



## Board of Directors Meeting

Wednesday, September 22, 2021

5:00 pm

<https://us02web.zoom.us/j/87023071843>

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Webinar ID: 870 2307 1843

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*If you have anything that you wish to be distributed to the Board, please email it to the clerk by 5:00 pm the day prior to the meeting.*

### 1. Welcome & Roll Call

### 2. Pledge of Allegiance

### 3. Closed Session

- a) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer Nicolas Chaset

### 4. General Counsel Report Out of Closed Session

### 5. Public Comment

*This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to **two minutes** per speaker and must complete an electronic [speaker slip](#). The Board Chair may increase or decrease the time allotted to each speaker.*

## **CONSENT AGENDA**

- 6. Approval of Minutes from July 21, 2021**
- 7. Contracts entered into (Informational Item)**
- 8. MRL Subcommittee Appointment Recommendation**  
Appoint Director Munro to the Marketing, Regulatory and Legislative Subcommittee.
- 9. Municipal Fleet Electrification: Frontier Energy CSA Amendment**  
Increase CSA budget and term to provide technical support to additional EBCE member jurisdictions.
- 10. CALSTART Consulting Services Agreement**  
Adopt a Resolution authorizing the CEO or his designee to negotiate and execute a two-year Consulting Services Agreement with CALSTART to conduct services necessary to assist with completion of a zero-emissions medium and heavy-duty goods movement blueprint for East Bay Community Energy's service area.
- 11. 2020 Power Source Disclosure Annual Report and Power Content Label**  
Adopt a Resolution to accept the 2020 Power Source Disclosure Program Annual Report (PSDR) and the 2020 Power Content Label (PCL).

## **REGULAR AGENDA**

- 12. CEO REPORT**
- 13. Community Advisory Committee Report**
- 14. Default Product Change (Action Item)**  
Adopt a Resolution directing staff to make the necessary arrangements to change the default service to Renewable 100 for certain customers in the City of San Leandro consistent with the request of its City Council and in accordance with the elimination of the Brilliant 100 product and the adopted Default Rate Product Change Policy.
- 15. LMI Electrification (Informational Item)**  
Opportunity to Invest \$1 M and offer \$400k in incentives to support low to moderate income building electrification in EBCE service area
- 16. Board Member and Staff Announcements including requests to place items on future Board Agendas**
- 17. Adjournment to Wednesday, October 20, 2021**



## Draft Minutes

### Special Board Meeting

### Building Purchase

Friday, July 9, 2021

11:30pm

<https://us02web.zoom.us/j/82761497154>

Or join by phone:

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*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.*

#### 1. Welcome & Roll Call

**Present:** Directors: Valle (Alameda County), Hernandez (Dublin), Marquez (Hayward), Hannon (Newark), Kalb (Oakland), McCarthy (Piedmont), Narum (Pleasanton), Arriola (Tracy), Vice-Chair Lopez (San Leandro) and Chair Martinez

**Excused:** Directors: Tiedemann (Albany), Harrison (Berkeley), Mei (Fremont), Kiick (Livermore), Patino (Union City)

#### 2. Public Comment

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**There were no speakers for public comment.**

**3. Building Purchase (Action Item)**

Review and vote on purchase agreement.

**The Committee discussed:**

- Cell phone tower agreement
- Inspections and final price negotiations
- AT&T lease option expiration
- LEED Certification, building efficiency and tenant improvements
- Use of first floor as community meeting space or cooling center
- Oakland permits
- Refinancing options
- Parking and public transportation

**Director Hannon motioned to approve the Purchase and Sales Agreement with the following modification:**

- A. **The wording of the Purchase and Sales Agreement will include non-substantive changes as recommended by EBCE's real estate counsel and broker.**

**Director Hernandez seconded the motion, which passed 10/0. Excused: Directors Tiedemann, Harrison, Mei, Kiick and Patino**

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

**Chair Martinez thanked staff upon completion of the Altamont Pass Windmill project.**

**5. Adjourned at 12:24pm.**



## Draft Minutes

### Board of Directors Meeting

Wednesday, July 21, 2021

5:00 pm

<https://us02web.zoom.us/j/87023071843>

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Webinar ID: 870 2307 1843

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*If you have anything that you wish to be distributed to the Board, please email it to the clerk by 5:00 pm the day prior to the meeting.*

#### 1. Welcome & Roll Call

**Present:** Directors: Valle (Alameda County), Harrison (Berkeley), Cox (Fremont), Marquez (Hayward), Kiick (Livermore), Narum (Pleasanton), McCarthy (Piedmont), Lopez (San Leandro), Patino (Union City), Sutter (Community Advisory), Davis (Tracy), Vice-Chair Martinez (Emeryville) and Chair Kalb (Oakland)

**Excused:** Directors Tiedemann (Albany), Hernandez (Dublin), Hannon (Newark), McCarthy (Piedmont)

*Director Cox served as alternate for Director Mei (Fremont)*

*Director Davis is served as alternate for Director Arriola (Tracy)*

#### 2. Pledge of Allegiance

#### 3. Public Comment:

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**Blair Beekman** asked that staff create a “closed session” option for the public comment request webpage.

**4. Closed Session**

- a) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer Nicolas Chaset

**5. General Counsel Report Out of Closed Session**  
No reportable actions were taken.

**6. Public Comment following Closed Session:**

Blair Beekman spoke regarding the length of closed session.

**CONSENT AGENDA**

**7. Approval of Minutes from June 16, 2021**

**8. Contracts entered into (Informational Item)**

**9. Treasurer's Report**  
Status of EBCE cash accounts.

**10. Contract Amendment for Chapman & Cutler**  
Amend existing contract with Chapman & Cutler LLP to increase scope.

**R-2021-28**

**11. Increase NTE with PFM for Building Finance Advisory Services**  
Amend the current contract NTE to \$80,000 from \$40,000 to include building purchase financial advising services in scope

**R-2021-29**

**12. Extension of Payment Policy Suspension**  
Extend our suspension policy until 9/30/21 to match PG&E moratorium.

**R-2021-30**

**13. Amendment to Subscription Agreement with Myst AI Inc.**  
Resolution for Board to authorize CEO to negotiate and execute an amendment to the existing contract with Myst. Memo describing background; attachments

**R-2021-31**

**14. Request to Change the Default Rate Product for Certain Residential & Commercial Customers in the Cities of Albany, Berkeley, and Hayward to Renewable 100**  
Seek Board approval for the requested default product transitions/citywide opt ups to R100 in the cities of Albany, Berkeley, and Hayward

**R-2021-32**

**Director Patino motioned to approve the Consent Agenda. Director Harrison seconded the motion which passed 14/0. Excused: Director Harrison**

**REGULAR AGENDA**

## 15. CEO REPORT

### A. New Employee:

Karen Lee, Senior Power Resource Associate

## 16. Community Advisory Committee Report

Chair Sutter announced that there will be a public meeting to discuss Environmental and Social Justice Metrics on Thursday, September 2, 2021 from 6-8pm. This meeting will be open to the public.

## 17. Prepay Transaction Review & Approval (Action)

Review and approve 30-year energy prepayment transaction with Morgan Stanley

**R-2021-33**

Blair Beekman spoke in support of creating an economy based on renewable resources and that avoids fossil fuels.

**Director Hannon motioned to approve the staff recommendation. Director Narum seconded the motion which passed 13/0. Excused: Directors Valle (Alameda County) and Davis (Tracy)**

## 18. Reimbursement Resolution for Financing Office Building Purchase (Action)

Adopt a Resolution declaring EBCE's intent to incur debt to reimburse the costs of purchasing real property for an office site at 251 8th Street, in Oakland.

**R-2021-34**

Blair Beekman spoke in support of the office building purchase.

**Vice-Chair Lopez (San Leandro) motioned to support the staff recommendation. Director Kalb (Oakland) seconded the motion, which passed 13/0. Excused: Directors Valle (Alameda County) and Davis (Tracy).**

## 19. Power Resources RFO Contract Approval (Action)

Approval of contracts from EBCE's 2020 Long-Term Resource RFO

**R-2021-35 - 18A - Tecolote Wind**

**R-2021-36 - 18B - Clearway Contract**

**R-2021-37 - 18C - Terra-Gen Contract**

**R-2021-38 - 18D - Intersect Contract**

### **The Committee discussed:**

- CAC Chair Sutter provided a summary of the CAC's discussion of this item and stated that CAC members look forward to additional project development from within EBCE's service area.

Blair Beekman spoke in support of the RFO Contract Approval and in opposition to PG&E's cancellation of its battery storage contract for the Jack London Square peaker plant.

