Community Advisory Committee Meeting
Monday, April 15, 2023
6:00 pm

In Person:
The Lake Merritt Room
Cal State East Bay - the Oakland Center
In the Transpacific Centre
1000 Broadway, Suite 109
Oakland, CA 94607

Or from the following locations:

- 3602 Thornton Ave, Fremont, CA 94536
- Starbucks - 20663 Rustic Dr. Castro Valley, CA 94546
- Sister Cities Gallery - 835 E 14th Street San Leandro CA 94577

Via Zoom:
https://us02web.zoom.us/j/84794506189

Or join by phone:
Dial(for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or +1 301 715 8592 or +1 312 626 6799 or 877 853 5257 (Toll Free)
Webinar ID: 847 9450 6189

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@ebce.org.

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

C1. Welcome & Roll Call

C2. Public Comment

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

C3. Approval of Minutes from April 15, 2023

C4. CAC Chair Report

- Community Grants Public Meeting – June 7, 2023
- Community Letter (attached)

C5. Draft FY 2023-24 Budget (CAC Informational Item)
Review the draft budget for the next fiscal year

C6. Legislative Update (CAC Action Item)
Update on recommended bill positions and EBCE's bill tracker

C7. Load Management Standards Interim Compliance Plan (CAC Action Item)
Requesting Board approval of an interim compliance plan for the California Energy Commission's Load Management Standards

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

C9. Adjournment to Tuesday, June 20, 2023 at 6:00 pm

Revised Draft Minutes
Community Advisory Committee Meeting
Monday, April 17, 2023
6:00 pm

In Person:
The Lake Merritt Room
Cal State East Bay - the Oakland Center
In the Transpacific Centre
1000 Broadway, Suite 109
Oakland, CA 94607

Or from the following locations:

- 4563 Meyer Park Circle, Fremont, CA 94536
- 3602 Thornton Ave, Fremont, CA 94536
- Starbucks - 20663 Rustic Dr. Castro Valley, CA 94546

Via Zoom:
https://us02web.zoom.us/j/84794506189

Or join by phone:
Dial(for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or +1 301 715 8592 or +1 312 626 6799 or 877 853 5257 (Toll Free)
Webinar ID: 847 9450 6189

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@ebce.org.

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

C1. Welcome & Roll Call
Present: Members Landry, Liu, Swaminathan, Lakshman, Souza, Lutz, Vice Chair Hernandez and Chair Eldred.

Excused: Members Hu, Talreja, Pacheco and Kaur.

Presenters and Staff:
Marie Fontenot – EBCE staff
Izzy Carson – EBCE staff
JP Ross – EBCE staff
Annie Henderson – EBCE staff
Theresa McDermit – EBCE staff
Raïssa Ngoma (Assistant Clerk)
Adrian Bankhead (Clerk)

C2. Public Comment

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

Travis Gibrael praised EBCE for its efforts in developing a virtual power plant using solar and storage technologies. Travis Gibrael also initiated a conversation with EBCE about investing in a similar program that focuses on equity and supports resilience in the most marginalized communities within EBCE's service territory.

Van Rainey commended EBCE for its efforts implementing microgrids and urged that the agency considers introducing microgrids and solar storage to local school districts.

Vaughn suggested that EBCE funds a program that assists lower income communities in investing in solar energy storage to build community independence and resilience.

Lawrence Abbott proposed that EBCE explore meter collar adapters as a new cost-effective technology for residents in homes with limited electrical panel capacity. The device controls the flow of electricity from the meter to the collar and eventually to the main panel.

Jessica Tovar inquired about EBCE's net energy metering incentive and requested EBCE's support in resourcing microgrids to provide greener energy and to build wealth in local communities.

Tom Kelly recommended that EBCE expand to local school districts for battery installs to enable schools to operate longer during power outages.

C3. Approval of Minutes from March 13, 2023

Member Landry motioned to approve the minutes. Member Lutz seconded the motion which passed 8/0.

Excused: Members Hu, Talreja, Pacheco and Kaur.

C4. CAC Chair Report

Chair Eldred reported that:

- Member Kate Duggan has stepped down from the CAC. She was the alternate for the East jurisdiction.
- The Ninth Circuit overturned Berkeley's gas ban, which will impact electrification efforts in member cities.
- The Center for Biological Diversity has an available resource called "Rooftop Solar Justice" that assists in expanding rooftop solar.
- The Energy Council Stop Waste Cooperative Agreement Amendment, Treasury Report, Supplier Diversity Report Overview, and an additional resolution for the CEO to negotiate a new headquarters location are items reserved for future board meetings.
- The CPUC has prolonged Stockton's start date as the new member of EBCE's JPA. Chair Eldred encouraged staff and members of the public to advocate for Stockton to change its start date to make greenhouse gas emission reduction goals in time.

Tom Kelly supported the CPUC's decision to delay Stockton's enrollment in EBCE's JPA. Tom Kelly claimed that unless Stockton enrolls all its residents in renewable 100, its emissions would increase five times PG&E's current amount.

Jessica Tovar expressed frustration regarding the lack of investment in local communities. Jessica Tovar also questioned whether the CPUC has a process to bar a city from joining a Community Choice Program, as it appeared that the city of Tracy did not receive the same consideration.

Tom Kelly stated that the CPUC pushed back on Stockton's enrollment date due to EBCE's failure to adhere to resource adequacy obligations. Tom Kelly also noted that the CPUC's website disclosed that EBCE was fined over $6 million since 2019 for failure to meet those obligations.

C5. Emissions Overview (CAC Informational Item)

Informational Overview on Emissions

The Committee Discussed:

- The comparison of EBCE to PG&E based on carbon dioxide equivalents per megawatt hour.
- The need for staff to provide an intelligible overview of how EBCE compares to PG&E and other CCAs based on default product.

Blair Beekman acknowledged EBCE's effort to be transparent and encouraged staff to continue in that venture especially pertaining to nuclear content.

Tom Kelly requested that EBCE provides an in-depth analysis on the difference in power prices among all CCAs. Tom Kelly also suggested that the decision to purchase power remain with the board.

Lawrence Abbott expressed that EBCE should investigate solar panels as they are cost-effective and would align with EBCE's mission to lead on low price clean energy.

C6. Resolution to Authorize CEO to Negotiate and Execute Loan to Forum Mobility for Heavy Duty Vehicle Electrification (CAC Action Item)
Requesting the board to delegate authority to the EBCE CEO to complete negotiations and sign the contract.

The Committee Discussed:

- Whether EBCE is managing or financing the project.
- The committee praised staff for the creativity of the project and encouraged an increase in electrification capacity in the years to come.

Blair Beekman acknowledged EBCE's efforts to include lower income neighborhoods in the electrification process and wished EBCE good luck with its vehicle electrification endeavor.

Member Hernandez motioned to authorize EBCE CEO to negotiate and execute loan to Forum Mobility for Heavy Duty Vehicle Electrification. Member Lutz seconded the motion which passed 7/0.

Excused: Members Hu, Talreja, Pacheco and Kaur.

Member Lakshman left the meeting at 8pm.

C7. EBCE Brand Evolution and Name Exploration (CAC Informational Item)
Brief overview of background and name ideation process

<u>The Committee Discussed:</u>

- The committee commended EBCE staff for the clear presentation and recommended that EBCE's purpose and geographical location be considered for the new name.

Blair Beekman complimented the presentation for its clear language and encouraged EBCE to continue with its effort to be more accountable and transparent especially concerning energy usage.

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

- **Member Landry** asked that EBCE further research meter collars, net energy meter incentives, and the potential expansion of microgrids in school districts.
- **Member Landry** asked EBCE staff to return with an update on emissions overview in 6 months.

C9. Adjournment to Monday, May 15, 2023 at 6:00 pm

Department of Energy Grid Deployment Office
Office of Clean Energy Demonstrations
Date: 5/19/23

Attn: Maria Robinson

As the chair of the East Bay Community Energy (EBCE) Community Advisory Committee (CAC), I am pleased to commit to the success of Power Up the People, EBCE's initiative to deploy microgrids across our member's critical infrastructure. This project will improve grid reliability, enhance community resilience, and create economic opportunities for our residents.

The CAC is a diverse body selected based on location, population, work experience, and community interest. We serve as the liaison between key stakeholders and the EBCE Board of Directors and give the community a voice in its choice for electricity services, clean energy resource investments, and local energy projects. We advise the Board on choices that affect lives within the community, in particular:

Jobs, economic development and workforce training

Community resiliency

Social equity and local investment

The CAC pays close attention to the impacts of projects and programs on community resilience and social equity, particularly in low-income communities and communities of color. As such, we are committed to ensuring that Power Up the People uses climate action to address long-term equity issues and support a Just Transition to a carbon-free economy.

In addition to driving our clean energy future, Power Up the People will serve as a model for other municipalities and institutions. As the largest Community Choice Aggregator in Northern California, EBCE is ideally positioned to disseminate information about the project and share expertise to ensure this program lessons can inform action beyond our own member communities.

The CAC is committed to bringing our expertise and experience to the project and sharing information about Power Up the People with other stakeholders.

Thank you,

Anne Olivia Eldred
Chair

CAC Item C5

Staff Report Item 16

TO: East Bay Community Energy Board of Supervisors

FROM: **Nick Chaset, CEO**

SUBJECT: **Draft EBCE Budget Fiscal Year 2023-2024 (Informational Item)**

DATE: May 17, 2023

Recommendation

Receive and review the draft budget for fiscal year 2023-2024.

