



Community Advisory Committee Meeting

Monday, December 14, 2020

6:00pm

<https://us02web.zoom.us/j/83752022785>

Join by phone:

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

US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or

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Webinar ID: 837 5202 2785

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 Committee, please email it to the clerk by 5:00 pm the day prior to the meeting.

C1. Welcome & Roll Call

C2. Public Comment

This item is reserved for persons wishing to address the Committee 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 Committee are customarily limited to three minutes per speaker and must complete an electronic [speaker slip](#). The Committee Chair may increase or decrease the time allotted to each speaker.

C3. Approval of Minutes from November 16, 2020 (5 minutes)

C4. CAC Chair Report (5 minutes)

C5. Metrics Initiative - Data from the EBCE CRM (30 minutes, CAC Informational Item)

Staff will describe the current plan to use data from the EBCE Customer Relationship Management (CRM) system for metrics.

- C6. Integrated Resource Plan Results (35 minutes, CAC Informational Item)**
Staff will describe the IRP analysis and a potential clean energy goal based on that analysis. The CAC will provide advice to the board around the possible goal.
- C7. Carbon Free Allocation (40 minutes, CAC Action Item)**
Staff will discuss acceptance of the large hydroelectric generation allocation for 2021 and options for monetizing the nuclear generation.
- C8. CAC Member and Staff Announcements including requests to place items on future CAC agendas**
- C9. Adjournment - to Date: Monday, January 19, 2020**



Community Advisory Committee Meeting

Draft Minutes

Monday, November 16, 2020

6:00pm

<https://us02web.zoom.us/j/88390329585>

Or join by phone:

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

US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or
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C1. Welcome & Roll Call

Present: Members: Eldred, Landry, Pacheco, Padilla, Vice-Chair Franch and Chair Sutter

C2. 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 Committee are customarily limited to three minutes per speaker and must complete an electronic [speaker slip](#). The Committee Chair may increase or decrease the time allotted to each speaker.

Kelly Abreu spoke in support of developing a strategic plan aligning land use policy with clean energy and battery storage, and to offer grid stabilization as a service.

Blair Beekman spoke in opposition to accepting nuclear energy.

C3. **Approval of Minutes from October 19, 2020 (5 minutes)**
Member Eldred motioned to approve the October 19, 2020 minutes. Member Landry seconded the motion which passed 6/0.

C4. **CAC Chair Report (5 minutes)**
Chair Sutter did not give a chair report.

C5. **Brilliant 100 Option (40 minutes, CAC Action Item)**
Staff will describe the Brilliant 100 option that may start on February 1, 2021 (if accepted by the board).

The Committee discussed:

- Nuclear allocation and the PCIA
- Interest in Brilliant 100 by city
- Brilliant 100 options
- Product option customizations
- Brilliant 100 subsidy
- Resource Adequacy as an alternative product
- SEIU local 1021 statement opposing nuclear energy

Barbara Stebbins spoke in support of the nuclear issue being taken off the table. Barbara Stebbins also spoke regarding the cost of procuring renewables and large hydro.

Vaughn Wolffe spoke regarding Brilliant 100's cost and implementation.

Blair Beekman spoke in support of transitioning to an economy based on renewable energy.

Jessica Tovar spoke in support of subsidizing Brilliant 100 before phasing it out.

Member Landry motioned to adopt Option C. Member Eldred seconded the motion and made a friendly amendment to adopt Option A as secondary choice. Member Landry accepted the amendment and the motion failed 3/3. Noes: Member Padilla, Vice-Chair Franch and Chair Sutter

Member Padilla motioned to adopt Option A. Vice-Chair Franch seconded the motion which failed 3/3. Noes: Members Eldred, Landry and Pacheco

C6. **Metrics Initiative and LDBP Projects (40 minutes, CAC Informational Item)**
CAC chair will describe the new metrics initiative being undertaken by the CAC chair and vice-chair and Staff will describe the data sources and LDBP model planned for use within these metrics.

The Committee discussed:

- Metrics scope and design
- Support for additional workshop
- Racial Equity Impact Analysis

Audrey Ichinose spoke regarding how to redesign the “Customer Cost Savings” metric around a more active and participatory definition of “consumer”.

Blair Beekman spoke in support of the metrics initiative as means to engage with the community and as an example of good democratic practice.

Ceyda Durmas Dogan spoke regarding the importance of metrics initiative and requested an additional community workshop.

Barbara Stebbins spoke in support of the Metrics Initiative as a baseline to measure equity impact and offered access to additional metrics programs.

Vaughn Wolffe spoke regarding the need to communicate the meaning of metrics to each audience that is being addressed.

C7. Fiscal Year 2019-2020 Expenditures and Budget (20 minutes, CAC Informational Item)

Staff will discuss the previous years audited financial audits vs the approved budget. This was Consent Item 13 - Fiscal Year 2019-2020 Budget to Actuals on the October 21, 2020 EBCE Board Meeting that is being presented to the CAC.

The Committee discussed:

- Unanticipated revenues
- Factors that materially impact on revenue
- Impact of Covid-19 on retail sales
- Current sales overview
- Cost of energy underbudget
- Hedge matrix risk management guidelines

C8. CAC Member and Staff Announcements including requests to place items on future CAC agendas

Member Eldred reminded the group/attendees that covid-19 rates were increasing and advised everyone to take necessary precautions.

Member Pacheco announced that the Sierra Club will recommend approval of the Aramis Project, which is on the November 18, 2020 Board of Directors agenda.

C9. Adjourned.



