



## Consent Item 13

**TO:** East Bay Community Energy Board of Directors

**FROM:** Annie Henderson, VP Marketing and Account Services

**SUBJECT:** Request to Change the Default Rate Product for Certain Customers in the Cities of Albany, Berkeley, Hayward, and Pleasanton to *Renewable 100* (Action Item)

**DATE:** July 21, 2021

---

### Recommendation

Adopt a Resolution directing staff to make the necessary arrangements to change the default service to *Renewable 100* for certain customers in the cities of Albany, Berkeley, Hayward, and Pleasanton<sup>1</sup> consistent with the requests of their respective City Councils and in accordance with the elimination of the *Brilliant 100* product and the adopted Default Rate Product Change Policy.

### Background

The EBCE Board of Directors established three levels of service or products for its customers in 2018 and has subsequently set the value proposition for each product as follows:

- ***Bright Choice*** - basic service level at a 1% discount to PG&E rates with a minimum of 5% more renewable energy than PG&E's annual forecast;
- ***Brilliant 100*** - 100% carbon-free service set at the same rate as PG&E, closed to new customers in original service territory as of August 1, 2020;
- ***Renewable 100*** - 100% California wind and solar power set at \$0.01 per kWh over PG&E rates.

Many member jurisdictions have Climate Action Plans ("CAP") with specific greenhouse gas ("GHG") emission reduction goals to be achieved by specific dates. Customers

---

<sup>1</sup>Pleasanton's Council plans to consider an item regarding its citywide default service transition away from *Brilliant 100* at its meeting on July 20, 2021. City staff plans to recommend the Council request that *Renewable 100* become the default service option for residential and commercial customers, except those on discount programs such as CARE/FERA and Medical Baseline.

receiving *Brilliant 100* or *Renewable 100* service (i.e., EBCE’s 100% renewable energy product) achieve additional GHG emissions savings that contribute to cities meeting their CAP goals. Three city councils (Albany, Hayward, and Piedmont) passed resolutions in 2018 requesting the EBCE Board of Directors enroll residential customers within their jurisdictions in *Brilliant 100* or *Renewable 100* service as the default option at the time of initial program launch, which increased GHG savings at no or little additional cost to customers.

More recently, to continue making progress towards the greenhouse gas reduction goals of their respective Climate Action Plans, and in light of EBCE’s closure of the *Brilliant 100* product, the City Councils of Albany, Berkeley, and Hayward adopted Resolutions requesting EBCE to 1) set *Renewable 100* as the default electricity product for most residential and commercial customers; and 2) set *Bright Choice* as the default electricity product for customers on discount programs such as CARE, FERA, and/or Medical Baseline. It is anticipated that the staff of the City of Pleasanton will recommend its City Council adopt a similar resolution at its July 20th meeting. The dates of these Council votes and the timing of their proposed implementation for default transitions are as follows:

City	Date of Council vote	Proposed timing of implementation
Albany	June 7, 2021	January 2022 (residential and commercial customers)
Berkeley	June 29, 2021	April 2022 (residential customers) October 2022 (commercial customers)
Hayward	July 6, 2021	January 2022 (residential and commercial customers)
Pleasanton	July 20, 2021 (tentative)	January 2022 (residential and commercial customers -- tentative)

At the time of their initial EBCE enrollments in 2018, the cities of Albany and Hayward chose *Brilliant 100* to be the default product for all customers. The City of Pleasanton similarly did so at the time of its initial EBCE enrollment in 2021. On November 18, 2020, EBCE’s Board voted to close the *Brilliant 100* product option effective January 1, 2022. At that time, the Board also voted to immediately close *Brilliant 100* to new account enrollments, except for those within the newly enrolling cities of Newark, Pleasanton, and Tracy. Due to the closure of *Brilliant 100* at the end of 2021, the implementation of default product transitions in Albany, Hayward, and Pleasanton will occur in January 2022.

In Berkeley, by contrast, *Bright Choice* has been the default service option for all customers. As such, the implementation of Berkeley’s default product transition is subject to the timeline enumerated in EBCE’s [Default Rate Product Change Policy](#).<sup>2</sup> According to this Policy, requests by EBCE member-jurisdictions to change their

<sup>2</sup> EBCE’s Default Rate Product Change Policy was approved by the Board of Directors on March 17, 2021.

default product(s) must be approved by the Board six (6) months in advance of implementation. In addition, the implementation of approved requests will occur only in March or October of a given year (i.e., Board approval in September for March implementation, and April for October implementation). This timeline provides EBCE staff sufficient time to plan for additional renewable energy procurement and other operational adjustments, as well as to notify customers and conduct community outreach.

At its meeting on June 29, 2021, Berkeley’s City Council voted to request separate enrollment timelines for residential and commercial customers. As such, the proposed timing of implementation for these customers has been staggered to comply with EBCE’s Default Rate Product Change Policy (i.e., implementation of residential customer account transitions to occur by March 31, 2022; and implementation of commercial customer account transitions to occur by October 31, 2022).

The proposed default transitions under consideration are summarized as follows:

**January 2022**

Current EBCE Product	Albany	Hayward	Pleasanton (tentative)	All other jurisdictions
	<b>Product will transition to:</b>			
<b>Bright Choice</b>	Bright Choice	Bright Choice	Bright Choice	Bright Choice
<b>Brilliant 100</b>	Renewable 100	Renewable 100	Renewable 100	Bright Choice
<b>Renewable 100</b>	Renewable 100	Renewable 100	Renewable 100	Renewable 100
<b>CARE/FERA default</b>	Bright Choice	Bright Choice	Bright Choice	Bright Choice

**Berkeley**

Current EBCE Product	Residential (Mar-22)	Commercial (Oct-22)
	<b>Product will transition to:</b>	
<b>Bright Choice</b>	Renewable 100	Renewable 100
<b>Renewable 100</b>	Renewable 100	Renewable 100
<b>CARE/FERA default</b>	Bright Choice	N/A

Electricity customers in Albany, Berkeley, Hayward, and Pleasanton that have previously opted out of EBCE service will not be enrolled in *Renewable 100* and will remain with PG&E for their electric generation service.