Background and Discussion

EBCE's fiscal year is from July 1 through June 30. Staff is presenting a proposed draft budget for fiscal year 2023-2024.

This budget presents changes to EBCE's value proposition by recommending an increase from 3% to 5% discount relative to PG&E rates for EBCE's Bright Choice product and decreasing the premium of the Renewable 100 product from $0.0075 to $0.0025.

This budget also presents a large net position surplus as a base-case scenario. Staff is recommending a method to manage this surplus to increase EBCE's value to the community through four processes:

1. Significant contributions to working capital and reserves to ensure agency solvency in the event of possible risk contingencies
2. Increase value proposition customer discount and establish on-bill credits as levels of net position surplus are realized through the year
3. Increase in carbon free energy procurement with short and long-term investments
4. Meaningful increases to Local Development programs

This presented budget is based on feedback from a draft version presented at the Executive Committee on May 3, 2023. The budget outlines staff's best expected estimates for costs and revenues anticipated for the next fiscal year based on load, market prices, and PCIA charges. Due to these updates, the numbers in this draft may differ from those presented at the Executive Committee meeting.

Summary of Draft EBCE Budget FY 2023-2024

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
OPERATING ACTIVITY			
REVENUE & OTHER SOURCES			
GASB 62 Unrecognized Revenue Balance	15,814,000	15,814,000	15,814,000
Operating Revenue			
Electricity Sales	953,323,000	792,009,000	873,457,000
Uncollectables	(12,054,000)	(15,840,000)	(17,469,000)
Other Operations Revenue	(6,642,000)	(6,229,000)	9,658,000
Total Operating Revenue	**934,627,000**	**769,940,000**	**865,646,000**
EXPENSES & OTHER USES			
Energy Operating Expenses			
Cost of Energy	683,883,000	523,996,000	654,987,000
Energy Operating Services	11,230,000	11,245,000	11,270,000
Total Energy Operating Expenses	**695,113,000**	**535,241,000**	**666,257,000**
Overhead Operating Expenses			
Personnel	21,911,000	15,711,000	13,317,000
Marketing & Communications	5,303,000	2,824,000	2,073,000
Legal, Policy, & Regulatory Affairs	3,459,000	2,411,000	1,603,000
Other Professional Services	2,555,000	2,293,000	1,302,000
General & Administrative	5,711,000	4,007,000	3,563,000
Depreciation	360,000	180,000	158,000
Total Overhead Operating Expenses	**39,299,000**	**27,426,000**	**22,016,000**
NON-OPERATING ACTIVITY			
NON-OPERATING REVENUE			
Interest Income	1,680,000	261,000	1,561,000
Grants	0	0	1,100,000
Other Non-Operating Revenue	48,000	15,000	160,000
Total Non-Operating Revenue	**1,728,000**	**276,000**	**2,821,000**
NON-OPERATING EXPENSES			
Borrowing Interest	1,650,000	1,440,000	587,000
Local Development Funding	22,500,000	22,550,000	22,550,000
Grant	0	0	0
Capital Expenditures	500,000	7,000,000	717,000
Total Non-Operating Expenses	**24,650,000**	**30,990,000**	**23,854,000**
TOTAL EXPENSES	**759,062,000**	**593,657,000**	**712,127,000**
NET INCREASE(DECREASE) IN POSITION	**177,293,000**	**176,559,000**	**156,340,000**
RESERVE BALANCE			
Beginning Reserve Balance*	230,873,000	155,873,000	155,873,000
Operating Target (50%)	**367,206,000**	**281,334,000**	**281,334,000**

*Expected value after FY 2022-23 contribution

Fiscal Impact

This establishes the forecast of EBCE's fiscal position for the next 12 months with a positive net position.

Attachments

A. Presentation of the Draft EBCE Budget FY 2023-2024

Attachment Staff Report Item 16A

MAY 17, 2023

Draft Budget Review for Fiscal Year 2023-2024

PRESENTED BY:

NICK CHASET, CEO

EAST BAY COMMUNITY ENERGY

Executive Summary

- In the face of rising energy costs, EBCE is able to continue to serve our local community and customers with cost competitive & cleaner energy while providing local jobs and equitable programs.
- Rates are up and PCIA is down, driven by a historic increase in market energy prices starting in 2021 and forecasted to persist in 2023-2024.
- With EBCE rates indexed to PG&E rates, we are forecasting significant headroom to operate and a strong financial surplus.
- Draft budget includes the following:
    - Significant contributions to working capital and reserves
    - Improvements to the Value Proposition (increased discount and bill credits)
    - Increased carbon free energy procurement targets
    - Meaningful contribution to local development budget
    - Expand on staff expertise, build more depth, and scale operations further

EAST BAY COMMUNITY ENERGY

Summary Draft Budget for Fiscal Year 2021-2022

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
OPERATING ACTIVITY			
REVENUE & OTHER SOURCES			
GASB 62 Unrecognized Revenue Balance	15,814,000	15,814,000	15,814,000
Total Operating Revenue	**934,627,000**	**769,940,000**	**865,646,000**
EXPENSES & OTHER USES			
Energy Operating Expenses			
Cost of Energy	683,883,000	523,996,000	654,987,000
Energy Operating Services	11,230,000	11,245,000	11,270,000
Total Energy Operating Expenses	**695,113,000**	**535,241,000**	**666,257,000**
Total Overhead Operating Expenses	**39,299,000**	**27,426,000**	**22,016,000**
NON-OPERATING ACTIVITY			
Total Non-Operating Revenue	**1,728,000**	**276,000**	**2,821,000**
Total Non-Operating Expenses	**24,650,000**	**30,990,000**	**23,854,000**
TOTAL EXPENSES	**759,062,000**	**593,657,000**	**712,127,000**
NET INCREASE(DECREASE) IN POSITION	**177,293,000**	**176,559,000**	**156,340,000**
RESERVE BALANCE			
Beginning Reserve Balance*	230,873,000	155,873,000	155,873,000
Operating Target (50%)	**367,206,000**	**281,334,000**	**281,334,000**

*Expected value after FY 2022-23 contribution

Notes:

YTD* reflects actuals through Feb 28, 2023

EST are most current projections as of April 26, 2023

Net Position through FY Feb 28, 2023: $57.7MM

EAST BAY COMMUNITY ENERGY

Draft Budget: Base Case Assumptions

Revenues

- Increase to customer value proposition by
  - Bright Choice from 3% to 5% discount to PG&E
  - R100 from $0.0075 to $0.0025 above PG&E
  - Estimated revenue reduction of $23.2MM
- $50 bill credit applied to all CARE & FERA customers inQ1/Q2, totaling an estimated $6.6MM in one time bill savings
- Assumes current rates and PCIA are unchanged through 2023
- Rates and PCIA for 2024 are non-stressed, or as forecasted, energy rates
- 1.5% uncollectable rate for 2023, then 1.0% for 2024
- No recognition of GASB 62 revenue ($15,814,000)
- Non-operating revenue assumes 2.5% interest earned on treasury backed cash balance accounts

Energy Costs

- Costs are derived from a blend of contracted and open positions for all energy, attributes, and RA
  - Open prices are non-stressed, mean forecasted
- Carbon free energy (which can include either RE or CO2-free) is above recent board approved targets by 10% above EBCEs
  - 2023: CF 66% --> 71% (FY 22/23 5% increase) --> 76%
  - 2024: CF 71% --> 81%
  - Adds between $3.6 and $21MM to costs
  - Each one 1% increases costs between $720,000 and $4MM

Other Costs

- Adding incremental staff of 15 FTE
- $2.6MM increase in Marketing for re-branding campaign
- $2MM increase in G&A to account for increased staff requirements
- Significant Program funding maintained at $21MM

Draft Budget: Carbon Free Procurement

Year	Bright Choice				CA-RPS %
	Renewable %	Carbon Free %	TCR*-Emission Factor	PSDR-Emission Factor	Renewable %
2018	41%	87%	101	n/a	29%
2019	60%	85%	135	n/a	31%
2020	40%	54%	n/a	580	33%
2021	41%	55%	n/a	577	36%
2022	45%	63%	n/a	566	39%
2023	49%	66%	n/a	521	41%
2024	52%	71%	n/a	455	44%
2025	56%	76%	n/a	387	47%
2026	60%	81%	n/a	315	49%
2027	64%	85%	n/a	241	52%
2028	67%	90%	n/a	163	55%
2029	71%	95%	n/a	83	57%
2030	75%	100%	n/a	-	60%

Variation in the Renewable/Carbon Free targets

- April 2022, the Board approved the "Path to Zero by 2030" for the Bright Choice product shown in the table to the left
  - Carbon Free percentages reflect renewable energy and large hydro energy
- June 2022, the Board approved 5% increases to the carbon free targets for calendar years 2022 and 2023, effectively increasing both renewable and carbon free targets
- This year, staff is proposing an additional increase in carbon free procurement that would result in an additional 5% increase in 2023 and 10% in 2024 targets
  - 2023: Carbon Free 66% --> 71% (22/23) --> 76%
  - 2024: Carbon Free 71% --> 81%

EAST BAY COMMUNITY ENERGY

Draft Budget: Carbon Free Procurement Options

Variation in the Renewable/Carbon Free targets

- Recommendation to increase the total carbon free target of the Bright Choice product by 10% for 2023 and 2024 above the annual targets set in 2022
    - Current targets for both years are 71% retail load

- Staff is requesting flexibility to achieve the proposed increases by sourcing from either Renewable or carbon free/large hydro resources in light of a highly constrained and volatile market