SALESFORCE CRM FOR PROGRAM TRACKING

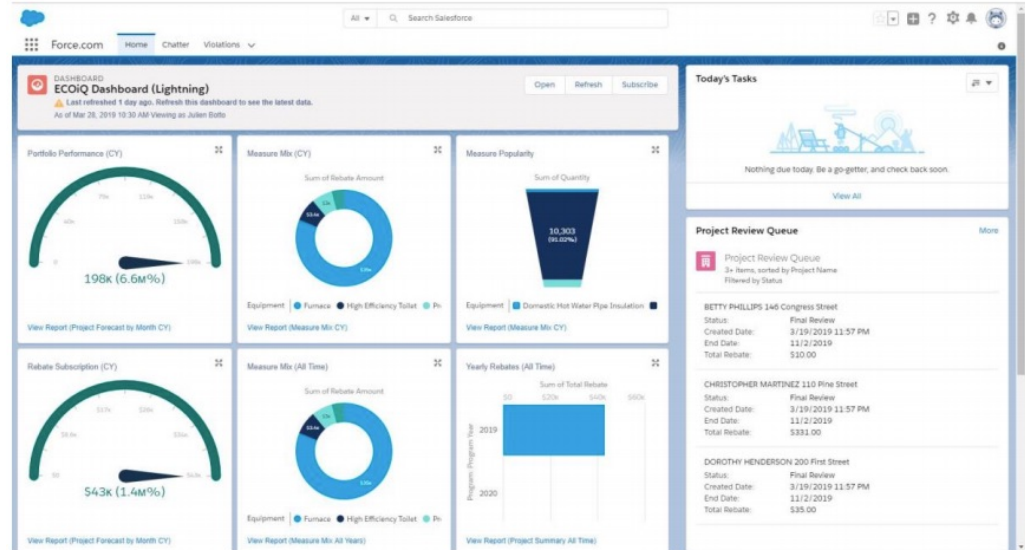
PRESENTED BY: JP Ross
DATE: DECEMBER 14 , 2020

SALESFORCE CRM

- EBCE has selected Salesforce (SF) CRM
 - + AIQUEOUS - a Program Management and reporting application
 - + Pardot – a Marketing Automation tool to facilitate customer outreach, communication and enrollment
- SF with AIQUEOUS and Pardot were selected as tools to help manage customer interactions as well as program enrollment and tracking
 - AIQUEOUS is used by MCE for EE program management and reporting and by PCE for incentive program management
- EBCE customer records are being moved into SF environment and will be launched by EoY. Full deployment will continue through 2021

DASHBOARDS AND REPORTS

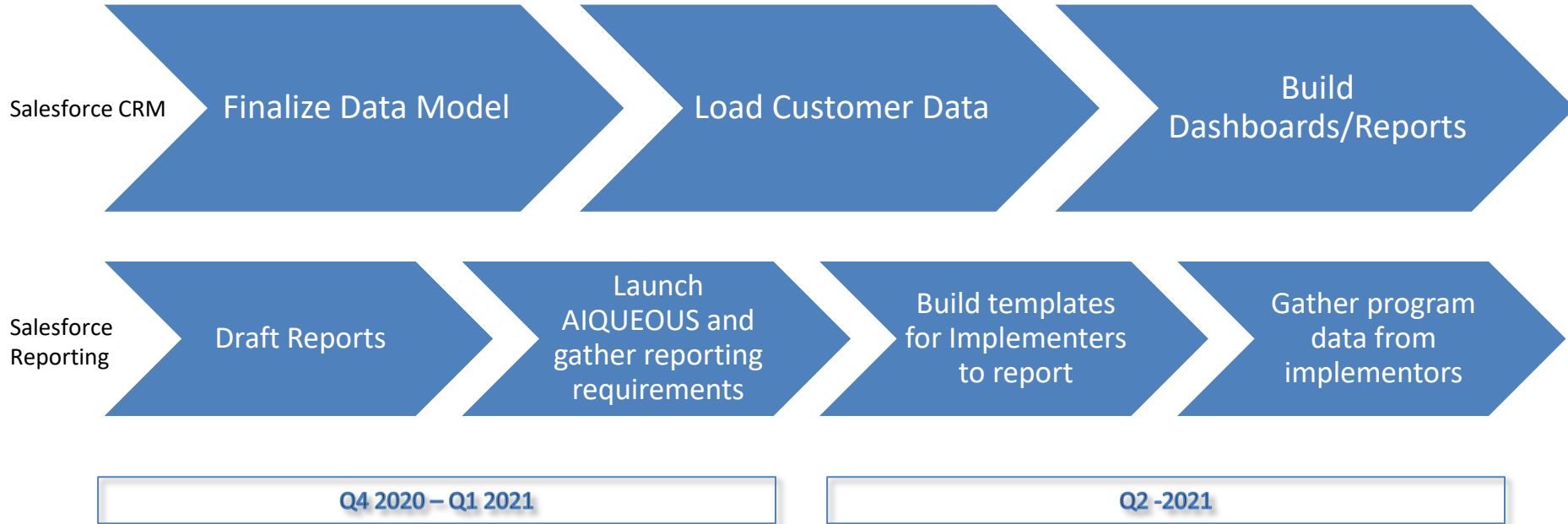
- Allow single view of program enrollments and tracking to budgets
- Customizable for program specific metrics
 - DAC/LI/CARE enrollment
 - Installations to date
 - Projected/Measured Energy savings



INITIAL SALESFORCE METRICS

Programs	Measures	Customer Attributes
Resilient Home	kW Solar	CARE/Medical Baseline
Critical Facility S+S	kW/kWh Storage	DAC/LI Census tract
Heat Pump Water Heaters	#/type of Appliances	Single Family / Multi-Family / Commercial / Municipal
Low-Income P4P	EE measures	Owner/Renter
Commercial P4P	Expected kWh savings	Customer Satisfaction
Residential P4P	Measured savings	
Connected Communities Solar Program & DAC-GT / CS-GT	Customer bill savings	
	Enrollment / Installation date	

SALESFORCE TIMELINE





CAC Item C6
Staff Report Item 12

TO: East Bay Community Energy Board of Directors

FROM: Stefanie Tanenhaus, Principal Regulatory Analyst, Public Policy

SUBJECT: Integrated Resource Plan Results (Action Item)

DATE: December 16, 2020

Recommendation

Establish a clean energy goal (percentage of clean energy) for 2030 as supported by EBCE's Integrated Resource Plan (IRP) analysis; adopt a Resolution approving the Board's clean energy goal.

Background and Discussion

The IRP is a long-term planning proceeding intending to evaluate all of the CPUC's electric procurement policies and programs and the reliability and cost-effectiveness of the CPUC-jurisdictional entities'¹ electric supply with the goal of reducing the cost of achieving GHG reductions and other CPUC policy goals. The IRP proceeding looks 10 years forward to determine the least-cost resource mix required to meet these goals while maintaining system reliability.