**Director Cox (Fremont) motioned to approve the following resolutions:**

**A. R-2021-35 - 18A - Tecolote Wind**

**B. R-2021-36 - 18B - Clearway Contract**

**C. R-2021-37 - 18C - Terra-Gen Contract**

**D. R-2021-38 - 18D - Intersect Contract**

**Director Patino (Union City) seconded the motion, which passed 12/0. Excused: Directors Valle (Alameda County), Narum (Pleasanton) and Davis (Tracy).**

**20. Board Member and Staff Announcements including requests to place items on future Board Agenda**

**Chair Martinez thanked CAC Chair Sutter for her contribution to EBCE.**

**21. Adjournment to Wednesday, September 22, 2021**





### Consent Item 7

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Nick Chaset, Chief Executive Officer  
**SUBJECT:** Contracts Entered Into  
**DATE:** September 15, 2021

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#### RECOMMENDATION

Accept the CEO's report on contracts that EBCE has entered, as required by the Administrative Procurement Policy. **Items executed between July 14, 2021 to September 15, 2021;**

C-2021-068 Davis Wright Tremaine (San Francisco) Second Amendment to CSA adds \$804 to the not to exceed amount through June 30, 2021. Total amount not to exceed \$200,804.

C-2021-069 Applied Materials Engineering (Oakland) Brick Test Shearing for 251 8<sup>th</sup> Street, cost not to exceed \$6,410.

C-2021-070 Full Court Press Communications, Inc (Oakland) First Amendment to Consulting Services Agreement amends the schedule of work.

C-2021-071 Alameda County Agricultural Fair Association Sponsorship Agreement for \$6,000 EBCE will be the Exclusive Sponsor in the Energy category at the Fair and will display and staff power stations, signage, print and internet advertising.

C-2021-071 Salesforce (San Francisco) Order Form extends services through 8/14/2022, total cost for the year not to exceed \$128,802.

C-2021-073 California Community Choice Financing Authority Joint Powers Agreement to assist Members by undertaking the financing or refinancing of energy pre-payments that can be financed with tax advantaged bonds on behalf of one or more Members by, among other things, issuing or incurring bonds and entering into related contracts with Members.

C-2021-074 Goal Zero (Pasadena, CA) B2B/Dealer Terms and Conditions Outlines requirements to be a Goal Zero B2B/Dealer Customer.

C-2021-075 Recurve Analytics (San Francisco) Third Amendment to CSA extends the term to February 28, 2023.

C-2021-076 Bentham Paulos (Berkeley) First Amendment to CSA extends the term to June 30, 2022, and add \$45,000 in compensation for that term, total compensation not to exceed \$90,000.

C-2021-077 Pivot Structural Engineering (Berkeley) Agreement for Engineering Services, Structural Assessment of 251 8th St, not to exceed \$2,300.

C-2021-078 Environmental Justice Solutions (El Cerrito) Consulting Services Agreement for facilitation of a community workshop to develop equity metrics and increase frontline community participation in EBCE programs through February 1, 2022, total amount not to exceed \$20,000.

C-2021-079 PC Professional (Oakland) First Amendment to CSA extends the term to June 30, 2022 and add \$40,000 in compensation for that term, total compensation not to exceed \$70,000.

C-2021-080 Union City COVID-19 Community Relief Response Grant Agreement awarded in the amount of \$50,500 to support food security grants of up to \$10,000 to local community bases organizations in response to the COVID-19 pandemic.

C-2021-081 Myst AI (San Francisco) Amendment No.1 to Subscription Agreement, renewal of Subscription through June 30, 2024, fees not to exceed \$474,000.

C-2021-082 360 Ventures VIII, (Oakland) Reinstatement of, and First Amendment to, Purchase Agreement for 251 8th Street Office.

C-2021-083 Community Resources for Independent Living (Hayward) Consulting Services Agreement for the purposes of providing support services for the implementation of a Medical Baseline customer portable battery pilot program, through January 2022, compensation not to exceed \$9,000.

C-2021-084 City of Piedmont COVID-19 Community Relief Response Grant Agreement awarded in the amount of \$22,000 to support testing for staff and first responders, the purchase of PPE, and the purchase of medical equipment in response to the COVID-19 pandemic.

C-2021-085 Chapman & Cutler, Silicon Valley Clean Energy First Amendment to Consulting Services Agreement, expands the scope and adds an additional \$100,000 in compensation, for a total amount not to exceed \$335,000.

C-2021-086 USEPA Cooperative Agreement for \$300,000 Grant Award for Brownfields Assessment Cooperative Agreement.

C-2021-087 USEPA Community-wide Assessment Grant: EPA-OLEM-OBLR-20-06, Further clarifies details of above Grant.

C-2021-088 Los Angeles Cleantech Incubator Commitment Letter, EBCE and LACI will enter into a Transportation Electrification Partnership where EBCE will provide \$25,000 to accelerate transportation electrification and zero emissions goods movement across Southern California.

C-2021-089 Tiburcio Vasquez Health Center (Hayward) COVID-19 Community Relief Response Grant Agreement awarded in the amount of \$10,000 to support food distribution and other programs in response to the COVID-19 pandemic.

C-2021-090 Meltwater Order Confirmation Agreement for services from Nov. 2021 to November 5, 2022, for Meltwater Regular and Meltwater Social Package.

C-2021-091 Center for Resource Solutions Green-e Energy Certification and Logo Use Agreement, Green-e certification for the DAC Green Tariff and Community Solar Green Tariff (DAC-GT/CSGT) programs as required by the CPUC.

C-2021-092 Strategic Energy Innovation (San Rafael) Climate Corps Agreement/ Memorandum of Understanding, EBCE will partner with SEI to host a Climate Corps Fellow and will pay an amount not to exceed \$62,602.50 through July 31, 2022.

C-2021-093 Richards, Watson & Gershon Attorney Conflict Waiver Regarding EBCE and CCA Representations, Waivers for EBCE, Fremont, Livermore, Pioneer, SVCE and VCE have been requested as RWG represents all parties, RWG does not believe there is any conflict of interest in providing legal services to these parties but the potential does exist.

C-2021-094 Blue Strike Environmental dba EcoShift Consulting (Monterey, CA) First Amendment to Consulting Services Agreement extends the termination date to March 1, 2022.



## Consent Item 8

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

**FROM:** Adrian Bankhead, Clerk of the Board

**SUBJECT:** Marketing, Regulatory and Legislative Subcommittee Appointment Recommendation (Action Item)

**DATE:** September 22, 2021

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### **Recommendation**

Appoint Director Munroe to the Marketing, Regulatory and Legislative (“MRL”) Subcommittee by motion.

### **Background and Discussion**

Director Kiick stepped down from the EBCE Board of Directors, effective Monday, September 13, 2021. Livermore has re-appointed Director Munroe to represent the city. Staff recommends that Director Monroe be appointed to the MRL Subcommittee to replace Director Kiick and avoid a vacancy.

### **Fiscal Impact**

This appointment will have no impact on the budget.



## Consent Item 9

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

**FROM:** Jessie Denver, Senior DER Manager - Transportation Electrification and Energy Resilience

**SUBJECT:** **Adopt a Resolution Authorizing the CEO to Negotiate and Execute a Third Amendment to the Consulting Services Agreement with Frontier Energy, Inc.**

**DATE:** September 22, 2021

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### Recommendation

Adopt a Resolution authorizing the CEO to negotiate and execute a Third Amendment to the Consulting Services Agreement (“CSA”) with Frontier Energy, Inc. to: (1) expand the scope of work to include assistance with completion of municipal fleet electrification assessments and deployment plans on behalf of the cities of Emeryville, Livermore, Newark, Piedmont, Pleasanton, San Leandro, Tracy, and/or Union City; (2) extend the term through March 31, 2023; (3) add additional staff; and (4) add \$300,000 in compensation, for a total amount not to exceed \$809,948.

### Background and Discussion

Through its Local Development Business Plan and strategic program planning, EBCE is developing distributed energy resource (“DER”) solutions that provide net benefits to customers, including EBCE’s local government partners. These DER solutions include plug-in electric vehicle (“EV”) and charging infrastructure technical assistance, incentives and investments.

More than half of California’s greenhouse gas emissions originate from the transportation sector, including all passenger cars and light trucks, heavy-duty trucks, off-road vehicles, and the fuels needed to power them. The transportation sector is also responsible for the majority of smog-causing pollutants and is a significant source of toxic air contaminants that directly impact community health. To help put the State on a path to carbon neutrality by

2045, Governor Newsom issued Executive Order N-79-20, which calls for the elimination of new internal combustion passenger vehicle sales by 2035.<sup>1</sup>

To support the state’s target and help our local government partners lead by example, throughout 2020-21, EBCE has funded municipal fleet electrification assessments and deployment plans (the “Project”) for an initial cohort of communities including Alameda County, Albany, Berkeley, Dublin, Oakland, and Hayward. Fleet electrification offers local governments economic benefits including lower lifecycle costs than internal combustion engine vehicles, and reduced fuel price volatility risk. Deployment of EVs in municipal fleets also supports the local economy through the procurement of clean electricity from EBCE, while eliminating criteria air pollutants and reducing greenhouse gas emissions.