Additionally, customers may still choose to opt down to *Bright Choice* (Albany/Hayward/Pleasanton) or remain on *Bright Choice* (Berkeley). Staff is currently working with our data services vendor to create functionality that will allow a customer to confirm their current selection of *Bright Choice* and therefore be exempted from the default transition to *Renewable 100*.

### **Analysis & Discussion**

Successfully implementing the transition of Albany, Berkeley, Hayward, and Pleasanton's default rate product will require updates to technology systems, specifically the billing engine and customer relationship management (CRM) system, as well as customer communications. Planning around these updates is already underway to implement the default product transition to *Renewable 100* the Board previously approved for residential customers in the City of Dublin (excluding those on CARE, FERA, and/or Medical Baseline programs)<sup>3</sup>

The customer communications plan will include the two customer notifications as required by the Default Rate Product Change Policy. Additional outreach and communications will be determined based on coordination with City staff in Albany, Berkeley, Hayward, and Pleasanton.

### **Financial Impact**

There will be an additional cost to EBCE from SMUD to implement operational adjustments and for the cost of customer notification mailers. These costs will be absorbed by EBCE, per EBCE's Default Rate Product Change Policy.

### **Attachments**

- A. Resolution Directing Staff to Make Necessary Arrangements to Change the Default Rate Product to Renewable 100 for Certain Residential and Commercial Customers in the Cities of Albany, Berkeley, Hayward, and Pleasanton.
- B. Resolution No. 2021-55 of the Albany City Council to Determine East Bay Community Energy Default Energy Product Preferences (unsigned)
- C. City of Berkeley Board Meeting Materials from June 29, 2021, including the Resolution Requesting the East Bay Community Energy Authority Enroll City of Berkeley Residential and Commercial Accounts in Renewable 100 as the Default Electricity Product (unsigned)
- D. Resolution No. 2021-\_\_ of the Hayward City Council Selecting Renewable 100 as the Default Product for Hayward Customers Served by East Bay Community Energy (unsigned)

---

<sup>3</sup> EBCE's Board of Directors approved the City of Dublin's request to change its default product for residential customers at its meeting on March 17, 2021.

**RESOLUTION NO. R-2021-xx**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DIRECTING STAFF TO MAKE NECESSARY  
ARRANGEMENTS TO CHANGE THE DEFAULT RATE PRODUCT TO RENEWABLE 100 FOR  
CERTAIN RESIDENTIAL AND COMMERCIAL CUSTOMERS IN THE CITIES OF ALBANY,  
BERKELEY, HAYWARD, AND PLEASANTON**

**WHEREAS**, the East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Castro Valley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, San Leandro, and Union City, to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all 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**, in 2018, the Board of Directors approved three product offerings—a default product called Bright Choice offered at a discounted price, a product called Brilliant 100 that is 100% carbon-free at price parity with PG&E rates, and a 100% renewable energy product called Renewable 100 offered at a premium cost.

**WHEREAS**, in 2020, the Board of Directors directed that the Brilliant 100 product would not be available as of 2022;

**WHEREAS**, the Board of Directors approved a Default Rate Product Change Policy on March 17, 2021;

**WHEREAS**, on June 7, 2021, the City Council for the City of Albany adopted a Resolution requesting the EBCE Board of Directors change the default product for its residential and commercial customers to Renewable 100;

**WHEREAS**, on June 29, 2021, the City Council for the City of Berkeley adopted a Resolution requesting the EBCE Board of Directors change the default product for its residential and commercial customers to Renewable 100;

**WHEREAS**, on July 6, 2021, the City Council for the City of Hayward adopted a Resolution requesting the EBCE Board of Directors change the default product for its residential and commercial customers to Renewable 100;

**WHEREAS**, on July 20, 2021, it is anticipated the City Council for the City of Pleasanton will adopt a Resolution requesting the EBCE Board of Directors change the default product for its residential and commercial customers to Renewable 100;

**WHEREAS**, the respective Resolutions adopted by the City Councils of the cities of Albany, Berkeley, and Hayward, and the Resolution anticipated to be adopted by Pleasanton, request that residential accounts on California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and medical baseline accounts will default to EBCE’s Bright Choice service, offered at a slight discount compared to Pacific Gas & Electric’s (PG&E) standard product;

**WHEREAS**, residential and commercial customers in the cities of Albany, Berkeley, Hayward, and Pleasanton would retain the option to “opt down” from Renewable 100 to a service without a cost premium and a lower percentage of carbon-free electricity, or “opt out” to PG&E’s electricity;

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

Section 1. The Board of Directors hereby desires to accommodate the requests from the cities of Albany, Berkeley, Hayward, and Pleasanton; and therefore directs the EBCE Chief Executive Officer or his/her designee to take any and all necessary actions to change the default rate product for residential and commercial accounts within these cities to Renewable 100, per the Default Rate Product Change Policy.

Section 2. Residential and commercial customers in Albany, Berkeley, Hayward, and Pleasanton participating in CARE, FERA, and the Medical Baseline Allowance programs will remain on the Bright Choice service.

Section 3. All customers in Albany, Berkeley, Hayward, and Pleasanton are to be given an option to opt down to Bright Choice or to opt out as provided by law.

Section 4. This Resolution shall not become effective with respect to the default rate product for customers in Pleasanton unless and until the City Council of the City of Pleasanton adopts a Resolution requesting that the EBCE Board of Directors change the default product for its residential and commercial customers to Renewable 100 and the default rate product for residential accounts in the CARE, FERA, and Medical Baseline Allowance programs to Bright Choice.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of July 2021.