The IRP also evaluates the contribution of individual entities' resource portfolios to the State's greenhouse gas (GHG) emissions. This IRP cycle, the CPUC required each entity to submit distinct portfolios that achieve their proportional share of two different statewide electric sector GHG targets. On September 1, 2020, EBCE submitted IRPs that provide the desired portfolios of resources based on a statewide electric sector goal of 46 million metric tons (MMT) and a maximum of 38 MMT of GHG emissions by 2030. In July, these portfolios were shared with the Community Advisory Committee and the Board. At that time, the Board also authorized the CEO to approve the final IRP reports and file the two compliance portfolios with the CPUC.

The CPUC permitted entities to submit an alternative portfolio that used different assumptions, provided they were identified and justification for the discrepancies described. EBCE elected not to file an alternative portfolio and instead has focused its efforts on analysis

¹ In context of IRP requirements, includes Investor Owned Utilities (IOUs), Energy Service Providers (ESPs), and Community Choice Aggregators (CCAs).

to develop a portfolio of resources that will contribute to more aggressive GHG emission reductions and organizational goal-setting related to achieving those reductions.

This supplemental analysis includes evaluating a 30 MMT scenario, which corresponds to the lowest statewide electric sector goal that the CPUC has explored. In addition, EBCE quantified the costs of procuring additional GHG-free energy to offset the emissions associated with market purchases. Under this scenario, EBCE would be “net GHG-free”, that is over the course of the year the amount of clean energy generated from our portfolio and purchased through short-term transactions would equal EBCE’s load.

Discussion

EBCE evaluated a range of four different GHG targets for its complete IRP analysis. The GHG targets selected were informed by the three primary state-wide electric sector GHG targets that the CPUC explored in its system-wide IRP modeling- 46 MMT, 38 MMT and 30 MMT. 30 MMT corresponds to the low end of the GHG planning target range for the electric sector established by the California Air Resource Board (CARB). CARB, in coordination with the CPUC and CEC, determined a range of 30-53 MMT by 2030 was required by the electric sector for the state to meet its economy-wide GHG reduction goals of 40% below 1990 levels by 2030. The fourth scenario represents a net 0 MMT target.

Methodology

EBCE’s 46 MMT and 38 MMT compliance scenarios were based on the CPUC’s system-level resource portfolios. The 46 MMT and 38 MMT compliance portfolios submitted to the CPUC in September 2020 were updated to reflect current EBCE preferences and to allow for direct comparison with the lower GHG scenarios examined. For the development of the long-term resource portfolio, EBCE relied on its consultant Ascend Analytics’ modeling tools to provide an optimized build-out of resources over time. The portfolio selection was subject to a constraint on the over-all amount of energy provided by long-term contracts to align with EBCE’s procurement and risk management strategies. The remaining energy needed to meet EBCE’s load is filled with short-term transactions. EBCE’s short-term transactions are assumed to be made up of RPS and carbon-free purchases from existing resources. Short-term carbon-free transactions are assumed to provide up to 10% of load on an annual basis. Short-term RPS transactions are assumed to provide the remaining GHG-free energy required to meet GHG targets of 1.22, 0.98, 0.73 MMT, which correspond to EBCE’s load-weighted share of statewide electric sector targets of 46, 38 and 30 MMT, respectively. Any remaining energy need is assumed to be filled with short-term brown power purchases, which have emissions associated. As the annual GHG target decreases however, the amount of these purchases is reduced. By 2030, approximately 20% of EBCE’s load can be met with brown purchases in order to meet a 0.73 MMT GHG target.

After creating the portfolio, Ascend performed production cost modeling to simulate the hourly performance and evaluate the estimated range of incremental costs required to achieve the 46 MMT, 38 MMT, 30 MMT and a net 0 MMT portfolio by purchasing additional carbon-free energy.

Results of Analysis

Using the approach described herein, EBCE developed a resource portfolio to achieve a range of emissions targets. A summary of results follows; additional details and visual aids are included as Attachment 1, “IRP Results and Recommendation” PowerPoint.

- Resource Mix
 - Total long-term contracted nameplate capacity 3,488 MW by 2030, including 1,600 MW of energy storage (590 MW paired with solar). New renewable resources (primarily solar) make up 1,220 MW. Remaining need is met by short-term contracts with existing resources and market purchases.
- Risk Management associated with Portfolios
 - Long-term contracts provide 62% of EBCE's total energy need, or around 4,800 GWh in 2030.²
 - EBCE staff intends to enter into Short Term Contracts in the form of fixed-price energy transactions to fill a portion of its un-hedged position to ensure EBCE is not overly relying on the CAISO system, providing negative contribution to system reliability and as a means of insurance, to protect its customers from volatility in Spot Market prices. It is assumed short-term RPS and carbon-free purchases are used to meet EBCE's GHG target. Under a 30 MMT target, approximately 20% of EBCE's energy purchases come from the spot market by 2030. Under a net 0 MMT target, all short-term brown power purchases are offset by incremental short-term RPS and carbon-free purchases.
- Reliability of Portfolios
 - Resource Adequacy: The long-term contracts anticipated in this portfolio represent sufficient capacity to meet around 70% of EBCE's RA obligations. Additional RA procurement will be necessary for each year from 2021 to 2030 to fulfill the remaining need.
 - Market exposure: While forecasted market exposure decreases over time, EBCE's portfolio is designed such that there will be some amount of market power purchased to serve load in the majority of hours. By 2030, the number of market exposure hours are accounted for is 6,374 hours per year. However, the volume of market purchases provides a better measure of the degree of market exposure. In 2030 when short-term purchases are accounted for, the average position of EBCE's portfolio over all hours compared to load is around 8% (34% without short-term transactions). During the evening, when market prices tend to be highest, the average portfolio position over all hours compared to load is 1% (19% without short-term transactions).
- Costs³
 - The estimated total portfolio cost of providing 64% of EBCE's energy needs with clean⁴ generation, which corresponds to EBCE's share of the CPUC-adopted reference target of 46 MMT, for the period of 2021 through 2030 is approximately \$3.6 billion. The estimated total portfolio cost of achieving the 46 MMT scenario in 2030 is approximately \$608 million.
 - The estimated incremental cost of achieving 80% clean by 2030 (which corresponds to EBCE's share of a 30 MMT statewide target) relative to 64% clean is approximately \$34 million in 2030 (NPV of \$88 million from 2021-2030).

