



## Staff Report Item 15

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Annie Henderson, VP Marketing and Account Services  
**SUBJECT:** Brilliant 100 Options for 2021 (Informational Item)  
**DATE:** September 16, 2020

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### Recommendation

Receive a presentation on Brilliant 100 options for 2021 and vote on the selected option at the October Board meeting.

### Background and Discussion

In June, the Board voted to cease offering the Brilliant 100 rate at cost parity to PG&E as of the end of 2020. The following presentation outlines the potential options for Brilliant 100 in 2021, such as:

1. Close the Brilliant 100 rate,
2. Offer Brilliant 100 at a cost premium above PG&E rates, and
3. Offer a new product that is at cost parity with PG&E and 100% carbon free including nuclear power to customers in a jurisdiction where Board/Council have voted to accept nuclear allocation

The cities of Hayward have requested that the Board consider the new product option of a carbon free, cost parity product with nuclear power. On August 27, 2020, PG&E submitted an Advice Letter (5930-E) to the CPUC requesting permission to offer allocations of nuclear and large hydro power to CCAs in 2021, 2022, and 2023. PG&E asked the CPUC for a decision by October 31, 2020. The Advice Letter did not include any indication on the potential size of a carbon-free allocation to EBCE.

### Fiscal Impact

EBCE will be in a better financial position by closing Brilliant 100 or offering the rate at a cost premium that better reflects the cost of service. If Brilliant 100 were to continue at the current price parity and 100% carbon free non-nuclear power, EBCE Bright Choice customers will be subsidizing Brilliant 100 customers due to the current market costs of carbon free power.

## Attachments

- A. Request Letter from the City of Hayward;
- B. Letter from City of Pleasanton; and
- C. Brilliant 100 Options Presentation



August 26, 2020

Nick Chaset, Chief Executive Officer  
East Bay Community Energy  
1999 Harrison Street, Suite 800  
Oakland, CA 94612

Via email to: [nchaset@ebce.org](mailto:nchaset@ebce.org)

Re: Power Content Options for a 100% Carbon Free Product

Dear Mr. Chaset:

Since EBCE launched in 2018, Hayward customers have been receiving Brilliant 100 and have benefited from receiving 100% carbon free electricity at rates equal to those of PG&E. As a result, Hayward's greenhouse gas reduction goal of 20% by 2020 has been achieved. Hayward is a proud member of EBCE and appreciates the work of its Board and staff.

Earlier this year Hayward learned that Brilliant 100 may be discontinued or may be offered at rates higher than PG&E. On July 14, 2020, the Hayward City Council held a work session to discuss the City's default electricity product. Some Council members expressed support for a product that would include nuclear power if it could be a 100% carbon free product offered at rate parity with PG&E. When EBCE staff presents options to the Board on September 16, 2020, we would appreciate having such a product considered as an option cities could select as a default product.

Thank you for your consideration. If you have any questions, please contact Erik Pearson, Environmental Services Manager, at [erik.pearson@hayward-ca.gov](mailto:erik.pearson@hayward-ca.gov).

Sincerely,

Kelly McAdoo  
City Manager

Cc: Hayward Mayor and City Council  
Maria Hurtado, Assistant City Manager  
Alex Ameri, Public Works Director  
Erik Pearson, Environmental Services Manager

THE CITY OF



PLEASANTON®

September 10, 2020

Nick Chaset, Chief Executive Officer  
 East Bay Community Energy  
 1999 Harrison Street, Suite 800  
 Oakland, CA 94612

Via email to: [nchaset@ebce.org](mailto:nchaset@ebce.org)

Re: Power Content Options for a 100% Carbon Free Product

Dear Mr. Chaset:

As Pleasanton prepares to begin receiving EBCE's electricity in April 2021, the City is considering the default service levels that best fit Pleasanton customers. Pleasanton is currently preparing its Climate Action Plan 2.0 update, and selecting a default service level with minimal greenhouse gas emissions can make a significant impact on the City's climate and sustainability goals. Pleasanton is proud to be a new member of EBCE and appreciates the work of its Board and staff.

Earlier this year Pleasanton learned that Brilliant 100 may be discontinued or may be offered at rates higher than PG&E. The City of Pleasanton would be interested in a product that would include nuclear power if it could be a 100% carbon free product offered at rate parity with PG&E. When EBCE staff presents options to the Board on September 16, 2020, we would appreciate having such a product considered as an option cities could select as a default product.

Thank you for your consideration. If you have any questions, please contact Zachary Reda, Management Analyst, at [zreda@cityofpleasantonca.gov](mailto:zreda@cityofpleasantonca.gov).

Sincerely,

Nelson Fialho  
 City Manager

Cc: Mayor and City Council  
 Brian Dolan, Assistant City Manager  
 Becky Hopkins, Assistant to the City Manager  
 Zachary Reda, Management Analyst

**P. O. Box 520, Pleasanton, CA 94566-0802**

**123 Main Street**

**City Manager**  
 (925) 931-5002  
 Fax: 931-5482

**City Attorney**  
 (925) 931-5015  
 Fax: 931-5482

**Economic Development**  
 157 Main Street  
 (925) 931-5038  
 Fax: 931-5476

**City Clerk**  
 (925) 931-5027  
 Fax: 931-5492



# Brilliant 100 Options for 2021

Annie Henderson  
September 16, 2020



# Background on *Brilliant 100*

- 2020 *Brilliant 100* power mix is forecasted as
  - 33% RPS-qualified renewables
  - 67% carbon-free power (no nuclear)
- 2020 cost is at parity to PG&E standard rates
- Cost to serve *Brilliant 100* is greater than the current rate being charged to customers