---

Dianne Martinez, Chair

ATTEST:

---

Adrian Bankhead, Clerk of the Board

**RESOLUTION NO. 2021-55**

**A RESOLUTION OF THE ALBANY CITY COUNCIL TO DETERMINE  
EAST BAY COMMUNITY ENERGY DEFAULT ENERGY PRODUCT  
PREFERENCES**

**WHEREAS**, on November 21, 2016, the Albany City Council passed Ordinance No. 16-04 authorizing implementation of a community choice aggregation program; and

**WHEREAS**, on March 5, 2018 the Albany City Council passed Resolution No. 2018-27 requesting that East Bay Community Energy (EBCE) enroll City of Albany municipal accounts in the Brilliant 100 electricity product and develop a 100% renewable product offering; and

**WHEREAS**, on March 5, 2018 the Albany City Council passed Resolution No. 2018-28 requesting that EBCE enroll all City of Albany commercial, industrial, and institutional accounts in the Brilliant 100 electricity product; and

**WHEREAS**, on May 21, 2018 the Albany City Council passed Resolution No. 2018-63 requesting that EBCE enroll all City of Albany residential accounts in the Brilliant 100 electricity product; and

**WHEREAS**, the Brilliant 100 electricity product offered by EBCE has previously been offered as 100% carbon-free electricity at price parity to Pacific Gas and Electric (PG&E)'s standard electricity rates; and

**WHEREAS**, on November 16, 2020, the Albany City Council voted to keep all Albany electricity accounts on the subsidized Brilliant 100 product through 2021 so long as it was available, and opt all Albany municipal electricity accounts into the Renewable 100 electricity product; and

1           **WHEREAS**, the EBCE Board of Directors voted on November 18, 2020 to offer the  
2 Brilliant 100 electricity product at a subsidy through 2021, and to sunset the Brilliant 100  
3 electricity product on December 31, 2021; and  
4

5           **WHEREAS**, on April 21, 2021, the Climate Action Committee made a motion to  
6 recommend that the Albany City Council enroll all residential and commercial/industrial  
7 electricity accounts in the Renewable 100 electricity product, and all CARE/FERA/Medical  
8 Baseline accounts in the Bright Choice electricity product; and  
9

10           **WHEREAS**, the City of Albany Climate Action and Adaptation Plan (CAAP), adopted  
11 by Albany City Council on December 19, 2019, includes a goal to reach carbon neutrality by  
12 the year 2045; and  
13

14           **WHEREAS**, Albany customers have the ability to choose their preferred electricity  
15 product, either through EBCE or PG&E, regardless of the default chosen for the community;  
16 and  
17

18           **WHEREAS**, all cities wishing to choose a new default electricity product, to take  
19 effect January 1, 2022, must submit decisions to EBCE Board by July.  
20

21           **NOW, THEREFORE, BE IT RESOLVED**, that the Albany City Council hereby  
22 provides the following preferences for the default products for Albany residential,  
23 commercial/industrial, and CARE/FERA/Medical Baseline accounts:

- 24           1. Place the following accounts on the following electricity products:
    - 25                   a. Residential – Renewable 100
    - 26                   b. Commercial/industrial – Renewable 100
    - 27                   c. CARE/FERA/Medical Baseline – Bright Choice.
- 28  
29

---

GE'NELL GARY, MBA - MAYOR





Energy Commission

## CONSENT CALENDAR

June 29, 2021

To: Honorable Mayor and Members of the City Council

From: Berkeley Energy Commission

Submitted by: Janet Stromberg, Chair, Berkeley Energy Commission

Subject: Adopt a Resolution to Upgrade Residential and Commercial Customers to East Bay Community Energy (EBCE) *Renewable 100* Plan

### RECOMMENDATION

Adopt a time-sensitive Resolution to upgrade all current and new Berkeley residential and commercial customer accounts from *Bright Choice* - 86% Green House Gas (GHG)-free including substantial hydroelectric and nuclear - to *Renewable 100* (100% renewable energy from California solar and wind) for their default electricity service plan, excluding residential customers in low-income assistance programs. The Berkeley Energy Commission (Commission) recommends that the City Council adopt the resolution now to meet East Bay Community Energy's (EBCE) schedule of requiring an extensive lead time needed for the transition to be effective April 1, 2022 for residential customers and October 1, 2022 for commercial customers.

### FISCAL IMPACTS OF RECOMMENDATION

The Commission anticipates minimal fiscal impact. EBCE will cover the costs associated with a municipality member's first change to a default rate product. Staff is currently engaged in outreach and education around EBCE service plans. Outreach and education for the opt-up period can be incorporated into ongoing efforts. Berkeley residents and businesses can opt to choose a different EBCE or PG&E service plan at any time.

Based on 2019 data for an average EBCE E1 Rate Schedule, residential customer consuming 359 kWh/month, the switch from *Bright Choice* to *Renewable 100* will cost an average \$4.02 more per month as compared to *Bright Choice*, and \$3.59 more than PG&E's basic service rate.

Based on 2019 data for an average EBCE A1 Rate Schedule, business customer consuming 1518 kWh/month, the switch from *Bright Choice* to *Renewable 100* will cost an average \$17 more per month as compared to *Bright Choice*, and \$15 more than PG&E's basic service rate.

### CURRENT SITUATION AND ITS EFFECTS

On April 28, 2021, the Berkeley Energy Commission voted to send this recommendation to upgrade residential and commercial customers to EBCE's *Renewable 100* electricity plan, moved by Commissioner Guliasi, second by Commissioner O'Hare, motion carried by vote 6-0-2-0; Ayes: Stromberg, Moore, O'Hare, Gil, Guliasi, Leger. Noes: None. Abstain: Paulos, Zuckerman. Absent: None.

