAS, on January 30, 2020, the World Health Organization Director-General declared the novel coronavirus (COVID-19) outbreak a public health emergency of international concern; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19; and

WHEREAS, on March 10, 2020, the Board of Supervisors of the County of Alameda passed a Resolution Ratifying the Declaration of Local Health Emergency; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national emergency and announced that the federal government would make emergency funding available to assist state and local governments to prevent the spread of and otherwise address the effects of COVID-19; and

WHEREAS, on March 31, 2020, the Health Officer of the County of Alameda issued an Order (“March 31, 2020 Order”), superseding a March 16, 2020 Order, which directs all individuals living in the county to continue to shelter in place in their home and also provides additional guidance regarding essential business activities; and

WHEREAS, the Health Officer’s March 31, 2020 permits individuals to leave their homes to conduct essential business, which includes construction of projects immediately necessary to the maintenance, operation, or repair of essential infrastructure; and

WHEREAS, the March 31, 2020 Order defines “essential infrastructure” to include utilities, such as water, sewer, gas, and electrical; and

WHEREAS, the East Bay Community Energy Authority (“Authority”) was established for the purposes of securing electrical energy supply for customers in participating jurisdictions, addressing climate change by reducing energy related greenhouse gases emissions with development and use of a variety of renewable energy sources, including local solar and wind energy production, as well as other reasons; and

WHEREAS, the Authority is committed to providing its customers with low carbon, cost-effective electricity that integrates innovative energy services and maximizes local benefits through the development of local green energy projects, jobs, and investment opportunities; and

WHEREAS, given the national, state, and local effects of the COVID-19 pandemic, the Authority needs to promote a stable and reliable electric utility system that can consistently provide energy to its customers during this time; and

WHEREAS, the Authority is also subject to the California Public Utilities Commission's February 29, 2016 Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements ("CPUC Order"), which identifies the Authority as a load-serving entity with a responsibility to procure a certain amount of capacity; and

WHEREAS, in order to further the Authority's founding purposes, to comply with the CPUC Order, and to promote the health and safety of its customers, the Authority must carry out planned construction projects that contribute to a more resilient electric utility and local economic development; and

WHEREAS, the Uniform Public Construction Cost Accounting Act (Public Contracting Code section 22000 et seq.) ("UPCCAA") establishes a uniform cost accounting standard for public project construction work contracted by local public agencies; and

WHEREAS, the UPCCAA provides alternative procedures for selection of contractors to perform public project construction, including less-formal procedures designed to reduce costs, expedite the awards process, improve efficiencies, and simplify administration of smaller public projects; and

WHEREAS, pursuant to Public Contract Code section 22034, each public agency that elects to take advantage of the streamlined process under the UPCCAA must enact an informal bidding ordinance; and

WHEREAS, Government Code section 36937(b) authorizes legislative bodies to adopt an urgency ordinance, effective immediately, for the immediate preservation of public peace, health, or safety; and

WHEREAS, in the interest of protecting the public peace, health, and safety, it is essential for the Authority to provide reliable energy for its customers by adopting the UPCCAA so that it can carry out its essential business more efficiently during this local emergency and thereafter; and

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

Section 1. Findings. The Board of Directors finds that each fact set forth in the preceding recitals is true and correct and incorporated by reference.

Section 2. Urgency. The Board of Directors finds that the COVID-19 pandemic requires the Authority to provide reliable energy to its customers, as more fully described in the recitals of this Ordinance. The Board of Directors further finds that, unless this Ordinance is effective and its regulations are immediately put in place, the public health, safety, and welfare will be at risk.

Therefore, the immediate preservation of the public health, safety, and welfare requires that this Ordinance be enacted as an urgency ordinance pursuant to Government Code section 36937(b) and that it take effect immediately upon adoption pursuant to Government Code section 36934, and its urgency is hereby declared.

Section 3. Adopted Ordinance. The Board of Directors of the East Bay Community Energy does adopt the following informal bidding procedures which shall take effect immediately:

1. Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the limits listed in Section 22032(b) of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

2. Contractors List. The Authority shall comply with the requirements of Public Contract Code Section 22034.

3. Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids shall be circulated using one or both of the following alternatives:

a. Notices inviting informal bids may be mailed, faxed, or emailed to all contractors for the category of work to be bid, as shown on the list of qualified contractors maintained pursuant to Public Contract Code Section 22034. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

b. Notices inviting informal bids may be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with section 22036 of the Public Contract Code.

Additional contractors and/or construction trade journals may be notified at the discretion of the Chief Executive Officer or his or her designee.

4. Award of Contracts. Executive Committee of the Board of Directors are hereby authorized to award informal contracts pursuant to this Ordinance.

Section 4. Uncodified. This Ordinance shall not be codified.

Section 5. Severability. If any provision of this Ordinance is held invalid by a court of competent jurisdiction, such provision shall be considered a separate, distinct and independent provision and such holding shall not affect the validity and enforceability of the other provisions of this Ordinance.

Section 6. Effective Date. Based upon the findings in Section 2 of this Ordinance, this Ordinance shall take effect immediately upon its adoption by a minimum four-fifths of the Board of Directors present.

Section 7. Certification. The Clerk of the Board shall certify to the adoption of this Ordinance, and the Clerk of the Board shall cause this Ordinance or a summary thereof to be published as required by law. The Clerk of the Board is directed to widely publicize the adoption of this Ordinance.