- Each increase of carbon free procurement of 5% has an expected cost impact of between $3.6-21MM depending on the product type

Calendar Year	**2023**	**2024**
Current Carbon Free Targets	71%	71%
Proposed Increases for FY 2024	5%	10%
Proposed Carbon Free Targets	76%	81%

EAST BAY COMMUNITY ENERGY

Draft Budget: Proposed Surplus Allocations

Net Position Estimated at $177.3MM*

Proposed Budget Surplus Waterfall Allocation:

1) Working Capital Needs: $50MM**

2) Reserve Account Funding: $100MM**

3) 50/50% split of any excess to:***

   - Incremental Long-Term Renewable Energy/Clean Energy Storage Investments: ~$13.7MM
   - One-time On-Bill Credits to Customers: ~$13.7MM

**Assumes 50/50 split between RE and Large Hydro for added carbon free*
***Allocations to be made after the end of the fiscal period ending June 30, 2024*
****Assuming a budget surplus that is materially consistent with this forecast, staff would plan for an even allocation. Formal action would be brought forth to the board to formally adopt prior to, or in conjunction with, the presentation of the audit in October of 2024. This timing would allow for staff to have exact knowledge of available surplus.*

EAST BAY COMMUNITY ENERGY

Draft Budget: On-Bill Credit Average Allocations

Average for Each Account	**Residential**		**Total EBCE Wide**	
	Bright Choice	Renewable 100	Bright Choice	Renewable 100
Current Avg Savings (Premium) to PG&E	$20.48	($34.00)	$40.99	($87.64)
Each 1% BC or 0.25c R100 change	6.51	10.88	13.01	27.96
5% BC and 0.25c R100	33.51	(12.24)	67.00	(31.73)
On Bill Credit	9.23	9.23	20.08	20.08
Total Annual Savings (Premium)	42.74	(3.01)	87.08	(11.65)

- Current annual average savings and premiums paid at the 3% discount for Bright Choice and the 0.75c premium on Renewable 100 products for residential customers are shown above
- Savings for each 1% discount with Bright Choice or decrease of 0.25c in premium for Renewable 100 is also shown
  - Total EBCE wide customer savings per 1% discount with Bright Choice is about $6.6MM
  - Total EBCE wide customer savings per 0.25c decrease in Renewable 100 premium is about $5.0MM
- With both the discount and the On-Bill credit at the end of the year, on average residential accounts would
  - Save $42.74 for Bright Choice
  - Pay $3.01 premium for Renewable 100
- **Total Customer Savings** = Adjustment to Value Proposition + On-Bill Credits = $23.2MM + $13.7MM = **$36.9MM**

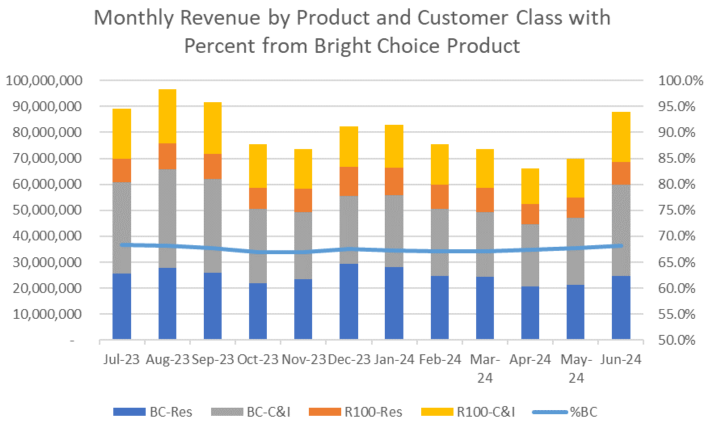
Base methodology for the On-Bill Credit: *Dividend = Individual annual kWh x (Total Surplus)/(Total annual kWh)*

EAST BAY COMMUNITY ENERGY

Draft Budget: Operating Revenues

Attachment Staff Report Item 16A

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
REVENUE & OTHER SOURCES			
GASB 62 Unrecognized Revenue Balance	15,814,000	15,814,000	15,814,000
Operating Revenue			
Electricity Sales	953,323,000	792,009,000	873,457,000
Uncollectables	(12,054,000)	(15,840,000)	(17,469,000)
Other Operations Revenue	(6,642,000)	(6,229,000)	9,658,000
Total Operating Revenue	**934,627,000**	**769,940,000**	**865,646,000**



- Increase to value proposition
  - Bright Choice from 3% to 5% discount to PG&E
  - Renewable 100 from $0.0075 to $0.0025 above PG&E
  - $50 bill credit to all CARE & FERA customers in July-Sept 2022, shown as Other Operations Revenue reduction
- Assumes current rates and PCIA are unchanged through 2023
- Rates and PCIA for 2024 are non-stressed, or as expected, energy rates
- 1.5% uncollectable rate for rest of 2023 and 1.0% for 2024
- No recognition of GASB 62 revenue ($15,814,000)
- Current Year Other Operations Revenue is damages received from counterparties

EAST BAY COMMUNITY ENERGY

Draft Budget: Overview of Expenses

Attachment Staff Report Item 16A

	FY 2023-24 DRAFT BUDGET	% Cost
EXPENSES & OTHER USES		
Energy Operating Expenses		
Cost of Energy	683,883,000	*90.1%*
Energy Operating Services	11,230,000	*1.5%*
Total Energy Operating Expenses	**695,113,000**	*91.6%*
Overhead Operating Expenses		
Personnel	21,911,000	*2.9%*
Marketing & Communications	5,303,000	*0.7%*
Legal, Policy, & Regulatory Affairs	3,459,000	*0.5%*
Other Professional Services	2,555,000	*0.3%*
General & Administrative	5,711,000	*0.8%*
Depreciation	360,000	*0.0%*
Total Overhead Operating Expenses	**39,299,000**	*5.2%*
Total Operating Expenses	**734,412,000**	
NON-OPERATING EXPENSES		
Borrowing Interest	1,650,000	*0.2%*
Local Development Funding	22,500,000	*3.0%*
Grant	0	
Capital Expenditures	500,000	*0.1%*
Total Non-Operating Expenses	**24,650,000**	*3.2%*
TOTAL EXPENSES	**759,062,000**	*100.0%*

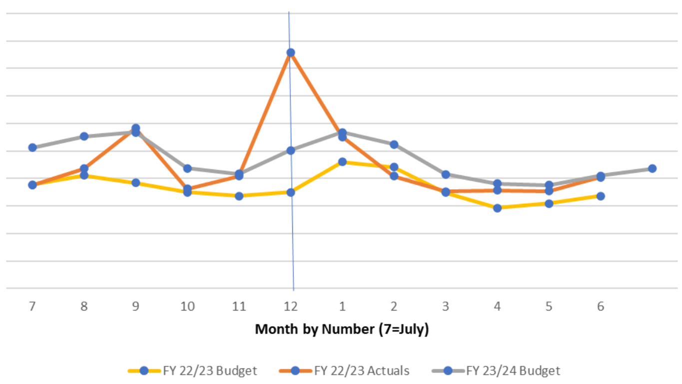
- Expenses are divided into three overall cost center categories:
- **Energy Operations** which includes all energy, energy attributes, and ancillary related costs and the services required to managing energy and attributes, such as scheduling, data management, and customer billing
  - This category comprises more than 90% of EBCE's total expenses
- **Overhead Operations** which includes all personnel and staffing needs as well as work function cost centers required to manage the organization at large
- **Non-Operating Expenses** which are all capital and capital transfer related costs

EAST BAY COMMUNITY ENERGY

Draft Budget: Energy Expenses

Attachment Staff Report Item 16A

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
Energy Operating Expenses			
Cost of Energy	683,883,000	523,996,000	654,987,000
Data Management/Customer Service	7,777,000	7,834,000	7,859,000
PG&E Service Fees (Billing/Metering)	2,722,000	2,715,000	2,711,000
CAISO Scheduling Coordinator	731,000	696,000	700,000
Total Energy Operating Expenses	**695,113,000**	**535,241,000**	**666,257,000**



Energy Costs

- Costs are derived from a blend of contracted and open positions for all energy, attributes, and RA
  - Open prices are non-stressed, or as forecasted
  - FY 23/24 overall price projections are about on parr with FY 22/23 actuals on average
  - Most materially significant increase for FY 23/24 is with RECs and capacity charges
- Carbon free energy is above recent board approved targets by 5% for calendar 2023 and 10% for 2024 Bright Choice targets
  - 2023: CF 66% --> 71% (22/23) --> 76%
  - 2024: CF 71% --> 81%
  - Adds up to $21MM costs
- Note: We are still in a period of historically high energy pricing and significant uncertainty/volatility
  - Forecasted market energy costs in 2023 and 2024 are approximately double the historical 10-year average and has persisted since 2021

EAST BAY COMMUNITY ENERGY

Draft Budget: Overhead Expenses

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
Overhead Operating Expenses			
Personnel	21,911,000	15,711,000	13,317,000
Marketing & Communications	5,303,000	2,824,000	2,073,000
Legal, Policy, & Regulatory Affairs	3,459,000	2,411,000	1,603,000
Other Professional Services	2,555,000	2,293,000	1,302,000
General & Administrative	5,711,000	4,007,000	3,563,000
Depreciation	360,000	180,000	158,000
Total Overhead Operating Expenses	**39,299,000**	**27,426,000**	**22,016,000**

Material Overhead Items for FY 23-24:

- Personnel costs will be discussed more in-depth on the next slide
- $2.5MM increase in Marketing costs is specifically driven by re-branding campaign
  - Also includes approx. $1MM of Programs related marketing costs
- $1.0MM increase in Legal, Policy, & Regulatory affairs is due to a couple of factors
  - Membership expansion (Stockton)
  - Additional volume of consulting/vendor agreements and power contracts
- Larger staffing demand, from Personnel costs, increases in Professional Services with HR/recruiting and additional project support
- Increase to G&A is also directly related to increase in staffing with software subscriptions, membership dues, equipment, office space, insurance, and the like
- Depreciation increases due to new building

EAST BAY COMMUNITY ENERGY

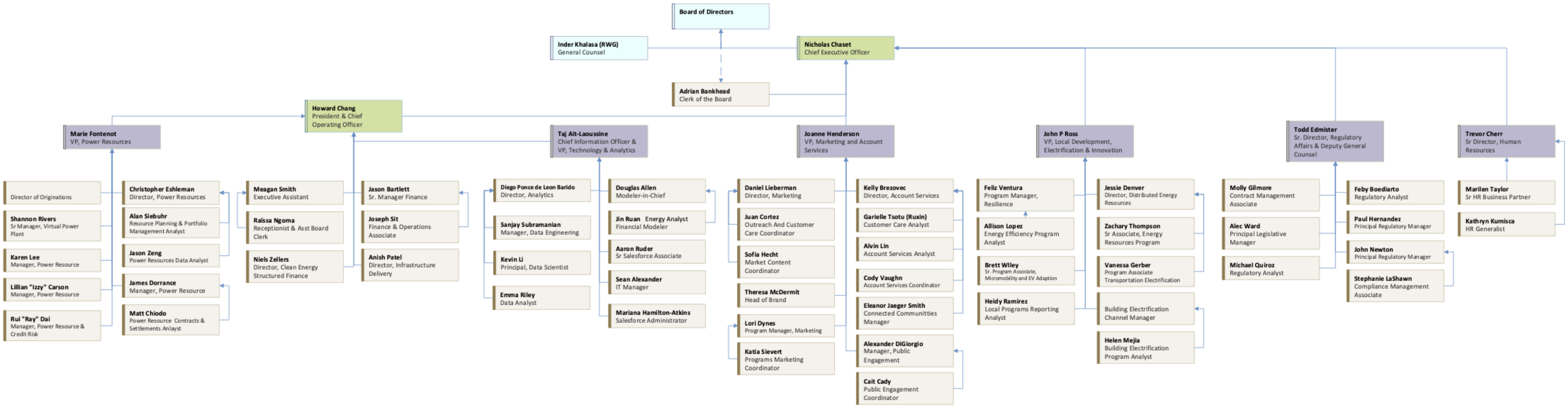
Draft Budget: Overhead Expenses—Personnel

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
PERSONNEL			
Salaries & Wages	16,587,000	11,598,000	9,747,000
Retirement	2,058,000	1,544,000	1,340,000
Health Care/Benefits	2,893,000	2,292,000	864,000
Payroll Expenses	373,000	277,000	169,000
Total	21,911,000	15,711,000	12,120,000

- **FY 2021-22 Budget** was initially approved at 43 FTE and expanded mid-year to 49
  - 2.5% COLA and up to 5% merit-based/promotional compensation allotted
  - Currently at 45 FTE and interviewing for an additional 4 roles
- **FY 2022-23 Budget** was increased to 68 FTE to accommodate additional work requirements in all areas. Additional headcount will expand on internal expertise/skills, build more depth, and scale operations:
  - 3.5% COLA and up to 10% merit-based/promotional compensation pool
  - 5 Marketing, 4 Local Programs, 3 Operations, 3 Technology, 2 Power Resources, 2 Legal
- **FY 2023-24 Budget** seeks and additional 15 FTE to accommodate additional work requirements in all areas. Additional headcount will expand on internal expertise/skills, build more depth, and scale operations:
  - 3.5% COLA and up to 10% merit-based/promotional compensation pool
  - 3 Marketing, 2 Local Programs, 2 Operations, 2 Technology, 3 Power Resources, 3 Legal

Draft Budget: Organization Chart

Attachment Staff Report Item 16A



EAST BAY COMMUNITY ENERGY

Draft Budget: Open Position Count

- # of New Roles to budget for next FY: 15
  - Add 2 carry-over roles from FY 22-23, so **17 Total**

Team	**# of New Roles**
Data & Tech	2
MAS	3
Operations, Admin & Finance	2 +1
Power Resources	3
Programs	3 +1
Public Policy	2
Total New Roles:	*15 + 2 (17)*

EAST BAY COMMUNITY ENERGY

Draft Budget: New Positions

Attachment Staff Report Item 16A

Team	Position Title (Draft)	Position Level	Desired Start	Comp Band	$ Low (Base)	$ High (Base)	$ Mid (Base)
Data & Tech	IT HelpDesk Associate	Associate	Q2 (Oct - Dec 2023)	4	$117,597	$133,400	$125,498
Data & Tech	Junior Data Engineer	Analyst	Q3 (Jan - Mar 2024)	3	$89,597	$117,596	$103,596
MAS	Graphic Designer & Content Developer	Associate	Q1 (Jul - Sep 2023)	4	$117,597	$133,400	$125,498
MAS	Copywriter	Associate	Q1 (Jul - Sep 2023)	4	$117,597	$133,400	$125,498
MAS	Manager, Customer Experience	Manager/Principal	Q3 (Jan - Mar 2024)	6	$151,319	$167,170	$159,245
Operations, Admin & Finance	Sr. Mgr / Mgr, Structured Finance (TBD)	Sr Manager/Sr Principal	Q2 (Oct - Dec 2023)	7	$167,171	$190,393	$178,782
Operations, Admin & Finance	Finance Associate	Associate	Q2 (Oct - Dec 2023)	4	$117,597	$133,400	$125,498
Operations, Admin & Finance	*Coordinator, Ops & Admin (Carry-over from last yr)*	*Coordinator*	*Q1 (Jul - Sep 2023)*	*2*	*$69,174*	*$89,596*	*$79,385*
Power Resources	Contract Manager	Manager/Principal	Q1 (Jul - Sep 2023)	7	$167,171	$190,393	$178,782
Power Resources	"CAISO Day Ahead Manager" Level	Manager/Principal	Q1 (Jul - Sep 2023)	7	$167,171	$190,393	$178,782
Power Resources	Settlements Manager	Manager/Principal	Q3 (Jan - Mar 2024)	7	$167,171	$190,393	$178,782
Programs	Programs Director Role	Director	Q1 (Jul - Sep 2023)	8	$190,394	$219,052	$204,723
Programs	Program Lead / Associate	Associate	Q3 (Jan - Mar 2024)	4	$117,597	$133,400	$125,498
Programs	Solar & Storage Programs / Associate	Associate	Q3 (Jan - Mar 2024)	4	$117,597	$133,400	$125,498
Programs	*Project Manager (Carry-over from last yr)*	*Sr Associate*	*Q2 (Oct - Dec 2023)*	*5*	*$133,401*	*$151,318*	*$142,360*
Public Policy	Contract Management	Manager/Principal	Q1 (Jul - Sep 2023)	6	$151,319	$167,170	$159,245
Public Policy	Regulatory Analyst	Analyst	Q2 (Oct - Dec 2023)	3	$89,597	$117,596	$103,596

Draft Budget: Overhead Expenses—Marketing & Account Services

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
Required Mailings	282,000	520,000	529,000
Advertising	2,044,000	986,000	629,000
Promotional Items	123,000	50,000	41,000
Communications	2,854,000	1,268,000	874,000
Total	5,303,000	2,824,000	2,073,000

Current Year Material Items:

Marketing has lower cost with advertising and communications consultant due to shifting in Programs related needs with Resilient Home and BlocPower campaigns

Next Year Material Items:

- Majority of increase is driven by $2.6MM allocation for our first major foray into customer facing program campaigns where we are trying to acquire customers to participate and/or use our equipment (e.g. e-Bike, DCFC stations, induction cooking and EV adoption). Additionally, EBCE's rebranding campaign will carry incremental costs beyond past year marketing spends that will pull from this allocation Included in cost items is approximately $1.0MM dedicated to Programs related marketing costs
- **Required Mailings:** Joint Rate Mailer w/ PG&E, Power Content Label, New Account Noticing
- **Advertising:** Active community presence activities, sponsorships, local events, increase due to Stockton and rebranding campaigns
- **Promotional Items:** Give away items
- **Communications:** Public relations, media, newsletters, consultants, minor software needs--**Website development from rebranding is biggest cost item at $1MM**

EAST BAY COMMUNITY ENERGY

Draft Budget: Overhead Expenses—Legal, Policy, & Regulatory Affairs

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
LEGAL AND POLICY			
Legal Consultants	3,117,000	2,135,000	1,384,000
Legislative Consultants	237,000	177,000	180,000
Other Consultants	105,000	99,000	39,000
Total	3,459,000	2,411,000	1,603,000

Current year spending was less than budgeted this year due to a delay in expected litigation expenses and unused contingency set aside

Next Year:

- **Legal Consultants:** Outside general counsel for procurement, analysis, and general operations. Increase is driven by:
  - Multiple pending and on-going litigations expenses
  - 2023 Large Clean Energy RFO
  - Implementation of numerous local development initiatives
  - Additional volume of consulting/vendor agreements and power contracts
- **Legislative Consultants:** Retainer for legislative advocacy. For this coming fiscal year, EBCE has added additional resources focused on federal affairs to support both funding and policy initiatives.
- **Other Consultants:** Policy related advising and economic consulting