Opt-up all Berkeley electricity service plans to EBCE Renewable 100

EBCE established a new Default Rate Product Change Policy in March 2021. This new policy allows for any EBCE member agency to change the default rate product only one (1) time every two (2) years. EBCE will cover the costs associated with a JPA member's first change to a default rate product. For any subsequent approved change, the member agency must cover EBCE's administrative costs, such as operational adjustments and customer notification.

City of Berkeley has a unique opportunity to opt-up all accounts, excluding residential customers in low income assistance programs<sup>1</sup>, into *Renewable 100* electricity service plan, with minimal cost to the City while empowering residents to opt-down at any time. Energy procurement is a central piece of Berkeley's path to meeting its Climate Action Goals.

By adjusting the default service to Renewable 100, this single action could result in as much as a 7% immediate reduction (an unknown number of commercial accounts buy electricity on the open market via PG&E's direct access program) in Berkeley's greenhouse gas emissions contingent upon the number of accounts that agree to keep the *Renewable 100* plan.<sup>2</sup> Additionally, through higher participation in the *Renewable 100* service plan, City of Berkeley is supporting the California solar and wind sectors, as well as continuing to support EBCE's local green jobs program.

Implementation of approved requests to change the default rate product for certain customers will occur only in March or October. Implementing product changes in March and October minimizes the potential financial impact to customers as the rates are lower in these non-summer months. Requests must be approved by the Board six (6) months in advance of implementation (i.e., Board approval in September for March implementation and April for October implementation).

EBCE will mail two co-branded notifications, with at least one sent prior to the changed rates. In addition to the two required notices, EBCE staff will coordinate with Berkeley to develop and distribute additional customer notices and/or conduct additional communications such as social media campaigns, jurisdictional newsletters, and Member press release. Berkeley will be responsible for the costs of additional communications

## BACKGROUND

In June 2018, City of Berkeley joined neighboring cities to establish EBCE as the default electricity provider. As a public agency serving the majority of Alameda County, EBCE reinvests its profits into our community's economy, supporting good green energy jobs and building a more resilient local grid. EBCE buys its power from clean energy sources and its greenhouse gas emissions rate for *Renewable 100* is less than PGE's emissions rates per kWh given that it includes no large hydroelectric power, which is known to release GHGs through the release of methane as a result of decaying organic matter trapped at the bottom of reservoirs. As compared to PG&E's power mix, which includes 44% nuclear power,

---

<sup>1</sup> CARE and FERA are state discount programs; eligibility requirements are shown in the Appendix B. The Medical Baseline Program assists residential customers who have qualifying medical conditions with a lower rate on monthly energy bills and extra notifications in advance of a Public Safety Power Shutoff.

<sup>2</sup> OESD July 2020 Climate Action Plan and Resilience Update.

Opt-up all Berkeley electricity service plans to EBCE Renewable 100

*Renewable 100* is 100% nuclear-free. 100% renewable energy from our CCA also makes our region more resilient and participation in *Renewable 100* promotes the green economy.

The EBCE Board of Directors established three levels of service or products for its customers in 2018 and has subsequently set the value proposition for each product as follows:

- Bright Choice – basic service (includes large hydro-electric and nuclear).
- Brilliant 100 – 100% carbon-free service (includes large hydro-electric).
- Renewable 100 – 100% California wind and solar power.

EBCE has since eliminated the Brilliant 100 option.

As of this time, *Renewable 100* for residential customers on the E-1 Rate Schedule, is 1 cent more than PG&E's default product and 1.12 cents more than EBCE's default (*Bright Choice*). The average non-CARE residential customer uses about 359 kWh per month so the average monthly increase is estimated at \$4.02. CARE, FERA and medical baseline customers will not be opted-up and will experience no change in their current rates.

*Renewable 100* for A-1 business customers, is 1 cent more than PG&E's default product and between 1.09 – 1.13 cents more than EBCE's default (*Bright Choice*). The average business customer uses about 1518 kWh/month, so the average monthly increase is \$16.85.

This action can be seen as guidance to Berkeley ratepayers on a cost-effective means of reducing greenhouse gas emissions. It does not constitute a new tax. Rate payers may opt-out of *Renewable 100* at any time. Research has shown time and again, only a very small percentage of rate payers will change their enrollment, even if they support paying more for a cleaner product. In fact, it is because of this inertia that the community choice program was established as an opt-out program rather than an opt-in one.

In January 2021, the City Council of Dublin passed a resolution requesting that East Bay Community Energy opt-up all residential accounts to *Renewable 100* service to meet their greenhouse gas emission reduction goals adopted in their "Climate Action Plan 2030 and Beyond." This change excluded customers in the CARE, FERA, and medical baseline programs (which would remain on Bright Choice). The City of Dublin's request to change default service plans sparked a new precedent and EBCE established a Default Rate Product Change Policy (Attachment 2).

Currently, Berkeley's city-wide default at enrollment for residential and commercial customers was EBCE's *Bright Choice* (86% carbon-free, including hydroelectric, nuclear and an amount of system power generated from mixed sources that may include those producing GHGs, such as natural gas. Since 2020, the City's municipal accounts are enrolled in the top tier of renewable energy, *Renewable 100* (100% renewable energy from California solar and wind).

#### ENVIRONMENTAL SUSTAINABILITY

Energy procurement is a central piece of Berkeley's path to decarbonization. This single action of changing Berkeley's accounts to *Renewable 100* service could result in an immediate

Opt-up all Berkeley electricity service plans to EBCE Renewable 100

reduction of as much as 7% in Berkeley's greenhouse gas emissions,<sup>3</sup> with minimal cost to the City of Berkeley. Because of the reinforcing feedback loop effects of carbon emissions in the atmosphere, these immediate near-term reductions in emission will have a more significant impact on climate change than policies that go into effect in the longer term. In addition, defaulting to *Renewable 100* will set the stage for even greater reductions with time as a larger and larger percentage of buildings and transport are electrified, consistent with Berkeley's ban on natural gas in new buildings and its Electric Mobility Roadmap.