A key objective of the Project is to assist EBCE’s partners in overcoming the perceived barriers to municipal fleet electrification listed below. Eliminating these hurdles will help meet the climate action, operational, and financial resiliency goals of EBCE and the cities participating in the Project. Some of these perceived barriers are:

- Concerns about the feasibility of EVs for municipal operations
- Prohibitive initial EV purchase price
- Unclear EV and charging infrastructure value proposition (e.g., difficult to calculate total cost of ownership)
- Inadequate charging infrastructure/siting limitations (e.g., electric service panel and transformer upgrades, parking configurations, etc.);
- Inadequate product availability
- Vehicle maintenance costs and needs are unfamiliar to staff
- Concerns about reliability and resilience in the event of a grid outage
- Limited experience with EVs, charging infrastructure and other DER project financing options
- Difficult to get buy-in and budget from top leadership

In September of 2019, EBCE issued a Request for Proposals (“RFP”) seeking consultant services to assist with the Project’s scope of work. An evaluation committee made up of representatives from the participating cities, including fleet management, and EBCE staff selected the Frontier Energy, Inc. (“Frontier”) consultant team. In November of 2019 the Board authorized the CEO to execute a CSA with Frontier. The first phase of the Project’s technical assistance supported the cities of Albany, Berkeley, Dublin, and Oakland.

Alameda County and the City of Hayward later committed to participating in the Project and EBCE entered into a First Amendment to the CSA in July of 2020 to increase the budget and extend the term of the CSA to November 30, 2021. In addition to including new communities, the First Amendment was also needed to account for COVID-19 related delays in 2020.

Other local government partners have since expressed interest in the Project’s goals and objectives. In June of 2021, the Board authorized the CEO to negotiate and execute a Second Amendment to increase to the budget by \$300,000, to provide technical assistance to the remainder of EBCE’s local government partners, to support the completion of municipal fleet electrification assessments and deployment plans. This proposed Third Amendment to the CSA will extend the Project term to March of 2023 and allocate the funds to the services provided by Frontier.

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<sup>1</sup> [Executive Order N-79-20](#) (2020).

EBCE will continue to manage Frontier tasks and deliverables, coordination with participating city and county staff, and the budget associated with the Project. It is recommended that the Board authorize the CEO to negotiate and Execute a Third Amendment to the CSA with Frontier, to conduct services necessary to assist with completion of municipal fleet electrification assessments and deployment plans on behalf the cities of Emeryville, Livermore, Newark, Piedmont, Pleasanton, San Leandro, Tracy and/or Union City.

### **Fiscal Impact**

This Third Amendment, shall increase the total amount not to exceed by \$300,000, for a total amount not to exceed \$809,948, of which, \$700,000 is allocated for services related to fleet electrification.

### **Attachment**

- A. Resolution Authorizing the CEO to Negotiate and Execute a Third Amendment to the CSA with Frontier Energy, Inc.

**RESOLUTION NO. \_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE A THIRD AMENDMENT TO THE CONSULTING SERVICES AGREEMENT WITH FRONTIER ENERGY, INC. TO CONDUCT SERVICES NECESSARY TO ASSIST WITH COMPLETION OF MUNICIPAL FLEET ELECTRIFICATION ASSESSMENTS AND DEPLOYMENT PLANS**

**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**, On July 18, 2018, the Board approved the Local Development Business Plan (“LDBP”) and budget. The LDBP identifies a series of local development early actions, outlines a series of policy principles, and defines a set of metrics to measure the impact on EBCE’s service area;

**WHEREAS**, in 2019, EBCE offered technical assistance to its local government partners and the cities of Albany, Berkeley, Dublin and Oakland committed to collaborating on the completion of municipal fleet electrification assessments and distributed energy resources (“DER”) deployment plans;

**WHEREAS**, in 2019, EBCE issued a Request for Proposals (“RFP”) for assistance with task and deliverables associated with municipal fleet electrification assessments and DER deployment plans;

**WHEREAS**, The Frontier Energy, Inc. (“Frontier”) team was selected through the competitive RFP process and has experience conducting municipal fleet electrification assessments, financial analysis, and DER deployment plans (e.g., EV charging infrastructure and solar and battery energy storage);

**WHEREAS**, in November 2019, EBCE entered into a Board approved Consulting Services Agreement with Frontier, to assist with the completion of municipal fleet electrification assessments and DER deployment plans to enable its local government partners to transition from internal combustion engines vehicles to electric vehicles, in a coordinated and fiscally responsible way;

**WHEREAS**, in 2020, the County of Alameda and the City of Hayward also committed to participating in EBCE’s technical assistance offer and will collaborate with the project team on the completion of municipal fleet electrification assessments and DER deployment plans. Accordingly, the Board approved a First Amendment to the CSA with Frontier;



**WHEREAS**, in July 2020 the Board approved a Second Amendment to the Consulting Services Agreement with Frontier, to accommodate the County of Alameda and the City of Hayward in the project scope and to increase the total amount not to exceed of the Consulting Service Agreement;

**WHEREAS**, EBCE would like to further expand the scope of the Consulting Services Agreement with Frontier, to offer municipal fleet electrification technical assistance to the remainder of its local government partners including the cities of Emeryville, Livermore, Newark, Piedmont, Pleasanton, San Leandro, Tracy and/or Union City, and to increase the total amount not to exceed of the Consulting Services Agreement.

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

Section 1. The Board of Directors hereby authorizes the CEO to negotiate and execute a Third Amendment to the Consulting Services Agreement with Frontier Energy, Inc., to extend the duration of the Agreement through March 31, 2023, increase total compensation by \$300,000 for a total amount not to exceed \$809,948, and to expand the scope of the Agreement to include assistance of EBCE and its local government partners with completion municipal fleet electrification assessment and planning tasks and deliverables.

ADOPTED AND APPROVED this 22nd day of September, 2021.

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Dianne Martinez, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board



## Staff Report Item 10

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

**FROM:** Jessie Denver, Senior Distributed Energy Resources Program Manager -  
Transportation Electrification and Energy Resilience

**SUBJECT:** Adopt a Resolution Authorizing the CEO to execute a  
Consulting Services Agreement with CALSTART

**DATE:** September 22, 2021

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### Recommendation

Adopt a Resolution authorizing the CEO to negotiate and execute a two-year Consulting Services Agreement with CALSTART to conduct services necessary to assist with completion of a Zero-emissions Medium and Heavy-duty Goods Movement Blueprint for East Bay Community Energy's service area, with compensation not to exceed \$200,000.

### Background and Discussion

California is the largest gateway for international trade and domestic commerce in the U.S., with an interconnected system of ports, highways, and roads that allow freight from around the world to move nationwide. EBCE's service area plays a significant role in this economy as an important logistics hub and home to one of the busiest container ports in the country, the Port of Oakland. Additionally, 1.5 million tons of air freight move through Oakland International Airport annually to warehouses throughout Alameda, the City of Tracy in neighboring San Joaquin County, and beyond.

Within EBCE's service area a network of interstates and highways move this freight to regional, state, and national markets. These include I-5, I-80, I-580, I-680, I-880 and I-980 each of which are among the most heavily used roadways in the nine county San Francisco Bay Area. Although freight trucks and delivery vans represent a small share of all vehicles on the road, they contribute to a disproportionate share of fuel consumption, greenhouse gas ("GHG") emissions and air pollution. As a

result, residents living along freight corridors in Alameda and San Joaquin counties are exposed to some of the highest levels of air pollutants in the state, including toxic diesel particulate matter.<sup>1</sup>

EBCE's Local Development Business Plan prioritizes development of partnerships, projects, and programs that will curb freight emissions in its service area and contribute to meeting the state's goals. To that end, in 2020, the California Energy Commission ("CEC") issued a grant funding opportunity entitled "Blueprints for Medium- and Heavy-Duty Zero-Emission Vehicle Infrastructure," under the CEC's Clean Transportation Program. In response EBCE submitted a grant proposal with its project partner CALSTART, which was awarded in April 2021.

CALSTART is a nonprofit organization recognized nationally and internationally for its industry leading medium and heavy-duty ("M/HD") market and zero-emission ("ZE") technology expertise. CALSTART is also the administrator of all of California's major M/HD incentive programs: The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project ("HVIP"); the Clean Off-Road Equipment Voucher Incentive Project ("CORE"); and the new EnergIZE Commercial Vehicles program (energy infrastructure incentives for ZE commercial vehicles).

The goal of this CEC grant funded project is to develop a ZE M/HD Goods Movement Blueprint document ("M/HD Blueprint"), which includes the entirety of EBCE's service area, in support of a faster adoption of ZE M/HD goods movement vehicles. EBCE's M/HD Blueprint will serve as a dynamic and iterative process that when fully implemented, will establish its service area as a first successful "beachhead" market for ZE Class 3-6, or medium-duty, goods movement vehicles by 2030. It will also engage key stakeholders and develop actions necessary to scale the charging infrastructure investment and workforce needed to enable the transition of ZE Class 7-8, or heavy-duty, goods movement vehicles required by 2040. Finally, EBCE and CALSTART will create an economical approach to planning for ZE M/HD goods movement that is replicable statewide. The M/HD Blueprint is the pathway to establishing EBCE's service area as a first mover market for ZE goods, through fiscally responsible and sustainable changes in five strategic areas of opportunity: vehicles, infrastructure, financing, workforce development, and community benefits.