² Note that since the last Board presentation on this item on 10/21/20, staff has updated the load forecast used in the analysis to better align with current forecasts. The percent of EBCE's total energy need covered by long-term contracts and market exposure hours have therefore also been updated.

³ Costs are in real 2020\$.

⁴ "Clean" refers to carbon free energy from renewable, hydro or other non-emitting resources

- The estimated incremental cost of achieving 100% clean by 2030 relative to 64% clean is approximately \$85 million in 2030 (NPV of \$220 million from 2021-2030).

Staff presented a summary of these results at the December 4, 2020 Special Executive Committee Meeting. The Executive Committee unanimously supported the adoption of a net 0 MMT by 2030 goal. EBCE staff encourages maintaining optionality under any target and refreshing assumptions and revisiting the trade-offs related to EBCE's emissions trajectory on a regular basis in the coming years.

Financial Impacts

The financial impact depends on the GHG goal selected, the strategy to achieve it and a number of other factors. As described above, the estimated incremental cost of achieving 80% clean by 2030 relative to 64% clean (which corresponds to the CPUC-adopted reference target of 46 MMT) is approximately \$34 million in 2030 (NPV of \$88 million from 2021-2030) and the estimated incremental cost of achieving 100% clean by 2030 relative to 64% clean is approximately \$85 million in 2030 (NPV of \$220 million from 2021-2030). However, there is considerable uncertainty related to the assumptions around future resource costs, market prices, and the costs of incremental RECs and carbon free attributes. Actual procurement authorization will be brought forth to the Board in accordance with EBCE's risk management policies.

Next Steps

The analysis may inform procurement criteria and decisions in EBCE's current renewable solicitation and future solicitations. The clean energy goal will help guide EBCE's future procurement decisions.

Attachments

- A. Resolution
- B. IRP Results and Recommendation PPT

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY APPROVING A 2030 CLEAN ENERGY
GOAL

WHEREAS The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS EBCE filed its 2020 Integrated Resource Plan (IRP) with the California Public Utilities Commission (CPUC) on September 1, 2020, as required by Decisions 18-02-018, 19-11-016 and 20-03-028; and

WHEREAS EBCE staff worked with Ascend Analytics to perform analysis and develop IRP portfolios to meet the CPUC’s requirements; and

WHEREAS EBCE staff and Ascend Analytics further examined the costs and trade-offs of additional IRP portfolios to meet a range of greenhouse gas emissions targets; and

WHEREAS EBCE staff presented the results of the additional IRP analysis performed by Ascend Analytics and EBCE staff to the Executive Committee on December 4, 2020 and the Executive Committee unanimously supported a net 0 MMT by 2030 goal.

WHEREAS EBCE staff has presented the results of the additional IRP analysis and the trade-offs and limitations surrounding the different emissions scenarios to the Board.

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

Section 1. The Board hereby approves a clean energy goal of XX% by the year 2030, as discussed and voted on at this Board meeting.

ADOPTED AND APPROVED this 16th day of December, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



Integrated Resource Plan Results

PRESENTED BY: Stefanie Tanenhaus
DATE: December 16, 2020



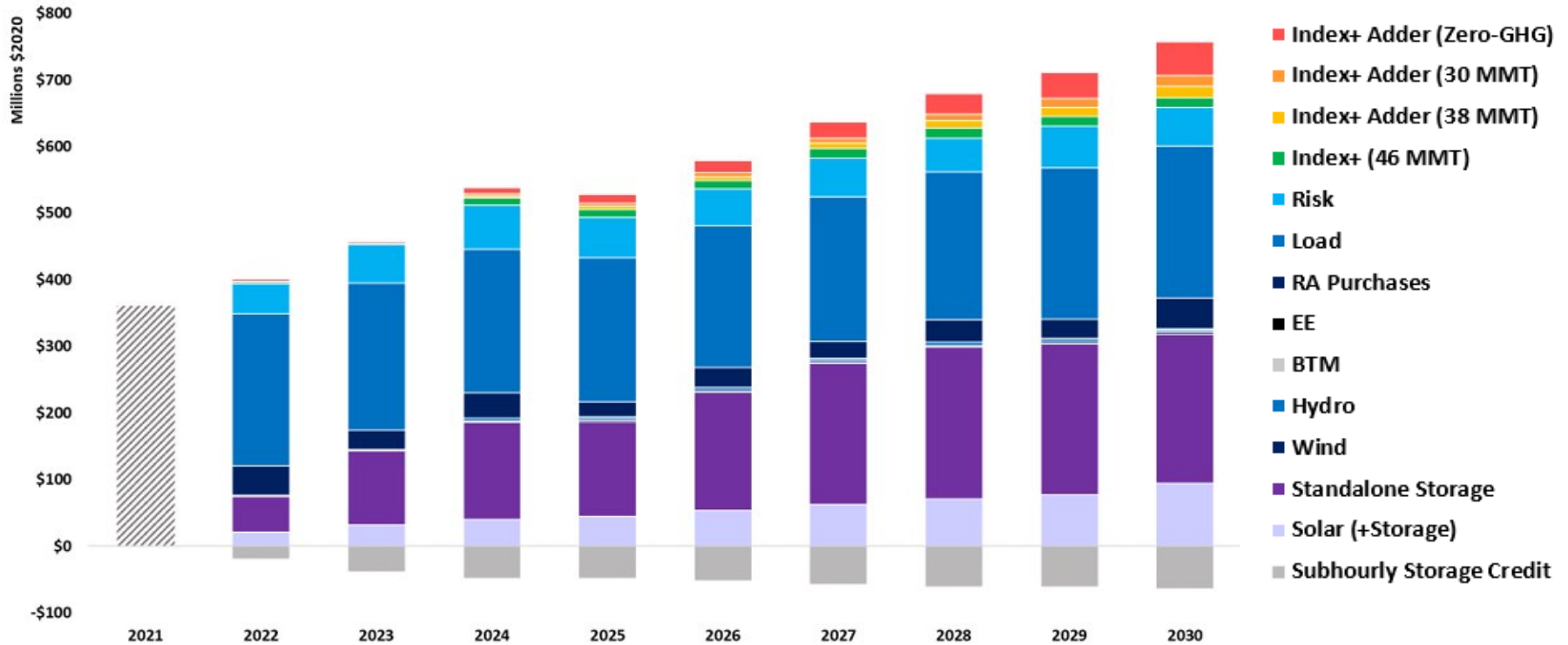
Agenda

- Summary of IRP Scenario Results
- Scenario Comparison
- Discussion of Clean Energy Goal