The City Council has the opportunity and obligation to execute this meaningful and achievable climate action.

#### RATIONALE FOR RECOMMENDATION

On June 12, 2018, the Berkeley City Council passed item 49 "Declaration of a Climate Emergency" which refers "to the Energy Commission to study and report back to Council on a path for Berkeley to become a "Carbon Sink" as quickly as possible, and to propose a deadline for Berkeley to achieve this goal" ideally by 2030.

Despite the trajectory of the Berkeley Climate Action Plan's 2030 emission reduction targets, Berkeley is significantly behind in achieving the Climate Action Plan 2020 and 2030 reduction goals.<sup>4</sup>

#### ALTERNATIVE ACTIONS CONSIDERED

None.

#### CITY MANAGER

The need for reducing greenhouse gas emission is urgent and 100% renewable electricity is an important element of Berkeley's goal to be Fossil Fuel Free. Nevertheless, there are equity implications for even small increases to electricity costs that could exacerbate pre-existing wealth and racial disparities. City Council might consider modifying the action to phase in the effective date for different types of customer accounts. According to studies:

- Black renters pay an average of 16% more in energy costs than white renters (controlling for factors such as income and household size).<sup>5</sup>
- Black and Latino communities, as well as older adults, renters, and those residing in low-income multifamily buildings, are disproportionately impacted by high and severe energy cost burdens.<sup>6</sup> High energy burden is associated with poor health outcomes and housing insecurity.<sup>7</sup>

---

<sup>3</sup> OESD July 2020 Climate Action Plan and Resilience Update

<sup>4</sup> OESD July 2020 Climate Action Plan and Resilience Update

<sup>5</sup> Lyubich, Eva, [The Race Gap in Residential Energy Expenditures](#), Energy Institute at Haas, June 2020.

<sup>6</sup> High energy burdens are often defined as greater than 6% of income, while severe energy burdens are those greater than 10% of income (APPRISE 2005). Referenced in Ross, Drehobl, and Stickles, *How High Are Household Energy Burdens?*, ACEEE, 2020.

<sup>7</sup> Ross, Drehobl, and Stickles, [How High Are Household Energy Burdens?](#), ACEEE, 2020.

Opt-up all Berkeley electricity service plans to EBCE Renewable 100

- A national study conducted by the NAACP in 2017 found utility shutoff policies disproportionately impact low-income and Black households.<sup>8</sup> According to EBCE, there were 1,160 customers who had their electricity disconnected in 2019, and data is still pending on shutoffs that have occurred during the COVID-19 pandemic.

Concerns about the negative impacts of electricity cost increases come at a time when the California Public Utilities Commission reports residential electricity usage has increased by 15-20%<sup>9</sup>, due to the increased number of students and adults working and learning from home. Hopefully that will significantly decrease as pre covid patterns re-emerge. Increased electricity bills will challenge commercial customers, as many small businesses have suffered economic losses due to a year of closures under COVID-19 restrictions. Electricity usage varies widely in the commercial sector and therefore the cost of opting up will vary greatly from one business to the next.

If City Council takes action to opt up customer accounts in Berkeley, staff would plan to partner with EBCE to analyze the effects of this policy on different population segments – both households and businesses – in order to tailor outreach to customers who may be disproportionately impacted by higher energy cost. Staff would develop outreach strategies focused on reducing cost impacts by enrolling eligible households in low-income programs, opting down to *Bright Choice* for low income households that exceed the income threshold for low income programs, and educating customers to understand ways to shift electricity use and manage bills under the new Time-of-Use rates. Given the challenges of reaching the most vulnerable community members, which include language and technology barriers, this outreach will require significant staff resources and close collaboration with community partners. Staff preliminarily estimates the additional cost of this outreach at up to \$50,000, which would include funding for community partners to assist with direct outreach; the Planning & Development Department would likely seek to budget for these costs during the FY22 mid-year budget process in November 2021.

#### CONTACT PERSON

Billi Romain, Secretary, Energy Commission, 510-981-7432

#### Attachments:

- 1: Resolution
- 2: EBCE Policy on Member Requests to Change the Default Rate Product for Certain Customers, 03.17.2021

---

<sup>8</sup> Daniel, Joseph, [Should the Electric Grid be Antiracist?](#), Union of Concerned Scientists Blog, January 2021.

<sup>9</sup> Referenced in Ross, Drehobl, and Stickles, ACEEE, 2020, pg. 6.

Attachment 1

## RESOLUTION NO. ##,###-N.S.

REQUESTING THE EAST BAY COMMUNITY ENERGY ENROLL CITY OF  
BERKELEY RESIDENTIAL AND COMMERCIAL ACCOUNTS IN RENEWABLE 100 AS  
THE DEFAULT ELECTRICITY PRODUCT

WHEREAS, Fossil fuel extraction and combustion is a primary cause of the present climate emergency that threatens the well-being of all living things; and

WHEREAS, according to scientists and engineers, transitioning society to less greenhouse gas (GHG) intensive forms of energy, namely cleaner electricity, is fundamental to decarbonization; and

WHEREAS, according to City data from 2018, Berkeley's residential electricity sector accounts for 3% of city-wide emissions, the commercial electricity sector accounts for 4% of city-wide emissions, while another 31% and 59% of emissions are attributed respectively to natural gas appliances and fossil fuel-powered transportation that can be cleanly phased out through electrification fueled by 100% GHG-free electricity; and

WHEREAS, the City of Berkeley has committed to a policy of decarbonization, including through Measure G (Resolution No. 63,518-N.S.) in 2006, calling for the City to reduce greenhouse gas emissions by 33% below 2000 levels by 2020, and 80% by 2050, the 2009 Berkeley Climate Action Plan (Resolution No. 64,480-N.S.), the Berkeley Climate Emergency Declaration (Resolution No. 68,486-N.S.), and the Fossil Free Referral; and