The objectives of this grant funded project are to investigate the details of the M/HD goods movement ecosystem in EBCE's service area. Multiple data sources will be leveraged to identify key statistics about vehicles including but not limited to the number of Class 3-8 vehicles by fuel type, vocation, vehicle type, model year, vehicle class and size, and domicile locations. This data will be mapped and include an overlay of disadvantaged and low-income community boundaries and will also identify the industry vehicles are being utilized by. This will inform how and where vehicles may charge, and opportunities and constraints that could accelerate or limit ZE vehicle adoption in the near-, mid- and long-term. The data analysis will be supported by surveys and interviews with fleet operators, fleet users, individual drivers, and other

applicable stakeholders (e.g. local government, supply chain, financing, and workforce). The collective results of the analysis will enable the development of draft Blueprint strategies and actions by EBCE and CALSTART. All Blueprint strategies and actions will be developed to benefit vulnerable communities. The outcome of these deliverables will be presented to a diverse Stakeholder Guidance Committee (“SGC”). The SGC will review the proposed Blueprint strategies and actions and provide feedback to ensure a transparent and inclusive process. EBCE and CALSTART will develop addressable vehicle segment goals (% of vehicles electrified by 2030, 2040) based on California Air Resources Board data and recently published CALSTART cost parity data, and present recommendations to the SGC for consideration and approval. Across each of the five areas of opportunity the EBCE and CALSTART will follow the framework below:

- Establish a baseline
- Forecast future need
- Assess solution readiness (technology, financing, workforce)
- Evaluate stakeholder benefits
- Identify priorities

Approval of this Resolution will allow EBCE and CALSTART to develop a comprehensive Blueprint that will guide the transition to ZE M/HD goods movement vehicles in Alameda and San Joaquin counties.

#### Fiscal Impact

The total value of this contract is not to exceed \$200,000. All program costs will be funded through the CEC grant award to EBCE.

#### Attachment

A. Resolution authorizing the CEO to Negotiate and Execute a Consulting Services Agreement with CALSTART

**RESOLUTION NO.**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CHIEF**  
**EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH CALSTART**  
**TO ASSIST EAST BAY COMMUNITY ENERGY WITH DEVELOPMENT OF A ZERO**  
**EMISSION MEDIUM AND HEAVY-DUTY GOODS MOVEMENT BLUEPRINT**

**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** the climate change crisis is happening now and California’s long-term economic resilience requires bold action to eliminate emissions from transportation, which is the largest source of emissions in the State;

**WHEREAS** In July of 2018, the Board approved the Local Development Business Plan (“LDBP”) which identifies a series of actions to combat climate change, including transportation and goods movement electrification in EBCE’s service area;

**WHEREAS** In June of 2020, State of California adopted the Advanced Clean Truck rule, the most ambitious zero-emission medium and heavy-duty commercial truck policy in the world;

**WHEREAS** In September of 2020, Governor Newsom issued Executive Order N-79-20, which established the State’s goal that 100 percent of medium and heavy-duty vehicles produce zero-emissions by 2045, for all operations where feasible, and by 2035 for drayage trucks;

**WHEREAS** medium and heavy-duty commercial freight trucks and delivery vans represent a small share of all vehicles on the road, but they contribute to a disproportionate share of fuel consumption, greenhouse gas emissions and air pollution;

**WHEREAS** Supporting market transformation of zero-emission medium and heavy-duty goods movement vehicles and charging infrastructure is critical to achieving the State’s goals, improving local air quality and the economy, and increasing EBCE load;

**WHEREAS** EBCE desires to enter into a contract with CALSTART, to assist with the development of a zero-emission medium and heavy-duty goods movement blueprint funded through a California Energy Commission grant award; and

**WHEREAS**, CALSTART was EBCE's primary project partner in the California Energy Commission grant proposal, is familiar with the ecosystem of medium and heavy-duty goods movement vehicles in EBCE's service area, and is the only provider capable of helping EBCE perform the tasks required to achieve the goals of the grant award.

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

Section 1. The Board of Directors hereby finds that the services needed by EBCE to establish its service area as a first-mover market for medium and heavy-duty zero-emission commercial vehicles are uniquely available from CALSTART, and that it is in the best interest of EBCE to dispense with the competitive solicitation process to enter into an agreement with CALSTART, to provide such services.

Section 2. The CEO is hereby authorized to negotiate and execute a Consulting Services Agreement with CALSTART, to assist EBCE with development of a zero-emission medium and heavy-duty goods movement blueprint, in accordance with the grant award to EBCE from the California Energy Commission, that shall be effective for a term of two years, and that shall not exceed \$200,000 in total compensation.

ADOPTED AND APPROVED this 22nd day of September, 2021.

\_\_\_\_\_  
Dianne Martinez, Chair

ATTEST:

\_\_\_\_\_  
Adrian Bankhead, Clerk of the Board



## Staff Report Item 11

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

**FROM:** Jim Dorrance, Power Resources Manager

**SUBJECT:** 2020 Power Source Disclosure Annual Report and Power Content Label (Action Item)

**DATE:** September 22, 2021

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### **Recommendation**

Adopt a Resolution to accept and attest to the veracity of the 2020 Power Source Disclosure Program Annual Report (PSDR) and the 2020 Power Content Label (PCL).

### **Background and Discussion**

#### *Background*

The California State Legislature passed Senate Bill (SB) 1305 in 1997, establishing the Power Source Disclosure Program in order to provide retail electricity consumers “accurate, reliable, and simple to understand information on the sources of energy that are used to provide electric services.” Assembly Bill (AB) 162, adopted in 2009, modified the reporting requirements of SB 1305. AB 162 requires all retail suppliers of electricity in California (CA) to disclose the sources of the electricity they sell to customers using reporting formats developed by the California Energy Commission (CEC). In 2016, AB 1110 was passed which further modified the PSDR reporting requirements, including among other things, changes to reporting for unbundled Renewable Energy Credits (RECs) and requiring retail sellers to disclose the greenhouse gas (GHG) emissions factor associated with each electricity portfolio. The CEC updated the regulations implementing SB 1305, AB 162, and AB 1100 effective May 2020.

For each year’s filing, East Bay Community Energy (EBCE) is required to 1) submit an Annual Report (the PSDR) to the CEC detailing its actual resource mix for the previous calendar year, and 2) provide an annual PCL to customers and the CEC showing the percentage breakdown by resource type by October 1st.

Under the CEC’s regulations, private retail electricity suppliers must engage an auditor to verify the accuracy and completeness of data submitted to the CEC in the PSDR; however, public agencies are allowed to provide a self-attestation. Therefore, to fulfill its Power Source Disclosure Program reporting obligations for 2020, EBCE must provide the CEC with the Board’s attestation to the veracity of the PSDR and PCL.

*Power Source Disclosure Report and Power Content Label*

Each year EBCE reports electricity purchases and retail sales to the CEC through the PSDR. The PSDR contains a breakdown of energy purchases over a calendar year for each retail plan and is counted as a percent of total sales by source. The CEC uses these reports from each electricity retail seller serving load in CA to generate a total CA system power mix by source.

In addition, EBCE discloses to its customers the power mix for each retail plan alongside the CA power mix on the PCL. The PCL allows customers to compare their power content to the total California power mix and to other electricity providers and is provided to customers through a mailer and posted on the EBCE webpage.

**Table 1: EBCE’s 2020 Power Content Label data**

<b>2020 POWER CONTENT LABEL</b>				
<b>ENERGY RESOURCES</b>	<b>Renewable 100</b>	<b>Brilliant 100</b>	<b>Bright Choice</b>	<b>2020 CA Power Mix</b>
<b>Eligible Renewable</b>	<b>100%</b>	<b>33%</b>	<b>40%</b>	<b>33%</b>
<b>Biomass &amp; Biowaste</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>
<b>Geothermal</b>	<b>0%</b>	<b>0%</b>	<b>3%</b>	<b>5%</b>
<b>Eligible Hydroelectric</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>1%</b>
<b>Solar</b>	<b>50%</b>	<b>16%</b>	<b>14%</b>	<b>13%</b>
<b>Wind</b>	<b>50%</b>	<b>16%</b>	<b>19%</b>	<b>11%</b>
<b>Coal</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>3%</b>
<b>Large Hydroelectric</b>	<b>0%</b>	<b>67%</b>	<b>14%</b>	<b>12%</b>
<b>Natural Gas</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>37%</b>
<b>Nuclear</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>9%</b>
<b>Other</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Unspecified sources of power</b>	<b>0%</b>	<b>0%</b>	<b>45%</b>	<b>5%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*Greenhouse Gas Emissions*

AB 1110 and the CEC’s regulations modified the Power Source Disclosure Program and PCL by requiring electricity suppliers to disclose the GHG emissions intensity associated with its electricity sources for the previous calendar year. In previous years, EBCE used The Climate Registry (TCR) for our emissions calculation and reporting. However, effective with this year’s submission, EBCE and other retail sellers are required to use the GHG emissions calculation methodology set forth in the regulations and can only report or market their GHG emissions factor through the PCL and not on any third party platform.