Summary of Scenario Results

Key Evaluation Metrics	Scenario 1: EBCE 46 MMT i.e. 1.22 MMT	Scenario 2: EBCE 38 MMT i.e. 0.98 MMT	Scenario 3: EBCE 30 MMT i.e. 0.73 MMT	Scenario 4: EBCE net 0 MMT
Carbon Free (by 2030)	64%	72%	80%	100%
Affordability (2030 cost in 2020\$)	\$608 MM (2020\$)	+3% (+\$17 MM)	+6% (+\$34 MM)	+14% (+\$85 MM)
Resource Mix (2030) (incl. New build vs existing)	1.2 GW new RE PPAs (includes 100 MW BTM S+S) 1.5 GW/ 6 GWh new energy storage 100 MW existing NW hydro			
Risk Mgmt: Short-term vs Long-term Contracts	62% long-term in 2030 (~50% by 2025; ~55% avg. 2021-2030), remaining short-term			
Reliability	~70% of RA need met by long-term portfolio			

Total Portfolio Costs



2030 Clean Energy Goal

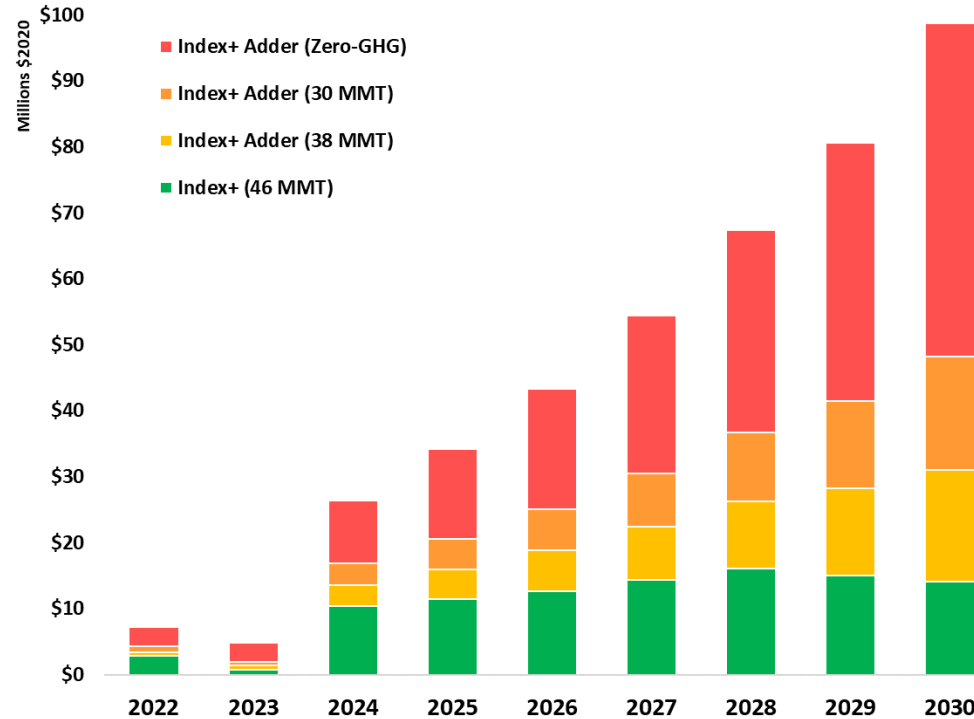
- Under all GHG scenarios evaluated, EBCE's long-term portfolio is the same
- Short-term transactions fill the remaining balance to meet load
 - The make-up of short-term transactions determines the emissions amounts associated with EBCE's portfolio
- At forecasted loads, achieving 80% clean energy is consistent with EBCE's proportional share of a 30 MMT statewide electric sector target
- Achieving 100% clean energy on a net annual basis requires incremental short-term purchases of carbon free energy, primarily in the late 2020s
- Trade-offs between achieving higher percent clean and other environmental, programmatic and community-oriented goals
- Goal will be revisited to maintain optionality and protect against EBCE's exposure to uncertainty around costs of achieving GHG reductions

APPENDIX



GHG Trajectory Cost Comparison

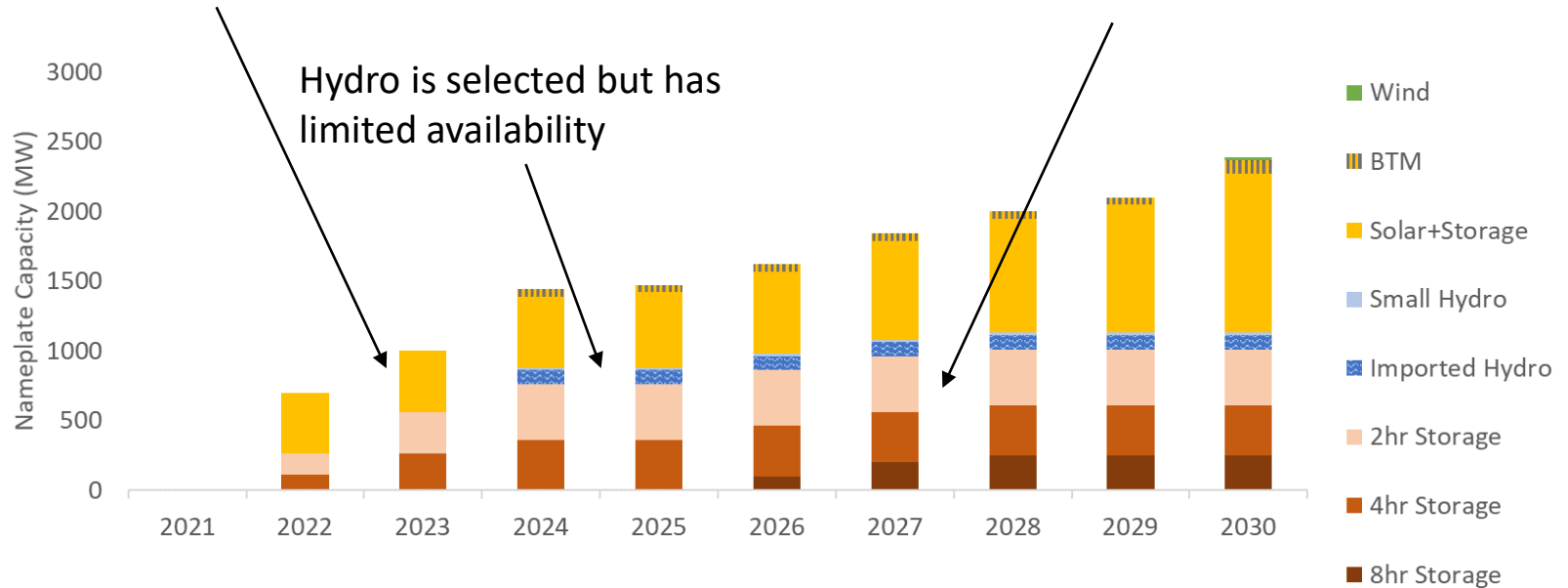
- Incremental short-term clean energy procurement costs increase as GHG target becomes more stringent
- Assumes maximum short-term carbon free purchases of 10% of load, remaining short-term RPS purchases