PASSED AND ADOPTED by the Board of Directors of the East Bay Community Energy Authority on this 22nd day of April, 2020, by the following vote:

AYES:

NOES:

Nick Chaset, Chief Executive
Officer

ATTEST:

Stephanie Cabrera, Clerk of the Board

APPROVED AS TO FORM

Inder Khalsa, City Attorney



Staff Report Item 11

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Power Content Procurement Floor (Action Item)
DATE: April 22, 2020

Recommendation

Amend the Bright Choice product power content guidelines to instill the following clean energy procurement floor starting in 2020:

1. PG&E Bundled RPS Energy Sale Solicitation filing forecast $(\text{Year} - 1) + 5\%$
 - a. This procurement floor is based on PG&E's prior year renewable energy power content forecast, plus an additional 5% renewables to ensure adequate buffer for uncertainty. (E.g. For 2020, the floor would be the PG&E 2019 Bundled RPS Energy Sale Solicitation filing forecast + 5%)
 - b. This procurement floor requires only renewables purchases and will not include any incremental procurement of non-renewable carbon-free energy.
 - i. Any non-renewable carbon-free energy will come from the allocations of EBCE's pro-rata share of PG&E's carbon-free portfolio, should the Board vote to accept either or both of the allocation offers (action on allocations to be taken in separate Board Item).
 - c. In the context of budget, staff will seek to procure to surpass the procurement floor and the EBCE Board will review these guidelines annually. Any procurement budget surplus from a given year will be brought to the Board for direction.
 - d. This floor applies only to Bright Choice. No changes will be made to Brilliant 100 or Renewable 100 power content guidelines.

Background and Discussion

To date, EBCE has compared the portfolio carbon-free content to PG&E based on renewables and large hydro/ACS - the two shared categories of carbon-free energy. With the introduction of the Carbon-Free Allocation Mechanism, EBCE's large hydro portfolio content is expected to be in line with PG&E's. Therefore, renewables have now become the more pertinent focus within PG&E's portfolio. As such, staff proposes establishing a comparison methodology that

looks at renewables content as the benchmark to compete against PG&E on a forward-looking basis.

Additionally, staff proposes this methodology also as a prudent financial management approach in light of rising customer costs and other risks associated with the PCIA and now the COVID-19 pandemic. As discussed at the February 19, 2020 Board Meeting, given a stressed financial situation relative to previous years, there are various cost mitigating strategies for the Board to consider. One strategy is adjusting the power content mix while maintaining the value propositions set forth in the JPA to deliver both cleaner and cheaper electricity than PG&E for comparable products.

In sum, the procurement floor is a means to more flexibly benchmark and compete against PG&E on a forward-looking basis, while also offering crucial procurement cost savings to mitigate PCIA and other customer burdens. EBCE will always strive to further increase the clean content of the portfolio in line with Board direction and within financial reason.

Comparison to PG&E

To date EBCE has procured power products to ensure a targeted minimum of 85% carbon-free energy for Bright Choice, a value well above PG&E's 52%¹ in 2018. As load has departed from PG&E and with the Carbon-Free Allocation Mechanism, PG&E's power mix for 2020 onward is difficult to predict with 2020 forecasts largely redacted in public filings. PG&E provides multiple sources for their expected and actual power content, but the actual values are not fully validated until their Power Content Label is produced - which occurs in the Fall of the year after the power is procured. As a result, it can be challenging to compare EBCE Bright Choice to PG&E Power Content due to this reporting lag.

However, despite these changes and uncertainties, the underlying basis of comparison between EBCE and PG&E should be the renewables percentage. The additional 5% above the PG&E baseline serves as a buffer to conceivably deliver a higher renewables percentage than PG&E on the Power Content Label; it is a good faith effort mechanism given the latest available and complete information regarding PG&E's power mix.

Regarding additional carbon-free energy, the allocation mechanism for PG&E's carbon-free resources should result in, at a minimum, equivalent percentages of large hydro and nuclear (if accepted) for PG&E and all accepting CCAs in a standard year, seeing as the allocations are made on a pro rata basis. A CCA could have a higher percentage of large hydro if they purchase additional large hydro in the market, but the underlying allocated percentage should equal PG&E's. It should be noted that this carbon-free percentage comparison is true in a full-year delivery, so it should be expected that the 2020 allocations will result in PG&E and CCAs reporting different percentages for large hydro and nuclear resources given that the timing of the allocation process will result in an estimated half-year of allocation deliveries.

Procurement Floor

The baseline for the 2020 procurement floor is established using PG&E's 2019 Bundled RPS Energy Sale Solicitation filing ([Advice Letter 5554-E](#)²) in which PG&E reports their Renewable Net Short Calculation table (Table C in the Advice Letter). The table reports Actuals for all years prior to the reporting year, and Forecasts for the reporting year and the following 15 years. The latest filing is from July 2019.

¹ This value does not include PG&E's nuclear generation percentage to apply a consistent comparison of like-for-like carbon-free sources.

² Link to PG&E Advice Letter: https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5554-E.pdf

With much of the near-term projections redacted starting with 2020, the best and latest information available to project PG&E's renewables content for 2020 is the Renewable Net Short Forecast from the year of the report. In this July 2019 filing, PG&E's forecasted 2019 Renewable Net Short Calculation was 34.5%. As such, staff uses this forecast as a proxy for the 2020 PG&E benchmark renewables value on top of which to apply the 5% buffer to arrive at the 2020 Bright Choice renewables target of 39.5%.