The methodology for reporting GHG emissions through AB 1110 differs from EBCE's previous reporting in The Climate Registry (TCR). The most significant change is the application of the associated GHG emissions from firm and shaped Renewable Energy Credit (REC) purchases, also known as Portfolio Content Category (PCC) 2 RECs. PCC2 RECs are a California Renewable Portfolio Standard (RPS) renewable product that includes bundled energy that is not from the same source as the REC. The GHG emissions factor reported on this year's PCL includes emissions for the bundled energy of the PCC2 RECs which, regardless of source in our current contract structure, are given an equivalent emissions factor equal to unspecified power. Using PCC2 RECs as renewable content is an accepted practice within the RPS regulations and EBCE will continue to purchase these products to satisfy our renewable commitment to our customers.

In addition to asking the Board to accept the 2020 PSDR and PCL, this report presents the emissions factor for Bright Choice from 2020 that also appears on the PCL.

**EBCE 2020 Bright Choice Emissions Factor:  
590.6 lb-CO<sub>2</sub>e/MWh**

Due to the reporting changes for emissions from AB 1110 and changes to power content targets, EBCE has reported a material year over year increase in the emissions factor for the Bright Choice retail plan. Under our current retail plan design both the Renewable 100 and Brilliant 100 products are emissions free. The emissions from Bright Choice will decrease over time as we move towards carbon free content by 2030.

### *Methodology*

In preparing the PSDR, staff populates the template with electricity purchases from generation that occurred during the calendar year. Delivered RECs are tracked using the Western Renewable Energy Generation Information System (WREGIS), and carbon free purchases including electricity from Large Hydroelectric generation is tracked using either meter data or E-tags. The E-tags trace the generation from the source to the delivery location. All the purchased generation is compared against invoices for accuracy, and retail sales are counted using the settlement quality meter data from our accounting service which is EBCE's system of record for sales. The complete PSDR is then reviewed internally to ensure accuracy in reporting prior to submission to the CEC.

### **Fiscal Impact**

There are no fiscal impacts in accepting and attesting to the veracity of the 2020 Power Source Disclosure Annual Report and the 2020 Power Content Label.

### **Attachments**

- A. Resolution of the Board of Directors of East Bay Community Energy Accepting and Attesting to the 2020 Power Source Disclosure Annual Report and the 2019 Power Content Label
- B. 2020 Power Source Disclosure Reports - Schedule 3
- C. 2020 Power Content Label
- D. Presentation of Power Source Disclosure Report and Power Content Label

**RESOLUTION NO. XX**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO ACCEPT AND ATTEST TO**  
**THE VERACITY OF THE 2020 POWER SOURCE DISCLOSURE PROGRAM ANNUAL**  
**REPORT AND THE 2020 POWER CONTENT LABEL**

**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** The California State Legislature passed Senate Bill (SB) 1305 in 1997, and in 2009 passed Assembly Bill (AB) 162, which modified the reporting requirements of SB 1305. AB 162 requires all retail suppliers of electricity in California to disclose the sources of the electricity they sell to customers using reporting formats developed by the California Energy Commission.

**WHEREAS** In 2016, AB 1110 was passed which further modified the Power Source Disclosure Reporting requirements.

**WHEREAS** California Code of Regulations, title 20, section 1394.2(a)(2), as modified by the California Energy Commission in May 2020, allows the Board of Directors of a retail supplier of electricity that is a public agency to attest to the veracity of the information contained in the Power Source Disclosure Annual Report and Power Content Label to fulfill the audit requirement for each retail product.

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

Section 1. The Board of Directors accepts and attests to the veracity of the 2020 Power Source Disclosure Annual Report and the 2020 Power Content Label.

ADOPTED AND APPROVED this 22nd day of September 2021.

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Dianne Martinez, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

**2020 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 3: POWER CONTENT LABEL DATA**  
**For the Year Ending December 31, 2020**  
**East Bay Community Energy**  
**Bright Choice**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	1,961,877	39.6%
Biomass & Biowaste	95,132	1.9%
Geothermal	148,801	3.0%
Eligible Hydroelectric	79,277	1.6%
Solar	696,398	14.1%
Wind	942,270	19.0%
Coal	-	0.0%
Large Hydroelectric	716,622	14.5%
Natural gas	6,003	0.1%
Nuclear	43,572	0.9%
Other	9,681	0.2%
Unspecified Power	2,213,325	44.7%
<b>Total</b>	<b>4,951,081</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>4,951,081</b>
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<b>GHG Emissions Intensity (converted to lbs CO<sub>2</sub>e/MWh)</b>	<b>591</b>
-----------------------------------------------------------------------	------------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>0.0%</b>
---------------------------------------------------------------------	-------------

**2020 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 3: POWER CONTENT LABEL DATA**  
**For the Year Ending December 31, 2020**  
**East Bay Community Energy**  
**Brilliant 100**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	285,822	33.0%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	-	0.0%
Solar	142,911	16.5%
Wind	142,910	16.5%
Coal	-	0.0%
Large Hydroelectric	580,915	67.0%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	-	0.0%
<b>Total</b>	<b>866,737</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>866,737</b>
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<b>GHG Emissions Intensity (converted to lbs CO<sub>2</sub>e/MWh)</b>	<b>-</b>
-----------------------------------------------------------------------	----------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>0.0%</b>
---------------------------------------------------------------------	-------------

**2020 POWER SOURCE DISCLOSURE ANNUAL REPORT**  
**SCHEDULE 3: POWER CONTENT LABEL DATA**  
**For the Year Ending December 31, 2020**  
**East Bay Community Energy**  
**Renewable 100**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	60,063	100.0%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	-	0.0%
Solar	30,032	50.0%
Wind	30,031	50.0%
Coal	-	0.0%
Large Hydroelectric	-	0.0%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	-	0.0%
<b>Total</b>	<b>60,063</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>60,063</b>
---------------------------------	---------------

<b>GHG Emissions Intensity (converted to lbs CO<sub>2</sub>e/MWh)</b>	<b>-</b>
-----------------------------------------------------------------------	----------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>0.0%</b>
---------------------------------------------------------------------	-------------

2020 POWER CONTENT LABEL								
East Bay Community Energy								
www.ebce.org/documents-and-resources								
Greenhouse Gas Emissions Intensity (lbs CO <sub>2</sub> e/MWh)				Energy Resources	Bright Choice	Brilliant 100	Renewable 100	2020 CA Power Mix
Bright Choice	Brilliant 100	Renewable 100	2020 CA Utility Average	<b>Eligible Renewable<sup>1</sup></b>	<b>39.6%</b>	<b>33.0%</b>	<b>100.0%</b>	<b>33.1%</b>
<b>590.601646</b>	<b>0</b>	<b>0</b>	<b>466</b>	Biomass & Biowaste	1.9%	0.0%	0.0%	2.5%
<p>1000 800 600 400 200 0</p> <p>■ Bright Choice ■ Brilliant 100 ■ Renewable 100 ■ 2020 CA Utility Average</p>				Geothermal	3.0%	0.0%	0.0%	4.9%
				Eligible Hydroelectric	1.6%	0.0%	0.0%	1.4%
				Solar	14.1%	16.5%	50.0%	13.2%
				Wind	19.0%	16.5%	50.0%	11.1%
				<b>Coal</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>2.7%</b>
				<b>Large Hydroelectric</b>	<b>14.5%</b>	<b>67.0%</b>	<b>0.0%</b>	<b>12.2%</b>
				<b>Natural Gas</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>37.1%</b>
				<b>Nuclear</b>	<b>0.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>9.3%</b>
				<b>Other</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>
				<b>Unspecified Power<sup>2</sup></b>	<b>44.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.4%</b>
				<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Percentage of Retail Sales Covered by Retired Unbundled RECs<sup>3</sup>:</b>					<b>0%</b>	<b>0%</b>	<b>0%</b>	
<p><sup>1</sup>The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p><sup>2</sup>Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p><sup>3</sup>Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p>								
For specific information about this electricity portfolio, contact:					<b>East Bay Community Energy</b> <b>Phone: (833) 699 - 3223</b>			
For general information about the Power Content Label, visit:					<a href="http://www.energy.ca.gov/pcl/">http://www.energy.ca.gov/pcl/</a>			
For additional questions, please contact the California Energy Commission at:					Toll-free in California: 844-454-2906 Outside California: 916-653-0237			

SEPTEMBER 22, 2021

# 2020 Power Source Disclosure Annual Report and Power Content Label





# Overview

- What is the Power Source Disclosure Program
- How is the Power Source Disclosure Report (PSDR) prepared
- What is the Power Content Label (PCL)
- Emissions
- 2020 Power Content

# Power Source Disclosure Program

- All electricity providers in CA are required to submit annual report
- The annual report discloses all electricity purchases for a calendar year
- Reported as MWh by source as a percent of total retail sales
- Submitted to the California Energy Commission annually

# PSDR Preparation

Review CY Data

Data Verification

Populate PSDR Templates

Internal Review

Submission



- RECs
- Carbon Free
- Retail sales by plan
  - WREGIS
  - Meter Data, E-Tags
  - Invoices
  - Contracts
- Input by generation source
- Purchased MWh as % of sales
- Individual templates for each plan
  - Content Check
  - Executive and Marketing review
- Submit to the CEC