# Board Decisions in June 2020

- *Brilliant 100* is maintained at parity cost through 12/31/20
- Rate is unavailable to new accounts and opt-ups as of 7/1/20
- Power content for *Brilliant 100* set to match RPS on renewables (33% in 2020, 35.8% in 2021) while maintaining 100% carbon free
- Evaluate future of *Brilliant 100* in September

# Brilliant 100 Options for 2021

Options for all EBCE customers

Offered only in EBCE jurisdictions where Board/Council has voted to accept nuclear

## Premium Cost

**CONTENT:** Continue to offer 100% carbon free without nuclear power

**COST:**  
2-5% over PG&E

## Close Product

Transition current *Brilliant 100* customers onto *Bright Choice*

Hayward & Albany request new default

## 3<sup>rd</sup> Option

**CONTENT:**  
Continue to offer 100% carbon free including nuclear power

**COST:**  
Parity with PG&E



# Carbon Free Allocation in 2021

- Formal request for consideration of a 100% carbon free, price parity product that includes nuclear power submitted by the Cities of Hayward and Pleasanton
- 2021 Carbon Free allocation is awaiting a decision from the CPUC
  - PG&E submitted an Advice Letter (5930-E) on August 27th to the CPUC requesting permission to offer allocations of nuclear and large hydro power in 2021, 2022, and 2023
  - PG&E has asked the CPUC to provide a decision by October 31st
  - Advice Letter did not include information on potential size of allocation
- *Reminder* - April 2020: Split vote by Board to accept only large hydro allocation

# Comparison of Product Costs w/*Brilliant 100* at 2%

		Total EBCE Charges						
		1% Discount	PG&E + 2%	PG&E + \$0.01/kWh	Cost above PG&E (monthly)		Difference between Brilliant 100 and Renewable 100	
Customer Class	Monthly Use (kWh)	Bright Choice	Brilliant 100	Renewable 100	Brilliant 100	Renewable 100	Monthly	Annual
Residential (E1)	380	\$44.21	\$45.55	\$48.46	\$0.89	\$3.80	\$2.91	\$34.88
Small Commercial, Winter (A1X)	2,270	\$255.85	\$263.60	\$281.13	\$5.17	\$22.70	\$17.53	\$210.38
Large Commercial, Summer (E19S)	294,710 1,014 kW	\$35,411.02	\$36,484.08	\$38,715.81	\$715.37	\$2,947.10	\$2,231.73	\$26,780.71

# Comparison of Product Costs w/*Brilliant 100* at 5%

		Total EBCE Charges						
		1% Discount	PG&E + 5%	PG&E + \$0.01/kWh	Cost above PG&E (monthly)		Difference between Brilliant 100 and Renewable 100	
Customer Class	Monthly Use (kWh)	Bright Choice	Brilliant 100	Renewable 100	Brilliant 100	Renewable 100	Monthly	Annual
Residential (E1)	380	\$44.21	\$46.89	\$48.46	\$2.23	\$3.80	\$1.57	\$18.84
Small Commercial, Winter (A1X)	2,270	\$255.85	\$271.35	\$281.13	\$12.92	\$22.70	\$9.78	\$117.36
Large Commercial, Summer (E19S)	294,710 1,014 kW	\$35,411.02	\$37,557.15	\$38,715.81	\$1,788.44	\$2,947.10	\$1,158.66	\$13,903.92

# Reasons for Premium Range

- PG&E rate forecast for 2021 available in November 2020, but PG&E rates are not final until December 31 at the earliest
  - If PG&E generation rates are higher, premium could be only 2% to cover cost of service
  - If PG&E generation rates are lower, premium could be 5% to cover cost of service
- Uncertainty on potential carbon free allocation for large hydro power from PG&E until after CPUC decision October 31
  - If approved and sizable allocation, premium could be closer to 2%
  - If not approved, premium could be closer to 5%

# Comparison of Product Costs w/out *Brilliant 100*

		Total EBCE Charges			
		1% Discount	PG&E + \$0.01/kWh	Cost difference w/ PG&E (monthly)	
Customer Class	Monthly Use (kWh)	Bright Choice	Renewable 100	Bright Choice	Renewable 100
Residential (E1)	380	\$44.21	\$48.46	-\$0.45	+\$3.80
Small Commercial, Winter (A1X)	2,270	\$255.85	\$281.13	-\$2.58	+\$22.70
Large Commercial, Summer (E19S)	294,710 1,014 kW	\$35,411.02	\$38,715.81	-\$357.69	+\$2,947.10

# Timeline

- **September**
  - EBCE Board discussion of *Brilliant 100* options for 2021
- **October**
  - EBCE jurisdictions discuss options @ Council/Committee meetings
  - EBCE Board votes on products and potentially votes on pricing for 2021
- **November**
  - Decisions by local jurisdictions on local product changes (*i.e. changes to default product, restrict availability of potential 3<sup>rd</sup> Product*)
  - Staff presents outreach plan
  - *Potential*: EBCE Board votes on default products for Hayward and Albany based on city council-approved requests from those cities
- **December**
  - EBCE Board votes to approve requested product defaults and changes
- **January 2021**
  - Rate increase, transition of all *Brilliant 100* accounts, and/or launch of new product