Bright Choice Power Content Impacts

With the proposed procurement floor, below are two possible scenarios for EBCE's Bright Choice power content with 39.5% renewables plus PG&E allocations:

- Renewables plus hydro allocation: 50.3%³
- Renewables plus hydro and nuclear allocation: 73.6%⁴

Renewables: While it is very likely that the proposed policy will result in a greater renewables percentage for Bright Choice than the current policy, at a minimum, EBCE's renewables content will be both 5% greater than the RPS compliance requirement and 5% greater than the PG&E forecasted renewables content. While the 5% buffer is included as a good faith effort mechanism to keep EBCE ahead of PG&E, it is possible than in a given year EBCE's renewables percentage may be less than PG&E's, as will be revealed the following Fall when the Power Content Labels are published.

Carbon-Free (Large Hydro and Nuclear): In a full delivery year, the large hydro percentage should match PG&E's and the nuclear percentage will either match PG&E's or be 0.

Portfolio: While EBCE's Bright Choice carbon-free content will decrease from 2019 to 2020 under the proposed new Bright Choice power content guidelines, so long as EBCE's renewables content is greater than PG&E's and EBCE accepts either or both of the allocations, it is fair to expect that in a standard year EBCE's like-for-like carbon-free content comparison should remain cleaner than PG&E.

Should the Board not approve this policy, there will be no change in the Bright Choice portfolio carbon-free total. Staff has included two scenarios to achieve the existing 85% target utilizing the PG&E allocations plus incremental large hydro purchases. These scenarios are included in this Item's presentation as points of reference for the Board to assess and compare the impacts of all options prior to making a decision on this Item.

Financial Impacts

Under the recommended policy - procuring PG&E forecasted renewables + 5%, with incremental carbon-free coming only from PG&E allocations and therefore at no procurement cost - this procurement floor can save EBCE approximately \$11,300,000 in Bright Choice procurement cost savings. This savings projection is the same regardless of the allocation decision as it reflects only purchasing renewables. As such, the approval of this policy has no financial impacts on the allocation decision and vice versa. The rejection of this policy, however, would result in the associated savings of the approved allocation scenario (Item 12).

Attachments

- A. Power Procurement Floor Presentation

^{3, 4} Uses full-year allocation volumes spread to Bright Choice proportionately (i.e. relative to Bright Choice share of total EBCE portfolio).



Power Content Procurement Floor

PRESENTED BY: NICK CHASET

DATE: APRIL 22, 2020



Power Content Comparison

Overview

To date, EBCE has compared the portfolio carbon-free content to PG&E based on renewables and large hydro/ACS – the two shared categories of carbon-free energy. With the introduction of the Carbon-Free Allocation Mechanism, EBCE's large hydro portfolio content is expected to be in line with PG&E's. Therefore, renewables have now become the more pertinent focus within PG&E's portfolio. As such, **staff proposes establishing a comparison methodology that looks at renewables content as the benchmark to compete against PG&E on a forward-looking basis.**

Additionally, staff proposes this methodology also as a prudent financial management approach in light of rising customer costs and other risks associated with the PCIA and now the COVID-19 pandemic. Reducing procurement costs, while continuing to offer a cleaner energy mix than PG&E, is one of the primary strategies available to EBCE to mitigate the effects of both the PCIA and COVID-19.

Policy Recommendation

Current Policy:

EBCE currently procures renewables for Bright Choice to a minimum of RPS compliance + 5%, as directed by the Board. For 2020, this translates to 38% renewables.

EBCE also procures to a target Bright Choice portfolio mix that is 85% carbon-free (renewables and large hydro/ACS). This current target provides EBCE with a substantial buffer to be cleaner than PG&E when comparing like-for-like carbon-free sources (i.e. not counting PG&E nuclear in the PG&E total carbon-free %).

Proposed Policy:

Amend the Bright Choice product power content guidelines to instill the following clean energy procurement floor starting in 2020:

1. **PG&E Bundled RPS Energy Sale Solicitation filing forecast** $(\text{Year} - 1) + 5\%$
 - a. This procurement floor is based on PG&E's prior year renewable energy power content forecast, plus an additional 5% renewables to ensure adequate buffer for uncertainty. For 2020, the floor would be the PG&E 2019 Bundled RPS Energy Sale Solicitation filing forecast + 5%.
 - b. This procurement floor requires only renewables purchases and will not include any incremental procurement of non-renewable carbon-free energy.
 - i. Any non-renewable carbon-free energy will come from the allocations of EBCE's pro-rata share of PG&E's carbon-free portfolio, should the Board vote to accept either or both of the allocation offers (action on allocations to be taken in separate Board Item).
 - c. In the context of budget, staff will seek to procure to surpass the procurement floor and the EBCE Board will review these guidelines annually. Any procurement budget surplus from a given year will be brought to the Board for direction.
 - d. This floor applies only to Bright Choice. No changes will be made to Brilliant 100 or Renewable 100 power content guidelines.

Impacts and Implications

Financial Impacts:

- ~\$11.3MM of avoided Bright Choice procurement costs, relative to procurement costs for current Bright Choice power content guidelines.
 - Annual procurement cost savings come from no longer procuring incremental large hydro and instead utilizing the PG&E allocation, which is effectively paid for through the PCIA.

RPS Compliance:

- This is consistent with the current EBCE procurement guidelines (i.e. RPS + 5%) and therefore remains in compliance with RPS requirements.