# Power Content Label

- Required annual disclosure to customers, sent by mail
- Contains the power mix for each retail plan and the total CA system power mix
- Allows customers to compare their power content to the total CA power mix and to other electricity providers
- Discloses Emissions from retail plans
- The PCL will be mailed to customers by the end of September

# Emissions - Assembly Bill (AB) 1110

- Regulations modifying power content and emissions reporting
- Requires retail sellers to:
  - New methodology for calculating emissions
    - Includes emissions from PCC 2 purchases for the bundled energy
  - Report and market emissions on the PCL and not use other platforms to disclose emissions (Exp. TCR)
- Does not impact Renewable 100 or Brilliant 100 which are emission free

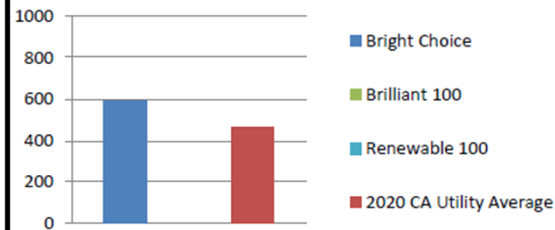
# Emissions - Scenarios

## Emissions reporting under different scenarios

- Emissions Factor as report on PCL
  - ❖ 590.6 MT-CO<sup>2</sup>/MWh
- Emissions Factor without emissions counted from PCC2s
  - ❖ 427.7 MT-CO<sup>2</sup>/MWh
- Emissions Factor if Nuclear Allocation was accepted in 2020
  - ❖ 323.8 MT-CO<sup>2</sup>/MWh
- Emissions Factor if Nuclear Allocation was accepted and without emissions counted from PCC2s
  - ❖ 160.9 MT-CO<sup>2</sup>/MWh

# 2020 Power Content Label

2020 POWER CONTENT LABEL								
East Bay Community Energy								
www.ebce.org/documents-and-resources								
Greenhouse Gas Emissions Intensity (lbs CO <sub>2</sub> e/MWh)				Energy Resources	Bright Choice	Brilliant 100	Renewable 100	2020 CA Power Mix
Bright Choice	Brilliant 100	Renewable 100	2020 CA Utility Average	Eligible Renewable <sup>1</sup>	39.6%	33.0%	100.0%	33.1%
590.601646	0	0	466	Biomass & Biowaste	1.9%	0.0%	0.0%	2.5%
				Geothermal	3.0%	0.0%	0.0%	4.9%
				Eligible Hydroelectric	1.6%	0.0%	0.0%	1.4%
				Solar	14.1%	16.5%	50.0%	13.2%
				Wind	19.0%	16.5%	50.0%	11.1%
				Coal	0.0%	0.0%	0.0%	2.7%
				Large Hydroelectric	14.5%	67.0%	0.0%	12.2%
				Natural Gas	0.1%	0.0%	0.0%	37.1%
				Nuclear	0.9%	0.0%	0.0%	9.3%
				Other	0.2%	0.0%	0.0%	0.2%
				Unspecified Power <sup>2</sup>	44.7%	0.0%	0.0%	5.4%
				<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Percentage of Retail Sales Covered by Retired Unbundled RECs<sup>3</sup>:</b>					<b>0%</b>	<b>0%</b>	<b>0%</b>	
<p><sup>1</sup>The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p><sup>2</sup>Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p><sup>3</sup>Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p>								
For specific information about this electricity portfolio, contact:					<b>East Bay Community Energy</b>			
					Phone: (833) 699 - 3223			
For general information about the Power Content Label, visit:					<a href="http://www.energy.ca.gov/pcl/">http://www.energy.ca.gov/pcl/</a>			
For additional questions, please contact the California Energy Commission at:					Toll-free in California: 844-454-2906			
					Outside California: 916-653-0237			



# Questions?

Thank You

Jim Dorrance

Power Resources Manager







## CEO Report Item 12

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Nick Chaset, Chief Executive Officer  
**SUBJECT:** CEO Report (Informational Item)  
**DATE:** September 22, 2021

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### **Recommendation**

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

### **Marketing Regulatory and Legislative Subcommittee Meeting**

A Marketing, Regulatory and Legislative Subcommittee meeting was held on Friday, September 10. Members received an update on regulatory items of interest to EBCE and an overview of Marketing and Account Services' activities over the next six months. The next Marketing, Regulatory and Legislative Subcommittee meeting will be held on Friday, October 8 at 12pm.

### **Finance, Administration and Procurement Subcommittee Meeting**

A Finance, Administrative and Procurement Subcommittee meeting was held on Friday, September 10. Members received an update of the status of the audit and a review of past performance of energy hedges and current forecasted hedge levels. The next Finance, Administrative and Procurement Subcommittee meeting will be held on Friday, November 12 at 12pm.

### **California Community Choice Financing Authority**

The California Community Choice Financing Authority (CCCFA) held meetings on Friday, July 22, 2021 and August 26, 2021. At the July 22 meeting, Members authorized the issuance of bonds to finance the acquisition of a long-term supply of electricity for Marin Clean Energy. At the August 26 meeting, Members authorized the issuance of bonds to finance the acquisition of a long-term supply of electricity for EBCE and SVCE. The next CCCFA meeting will be held on Thursday, October 28 at 1pm.

### **New Staff**

Lori Dynes, Marketing Programs Manager - 9/13/2021  
Sopha Collins, Intern - 9/13/2021  
Celine Lerouder, Intern - 9/13/2021



## Staff Report Item 14

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

**FROM:** Alex DiGiorgio, Public Engagement Manager

**SUBJECT:** Request to Change the Default Rate Product for Certain Customers in the City of San Leandro to *Renewable 100* (Action Item)

**DATE:** September 22, 2021

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### Recommendation

Adopt a Resolution directing staff to make the necessary arrangements to change the default service to *Renewable 100* for certain customers in the City of San Leandro consistent with the request of its City Council 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 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.

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.

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, Hayward, and Pleasanton adopted Resolutions in June and July of 2021 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. 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	January 2022 (residential and commercial customers)

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. 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>1</sup> According to this Policy, requests by EBCE member-jurisdictions to change their 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

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<sup>1</sup> EBCE’s Default Rate Product Change Policy was approved by the Board of Directors on March 17, 2021.

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).

More recently, at its meeting on September 7, 2021, the City of San Leandro’s City Council likewise adopted a Resolution 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. As was the case in Berkeley, *Bright Choice* has been the default rate product for residential and commercial customers in San Leandro. Consequently, San Leandro’s City Council Resolution requested its *Renewable 100* default rate product transition to occur along the same timeline as the City of Berkeley’s (i.e., residential customers transition in March 2022; and commercial customers transition in October 2022).

As is the case in Albany, Berkeley, Hayward, and Pleasanton, electricity customers in San Leandro 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 and San Leandro). 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*.

EBCE’s Board of Directors approved the default rate product change requests of Albany, Berkeley, Hayward, and Pleasanton at its meeting on July 21, 2021. Assuming the Board approves San Leandro’s request, the approved default rate transitions are summarized as follows:

**January 2022**

Current EBCE Product	Albany	Dublin (residential only)	Hayward	Pleasanton	All other jurisdictions
<b>Bright Choice</b>	Bright Choice	Renewable 100	Bright Choice	Bright Choice	Bright Choice
<b>Brilliant 100</b>	Renewable 100	Renewable 100	Renewable 100	Renewable 100	Bright Choice

<b>Renewable 100</b>	Renewable 100	Renewable 100	Renewable 100	Renewable 100	Renewable 100
<b>CARE/FERA default</b>	Bright Choice	Bright Choice	Bright Choice	Bright Choice	Bright Choice

### Berkeley and San Leandro

Current EBCE Product	Residential (Mar-22)	Commercial (Oct-22)
	Product will transition to:	
<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

### Analysis & Discussion

As with Albany, Berkeley, Hayward, and Pleasanton, successfully implementing San Leandro’s default rate product transition 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>2</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 San Leandro, as well as with those of the other five cities undertaking similar default rate product transitions.

### 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 City of San Leandro.

<sup>2</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.

- B. Resolution No. 2021-496 of the San Leandro City Council to Selecting Renewable 100 as the Default Product for San Leandro Customers Served by East Bay Community Energy (unsigned)

**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 CITY OF SAN LEANDRO**

**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 September 7, 2021, the City Council for the City of San Leandro adopted a Resolution requesting the EBCE Board of Directors change the default product for its residential and commercial customers to Renewable 100, with the change for residential customers becoming effective in March 2022 and commercial customer in October 2022;

**WHEREAS**, the Resolution adopted by the City Council of the City of San Leandro requests 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 City of San Leandro 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 request from the City of San Leandro; 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. Customers in San Leandro participating in CARE, FERA, and the Medical Baseline Allowance programs will remain on the Bright Choice service.

Section 3. All customers in San Leandro are to be given an option to opt down to Bright Choice or to opt out as provided by law.