EAST BAY COMMUNITY ENERGY

Draft Budget: Overhead Expenses—Other Professional Services

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
Operations	931,000	363,000	435,000
Human Resources Consulting	634,000	1,000,000	338,000
Tech Consulting	360,000	325,000	209,000
Power Resources	630,000	605,000	320,000
Total	2,555,000	2,293,000	1,302,000

Current Year Material Items:

- **HR consulting** was approximated as first year need for consulting. Hiring of HR lead has led to reduced costs with active management
- **Technology Consulting** is lower than expected with reevaluation of timeline for cost-of-service implementation
- **Power Resources** consulting lower than expected with IRP below budget

Next Year Material Items:

- **Operations:** Accounting and auditing for financial compliance, general finance, and addition of new project with treasury management consulting
- **Human Resources Consulting:** Support for additional HR demand for increased staffing recruitment, professional development, and training
- **Tech Consulting:** Technical network assistance
- **Power Resources:** Technical consulting for Power Resources, operational compliance support and other various tasks

EAST BAY COMMUNITY ENERGY

Draft Budget: Overhead Expenses—General & Administrative

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
GENERAL OPERATIONS			
Operational Expenses	1,523,000	1,039,000	1,133,000
Software, Subscriptions, SaaS	2,676,000	2,345,000	1,576,000
Small Equipment	510,000	210,000	113,000
Rent & Utilties	764,000	345,000	565,000
Conferences & Prof. Development	160,000	130,000	124,000
Board & Director Fees	78,000	50,000	52,000
Total	5,711,000	4,119,000	3,563,000

Current Year Material Items:

- **Operational Expenses** were higher than expected primarily due to inflationary increases in insurance costs and industry memberships dues
- **Software** costs were lower with delay in implementing customer portal development and battery optimization as well as data storage was under budget

Next Year Material Items:

- **Operational Expenses:** Increased staff costs related to insurance, service fees, supplies, membership dues, operational services, building maintenance, and other relevant G&A
- **Software, Subscriptions, SaaS:** Increase covers additional software needs for Finance, Power Resource, and Technology operations, as well as essential subscriptions for ongoing operations with expanded staff
- **Rent & Utilities:** Increases with office space needs due to expanded staff
- **Conferences & Professional Development:** Trainings, conferences, and related expenses
- **Board & Director Fees:** Monthly stipends and transportation reimbursements for board members

EAST BAY COMMUNITY ENERGY

Draft Budget: Non-Operating Activity

	FY 2023-24 DRAFT BUDGET	FY 2022-23 BUDGET	FY 2022-23 YTD* + EST
NON-OPERATING REVENUE			
Interest Income	1,680,000	261,000	1,561,000
Grants	0	0	1,100,000
Other Non-Operating Revenue	48,000	15,000	160,000
Total Non-Operating Revenue	**1,728,000**	**276,000**	**2,821,000**
NON-OPERATING EXPENSES			
Borrowing Interest	1,650,000	1,440,000	587,000
Local Development Funding	22,500,000	22,550,000	22,550,000
Grant	0	0	0
Capital Expenditures	500,000	7,000,000	717,000
Total Non-Operating Expenses	**24,650,000**	**30,990,000**	**23,854,000**
NET NON-OPERATING ACTIVITY	(22,922,000)	(30,714,000)	(21,033,000)

- **Non-Operational Revenue:** Interest earned on Treasury backed cash account balances (estimated at 2.5%) and BlocPower loan (5.5% on $500k)
- **Grants:** Generally only recognized against qualifying expenses as incurred, thus not projected
- **Other Non-Operational Revenue:** Rent from AT&T tower on new building
- **Borrowing Interest Expenses:** Expected costs associated with expanded credit facility
- **Local Development Funding:** Capital transfer to Local Development Fund
- **Capital Expenditures:** Moving and new equipment/furniture related to new office space

EAST BAY COMMUNITY ENERGY

Draft Budget: Local Development Fund

- 2023-2024 Local Development Fund allocation is set at $22.5MM
- Allocating budget for capital intensive infrastructure development projects
- Allocating EBCE capital to reduce cost of ownership for building and vehicle electrification
- Unspent Local Development budget carries forward year to year

LOCAL DEVELOPMENT FUND	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
BEGINNING BALANCE	36,194,914	16,626,143	10,398,245	5,201,410	0
REVENUE & OTHER SOURCES					
Transfer from Operating Fund	21,000,000	22,550,000	8,475,000	6,340,000	6,340,000
Grants/Interest	-	1,025,980	335,460	395,000	219,673
Total Revenues & Other Sources	21,000,000	23,575,980	8,810,460	6,735,000	6,559,673
EXPENSES & OTHER USES					
Actual Program Expenses		2,671,209	2,582,563	1,538,165	1,358,263
Expected Remaing Expenses	57,194,914	1,336,000	-	-	-
Total Expenses & Other Uses	57,194,914	4,007,209	2,582,563	1,538,165	1,358,263
ENDING BALANCE	-	36,194,914	16,626,143	10,398,245	5,201,410

Local Development Areas of Emphasis Budget Allocation	
Transportation Electrification	$11.75M
Building Electrification	$8.5M
Energy Efficiency	No Direct EBCE Cost
Community Resilience/VPPs	$2M
Community Grants	$0 ($4.2M allocated in FY'23)
Sponsorships/Memberships	$250k

EAST BAY COMMUNITY ENERGY

Transportation Electrification

- Transportation is the largest source of emissions of GHG and particulate matter from Light, Medium and Heavy-duty vehicles
- EBCE is developing publicly available charging infrastructure tailored to renters and low-income communities to ensure these residents can transition to EVs (currently developing the first 3 charging hubs)
- Goods movement is particularly important with Port impacts to communities and access through the territory and into the Central Valley
- EBCE will continue assisting Cities to electrify fleets; providing fleet electrification technical assistance and offering to develop and operate charging infrastructure for Cities with "Charging as a Service" product
- With more vehicle models becoming available EBCE will develop programs to facilitate the buying process and make EVs accessible across all customer income levels
- Partner with local agencies and local business to increase access to eMobility solutions
- Provide capital to reduce cost of ownership through credit enhancements across multiple vehicle classes

Transportation Electrification

- Publicly Available Fast Charging Hubs ($3.75M)
  - Funds to support EBCEs efforts to build a network of public fast chargers across the communities we serve with an emphasis on siting these chargers close to high densities of multi-family housing where home charging is often not accessible. EBCE BOD approved $30M NTE over 10 years at 11/16/22 BOD meeting
- Medium/Heavy duty project investment capital ($3M)
  - Funds to support Medium/Heavy duty vehicle electrification projects in EBCE territory
- EV adoption acceleration program with emphasis on access for low and moderate income consumers ($3M)
  - Funds to support one or more projects to accelerate EV Adoption and enroll EV drivers in manage charging programs to manage new EV electricity load with an emphasis on low and moderate income consumers
- EBCE Ride Electric Program ($2M)
  - Funding for year 2 of EBCE e-bike Lending and Incentive Program

Building Electrification

- Electrification installation network ($2M)
  - Develop an installation network of electrical contractors to deliver reasonably priced electrification upgrades to customers
  - Partner with 10-20 contractors across the territory so that customers can obtain multiple competitively priced proposals for electrical upgrades in a timely manner
  - EBCE incentive enables contractors to offer standard pricing for electrical service panel upgrades that facilitate full electrification

Electrification Workforce Training Program ($1.5M)

- Increase qualified workforce for electrification
- Provide apprenticeship stipends to enable on the job training for graduates of workforce training organizations
- Partner with electricians in the EBCE network to hire apprentices

Health-e Communities

Budget Request: $5M for first year of $15M 3-year Program

Program Summary:

- Replace 1000 – 2000+ gas stoves with induction ranges in households with children suffering from pulmonary disease (eg. asthma) with focus on low-income and disadvantaged communities
- EBCE to deliver and install induction cooktops, while partnering with health care research partner that can provide medical referrals and complete longitudinal health study

Program Development Progress

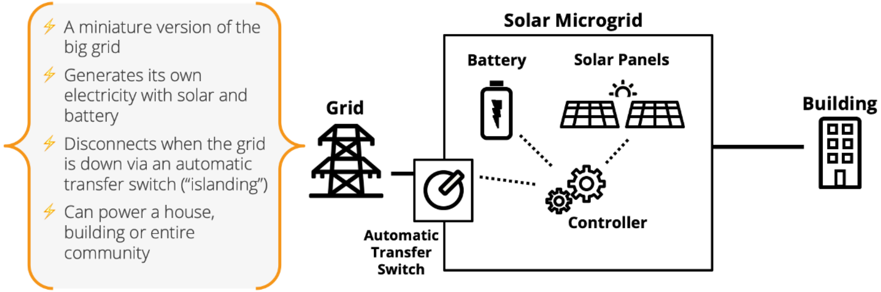
EBCE has identified a Health Care Provider with research capabilities that we are working to secure

- EBCE has secured a verbal agreement for $250k in funding to support health care partnership
- EBCE has identified several non-profit partners who can manage the health-care partnership
- EBCE is currently hiring a building electrification channel manager to develop EBCE's installation partner network

Resilience and VPPs

Budget Request, $2M to expand Community Resilience and Virtual Power Plant management capabilities