Resource Build (new)

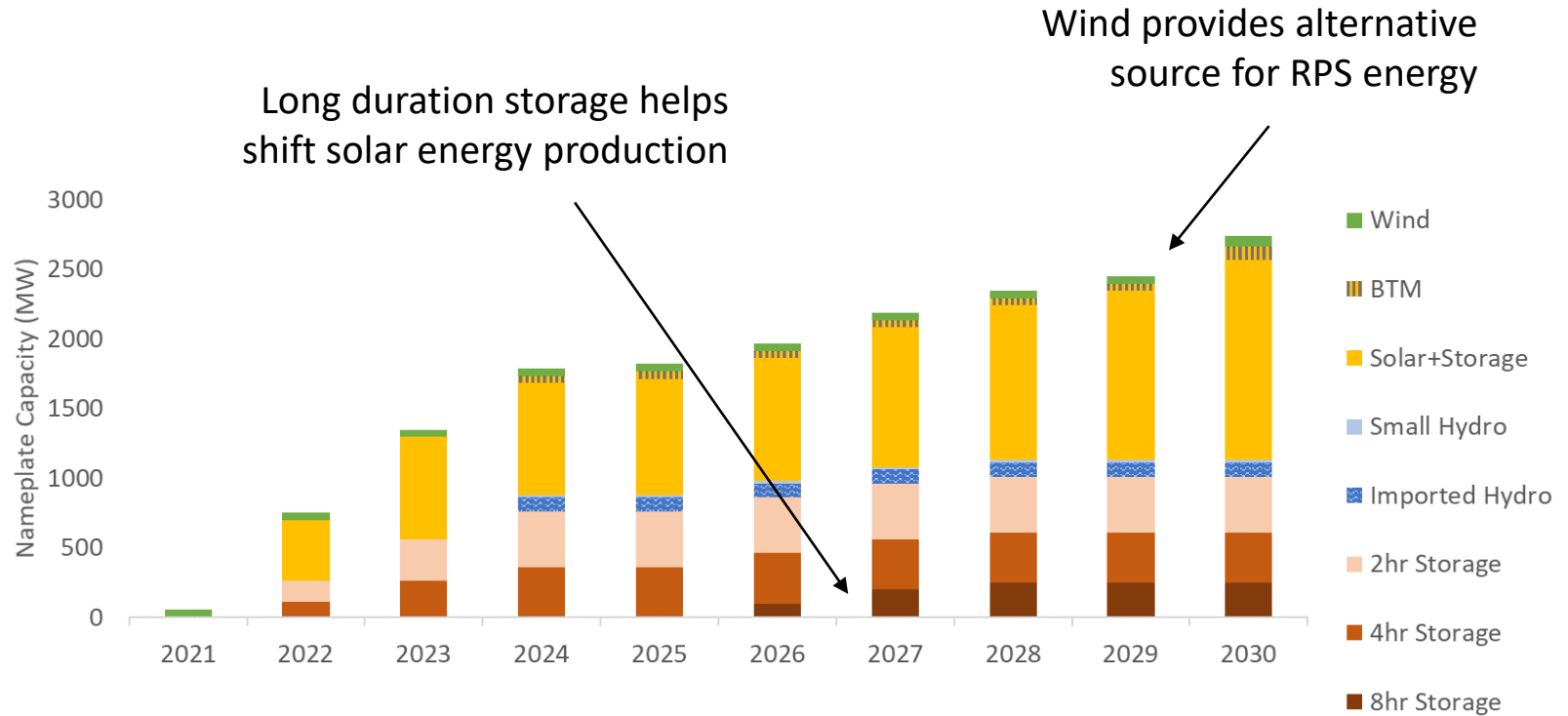
Solar + storage provides economical energy paired with RA value

Stand-alone storage provides RA and energy arbitrage value



Solar + storage shown as solar nameplate capacity. Storage assumed to be 40% of solar nameplate

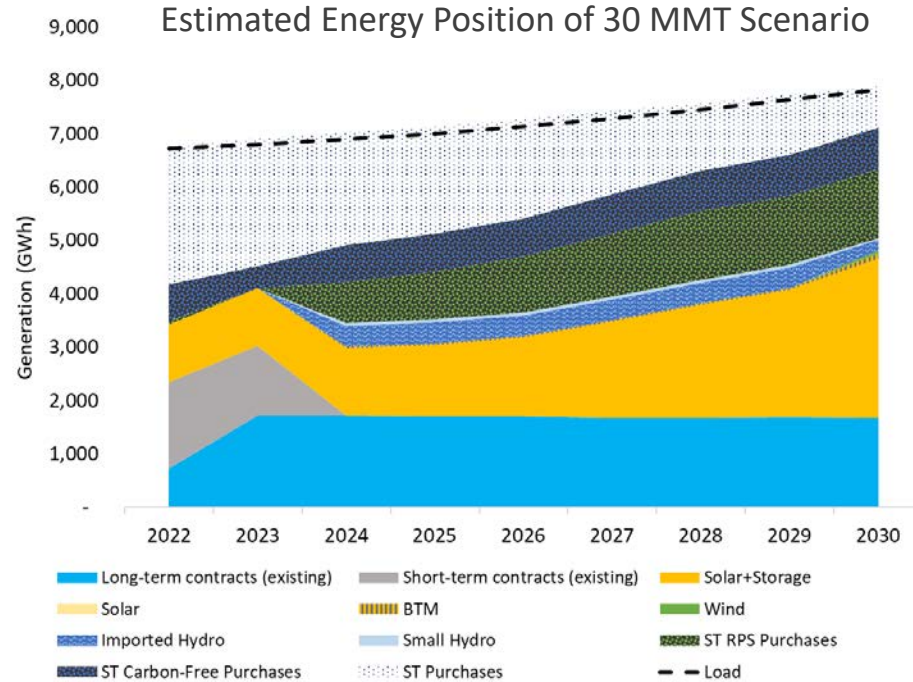
Resource Build (total)