WHEREAS, Berkeley's Climate Action Plan identifies Community Choice Aggregation (CCA) agencies such as East Bay Community Energy (EBCE), which procure cleaner electric power from low-carbon sources on behalf of electricity customers, as a key strategy to meet local clean energy goals and greenhouse gas reduction targets; and

WHEREAS, on November 1, 2016, the City of Berkeley City Council adopted Resolution No. 67,730-N.S. authorizing Berkeley's participation in Alameda County's Community Choice Aggregation program known as East Bay Community Energy (EBCE) and subsequently appointed representatives to its Board of Directors; and

WHEREAS, on October 27, 2020 the City Council adopted Resolution No. 68,404-N.S., selecting the *Renewable 100* (100% GHG-free) electric service plan for all municipal accounts in recognition of the importance of supporting California's expanding solar and wind energy sector; and

WHEREAS, Cities have the authority to designate greenhouse gas-free default electric service plans as the default plan for eligible residential and commercial customers, allowing those customers to return to Bright Choice; and

WHEREAS, the City Councils of other EBCE participating jurisdictions such as Albany, Piedmont and Hayward selected default service plans featuring 100% GHG-free electricity for their customers; and

Attachment 1

WHEREAS, on March 17, 2021, EBCE approved the City Council of Dublin request to opt up all residential customers, excluding those in the CARE, FERA, and medical baseline programs, to *Renewable 100* service to meet their greenhouse gas emission reduction goals adopted in their “Climate Action Plan 2030 and Beyond;” and

WHEREAS, given the present climate emergency and the fact that the City of Berkeley is behind in meeting its Climate Action Plan targets, establishing a new default for residential and commercial customers while maintain current plans for price sensitive groups will likely yield substantially more GHG savings than the best marketing campaign aimed at encouraging customers to opt-up individually; and

WHEREAS, it is in the public interest to position city-wide residential and commercial customers to take advantage of electricity service with the lowest emissions factor and best environmental profile by replacing *Bright Choice* with *Renewable 100* as the default service plan and would cost the average homeowner approximately four dollars per month and the average commercial customer seventeen dollars per month more than current electricity rates; and

WHEREAS, customers receiving subsidies through the California Alternate Rates for Energy Program, Family Electric Rate Assistance, and Medical Baseline Allowance Programs will see no change in their plans or service; and

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley requests that East Bay Community Energy hereby enroll the City of Berkeley in the Renewable 100 electric power portfolio as the default electricity product for all residential accounts, except for CARE, FERA, and medical baseline accounts which would remain on the Bright Choice electric power portfolio, as of April 1, 2022 and all commercial accounts as of October 1, 2022.

BE IT FURTHER RESOLVED that the City Council of the City of Berkeley requests that the EBCE Board consider Berkeley’s Renewable 100 default power portfolio request at the earliest possible upcoming EBCE Board Meeting.

BE IT FURTHER RESOLVED, the City of Berkeley commits to working with EBCE staff to develop and implement a customer communication plan and agrees to co-brand customer notifications with the City of Berkeley’s seal to communicate the change in service plans in accordance with East Bay Community Energy’s Default Rate Product Change Policy adopted March 17, 2021.



### Staff Report Item 13

**TO:** East Bay Community Energy Board of Directors

**FROM:** Annie Henderson, VP Marketing and Account Services

**SUBJECT:** Policy on Member Requests to Change the Default Rate Product for Certain Customers (Action Item)

**DATE:** March 17, 2021

---

#### Recommendation

Review and adopt a Resolution approving a policy on Joint Powers Authority (JPA) member requests to change the default rate product for certain customers within their jurisdiction (“Default Rate Product Change Policy”).

#### Background

The EBCE Board of Directors established three levels of service or products for its customers in 2018 and has subsequently set the value proposition for each product as follows:

- **Bright Choice** - basic service level at a 1% discount to PG&E rates with 5% more renewable energy than PG&E’s annual forecast
- **Brilliant 100** - 100% carbon-free service set at the same rate as PG&E, closed to new customers in original service territory as of August 1, 2020 and set to close for all customers January 2022.
- **Renewable 100** - 100% California wind and solar power set at \$0.01 per kWh over PG&E rates

There are certain member jurisdictions that selected a product other than *Bright Choice* to be the default selection at the time of initial customer enrollment. Specifically, Albany, Hayward, and Pleasanton selected *Brilliant 100* and Piedmont selected *Renewable 100*.

On January 12, 2021, the City Council of Dublin considered selecting *Renewable 100* as the default electricity product for most Dublin residents to facilitate meeting



greenhouse gas emissions reductions goals adopted in their “Climate Action Plan 2030 and Beyond”.

The City Council of Dublin passed a resolution requesting that East Bay Community Energy opt up all residential accounts to *Renewable 100* service except for customers in the CARE, FERA, and medical baseline programs (which would remain on *Bright Choice*). This request marks the first time a JPA member within EBCE has requested a default rate product change of customer accounts after initial enrollment. EBCE does not currently have a standard process or policy for facilitating rate product changes by JPA members.

Changes to the product default after enrollment have been implemented by only one other community choice energy program. The Clean Power Alliance (CPA) changed the residential and commercial default products for the cities of Malibu and Sierra Madre in October 2020, per the CPA “Policy on Default Product Changes”<sup>1</sup>. As part of this transition, CPA sent two customer notifications via the mail in August and October. The City of Malibu issued a press release which was covered by the local Patch news website and a couple other local media outlets. Materials provided to the CPA Board of Directors indicated a low opt out rate during the time following the transition in Malibu and Sierra Madre, with 0.5% of customers opting-out and 3% of customers choosing a different service option.