Power Content:

- Renewables:
 - At a minimum, EBCE's renewables content will be both 5% greater than the RPS compliance requirement and 5% greater than PG&E forecast renewables content.
 - It is very likely, that this policy will result in a greater renewables percentage for Bright Choice than the current policy.
 - While the 5% buffer is included as a good faith effort mechanism to keep EBCE ahead of PG&E, it is possible that in a given year EBCE's renewables percentage may be less than PG&E's if PG&E's actuals renewables are 5% greater than their forecast.
- Carbon-Free (Large Hydro and Nuclear):
 - The large hydro percentage should match PG&E's and the nuclear percentage will either match PG&E's or be 0.
- Portfolio:
 - The Bright Choice carbon-free percentage will decrease relative to previous years, but EBCE's like-for-like portfolio percentage should still be cleaner than PG&E. (Logic: more renewables + same carbon-free = cleaner than PG&E)
 - In other words, from the day EBCE receives allocation deliveries, we will be cleaner than PG&E.

Illustrative Bright Choice Power Content Comparison Under New Power Content Guidelines

<i>Illustrative Full Year Quantities</i>	PG&E 2020 Projection*	EBCE Bright Choice New Guidelines 2020 Projection	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – w/ nuclear	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – no nuclear
Renewables	34.5%*	39.5%	38%	38%
Large Hydro	10.8%** If all allocations are taken	10.8%*** If allocation is accepted	23.7%*** Allocation plus incremental procurement	47%*** Allocation plus incremental procurement
Nuclear	23.3%** If all allocations are taken	23.3%*** If allocation is accepted	23.3%*** If allocation is accepted	-
Carbon-Free % with nuclear	68.6%	73.6%	85%	-
Carbon-Free % without nuclear	45.3%	50.3%	-	85%
Expected Annual Bright Choice Procurement Savings		\$11,300,000	\$8,600,000	\$2,700,000

* PG&E 2019 Renewable Net Short Forecast (from Advice Letter 5554-E Filing) used for 2020 benchmark, on top of which to apply the 5% buffer for Bright Choice renewables.

** Large Hydro and Nuclear % based on 5-year average (2013-2017, pre-CCA major load departure) to reflect expected generation levels after allocations. See Appendix A.

*** Uses full-year allocation volumes spread to Bright Choice proportionately (i.e. relative to Bright Choice share of total EBCE portfolio) to demonstrate the portfolio level equivalence of the pro rata share of PG&E carbon-free resources in a standard year. The remainder of the allocation volume would go to Brilliant 100 under this representation.

Recommended Scenario: New Procurement Floor

<i>Illustrative Full Year Quantities</i>	PG&E 2020 Projection*	EBCE Bright Choice New Guidelines 2020 Projection	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – w/ nuclear	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – no nuclear
Renewables	34.5%*	39.5%	38%	38%
Large Hydro	10.8%** If all allocations are taken	10.8%*** If allocation is accepted	23.7%*** Allocation plus incremental procurement	47%*** Allocation plus incremental procurement
Nuclear	23.3%** If all allocations are taken	23.3%*** If allocation is accepted	23.3%*** If allocation is accepted	-
Carbon-Free % with nuclear	68.6%	73.6%	85%	-
Carbon-Free % without nuclear	45.3%	50.3%	-	85%
Expected Annual Bright Choice Procurement Savings		\$11,300,000	\$8,600,000	\$2,700,000

This scenario employs the new procurement floor and illustrates the carbon-free content projections depending on whether or not EBCE accepts the nuclear allocation in addition to the hydro allocation or not. The projected savings result from EBCE purchasing only renewables, with carbon-free energy coming only from the PG&E allocation. **The savings are the same regardless of the allocation decision, only the carbon-free percentage differs.**

Scenario Description: Status Quo C-Free w/ Nuclear

Illustrative Full Year Quantities	PG&E 2020 Projection*	EBCE Bright Choice New Guidelines 2020 Projection	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – w/ nuclear	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – no nuclear
Renewables	34.5%*	39.5%	38%	38%
Large Hydro	10.8%** If all allocations are taken	10.8%*** If allocation is accepted	23.7%*** Allocation plus incremental procurement	47%*** Allocation plus incremental procurement
Nuclear	23.3%** If all allocations are taken	23.3%*** If allocation is accepted	23.3%*** If allocation is accepted	-
Carbon-Free % with nuclear	68.6%	73.6%	85%	-
Carbon-Free % without nuclear	45.3%	50.3%	-	85%
Expected Annual Bright Choice Procurement Savings		\$11,300,000	\$8,600,000	\$2,700,000

This scenario maintains both the current renewables procurement policy of RPS + 5%, and the carbon-free Bright Choice portfolio target of 85%. Of the 47% carbon-free energy required to achieve the 85% target, **this scenario includes accepting both the large hydro and the nuclear allocations from PG&E, with the remaining 12.9% large hydro being purchased in the market.** 10.8% hydro allocation + 12.9% hydro purchase = 23.7% large hydro

Scenario Description: Status Quo C-Free, No Nuclear

Illustrative Full Year Quantities	PG&E 2020 Projection*	EBCE Bright Choice New Guidelines 2020 Projection	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – w/ nuclear	EBCE Bright Choice Status Quo C-Free Content 2020 Projection – no nuclear
Renewables	34.5%*	39.5%	38%	38%
Large Hydro	10.8%** If all allocations are taken	10.8%*** If allocation is accepted	23.7%*** Allocation plus incremental procurement	47%*** Allocation plus incremental procurement
Nuclear	23.3%** If all allocations are taken	23.3%*** If allocation is accepted	23.3%*** If allocation is accepted	-
Carbon-Free % with nuclear	68.6%	73.6%	85%	-
Carbon-Free % without nuclear	45.3%	50.3%	-	85%
Expected Annual Bright Choice Procurement Savings		\$11,300,000	\$8,600,000	\$2,700,000