**ADOPTED AND APPROVED** this 22<sup>nd</sup> day of September 2021.

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Dianne Martinez, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board



**RESOLUTION THE CITY COUNCIL OF THE CITY OF SAN LEANDRO**

**RESOLUTION NO. 2021-132**

**RESOLUTION OF THE CITY OF SAN LEANDRO CITY COUNCIL SELECTING RENEWABLE 100 AS THE DEFAULT PRODUCT FOR SAN LEANDRO CUSTOMERS SERVED BY EAST BAY COMMUNITY ENERGY**

**WHEREAS**, the San Leandro City Council demonstrates its commitment to an environmentally sustainable future through its policy goals and actions, including energy reduction, clean energy programs, and the expansion of local renewable power supply; and

**WHEREAS**, in November 2016, the City of San Leandro City Council adopted Resolution No. 2016-160 authorizing San Leandro's participation in Alameda County's Community Choice Energy program known as East Bay Community Energy (EBCE); and

**WHEREAS**, in June 2006, the City Council adopted GHG emissions targets of 20% below 2005 levels by 2020 and in May 2019, adopted new targets of 40% below 2005 levels by 2030 and 80% below 2005 levels by 2050; and

**WHEREAS**, on February 20, 2018, the City of San Leandro City Council received a presentation from East Bay Community Energy and approved the default rate for residential and commercial/industrial customers would be Bright Choice, and for municipal accounts it would be Brilliant 100; and

**WHEREAS**, the City of San Leandro's updated 2050 Climate Action Plan (CAP) was adopted by the San Leandro City Council on July 19, 2021; and

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

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

**WHEREAS**, it is in the public interest to position citywide 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. If approved, this would cost the average homeowner approximately four dollars per month and the average commercial customer 17 dollars per month more than current electricity rates; and

**WHEREAS**, San Leandro customers that are income-qualified and enrolled in the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline programs will remain at the Bright Choice rate; and

**WHEREAS**, San Leandro EBCE 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 altogether.

**NOW, THEREFORE**, the City Council of the City of San Leandro hereby **RESOLVES** to provide the following preference for the default products for San Leandro residential, commercial/industrial, and CARE/FERA/Medical Baseline accounts:

1. Residential - *Renewable 100* (effective March 2022)
2. Commercial/industrial - *Renewable 100* (effective October 2022)
3. CARE/FERA/Medical Baseline - *Bright Choice*

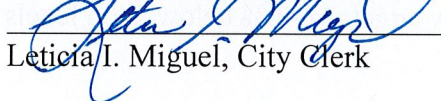
Introduced by Councilmember Lopez and passed and adopted this 7<sup>th</sup> day of September 2021, by the following vote:

Members of the Council:

AYES: Councilmembers Aguilar, Azevedo, Ballew, Cox, Lopez, Simon, Mayor Cutter (7)

NOES: None (0)

ABSENT: None (0)

ATTEST:   
Leticia I. Miguel, City Clerk



## Staff Report Item 15

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

**FROM:** Beckie Menten, Program Manager, Building Electrification and Energy Efficiency

**SUBJECT:** Program to Support and Scale Low to Moderate Income Building Electrification and Efficiency

**DATE:** September 22, 2021

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### **Recommendation**

Receive an update on plans to develop a Low to Moderate Income Electrification Program.

### **Background and Discussion**

Electrification of both the transportation infrastructure and our buildings has been identified as the most cost-effective pathway to achieving our decarbonization goals in California<sup>1</sup>. Replacing gas consuming appliances in our buildings with high-efficiency electric alternatives reduces overall energy demand, improves the health and safety of buildings, and supports grid-integrated buildings which can better suit the intermittent nature of a highly renewable grid<sup>2</sup>. Electrification is a key priority of both East Bay Community Energy as well as the State of California.

Frontline communities need to be centered in this transition away from natural gas infrastructure. Frontline communities are more likely to be located in areas of high environmental pollution, resulting in poor air quality and associated health impacts.

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<sup>1</sup> "Deep Decarbonization in a High Renewables Future." Mahone, et al. [https://www.ethree.com/wp-content/uploads/2018/06/Deep\\_Decarbonization\\_in\\_a\\_High\\_Renewables\\_Future\\_CEC-500-2018-012-1.pdf](https://www.ethree.com/wp-content/uploads/2018/06/Deep_Decarbonization_in_a_High_Renewables_Future_CEC-500-2018-012-1.pdf)

<sup>2</sup> Electric appliances can be responsive, enabling an increase or decrease in consumption to match the availability of renewable energy content.

These residents have traditionally had fewer opportunities to participate in clean energy programs, in spite of paying equal amounts towards these programs through their utility rates<sup>3</sup>. As more customers transition away from natural gas infrastructure, the remaining pool of gas ratepayers will be shouldered with the costs of maintaining the distribution infrastructure, potentially resulting in rate increases. Cost considerations aren't the only concern with building electrification - new research is connecting the combustion of fossil fuels in homes with harmful indoor air quality, even linking gas stoves with increased rates of asthma. Further, these impacts have been shown to disproportionately impact lower-income populations<sup>4</sup>. Ensuring that low to moderate income (LMI) communities are prioritized in the transition away from natural gas infrastructure will help protect these customers groups from potential future rate increases while also ensuring they are first in line to receive cleaner, healthier, more efficient buildings.

The need to prioritize LMI communities is especially acute in EBCE's service area. Nine point eight percent (9.8%) of EBCE's customers live in a "disadvantaged community" (DAC) a specification designed by CalEPA to identify communities disproportionately impacted by a combination of lower income and environmental pollution. Twenty two percent (22%) of EBCE's residential customers are on the CARE rate. Thirty two percent (32%) of Alameda County residents are foreign born, with forty-five percent (45%) of our customers speaking a language other than English at home. Finally, forty-six and a half percent (46.5%) of our customers rent their homes, meaning they will have less control over building decisions.

Moderate income communities are also a priority. Income qualified programs offered by California agencies, such as the no-cost Energy Savings Assistance Program, limit participation to customers whose income is 200% of the federal poverty level or less. For a 4-person household, this equates to an annual income of \$53,000. Many customers our service area may be interested in participating in programs, but do not have the cash on hand to cover the cost of a project, even with the presence of incentives. These customers also frequently do not qualify for the income assistance programs. Moderate income customers have been identified as the most likely to perform home improvement projects if given access to capital.<sup>5</sup> While they may not

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<sup>3</sup> Greenlining Institute. "Equitable Building Electrification: A Framework for Powering Resilient Communities." [https://greenlining.org/wp-content/uploads/2019/10/Greenlining\\_EquitableElectrification\\_Report\\_2019\\_WEB.pdf](https://greenlining.org/wp-content/uploads/2019/10/Greenlining_EquitableElectrification_Report_2019_WEB.pdf)

<sup>4</sup> Seals, Brady. "Indoor Air Pollution: the Link between Climate and Health." <https://rmi.org/indoor-air-pollution-the-link-between-climate-and-health/>

<sup>5</sup> Zimring, Mark et al. "Scaling Energy Efficiency in the Heart of the Residential Market: Increasing Middle America's Access to Capital for Energy Improvements." <https://eta-publications.lbl.gov/sites/default/files/mi-policybrief-3-6-2012.pdf>

need as much assistance as lower income customers, they should be provided with a pathway to implement building upgrades if these programs are to scale.

### **Introduction to BlocPower and Description of Opportunity**

BlocPower is a black-owned, clean tech company that was founded in 2014. Their focus is greening residential and commercial buildings with an emphasis on LMI communities. BlocPower functions as an ESCO-style program, offering no-upfront cost solutions for customers, allowing them to amortize the project over 10-15 year terms. BlocPower has developed a technology platform which greatly reduces the administrative costs associated with project implementation, including energy assessments and financing, helping to reduce overall project cost to participants. BlocPower is backed by key bay area investors, and partners with Revalue, a local black-owned energy efficiency contractor, to implement their projects. BlocPower approaches projects with a comprehensive lens, blending all available subsidy and incentive dollars on behalf of participants, focusing on health and affordability outcomes in addition to energy savings, and identifying opportunities for workforce development. Since their founding in 2012, BlocPower has completed projects in nearly 1,000 buildings, saving customers 20-40% on their energy bills.

EBCE has an opportunity to provide project capital to BlocPower, offering a scaleable solution for LMI electrification in our service area. EBCE project capital will directly fund LMI electrification for our customers. BlocPower has proposed that EBCE invest \$1 million in the junior capital position at a 5.5% interest rate. In the junior capital position, EBCE will incur losses on any defaults that are larger than what can be covered through BlocPower's operating reserves and will be compensated at a higher interest rate relative to the senior capital position. EBCE's investment will be leveraged by the entirety of BlocPower's financing stack so the cumulative investment for EBCE LMI customers will be up to \$5 million in projects. Additionally, by accepting the junior capital position, EBCE will reduce the risk of investment in BlocPower's portfolio, helping to reduce the interest rate offered to customers by 100-200 basis points (a 1-2% reduction in the customers interest rate.)

Providing project capital to BlocPower not only offers additional capital specifically to EBCE customers, it also has the potential to continually refresh ensuring an ongoing source of funding for local programs. EBCE's initial investment of \$1M will be repaid at 5.5% interest starting at year 1, less any defaults (currently estimated at 0.75% of the portfolio annually.) The interest earned on this investment will provide funding for Local Programs to continue re-investing in the community.