### **Analysis & Discussion**

The proposed EBCE Default Rate Product Change Policy is included as Exhibit A to the attached Resolution. A summary of the Policy is as follows:

- Implementation of approved requests to change the default rate product for certain customers will occur only in March or October. Implementing product changes in March and October minimizes the potential financial impact to customers as the rates are lower in these non-summer months.
- Requests must be approved by the Board six (6) months in advance of implementation (i.e. Board approval in September for March implementation and April for October implementation). This timeline gives EBCE staff sufficient time to plan for additional renewable energy procurement and other operational adjustments and to notify customers.
- A JPA Member may change the default rate product only one (1) time every two (2) years.
- The requesting JPA Member must work with EBCE on a customer communication plan and co-brand customer notifications.
- EBCE will cover the costs associated with a JPA member’s first change to a default rate product. For any subsequent approved change, the JPA Member

---

<sup>1</sup> [https://cleanpoweralliance.org/wp-content/uploads/2020/02/CPA2020-013\\_Policy-for-Changes-to-Default-Rate-Product.pdf](https://cleanpoweralliance.org/wp-content/uploads/2020/02/CPA2020-013_Policy-for-Changes-to-Default-Rate-Product.pdf)

must cover EBCE's costs associated with implementation such as operational adjustments and customer notification.

This Policy was presented as an informational and discussion item at the February 2021 EBCE Board meeting. At that time, it was requested that the report and Policy be amended to provide potential cost estimates and address default product changes when a product is being closed. The potential cost estimates are listed below under Financial Impact. The scenario of a product closures is addressed in the introduction section of the Policy.

### **Financial Impact**

The initial implementation of a default rate product change may incur costs for operational adjustments (~\$15,000) and for the cost of customer notification mailers (~\$40,000 for a customer base of 40,000 accounts). The Policy proposes that costs associated with subsequent default rate product changes are covered by the JPA Member.

Based on the results in CPA, there may be a small increase in customer opt outs following a default rate product change and therefore a small reduction in revenue.

### **Attachments**

- A. Resolution to Approve a Default Rate Product Change Policy
- B. Exhibit A to Resolution: EBCE Default Rate Product Change Policy

**RESOLUTION NO. R-2021-xx****A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO APPROVE A  
DEFAULT RATE PRODUCT CHANGE POLICY**

**WHEREAS**, the East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Castro Valley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, San Leandro, and Union City, to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all 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**, in 2018, the Board of Directors approved three product offerings—a product called Bright Choice offered at a discounted price, a product called Brilliant 100 that is 100% carbon-free at price parity with PG&E rates, and a 100% renewable energy product called Renewable 100 offered at a premium cost.

**WHEREAS**, in 2020, the Board of Directors voted to eliminate the Brilliant 100 product as of 2022.

**WHEREAS**, on January 12, 2021, the City Council for the City of Dublin adopted a resolution requesting that the EBCE Board of Directors change the default product for its residential customers to Renewable 100.

**WHEREAS**, although EBCE’s Joint Powers Agreement contemplates that JPA members may change their default rate products, the Joint Powers Agreement does not specify a process or policy.

**WHEREAS**, changes to JPA members’ default rate products can have a fiscal impact on EBCE due to the need for additional renewable energy procurement, customer notification requirements, and other operational adjustments.

**WHEREAS**, EBCE will benefit from having a standard policy for addressing requests of default rate product changes from its JPA members.

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

Section 1. The Board of Directors hereby approves the Default Rate Product Change Policy attached hereto as Exhibit A.

Section 2. This resolution shall become effective immediately upon its adoption.

**ADOPTED AND APPROVED** this 17<sup>th</sup> day of March 2021.

---

Dan Kalb, Chair

ATTEST:

---

Adrian Bankhead, Assistant Clerk of the Board

**EAST BAY COMMUNITY ENERGY**  
**DEFAULT RATE PRODUCT CHANGE POLICY**

The purpose of this Default Rate Product Change Policy is to specify a process for a Joint Powers Authority (JPA) member agency (“Member”) to change its Default Rate Product<sup>1</sup> and to ensure that East Bay Community Energy (EBCE) is provided with sufficient notice and time to prepare for the change.

When approving a request from a Member to change the Default Rate Product (“Default Rate Product Change”) after the Member’s initial service enrollment, the EBCE Board (“Board”) and Member shall adhere to this Policy, which requires specific cooperation from the Member. This Policy shall not apply to a change in the Default Rate Product which is the result of a rate product closure.

Under this Policy, the Default Rate Product Change request from a Member and subsequent implementation must comply with the following requirements:

1. **Timeline for Board Approval and Implementation:** Any request for a Default Rate Product Change must be approved by the Board. The Board will consider Members’ requests for Default Rate Product changes in the spring and the fall, based on the following schedule:
  - a. If the Board approves a Member’s request for a Default Rate Product Change by April 30 the Default Rate Change will be implemented in October of the same year.
  - b. If the Board approves a Member’s request for a Default Rate Change by September 30, the Default Rate Change will be implemented in March of the following year.
  - c. Notwithstanding the foregoing, the EBCE Chief Executive Officer (“CEO”) and the Member may mutually agree upon a different implementation schedule, provided that the CEO provides the Board with notification of the agreed-upon schedule.

Board Approval By	Implementation By
April 30 of Year A	October 31 of Year A
September 30 of Year A	March 31 of Year A+1

2. **Exceptions to Implementation of Default Rate Product Change:** Notwithstanding anything contained in this Policy, in no event shall a Member’s Board-approved Default Rate Product Change affect the following:

---

<sup>1</sup> For purposes of this Policy, the “Default Rate Product” is the EBCE rate product option that each Member selected as the default for EBCE customers within the Member’s jurisdiction.