This scenario maintains both the current renewables procurement policy of RPS + 5%, and the carbon-free Bright Choice portfolio target of 85%. Of the 47% carbon-free energy required to achieve the 85% target, **this scenario includes accepting only the large hydro allocation from PG&E (10.8%), with the remaining 36.2% large hydro being purchased in the market.** The lower savings number relative to the previous scenario comes from having to purchase additional large hydro equivalent to the nuclear allocation volume foregone.

Source Material

PG&E Renewables

Every year PG&E files a Bundled RPS Energy Sale Solicitation filing in which they report their Renewable Net Short Calculation table. The table reports Actuals for all years prior to the reporting year, and Forecasts for all years from the reporting year out to 2036. The latest filing is from July 2019.

With much of the near-term projections redacted starting in 2020, the best and latest information available to project PG&E's renewables content is the Renewable Net Short Forecast from the year of the report.*

- *Advice Letter 5554-E “[2019 Bundled RPS Energy Sale Solicitation; Power Purchase and Sale Agreements Between Pacific Gas and Electric Company and Multiple Buyers](#)”; Renewable Net Short Table: Table C.
- 2019 Renewable Net Short Calculation: 34.5%

PG&E Carbon-Free

To derive projected large hydro and nuclear percentages for PG&E's 2020 Power Content Label, staff averaged the 2013-2017 PG&E volumes for the respective resources. The 2013-2017 period is the best proxy for 2020 given that the carbon-free allocations are on a pro rata basis, meaning PG&E's carbon-free resource percentages should respectively revert to similar levels of pre-CCA major load departure.

See Appendix A slide for calculations.

APPENDIX

A.



PG&E Power Mix, 2013-2018

PG&E Power Content	2013 Power Mix (Actual)	2014 Power Mix (Actual)	2015 Power Mix (Actual)	2016 Power Mix (Actual)	2017 Power Mix (Actual)	2018 Power Mix (Actual)	2013-17 Average
Eligible Renewable	22%	27%	30%	33%	33%	39%	29.0%
-- Biomass & waste	4%	5%	4%	4%	4%	4%	4.3%
-- Geothermal	5%	5%	5%	5%	5%	4%	5.0%
-- Small hydroelectric	2%	1%	1%	3%	3%	3%	2.0%
-- Solar	5%	9%	11%	13%	13%	18%	10.2%
-- Wind	6%	7%	8%	8%	8%	10%	7.5%
Coal	0%	0%	0%	0%	0%	0%	0%
Large Hydroelectric	10%	8%	6%	12%	18%	13%	10.8%
Natural Gas	28%	24%	25%	17%	20%	15%	22.8%
Nuclear	22%	21%	23%	24%	27%	34%	23.3%
Other	0%	0%	0%	0%	0%	0%	0%
Unspecified	18%	20%	17%	14%	2%	0%	14.2%
CO2-free (w Nuclear)	53%	56%	59%	69%	78%	86%	63.1%
CO2-free (w/o Nuclear)	32%	35%	36%	45%	51%	52%	39.8%



Staff Report Item 12

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: PG&E Carbon-Free Allocations Decision (Action Item)
DATE: April 22, 2020

Recommendation

Staff is not making a specific recommendation to accept or not accept nuclear. Instead, staff has developed two distinct options to lay out the costs and benefits of accepting or not accepting the nuclear allocation. The fundamental question for accepting nuclear or not comes down to a trade-off between having nuclear and lower greenhouse gas emissions, or not having nuclear and accepting higher greenhouse gas emissions.

The current staff position of neutrality on whether to accept the nuclear allocation is premised on the presumption that the EBCE Board of Directors has approved in a previous Board item the modification of EBCE's Bright Choice Power Content Guidelines, and in so doing, has removed any financial benefit to EBCE of accepting the nuclear allocation. If the Bright Choice Power Content Guidelines are not changed, the EBCE staff recommendation shifts to a position of supporting the nuclear allocation to allow EBCE to realize energy procurement cost savings.

Background and Discussion

As the details pertaining to the PG&E Carbon-Free Allocation Mechanism have developed over the past few months, staff has brought the topic forward for discussion at every public meeting where new information or analysis had developed.¹

Staff first introduced the concept at the November 2019 Executive Committee Meeting. The subject was discussed a second time at the December Board Meeting after the December 2, 2019 PG&E Advice Letter came out highlighting the details of the allocation mechanism. At the January Board Meeting, staff presented a thorough report responding to questions posed by the CAC and members of the Board. With no influencing regulatory decisions made after the January EBCE meetings, no updates were available to bring forward to the Board during February or March.

¹ These meeting references are also outlined (and linked to their respective Agenda Items and Meeting Minutes) in the attached presentation.

In light of a previous item - Item 11, the Power Content Procurement Floor policy proposal and recommendation - this decision is no longer driven by cost-savings, but rather is fundamentally is a decision between a portfolio with a higher carbon-free content or a portfolio with no nuclear.