- Phase I: Berkeley, Hayward, San Leandro, Fremont
  - Contracting for 2.7 MW solar PV + 4.8 MWh storage across 29 sites ranging from fire stations to senior centers, **resulting in $25M in projects**
  - Largest procurement of its kind to date
  - Received $2M in federal funds
- Phase 2: Emeryville, Livermore, Oakland, Pleasanton
  - Developing additional ~50 resilience projects with 7.5 MW solar PV & 5.5 MWh storage, **resulting in $40M+ in projects**
- Phase 3: Albany, Piedmont...open for additional Cities
- Pursuing $35M in Federal funding to expand Resilience to school districts and other public service agencies
  - Federal funding will enable facility upgrades and electrification
- All projects will be aggregated into Virtual Power Plant to reduce EBCE procurement needs



Fremont Fire Station Microgrid

EAST BAY COMMUNITY ENERGY

Community Grant (update)

Background:

- EBCE BOD approved $4.2M in FY'23-24 budget for 3-year Community Grant Program ($1.4M/year)
- EBCE staff have developed a list of grant priorities to support EBCE Programs
- EBCE staff plans to issue first grant opportunity to increase education and awareness of induction cooking to start Summer 2023
- Staff and CAC Chair are collaborating to host a public workshop on June 7 to gather community feedback to develop additional grant funding cycles
- Proposed Grant Solicitation timing:
    - Round 1 - August 2023
    - Round 2 - January 2024
    - Round 3 - January 2025

EAST BAY COMMUNITY ENERGY

Thank You!

Questions? Give us a call:

1-833-699-EBCE (3223)

@PoweredbyEBCE

customer-support@ebce.org

Español
ebce.org/es

中文
ebce.org/cn

EAST BAY COMMUNITY ENERGY

CAC Item C6
Staff Report Item 17

TO: East Bay Community Energy Board of Directors

FROM: Alec Ward, Principal Legislative Manager

SUBJECT: **Approval of Legislative Positions (Action Item)**

DATE: May 17, 2023

Recommendation

- Receive an update on EBCE's Legislative Program document.
- Take a "support" position on Assembly Bill ("AB") 50 (Wood), AB 557 (Hart), AB 643 (Berman), and Senate Bill ("SB") 83 (Weiner), SB 410 (Becker), SB 527 (Min), SB 529 (Gonzalez).
- Take an "oppose unless amended" position on AB 1373 (Garcia).

Background and Discussion

EBCE's Legislative Program Document

In July 2018, the EBCE Board approved a Legislative Program document. It outlined general legislative principles alongside more specific public policy positions. It also gave guidance for legislative policy coordination. The Legislative Program document was last updated in 2022. It has again been updated with clarifications and edits to names/addresses. Principles and positions remain unchanged.

EBCE's updated Legislative Program document is provided for reference as an attachment to this item.

Recommended EBCE Bill Positions:

- Remote meetings - SUPPORT: AB 557 (Hart) would permit local agencies, like EBCE's board, to indefinitely continue the teleconference flexibilities given during the COVID state of emergency. The remote meeting rules, which expired at the beginning of this year, would remain the same as during the COVID state of emergency, except that local agencies now only must renew their remote meeting resolution every 45 days instead of every 30. This bill would make participation in EBCE board meetings easier for board members and the public as health concerns continue and our geography expands.

- Interconnection "shot clock" - SUPPORT: AB 50 (Wood) aims to expedite investor-owned utility (IOU) interconnection of *new and upgraded customer electrical loads*. It requires the California Public Utilities Commission (CPUC) to establish criteria for timely interconnections and to consider IOU penalties for significant delays. The IOUs must also increase the following: reporting to CPUC, updates to their distribution planning processes, and stakeholder engagement. This bill can decrease interconnection delays as customers in EBCE's territory seek interconnections for new housing, commercial projects, electric vehicle (EV) charging, and more, supporting local development and accelerating decarbonization.

- Interconnection "shot clock" - SUPPORT: AB 643 (Berman) aims to expedite IOU interconnection of *distributed energy resources (DERs)*. It requires the CPUC to establish a new proceeding to consider enforcement of DER interconnection timelines, reduce administrative burden, and provide transparency to customers. This bill can decrease interconnection delays as customers in EBCE's territory seek interconnections for new DERs including rooftop solar and storage, supporting local development and accelerating decarbonization.

- Interconnection "shot clock" - SUPPORT: SB 83 (Weiner) aims to expedite IOU interconnection of new "*development projects" such as housing and industrial facili*ties. It requires the CPUC to establish maximum time periods for the interconnection, and to enforce penalties on IOUs for missed deadlines. The IOUs must also report annually to the CPUC on development project interconnection status. This bill can decrease interconnection delays for new construction in EBCE's service territory, such as new housing, new commercial and municipal buildings, and building upgrades thereby supporting local development and accelerating decarbonization.

- Interconnection "shot clock" - SUPPORT: SB 410 (Becker) aims to expedite IOU interconnection of new housing, building upgrades, EV chargers, and other load increases. It requires the CPUC to establish maximum time periods for the interconnections and for IOUs to take remedial actions if deadlines are missed. The IOUs must also increase reporting to the CPUC and analyze their own staffing levels, making sure they are aligned with state decarbonization goals. Interconnection efforts like this bill can decrease delays as customers in EBCE's territory seek interconnections for new housing, building decarb, EV charging, and more, supporting local development and accelerating decarbonization.

- Electrification/gas phase-out program - SUPPORT: SB 527 (Min) establishes a community-scale approach to decarbonization by forming the Neighborhood Decarbonization program. In this pilot, the CPUC will identify 15 cost-effective projects throughout the state with outdated infrastructure and transition these communities to all-electric service. Furthermore, this bill authorizes a process for gas corporations to cease service if the CPUC determines that an area is better suited for electrification. This bill uses a comprehensive community-by-community approach rather than building-by-building. The bill also allocates funding for low- and moderate-income households to further advance a just, electric transition. EBCE is in a unique position to conduct zonal electrification, and this program can support our local development and building decarbonization efforts.

- EV car sharing grants - SUPPORT: SB 529 (Gonzalez) creates a grant program aimed to deploy EV car-sharing programs across the state in 100 public and low-income housing properties. The purpose of this bill is to expand EV access, especially for low-income residents, across the state to meet its ambitious goals for EV deployment. This could supplement EBCE's current work supporting EV infrastructure in low-income and disadvantaged communities, who have been historically left out in public investment. This would help achieve local development and decarbonization goals.

- Budget Change Proposal (BCP) - OPPOSE UNLESS AMENDED: AB 1373 (Garcia) AB 1373 contains several problematic changes to energy laws. The BCP would create a new Central Procurement Entity (CPE) to procure long-lead time resources like offshore wind and geothermal. The scope what this CPE could procure is too broad, and the CPE may compete with load serving entities (LSEs) like EBCE that are pursuing the same resources. EBCE staff recommends seeking amendments to focus the CPE only on projects that may not be available to LSEs due to infrastructure constraints.

  AB 1373 also proposes new penalties on LSEs who are short on resource adequacy (RA) requirements, even though the RA program already has penalties. EBCE staff recommends seeking amendments to include a penalty waiver for LSEs that are unable to comply despite their best efforts, as there is an unavoidable market-wide RA shortage.

  Lastly, AB 1373 would expand CPUC jurisdiction over local authorities like EBCE. It would expand the CPUC's jurisdiction to oversee CCAs' Integrated Resources Plans (IRPs), similar to the CPUC's current IOU oversight. EBCE currently has the autonomy to choose the mix of resources it procures to CPUC procurement requirements. CCAs have demonstrated their abilities to meet these requirements without the need for further CPUC oversight. Expanding CPUC jurisdiction over CCA procurement does nothing to accelerate achievement of the state's clean energy goals; it serves only to override local CCA authority and CCAs' ability to balance development considerations.

If amended as suggested, this bill could create a CPE that enables development of needed resources that the broader market does not reach. It could do this without unfairly penalizing LSEs making best efforts to procure RA, and without threatening EBCE's local authority. With these amendments, this bill would supporting local development, accelerate decarbonization, and stabilize community choice.

Fiscal Impact

AB 50 may result in lower cost for EBCE projects as delays are avoided.
AB 557 is unlikely to have a fiscal impact on EBCE.
AB 643 may result in lower cost for EBCE projects as delays are avoided.
SB 83 may result in lower cost for EBCE projects as delays are avoided.
SB 410 may result in lower cost for EBCE projects as delays are avoided.
SB 527 may supplement funding for our building decarbonization work.
SB 529 may supplement funding for our EV equity work.
AB 1373 may increase costs for EBCE customers as energy costs increase. If amended, it could decrease energy costs.