- a. Prior customer enrollment actions. Any customer account that has affirmatively taken action to change its rate product will remain on the selected product.
  - b. Prior customer opt-out actions. Any customer account that has affirmatively taken action to opt out of EBCE service will remain opted out.
3. **Frequency of Default Rate Product Change by a Member:** A Member may not change its Default Rate Product more than one (1) time every two (2) years.
4. **EBCE Agency Requirements:** Upon the Board's approval of a Member's request for a Default Rate Product Change, EBCE staff may engage in any of the following activities:
  - a. Purchase or prepare to purchase the appropriate amount of resources to meet the expected change in demand associated with the Default Rate Product Change;
  - b. Complete or prepare to complete additional regulatory compliance and reporting requirements, if any;
  - c. Coordinate with EBCE's data and call center services manager to make necessary operational adjustments;
  - d. Evaluate fiscal impacts of the Default Rate Product Change;
  - e. Examine EBCE rates and any rate impacts;
  - f. Coordinate and work with PG&E on billing considerations, if any;
  - g. Prepare for and deploy customer communication efforts;
  - h. Identify and address any other operational impacts or issues and take steps to mitigate those impacts/issues; or,
  - i. Take any other action necessary to effectuate the Member's approved Default Rate Product Change.
5. **Member Requirements:** The Member requesting a Default Rate Product Change must commit to the following conditions for the change to be implemented:
  - a. Collaboration. The Member shall work with EBCE staff to develop and implement a customer communication plan;
  - b. Co-Branding. The Member must agree to co-brand customer notifications with the Member's seal; and,
  - c. Cost Coverage. EBCE will cover the cost of any operational adjustments and the required customer notices, as detailed in Section 6.a, for the Member's first approved Default Rate Product Change. Costs associated with any subsequent Default Rate Product Changes will be charged to the Member.
6. **Customer Communication:** EBCE will notify customers subject to a Member's approved Default Rate Product Change. EBCE will lead, with support from the Member, the development and dissemination of customer notices.
  - a. Required Notifications. Any customer accounts subject to a Member's approved Default Rate Product Change shall be sent a minimum of two

(2) notifications. A minimum of one (1) notice shall be sent prior to the change going into effect.

- b. Optional Additional Notifications. In addition to the two (2) required notices referenced in Section 6.a., above, EBCE staff will coordinate with a Member who wishes to develop and distribute additional customer notices and/or conduct additional communications such as social media campaigns, jurisdictional newsletters, Member press release, etc. The Member shall be responsible for the costs of such additional communications.
7. A customer may take an enrollment action to change their EBCE rate product, to opt in to EBCE service, or to opt out of EBCE service at any time by notifying EBCE through the standard channels of phone, interactive voice recording, or online form.





HAYWARD CITY COUNCIL

RESOLUTION NO. 21-136

Introduced by Council Member Zermeño

RESOLUTION SELECTING RENEWABLE 100 AS THE DEFAULT PRODUCT FOR  
HAYWARD CUSTOMERS SERVED BY EAST BAY COMMUNITY ENERGY

WHEREAS, on December 6, 2016, the City of Hayward City Council adopted Ordinance 16-21 authorizing Hayward's participation in Alameda County's Community Choice Energy program known as East Bay Community Energy (EBCE); and

WHEREAS, on March 6, 2018, Council voted to designate Brilliant 100 as the default product for all non-residential customers in Hayward and Brilliant 100 for all municipal facilities; and

WHEREAS, on May 22, 2018, Council voted to designate Brilliant 100 as the default product for all residential customers and that all income-qualified customers enrolled in the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline programs be enrolled in Bright Choice; and

WHEREAS, on November 18, 2020, the EBCE Board of Directors decided to continue to offer Brilliant 100 only through December 31, 2021; and

WHEREAS, the City of Hayward must choose a new default product – either Bright Choice or Renewable 100 – to be effective January 1, 2022; and

WHEREAS, the enrollment of Hayward customers in Renewable 100 electricity will enable Hayward to continue to make progress toward meeting Hayward's greenhouse gas (GHG) reduction goals; and

WHEREAS, on June 16, 2020, Council adopted new GHG emission targets of 30% below 2005 levels by 2025, 55% below 2005 levels by 2030 and carbon neutrality by 2045; and

WHEREAS, Hayward customers will continue to have the choice to change their enrollment to the lower-priced Bright Choice product and they also have the ability to opt out of EBCE completely; and

WHEREAS, on May 10, 2021, the Council Sustainability Committee voted to recommend that Council adopt a resolution selecting Renewable 100 as the default product for all customers except that all income-qualified customers enrolled in the CARE, FERA, and Medical Baseline programs remain enrolled in Bright Choice; and

WHEREAS, on June 15, 2021, Council voted to select Bright Choice as the default product for all Hayward customers served by EBCE; and

WHEREAS, on June 22, 2021, Council voted to reconsider the June 15 vote.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby approves Renewable 100 as the default product for all customers in Hayward, except those certain customers enrolled in income-qualified or medical-related discount programs.

BE IT FURTHER RESOLVED that all Hayward customers enrolled in the CARE, FERA, and Medical Baseline programs remain enrolled in Bright Choice.

IN COUNCIL, HAYWARD, CALIFORNIA July 6, 2021.

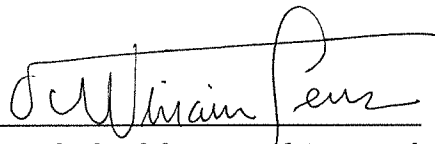
ADOPTED BY THE FOLLOWING VOTE:


AYES: COUNCIL MEMBERS: Andrews, Lamnin, Salinas, Wahab, Zermeño  
MAYOR: Halliday

NOES: COUNCIL MEMBERS: Márquez

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ATTEST:   
City Clerk of the City of Hayward

APPROVED AS TO FORM   
City Attorney of the City of Hayward