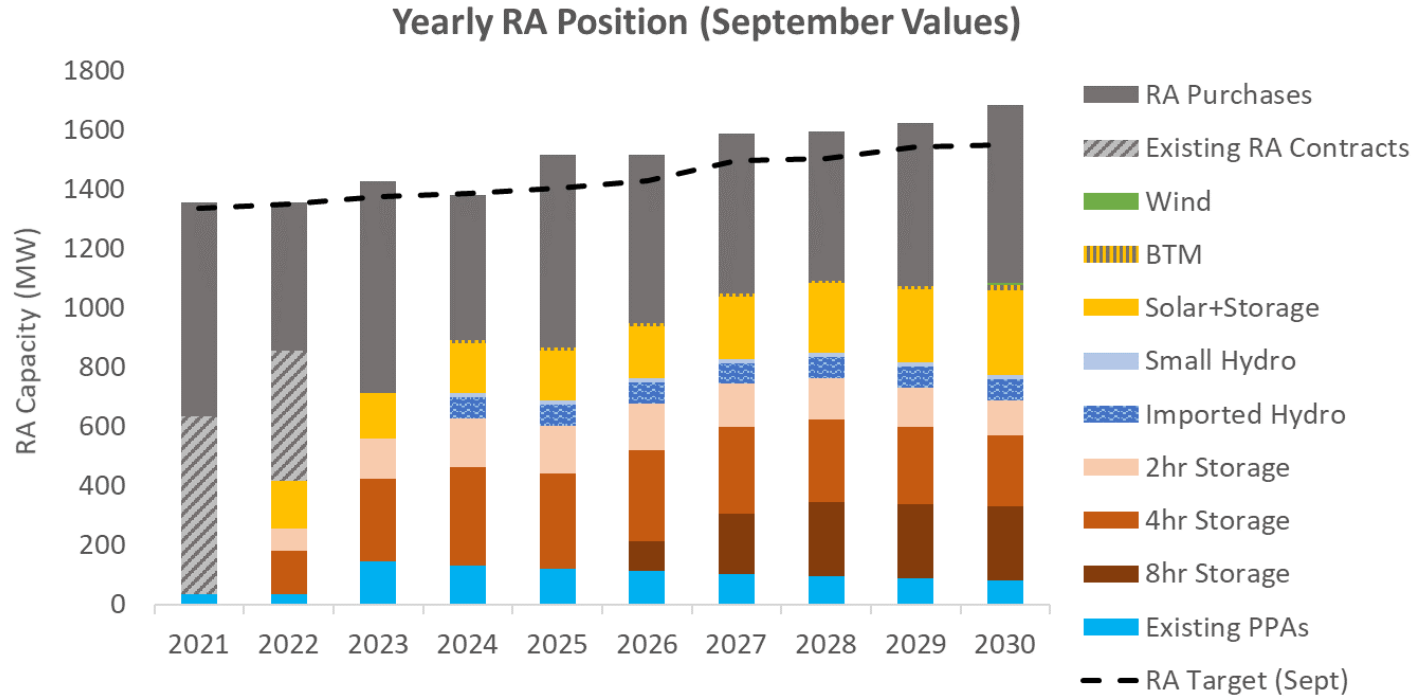
Solar + storage shown as solar nameplate capacity. Storage assumed to be 40% of solar nameplate

Energy Position

- Existing resources and solar + storage provide majority of long-term PPA energy
 - Long-term PPA energy sufficient to exceed RPS requirement in each year
- Short-term purchases are illustrative
 - Short-term carbon-free purchases assumed to fill remaining emissions requirements, up to 10% of load
 - Short-term RPS purchases assumed to fill remaining emissions requirements
 - Short-term brown purchases assumed to fill remaining need



RA Position





CAC Item C7
Staff Report Item 13

TO: East Bay Community Energy Board of Directors
FROM: Jim Dorrance, Power Resources Manager
SUBJECT: 2021 Carbon Free Allocation (Action Item)
DATE: December 16, 2020

Recommendation

EBCE staff is seeking Board approval to accept the large hydroelectric generation from the Pacific Gas and Electric carbon free allocation for 2021.

Additionally, staff is presenting a method for monetizing the nuclear generation from the carbon free allocation and is seeking board approval of one of the following choices:

- 1) Reject the PG&E nuclear allocation, or
- 2) Accept the PG&E nuclear allocation and re-sell the content to a third party. Proceeds from the resale of the nuclear allocation will be budgeted towards Local Development Programs.

Background and Discussion

In December 2019, Pacific Gas and Electric (PG&E) filed an Advice Letter (5705-E) that describes a process for PG&E to sell carbon free energy as a part of the Power Charge Indifference Adjustment (PCIA) proceedings. The energy sale is available to East Bay Community Energy (EBCE) and other eligible load serving entities (LSE) that serve customers who pay the PCIA load charges for these resources. The carbon free energy is from two types of PG&E facilities, large hydroelectric and nuclear. LSE's can select to purchase energy from either the large hydroelectric or the nuclear facilities or both at no additional cost than what is covered through the PCIA.

At the April 2020 EBCE Board of Directors (Board) meeting, the Board chose to purchase only the large hydroelectric generation for delivery during 2020, the generation was purchased from PG&E for zero dollars and delivered during calendar year 2020. Through the carbon free allocation process, the selection of the generation type, large hydroelectric and nuclear generation, from the facility pool is decided annually. Staff is asking the Board to accept the large hydroelectric generation for delivery year 2021 and to discuss the following proposal for monetizing the nuclear generation from the allocation.