PG&E Carbon-Free Energy Allocation Mechanism

The key elements of the Allocation Mechanism are:

- Limited in time to 2019-20 (currently)
- Has both a backwards-looking piece (**Period A:** Carbon-Free Energy generated from January 1, 2019 - day prior to delivery of allocation) and a forward-looking piece (**Period B:** Carbon-Free Energy generated from first delivery date through December 31, 2020)
- 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 in their PCIA vintage
- Requires active agreement between retail suppliers to offer and to take generation
- Requires that the CPUC approve a mechanism for the allocation of such generation

This mechanism became effective upon CPUC approval of [PG&E's December 2, 2019 Advice Letter](#), filed to amend PG&E's Bundled Procurement Plan to permit allocations. The Allocation Mechanism will remain in effect until the effective date of a CPUC action on the PCIA Proposal Rulemaking (R.17-06-026) orders an alternative methodology. In practice, that means through 2020, though it is possible that the mechanism could be extended beyond 2020.

Under the Allocation Mechanism, PG&E will allocate to each eligible² LSE its pro rata load share of large hydro (hydro pool) and/or nuclear resources (nuclear pool) based on the LSE's election. The LSE has 30 days to accept its allocation of hydro and/or nuclear pool(s), and any unallocated amounts will revert back to PG&E to use or dispose as it sees fit, pursuant to applicable law. PG&E will provide some historical production data and ongoing allocation amounts for LSEs to forecast and keep track of allocation amounts. They will also provide the LSE with an annual attestation confirming actual year-end totals of generation from the Resource Pool(s) and notify the California Energy Commission of the sale of the Product for purposes of PCL reporting.

In exchange for the allocation by PG&E, the receiving LSE accepts the conditions that 1) the manner in which the disposition of the resource pools is reasonable; and 2) the LSE waives its ability to make petitions, arguments, or filings to the CPUC or the California Legislature asserting that PG&E has not offered any allocation, sale, or transfer of Carbon-Free Energy or environmental attributes associated with such Carbon-Free Energy for the year in which the eligible LSE accepts such offer.

² An eligible LSE (as defined in the CAISO Tariff) is one that (1) has forecasted load identified in PG&E's Energy Resource Recovery Account (ERRA) Forecast Application (ERRA Forecast Departed Load) for the calendar year in which the Allocation Amount is accepted; and (2) serves customers who pay the PCIA departing load charges for the above market costs of Resources.

EBCE Process for Allocations

EBCE would spread the total allocation volumes across Bright Choice and Brilliant 100, with Bright Choice receiving its pro rata share of the total and the remainder going to Brilliant 100.

Scenarios to Consider

Option A - EBCE accepts both the large hydro and nuclear allocations, amounting to approximately 2,046 GWh in a full year and 1,023 GWh in 2020.

Option B - EBCE accepts only the large hydro allocations, amounting to approximately 646 GWh in a full year, and 323 GWh in 2020.

Bright Choice Power Content Impacts

In a full delivery year, the large hydro percentage should match PG&E's and the nuclear percentage will either match PG&E's or be 0. Depending on the Board's decision to the Procurement Floor policy (Item 11), the Bright Choice carbon-free power content will either be 85% (if Item 11 is not approved), or be the sum of the new renewables target (i.e. 39.5% in 2020) plus the pro rata allocation percentages. For an illustrative full year that means:

- **Option A Carbon-Free Content** (hydro and nuclear accepted)
 - If Procurement Floor approved: 73.6%
 - If maintaining status quo: 85%
- **Option B Carbon-Free Content** (only hydro accepted)
 - If Procurement Floor approved: 50.3%
 - If maintaining status quo: 85%

Financial Impacts

Should the Board have approved the Procurement Floor policy (Item 11): Bright Choice savings are not influenced by the allocation decision. There are procurement cost savings for Brilliant 100 as it receives a share of the allocation. While the Brilliant 100 savings are the same regardless of the Item 11 decision, they do scale relative to the allocation decision:

- **Option A Savings** (hydro and nuclear accepted)

Bright Choice, New Procurement Floor:	\$11,300,000
+ Brilliant 100 Procurement Savings:	<u>\$ 1,600,000</u>
= Total EBCE Savings:	\$12,900,000

- **Option B Savings** (only hydro accepted)

Bright Choice, New Procurement Floor:	\$11,300,000
+ Brilliant 100 Procurement Savings:	<u>\$ 515,000</u>
= Total EBCE Savings:	\$11,800,000

Should the Board not have approved the Procurement Floor policy (Item 11): The allocation decision results in significantly different cost savings values. Procuring to the status quo (i.e. renewables to RPS + 5%, and remainder of an 85% carbon-free Bright Choice portfolio with PG&E allocations and incremental large hydro) could save EBCE approximately the following:

- **Option A Savings** (hydro and nuclear accepted)

Bright Choice, full allocation year:	\$ 8,600,000
+ Brilliant 100, full allocation year:	<u>\$ 1,600,000</u>
= Total EBCE Savings:	\$10,200,000

- **Option B Savings** (only hydro accepted)

Bright Choice, full allocation year:	\$2,700,000
+ Brilliant 100, full allocation year:	<u>\$ 515,000</u>
= Total EBCE Savings:	\$3,200,000

- Half of these savings would be expected in 2020 for either scenario.