EBCE staff is also proposing that the project capital investment to BlocPower be supplemented with additional incentive dollars to offset the cost of projects. While no upfront cost solutions are an important component of increasing accessibility to building upgrades, the overall costs of these projects can be significant. Many retrofit projects uncover additional non-energy costs, such as electric panel upgrades or health and safety measures, for which there are no subsidy or incentive dollars available. To keep financing costs as close as possible to anticipated bill reductions, thereby reducing the potential risk of default, EBCE recommends additional incentive dollars be available to project participants. EBCE is recommending that incentives be scaled based on income level, such that upfront energy measure costs for low-income participants stay capped at 20% of the total costs, and energy measure costs for moderate income participants stay at 60% of total.

To consider whether this is an appropriate opportunity for EBCE, staff has reviewed a comparison of the potential risks and benefits of participating in this program (Table 1). The key question centers around the opportunity cost for EBCE’s dollars and the associated value proposition of us participating. In other words, is our investment in BlocPower providing benefits that would not otherwise be available to our customers, and how do those benefits compare to what we could accomplish directly or via another pathway? Given the uniqueness of BlocPower’s program, the highly leveraged capital, and the low modeled risk of default, EBCE staff finds this a prudent and valuable opportunity. EBCE is also exploring the potential to secure our investment via a loan loss reserve or loan guarantee through California’s iBank (administered locally via the Bay Area Air Quality Management District.) Staff are currently in discussion with BAAQMD to determine if this is viable and expect to have an update by the October Board Meeting.

Table 1. Potential Risks and Benefits of Investment Proposal

Potential Risks	Potential Benefits
Potential 1-2% loss on EBCE’s investment	Scaled electrification of a hard to reach population
Low program participation / slow ramp up	Highly leveraged investment
Funds could be used elsewhere	Higher return on investment relative to leaving money in savings account
Sole implementor leaves us exposed to poor performance / delivery	Sustainable model (i.e. fund refresh allows for continued program activity without ongoing investment from EBCE ratepayers)
	Electrification represents a new source of revenue for EBCE

### **Sole Source Justification**

BlocPower offers a unique opportunity that aligns with EBCE's goals. They are backed by local investment and partner with local firms for implementation, ensuring investment will support economic development within EBCE's service area. They are unique in the market; there are no other companies that EBCE is aware of that offer a no-upfront cost solution for building electrification that is targeted to low and moderate income residents. Finally, EBCE's investment will be leveraged 4:1 against BlocPower's existing financing stack.

### **Fiscal Impact**

EBCE staff are proposing a \$1 million investment in BlocPower and an additional \$400,000 in incentive dollars for customer projects. \$650,000 of this funding would be sources from this year's Local Programs budget. (\$400,000 were budgeted for LMI electrification incentives specifically, and another \$250,000 were allocated by the Board of Directors specifically for use in low-income programs.) The remaining \$750,000 will be allocated from the upcoming FY 2022/2023 programs budget. Interest payments on this investment will be re-invested in Local Programs. Additionally, EBCE anticipates additional revenue associated with the electrification of homes. Finally, this funding would be leveraged with 4:1 with BlocPower's portfolio.

The program will be managed by existing staff.

SEPTEMBER 2021

# Low to Moderate Income Electrification and Efficiency





# EBCE's Customer Base



# Benefits of Electrification

- **Clean and Healthy**
  - Combustion of natural gas in homes has been linked to negative air quality impacts
  - Electric appliances can be powered by renewable energy
- **Affordability**
  - Combination of energy efficiency and electrification can help reduce energy costs
  - Protection against future rate increases



# Accessible Program to Center Frontline Communities

Attachment Staff Report Item 15A

- **No upfront cash solution**
  - Rebate programs don't work for many customers
- **Ensure frontline communities are first to participate in electrification**
  - Threat of future rate increases means frontline communities need to be focus of electrification
  - Health benefits of electrification should be delivered to DAC



# EBCE Investing in LMI Communities

- \$1.4 Million Investment in EBCE's Frontline Communities
  - \$1 million in junior debt for project capital to reduce customer rate by 1-2%
  - \$400,000 in incentives for homes
  - Target of covering 80% of energy costs for low income (CARE customers)
  - No money down service agreements
- Highly leveraged investment
  - EBCE capital will be leveraged 4:1
  - Incentives stacked with other available incentives (BayREN, TECH)



# BlocPower Financing Electrifies Homes



## About BlocPower

- Black-owned clean tech company founded in 2014
- Focused on greening residential and commercial buildings in the US, particularly in Low and Moderate Income (LMI) neighborhoods
- Gas-to-electrification technology building conversions (air source heat pumps, hot water, etc.), including energy efficiency and remediations
- Built a tech platform to speed up energy assessments and financing, lowering project development costs by 50%+
- Backed by Bay Area's top investors





# Electrification addresses health equity as well as environmental justice



## HEPA Filters & UVC Lights

Smart Electric ASHP heating & cooling equipment (HVAC) that uses HEPA filters and UVC lights. Mini-split heating systems are the only systems that treat contaminated and unhealthy air before circulating.



## Proper Air Ventilation

Proper ventilation is key to reducing the spread of disease + reducing chronic asthma. Mini-split heating systems use low velocity air circulation, allowing air to be cleansed without blowing infected air at others.



## No Money Down

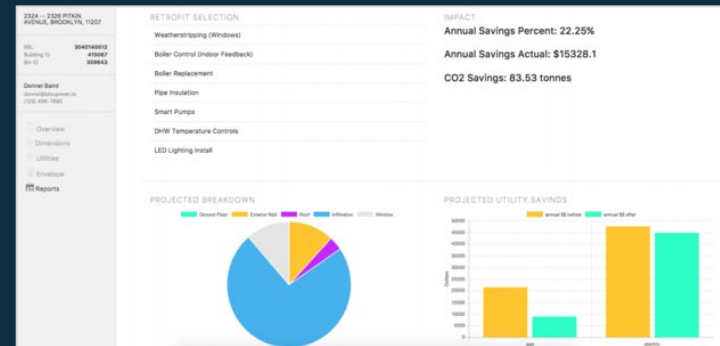
BlocPower offers energy equipment as-a-service. Full installation and maintenance of smart, money-saving, healthy equipment. These projects are generally cash-flow positive from day one.



# Financing Model Key to Projects, especially for LMI

- \$0 Down
- 15 year term, maintenance & repairs included
- Guaranteed to function for term
- Creditworthiness based on utility bill payment history, not FICO score
- No lien on the property (UCC-1 fixture filing for security)

BlocPower	
Borough: MANHATTAN Zipcode: 10029 Address List 151 EAST 110 STREET 1775 LEXINGTON AVENUE	
BBL: 1016380023 Building ID: 25313 Biri: 1052178 Targeting: 75.67	
Dimensions Utilities Envelope Reports	
Project Economics	
Estimated Cost	\$67,089.00
Overall Savings	45.0 %
First Year Savings	\$10,912.78
Simple Payback	6.15 Years
Self Finance Amount	\$0.00
Minimum Savings DSCR	1.31x
Minimum Net Operating Income DSCR	3.34x
Minimum Cash DSCR	2.72x



# Workforce development key pillar of community investment



Pictured: Reymon Lacheaux, homeowner (above); worker with Eco Options (below)  
Source: Elemental

## It's always about living-wage Jobs

Workforce development is a key component of sharing the value created by the clean energy economy with those in need of meaningful, living wage jobs. Customers have made it clear how much they value that we are putting local Oakland trainees in community-based contractor pools, where they can learn skills to support their growth and their families' well-being.

## Opportunity for individuals

In partnership with Cypress Mandela, Revalue has developed a program to place graduates with a local pool of minority/women-owned contracting businesses such as Eco Options  
*"Each of [our workers] transitioned to EE work from other trades, after extended challenges with un/under employment, and are very eager to grow with ECO and the industry."*

- Dahlia Moodie, Energy Conservation Options

## Extensive on-the-ground program learnings

We make mistakes, and need to make allowances for how newly trained workers will need more supervision and training on the job. We need to protect people to minimize risk of COVID exposure and must accept reasonable trade offs in completion rates to support this. Ongoing and professional communications with building owners are key to retaining trust through these challenges



# Summary and Next Steps

- **\$1.4 million Total Investment**
  - \$1 M in project capital at 5.5% interest rate
  - \$400,000 in incentives targeted to CARE customers
- **Program Budgeting**
  - \$500k allocated for LMI investment in FY'22 Local Programs budget
  - \$250k allocated by BOD for investment in frontline communities (June 2021)
  - \$650k to be allocated to LMI Electrification in FY'23 budget
- **Sole Source with BlocPower**
  - BlocPower's "electrification-as-a-service" approach and focus on LMI communities is unique in the market
  - BlocPower will leverage local contractors to provide electrification and energy efficiency to 70 EBCE customers
- **EBCE staff will bring as an action item to October Board Meeting**

# Thank You!



Questions? Give us a call:  
1-833-699-EBCE (3223)



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