Attachments:

A. May 17, 2023 Legislative Update
B. EBCE Legislative Program
C. Author Fact Sheets

Attachment Staff Report Item 17A

MAY 17. 2023

Legislative Update

EAST BAY COMMUNITY ENERGY

Legislative Highlights

- Update from Weideman Group on the 2023 Legislative Year
- New Recommended Bill Positions: AB 50, AB 557, AB 643, AB 1373, SB 83, SB 410, SB 527, and SB 529

Key Deadlines for the 2023 Legislative Year

- 1/4: Legislature reconvened
- 1/10: Governor submitted budget
- 2/17: Bill introduction deadline
- 4/28: Policy cmtes to move fiscal bills to fiscal cmtes (1st house)
- 5/5: Policy cmtes to move nonfiscal bills to floor (1st house)
- 5/19: Fiscal cmtes must move bills to floor (1st house)
- 6/2: Last day for bills to be passed out of 1st house
- 6/15: Budget bill must be passed
- 7/14: Policy cmtes to meet and report bills (2nd house)
- 9/1: Fiscal cmtes to move bills to floor (2nd house)
- 9/14: Last day for each house to pass bills
- 10/14: Last day for Governor to sign/veto bills

EAST BAY COMMUNITY ENERGY

Legislature – State of Play

- Democratic super majorities
- 32 new members in the Senate and Assembly
- Energy policy already playing out to be an outsized policy theme in Senate, Assembly
- Budget deficit driving agenda
- Assembly Speaker change – July 1
- Highest number of bills introduced in over a decade
- Strained infrastructure, record snowpack in the Sierras

2023 Legislative Themes

- Clean Energy – near-term, long-term, central procurement, regionalization
- Interconnection
- Green hydrogen
- Carbon capture and sequestration
- Affordable housing and homelessness
- Budget management: multibillion-dollar budget deficit forecasted, the Governor's budget proposes reducing spending by $5.8 billion across five years from climate, resources, and environmental programs

EAST BAY COMMUNITY ENERGY

Recommended Bill Positions

Bill #	Author	Description	Sponsor(s)	Recommended EBCE Position
BUDGET TRAILER				
AB 1373	Garcia	Establishes a Central Procurement Entity for long-lead time resources, penalizes LSEs for missing RA targets, and expands CPUC control over CCA resource mix		**OPPOSE UNLESS AMENDED**
INTERCONNECTION				
AB 50	Wood	Requires CPUC to create an IOU shot-clock on interconnection for **new and upgraded load**, as well as increased reporting and transparency		**SUPPORT**
AB 643	Berman	Requires CPUC to create an IOU shot-clock on interconnection for **distributed energy resources**, consider penalties, reduce administrative burden, and increase reporting and transparency	California Solar and Storage Association (CalSSA)	**SUPPORT**
SB 83	Weiner	Requires CPUC to create an IOU shot-clock on **new development**, issue penalties for missed deadlines, and increase reporting		**SUPPORT**
SB 410	Becker	Requires CPUC to create an IOU shot-clock on interconnection for **new and upgraded load**, consider remedial actions for misses, increase reporting, and ensure adequate staffing	International Brotherhood of Electrical Workers	**SUPPORT**

EAST BAY COMMUNITY ENERGY

Recommended Bill Positions

Bill #	Author	Description	Sponsor(s)	Recommended EBCE Position
BROWN ACT				
AB 557	Hart	Permits local agencies, like EBCE's board, to indefinitely continue the teleconference flexibilities given during the COVID state of emergency	CA Special Districts Assoc., League of CA Cities, CA State Assoc. of Counties	**SUPPORT**
ELECTRIC VEHICLES				
SB 529	Gonzalez	Requires CEC to create a grant program to facilitate EV sharing services at affordable, multifamily housing properties	Los Angeles Cleantech Incubator	**SUPPORT**
BUILDING DECARBONIZATION				
SB 527	Min	Establishes an Neighborhood Zonal Decarbonization Program for 15 communities and authorizes gas corporations to cease service if the CPUC determines an area is better suited for electrification	Building Decarbonization Coalition	**SUPPORT**

EAST BAY COMMUNITY ENERGY

Next Steps

- Review and analyze new amendments
- Monitor bills on our watch list; determine when EBCE should formally take a position
- Send position letters for bills once EBCE formally takes a position
- Monitor Governor's Budget request
- Engage with CalCCA on legislative efforts

EAST BAY COMMUNITY ENERGY

Legislative Program

State and Federal Policy Priorities

E: legislative@ebce.org

ebce.org

Contents

Introduction

The East Bay Community Energy Legislative Program outlines the legislative priorities and stances of East Bay Community Energy ("EBCE") with the intent to inform customers, representatives, and policymakers of EBCE's stances on the myriad of public policies that intersect with EBCE's priorities, programs, and services. These priorities are applicable to legislation, statewide referenda, grant funding opportunities, and local ballot initiatives.

EBCE has three major legislative priorities: Accelerating Decarbonization, Promoting Local Development, and Stabilizing Community Choice. EBCE support of legislation will be contingent upon that legislation adhering to these priorities as well as EBCE's priorities.

Moreover, EBCE supports any and all policies that will preserve or enhance the ability of EBCE to promote these priorities at the local level.

This document provides direction to EBCE's legislative advocates in Sacramento and Washington, DC. Additionally, this document serves as the foundation for any EBCE Board action regarding Federal or State legislation or funding opportunity. Staff may draft letters, direct our legislative advocates, or speak on behalf of EBCE regarding the legislative priorities this document outlines.

Any correspondence signifying EBCE's support or opposition of a given bill must be approved by the EBCE Board of Directors, the Board's Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters.

Any questions regarding this Legislative Program can be directed to Alec Ward, Principal Legislative Manager, at 510-250-3094 or award@ebce.org.

Sincerely,
Nick Chaset

Chief Executive Officer, EBCE

EBCE Board of Directors

Alameda County
Supervisor Elisa Márquez (Chair)

Albany
Mayor Aaron Tiedemann

Berkeley
Vice Mayor Ben Bartlett

Dublin
Councilmember Sherry Hu

Emeryville
Mayor John Bauters

Fremont
Councilmember Teresa Cox

Hayward
Councilmember Julie Roche

Livermore
Councilmember Ben Barrientos

Newark
Councilmember Matthew Jorgens

Oakland
Council Member Dan Kalb

Piedmont
Vice Mayor Betsy Andersen

Pleasanton
Vice Mayor Jack Balch (Vice Chair)

San Leandro
Mayor Juan Gonzalez

Stockton
Councilmember Dan Wright

Tracy
Councilmember Matt Bedolla

Union City
Councilmember Jaime Patiño

Community Advisory Committee (non-voting)
Anne Olivia Eldred, Chair

Contact Information

Mailing Address

1999 Harrison Street, Suite 800
Oakland, CA 94612

Program Staff

Chief Executive Officer
Nick Chaset
510-809-7440
nchaset@ebce.org

Principal Legislative Manager
Alec Ward
510-250-3094
award@ebce.org

Legislative Advocates

State Legislative Advocate

Weideman Group
Mark Weideman

1215 K Street, Suite 2290
Sacramento, CA 95814

(916) 600-2288
mark@weidemangroup.com

Federal Legislative Advocate

Townsend Public Affairs
Joseph Melo

600 Pennsylvania Avenue SE, Suite 207
Washington, DC 20003

(202) 546-8696
jmelo@townsendpa.com

General Legislative Principles

EBCE has three general legislative principles. These priorities serve as the foundation for all actions EBCE will take, including the lobbying for policies that promote those same guiding priorities.

Public policy encompasses a myriad of subject and topic areas. However, as these policies intersect at the local level, they have the ability to impact EBCE revenues, programs, and/or administrative discretion and control. EBCE will support policies that accelerate decarbonatization, promote local development, stabilize community choice, or any combination thereof. If a given policy does not meet these criteria, EBCE will oppose, support with amendments, or in some cases take no stance on that policy or legislation.

The General Legislative Principles for EBCE are:

Accelerating Decarbonization

- Support the creation or expansion of federal, state, and local policies and programs that enable EBCE to contribute to the State's efforts to reduce greenhouse gas emissions.
- Oppose any legislation, policies, programs, referenda, unfunded mandates and budgets that would have an adverse impact on EBCE's ability to advance decarbonization through its procurement, programs, projects, and services.

Promoting Local Development

- Support any legislation, policy, referenda, and budgets that enhance community choice energy providers' ability to invest in local clean energy, distributed energy resources, and zero-emission transportation, and promote equity in the communities that it serves.
- Oppose any legislation, policy, referenda, and budgets that limit or undermine EBCE's ability to invest in local clean energy, distributed energy resources, and zero-emission transportation, and promote equity in the communities that it serves.

Stabilizing Community Choice

- Support any legislation, policies, referenda, and budgets that maintain or improve the stability of community choice energy providers by ensuring regulatory structure is equitable and enables EBCE to meet its mission and goals.
- Oppose any legislation, policies, referenda, and budgets that undermine or circumvent community choice energy and impede the ability of the agency to achieve its mission and goals or its value proposition.

EBCE Public Policy Positions

The General Legislative Priorities help identify which public policy positions EBCE will take.

The list of policy positions below is by no means exhaustive. In addition to the general legislative priorities, EBCE takes the following more specific public policy positions:

1.1 Nonbypassable Charges

A. Oppose legislation that restricts or limits EBCE's ability to procure its own energy products to meet state policy goals.
B. Oppose legislation that increases or is likely to lead to an increase in nonbypassable charges.
C. Support legislation that promotes a level playing field between community choice aggregators and other market participants.
D. Support legislation that enhances the flexibility of community choice energy providers to support statewide procurement policy and develop and expand programs, local options, and rate design to support EBCE's community and customers.

1.2 Disadvantaged Communities

A. Support legislation and initiatives that boost funding for new energy projects that support disadvantaged communities and low-income customers within EBCE's service territory.
B. Support legislation and initiatives that increase access and funding for energy-related programs serving disadvantaged communities.
C. Support legislation and initiatives that would reduce local air pollution, reduce other negative local impacts associated with energy production, and boost adoption of distributed energy resources within disadvantaged communities.
D. Oppose legislation and initiatives that have the potential to disproportionately and negatively impact EBCE's disadvantaged communities and/or low-income customers.