Staff is presenting a method to monetize the nuclear generation for 2021 and at the same time reduce the carbon free content on PG&E Power Content Label (PCL). EBCE would purchase the nuclear energy from PG&E for zero dollars and enter into a sale agreement with an energy supplier that would purchase all the nuclear energy from EBCE and either sell the energy to a third party or retain the energy themselves. EBCE would receive fifty percent of the net profits from any portion that the energy supplier sells.

Based on feedback from the energy supplier, staff estimates that EBCE's share of the revenue could range from \$500,000 to \$1,000,000, but actual proceeds from the sale may be higher or lower based on actual sales. The range illustrates the uncertainty around the revenue projection that EBCE can expect which would be contingent on sold volume, market participants, and sale price. There are indications that there is market interest for this product which continues to be explored by the marketer. Any portion of the nuclear energy that the energy supplier is not able to sell, they would retain, and the nuclear energy would not be a part of EBCE's power content nor appear on EBCE's PCL. Proceeds from the resale may be earmarked and budgeted towards other activities, such as Local Development, increased renewable generation procurement, or the general operating budget.

The Power Source Disclosure Report (PSDR) regulations that set the rules for how power content is disclosed on the PCL allows California reporting entities the ability to only report generation that is equal to the amount of retail sales during a calendar year. Since typically PG&E has more generation than retail sales, they are not required to report generation from natural gas resources if there is sufficient carbon free generation in their portfolio to match their retail sales. On PG&E's 2019 PSDR there was approximately 13 tera-watt-hours of natural gas generation that was not disclosed on their PCL due to the surplus of generation greater than their retail sales. PG&E did disclose other power content, which included their nuclear generation. If EBCE were to accept and sell the nuclear generation, the amount of carbon free content that PG&E discloses could be reduced and more natural gas would be shown on their 2021 PCL. Based on the 2019 PSDR this could have been as high as two percent more natural gas if the nuclear generation from the carbon free allocation was available and accepted by EBCE in 2019.

The following presentation will provide details to the Board of Directors on EBCE's ability to sell the nuclear energy from the carbon free allocation for 2021 if the EBCE Board of Directors chooses to accept that energy. The presentation material only relates to the sale of the nuclear energy and does not impact the large hydroelectric energy purchased from the allocation which would be retained for EBCE customer's content.

Fiscal Impact

Staff estimates that EBCE's revenue could be \$500,000 to \$1,000,000 from profit sharing on any re-sold volumes.

Attachments

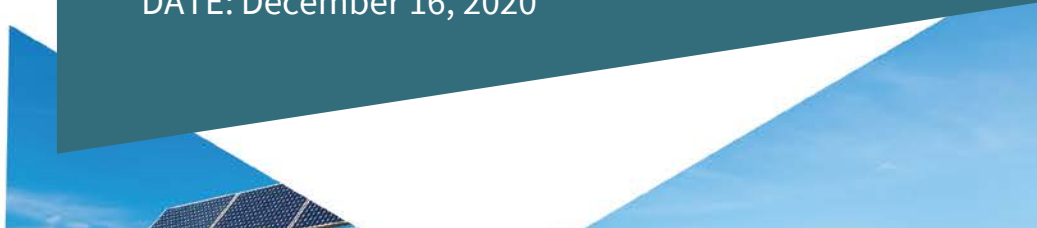
- A. Presentation on the 2021 Carbon Free Allocation



2021 Carbon Free Allocation

PRESENTED BY: Jim Dorrance

DATE: December 16, 2020



Background - Carbon Free Allocation

- EBCE as an eligible LSE can purchase carbon free energy from PG&E as part of the PCIA for a 1-year term
- The energy can be from either large hydroelectric or nuclear facilities
- For 2020, the EBCE Board directed staff to only accept the large hydroelectric energy which was purchased from PG&E for zero dollars
- Through the carbon free allocation, the selection of generation type is selected annually

2021 Carbon Free Allocation

- EBCE staff is seeking Board approval to accept the large hydroelectric generation from the Pacific Gas and Electric carbon free allocation for 2021
- Additionally, staff is presenting a method for monetizing the nuclear generation from the carbon free allocation and is seeking board approval on one of the following choices:
 1. Reject the PG&E nuclear allocation, or
 2. Accept the PG&E nuclear allocation and re-sell the content to a third party. Proceeds from the resale of the nuclear allocation will be budgeted towards Local Development Programs

Nuclear Energy Sale

- With Board approval, EBCE can accept the nuclear energy for 2021 and enter into an agreement to sell the energy + attribute to a third party
- EBCE can structure an arrangement with an energy supplier that would purchase all the energy from EBCE for zero dollars and take title to the energy
- The marketer would then resell the energy to a third party and EBCE would receive half of the net revenue from any sale. If the energy supplier is not able to resell the product, they would retain the energy
- All the nuclear energy would transfer to the marketer and EBCE would not have any reporting obligation for the energy on the Power Content Label (PCL)

Potential Revenue

- EBCE would receive 50% of the net profit and estimates profits from sold volumes to be between \$500,000 and \$1,000,000. Proceeds would be based on actual resale value
- There are indications that there is market interest for this product which continues to be explored by the marketer
- Proceeds from the resale may be earmarked and budgeted towards other activities, such as Local Development, increased renewable procurement, or the general operating budget

*Profit projections based on different illustrative sales volume and price scenarios

Sold Energy (MWh)	Sale Price (\$/MWh)	EBCE profit (\$)
1,400,000	3.00	2,100,000
1,400,000	1.50	1,050,000
1,400,000	1.00	700,000
1,400,000	0.50	350,000
700,000	3.00	1,050,000
700,000	1.50	525,000
700,000	1.00	350,000
700,000	0.50	175,000

Power Content

- The PSDR regulations allow CA reporting entities to disclose only the generation that matches their retail sales
- PG&E has more generation than sales and does not have to disclose natural gas if there is sufficient carbon free generation in their portfolio
- On PG&E's 2019 PSDR there was ~13 tera-watt-hours of natural gas generation that was not disclosed on their PCL due to surplus generation greater than their retail sales
 - PG&E did disclose other power content, which included their nuclear generation
- Choosing to accept the nuclear energy would lower the amount of carbon free content on PG&E's PCL and more natural gas would be disclosed
 - Based on the 2019 PSDR this could have been as high as two percent more natural gas if the nuclear generation from the carbon fee allocation was available and accepted by EBCE in 2019

Questions ?