Attachments

- A. PG&E Carbon-Free Allocations Decision Presentation



PG&E Carbon-Free Allocations Decision

PRESENTED BY: NICK CHASET

DATE: APRIL 22, 2022



PG&E Carbon-Free Allocations Decision

Overview

If the Power Content Procurement Floor has been approved, this decision is strictly a carbon-free power content policy question for the Board. Updating the Bright Choice power content guidelines to enact the procurement floor proposed means EBCE is financially indifferent to the allocation decision. In this case, the question becomes: **a more carbon-free mix or a nuclear-free mix?**

If the Procurement Floor has not been approved, and rather the Board maintains the 85% carbon-free Bright Choice target, this decision is still primarily the same power content policy question posed above, but also considers some expected procurement cost savings presented in the two scenarios as a result of the allocation decision.

As the details pertaining to the PG&E Carbon-Free Allocation Mechanism have developed over the past few months, staff has brought the topic forward for discussion at every public meeting where new information or analysis had developed. References to all Meetings, Staff Reports, and Meeting Minutes in which this issue was discussed are outlined on the following slide for reference.

Previous Board Presentations

November 22, 2019 – Executive Committee Meeting

Purpose: Provide an introduction to the allocation mechanism, including financial impact scenarios, and gather initial Board feedback and questions

Attachments and Minutes: [Informational Item 5](#), [Nov. ExCom Meeting Minutes](#)

December 18, 2019 – Board Meeting

Purpose: Provide an update regarding the December 2, 2019 [PG&E Advice Letter](#) and the decision-making timeline for the allocation in light of other critical milestones, such as Rate Proceedings.

Attachments and Minutes: [Informational Item 16](#), [Dec. Board Meeting Minutes](#), [Dec. CAC Meeting Minutes](#)

January 22, 2020 – Board Meeting

Purpose: Present and review staff responses to CAC questions. A focus of the January 20, 2020 CAC Meeting.

Attachments: [Informational Item 14](#), [Jan. Board Meeting Minutes](#), [Jan. CAC Meeting Minutes](#)

February and March

With no influencing regulatory decisions made after the January EBCE meetings, no updates were available to bring forward to the Board during February and March.

PG&E Allocation Process

Details

PG&E is offering to allocate carbon-free resources (large hydro and nuclear) from their portfolio to eligible Load Serving Entities based on their pro rata share of load within PG&E territory.

In PG&E's December 2, 2019 Advice Letter they outlined the mechanism by which to allocate resources over two time periods initially:

- **Period A:** Carbon-Free Energy generated from January 1, 2019 – day prior to delivery of allocation
- **Period B:** Carbon-Free Energy generated from first delivery date through December 31, 2020
 - Staff has assumed an initial delivery date of July 1, 2020 to calculate the projected allocation volumes.
 - Projected Period B Allocation: **1,023 GWh of carbon-free attributes** (323 GWh Hydro + 700 GWh Nuclear)
 - Projected Full-Year Allocation: **2,046 GWh of carbon-free attributes** (646 GWh Hydro + 1,400 GWh Nuclear)
 - Should the allocations persist beyond Period B, nuclear in 2024 would be 700 GWh to reflect the first half of the Diablo Canyon decommissioning. Nuclear in 2025 would be 350 GWh to reflect the second half of the plant decommissioning midway through 2025.

It is unlikely that Period A, as a backward-looking allocation, will be allowed due to remaining uncertainty around Power Content Label accounting. As a result, this decision is focused primarily on Period B, as well as any subsequent allocation offers through the complete decommissioning of Diablo Canyon in 2025. The Board decision on which resources to accept in 2020 will guide and grant approval for staff to accept same-resource PG&E Carbon-Free Allocation offers in the future.

Status of CCA Action on Nuclear Allocation

CCA	Decision
San Jose Clean Energy	Approval of both hydro and nuclear
Silicon Valley Clean Energy	Approval of both hydro and nuclear
Monterey Bay Community Power	Approval of both hydro and nuclear
Peninsula Clean Energy	Approval of both hydro and nuclear
Clean Power Alliance	Approval of only hydro, modified power content guidelines to focus comparison w/ SCE on renewables
MCE CleanEnergy	Approval of only hydro
Pioneer (Placer County)	Approval of both hydro and nuclear
Valley Clean Energy (Yolo)	Approval of only hydro
CalChoice (Cities of Lancaster, Pico Rivera, Apple Valley, among others)	Approval of both hydro and nuclear

EBCE Process for Allocations

EBCE Process

1. EBCE accepts an allocation from PG&E – either hydro and nuclear, or just hydro.
2. Bright Choice receives its pro rata share of the total EBCE allocated volumes; the remainder goes to Brilliant 100.
3. Bright Choice cost savings will vary based on either the Procurement Floor decision or the Allocation decision, while Brilliant 100 cost savings will vary based only on the Allocation decision:
 - If the Procurement Floor was approved, Bright Choice savings are not influenced by the allocation decision. As Brilliant 100 still receives some of the total allocations regardless, its savings will reflect the allocation decision.
 - If the Procurement Floor was not approved, both products will have procurement cost savings equal to what EBCE would have otherwise spent purchasing the volume equivalent to the allocation volume in their product portfolio.

Option A – Accept Hydro and Nuclear

Process:

EBCE accepts both the large hydro and nuclear allocations, amounting to ~2,046 GWh in a full year and 1,023 GWh in a half year.

Power Content and Financial Impacts:

EBCE receives 323 GWh of large hydro and 700 GWh of nuclear allocations in 2020.

EBCE receives 646 GWh of large hydro and 1,400 GWh of nuclear in subsequent years, if the allocation mechanism persists beyond Period B.

Option A (Illustrative Full Year, with 2020 renewables value)					
	Brilliant 100 Procurement Savings	Bright Choice Procurement Savings	Bright Choice Hydro Content	Bright Choice Nuclear Content	Bright Choice C-Free Content
If Procurement Floor Approved	\$1,600,000	No incremental large hydro purchased. BC savings not influenced by decision.	10.8%	23.3%	73.6%
If Maintaining 85% Carbon-Free	\$1,600,000	\$8,600,000	23.7%	23.3%	85%

Option B – Accept Only Hydro Allocation

Process:

EBCE accepts only the large hydro allocations, amounting to ~646 GWh in a full year and 323 GWh in a half year.

Power Content and Financial Impacts:

EBCE receives 323 GWh of large hydro allocations in 2020 .

EBCE receives 646 GWh of large hydro in subsequent years, if the allocation mechanism persists beyond Period B.

Option B (Illustrative Full Year, with 2020 renewables value)				
	Brilliant 100 Procurement Savings	Bright Choice Procurement Savings	Bright Choice Hydro Content	Bright Choice C-Free Content
If Procurement Floor Approved	\$515,000	No incremental large hydro purchased. BC savings not influenced by decision.	10.8%	50.3%
If Maintaining 85% Carbon-Free	\$515,000	\$2,700,000	47%	85%

Comparing Option A and Option B

(if Power Content Guidelines Adjusted)

Power Content and Financial Impacts:

- Under the adjusted power content guidelines, the acceptance of nuclear and/or hydro does not have a direct financial consequence for EBCE's Bright Choice savings. Brilliant 100 savings scale with the allocation decision.
- As a result, the decision whether to accept or reject nuclear primarily comes down to whether EBCE prioritizes a higher carbon-free power content inclusive of nuclear or a lower carbon-free power content that does not include nuclear. Below is an illustration of the total EBCE savings and the relative expected Bright Choice power content labels for EBCE under Option A or Option B.

Comparison of Option A and Option B (Illustrative Full Year, with 2020 renewables value)					
	Total Procurement Savings	Bright Choice Nuclear Content	Bright Choice Hydro Content	Bright Choice Renewable Content	Bright Choice Power Content
Option A	\$12,900,000 Bright Choice: \$11,300,000 Brilliant 100: \$1,600,000	23.3%	10.8%	39.5%	73.6%
Option B	\$11,800,000 Bright Choice: \$11,300,000 Brilliant 100: \$515,000	0%	10.8%	39.5%	50.3%

Comparing Option A and Option B

(if Power Content Guidelines Not Adjusted)

Power Content and Financial Impacts:

- If EBCE does not adjust its Bright Choice power content guidelines, the acceptance of nuclear and/or hydro does have a direct financial consequence for EBCE. Furthermore, not adjusting power content guidelines weakens EBCE's overall financial position while not improving EBCE's energy mix relative to PG&E.
- As a result accepting nuclear directly reduces EBCE's procurement costs while not impacting EBCE's overall carbon-free content.

Comparison of Option A and Option B (Illustrative Full Year, with 2020 renewables value)					
	Total Procurement Savings	Bright Choice Nuclear Content	Bright Choice Hydro Content	Bright Choice Renewable Content	Bright Choice Power Content
Option A	\$10,200,000 Bright Choice: \$8,600,000 Brilliant 100: \$1,600,000	23.3%	10.8% (allocated) + 12.9% (procured by EBCE)	38%	85%
Option B	\$3,200,000 Bright Choice: \$2,700,000 Brilliant 100: \$515,000	0%	10.8% (allocated) + 36.2% (procured by EBCE)	38%	85%

APPENDIX

A.



Establishing Carbon-Free Allocation % Baseline

PG&E Power Content	2013 Power Mix (Actual)	2014 Power Mix (Actual)	2015 Power Mix (Actual)	2016 Power Mix (Actual)	2017 Power Mix (Actual)	2018 Power Mix (Actual)	2013-17 Average
Eligible Renewable	22%	27%	30%	33%	33%	39%	29.0%
-- Biomass & waste	4%	5%	4%	4%	4%	4%	4.3%
-- Geothermal	5%	5%	5%	5%	5%	4%	5.0%
-- Small hydroelectric	2%	1%	1%	3%	3%	3%	2.0%
-- Solar	5%	9%	11%	13%	13%	18%	10.2%
-- Wind	6%	7%	8%	8%	8%	10%	7.5%
Coal	0%	0%	0%	0%	0%	0%	0%
Large Hydroelectric	10%	8%	6%	12%	18%	13%	10.8%
Natural Gas	28%	24%	25%	17%	20%	15%	22.8%
Nuclear	22%	21%	23%	24%	27%	34%	23.3%
Other	0%	0%	0%	0%	0%	0%	0%
Unspecified	18%	20%	17%	14%	2%	0%	14.2%
CO2-free (w Nuclear)	53%	56%	59%	69%	78%	86%	63.1%
CO2-free (w/o Nuclear)	32%	35%	36%	45%	51%	52%	39.8%



**To derive projected large hydro and nuclear percentages for PG&E's 2020 Power Content Label, staff averaged the 2013-2017 PG&E volumes for the respective resources. The 2013-2017 period is the best proxy for 2020 given that the carbon-free allocations are on a pro rata basis, meaning PG&E's carbon-free resource percentages should revert to similar levels of pre-CCA major load departure.