1.3 Environmental Sustainability

A. Support legislation and initiatives that increase funding for the creation of sustainable and stable energy supply infrastructure.
B. Support legislation and initiatives that encourage the conservation of energy resources as well as the development of dynamic load-shifting capabilities.
C. Support legislation and funding for renewable and advanced energy technology that increase efficient consumption.
D. Support legislation and funding for pilot energy and resource efficiency programs.
E. Support legislation and initiatives with the goal of reducing and mitigating the effects of climate change and building local resiliency.

EAST BAY COMMUNITY ENERGY

1.4 Finance

A. Support legislation that enhances the financial standing of community choice aggregators and their ability to receive a positive credit rating.
B. Oppose legislation that reduces or removes the tax-exempt status of municipal bonds.
C. Oppose any legislation that would divert community choice energy revenues to the State or other governmental entities.

1.5 Educational, Neighborhood and Social Services

A. Support legislation that aids or helps to fund EBCE to provide energy support services, education, and opportunities for reducing energy costs to people who are low-income, seniors, veterans, and/or people with disabilities.
B. Support legislation and initiatives that increase funding for energy efficiency, demand response, solar plus storage, and transportation electrification programs, and energy literacy services.

EAST BAY COMMUNITY ENERGY

Legislative Program Coordination

Legislation can be brought to the attention of EBCE through a variety of channels:

- State Legislative Advocates
- Elected Representatives
- CalCCA
- EBCE Board Members
- EBCE Staff
- EBCE Community Advisory Committee
- EBCE Customers and Community Members
- Other Governmental Associations

All legislative requests for support or opposition will be directed toward EBCE's Public Policy department. EBCE staff will then review the legislation in coordination with any relevant departments to analyze whether or not the legislation aligns with EBCE's general legislative priorities. Staff will then monitor and track the legislation, providing updates when necessary.

Concurrent with this evaluation, EBCE's Public Policy department will recommend a position and course of action. There are six main levels of action, which may be taken independently or in combination, but all of which are coordinated by the Principal Policy Manager of Public Policy or their designee:

1. **Direction to lobbyists to advocate in support, support with changes, oppose unless amended, or opposition to legislation**
    - Pursuant to direction from the EBCE Board of Directors, the Board's Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters, EBCE staff will notify lobbyists of EBCE's stance on legislation and direct them to take appropriate action with legislators. EBCE may remain neutral on a given piece of legislation.
2. **EBCE correspondence with relevant legislators**
    - In conjunction with providing direction to lobbyists once EBCE has determined its stance on legislation, EBCE staff will send a support or opposition letter to the appropriate legislators.
3. **EBCE Board-approved resolution**
    - EBCE staff will draft a staff report and resolution for consideration by the full EBCE Board of Directors. Approved resolutions will be forwarded along with a letter signed by the Chief Executive Officer or his/her designee to the appropriate legislators.
4. **EBCE Board outreach**
    - EBCE staff will draft talking points and other relevant information for individual Board Members to personally contact appropriate legislators to advocate on behalf of EBCE.
5. **Travel to Sacramento or Washington, D.C**
    - EBCE staff and/or Board Members may decide to advocate in person. Staff will coordinate with the appropriate lobbyists to organize meetings or attendance at other lobbying events.
6. **Draft or Sponsor Specific Legislation**
    - EBCE staff and legislative advocates will work with EBCE's legislative representatives to articulate EBCE's stance on a policy and to ensure said stance is codified in statute.

Assembly Bill 50 – Interconnectivity Times

Assemblymember Jim Wood

THE PROBLEM

Severe electric interconnectivity delays have become the everyday reality of utility customers in California. Californians seeking electricity for new developments, or for upgrades to existing connections, are seeing significant spikes in their wait-times for interconnectivity. If left unaddressed, this poses a major threat to the state's housing, business, and climate change goals.

EXISTING LAW

The California Public Utilities Commission (CPUC) has a statutory duty to regulate public utilities. Among other responsibilities, the CPUC is tasked with ensuring public utilities perform their obligation to serve all of their customers. California law requires public utilities – including electric corporations – to provide adequate, efficient, just, and reasonable service.

State law, in describing what service is required by electric corporations, is silent on the subject of timeliness.

BACKGROUND

Currently, electric utilities provide "will serve" letters to applicants seeking power, committing to eventually deliver service. Customers will then pay a significant fee, oftentimes up to tens or even hundreds of thousands of dollars, only to later find out that power may not be delivered for several years. A severe example of this is Humboldt County, where more than 35 customers were told last fall that they will not receive power for more than a decade. And this issue is not just impacting rural communities. The City of San Francisco has reported 136 interconnection delays since October 2018, including 519 units of affordable housing, a library, an elementary school, academic buildings, a fire boat, traffic signals, safety street lighting, and even water pump stations.

Residential, commercial, industrial, and agricultural developers across the state are finding out that *will serve* really means *will serve, eventually*. This new reality poses an alarming threat to business development and threaten our state's ability to reach its housing and climate change goals.

BILL SUMMARY

AB 50 aims to improve interconnectivity timelines for new and existing electric customers by doing the following:

- Clarifies a large electric corporation's legal obligation to serve customers in a timely fashion and asks the CPUC to determine what timely service means.
- Until the CPUC determines what timely service means, AB 50 sets a deadline of 90 days of delivering power to new connections and 30 days to upgrade existing connections.
- Promotes more efficient distribution planning by requiring large electric corporations to evaluate and update as necessary their distribution processes and meet regularly with county government staff to discuss the status of electrical capacity.
- Requires large electric corporations to report on capacity constraints to state government.

STATUS

Assembly Appropriations Committee

SUPPORT

CalCCA
City of Belmont
City of Santa Rosa
County of Humboldt
County of Sonoma
East Bay YIMBY
Grow the Richmond
How to ADU
Mountain View YIMBY
Napa-Solano for Everyone
Non-Profit Housing Association of Northern California
Northern Neighbors

Peninsula for Everyone
People for Housing – Orange County
Progress Noe Valley
Redwood Coast Energy Association
Rural Counties Representatives of California (RCRC)
San Diego Community Power
San Francisco YIMBY
San Luis Obisbo YIMBY
Santa Cruz YIMBY
Santa Rosa Metro Chamber of Commerce
Santa Rosa YIMBY
Sonoma Clean Power
South Bay YIMBY
Southside Forward
The Climate Center
The Utility Reform Network (TURN)
Urban Environmentalists
Valley Clean Energy Alliance
Ventura County YIMBY
YIMBY Action

FOR MORE INFORMATION

Annabelle Hopkins, Legislative Director
Office of Assemblymember Jim Wood
916-319-2002 | Annabelle.Hopkins@asm.ca.gov

ASSEMBLYMEMBER
Gregg Hart
ASSEMBLY DISTRICT 37

ASSEMBLY BILL 557
EMERGENCY BROWN ACT MEETING PROCEDURES

SUMMARY

AB 557 eliminates the January 1, 2024 sunset on the provisions of the Brown Act that provide additional flexibility for local agencies looking to meet remotely during an emergency, while still maintaining public access and transparency.

This legislation will provide a narrow but important emergency authority, allowing local governing bodies to safely meet and take action during applicable states of emergency declared by the Governor.

BACKGROUND

AB 361 (Rivas, 2021) codified numerous provisions of Governor Newsom's Executive Orders pertaining to the Brown Act in 2020. This law sunsets on January 1, 2024. The provisions only apply in the event that an emergency situation or public health orders prevent a local agency board from meeting in-person.

Local agencies needing to meet remotely pursuant to those provisions are only permitted to do so in concert with an emergency declared by the Governor of California.

PROBLEM

While the worst of the COVID-19 pandemic appears to have subsided, the need to be prepared for future emergencies remains. Recent events in California, including disastrous flooding and devastating wildfires, underscore this point.

The flexibility to meet remotely will remain a critical tool for use in other emergencies declared by the Governor even after the COVID-19 state of emergency.

In cases where a state of emergency persists, existing law required local agencies to renew their emergency remote meeting resolution within 30-days. However, many agencies regularly meet once-per-month (e.g. every third-Tuesday), which is sometimes a span of just over 30 days. This forced agencies to unnecessarily move meetings to days and times less accustomed to the public or to expend unnecessary time and expense to conduct an additional meeting

SOLUTION

By removing the sunset, AB 557 preserves the critical flexibility for local agencies needing to meet remotely. By adjusting the renewal period for resolutions to 45 days, the measure will provide accommodation for those agencies regularly meeting on a fixed date every month.

AB 557 will help provide the public with essential services during a Governor-declared emergency.

SUPPORT

CA Special Districts Association (Co-Sponsor)
League of California Cities (Co-Sponsor)
CA State Association of Counties (Co-Sponsor)

Contact: lenh.voong@asm.ca.gov| (916) 319-2037

AB 643 (Berman)
Enforcing Solar Interconnection Timelines

SUMMARY

AB 643 directs the California Public Utilities Commission (CPUC) to consider mechanisms to address solar interconnection delays including enforcing interconnection timelines for investor-owned utilities, reducing administrative burden, and providing transparency and certainty to customers.

In doing so, the bill directs the CPUC to consider process improvements to address some of the most common areas of solar interconnection delays.

BACKGROUND

According to a 2021 joint agency report published by the California Energy Commission (CEC), CPUC, and California Air Resources Board (CARB), California will need to roughly triple its current electricity power capacity in order to meet our goal of becoming "carbon neutral" by 2045. The report found that California will need to sustain its expansion of clean electricity generation capacity at a record-breaking rate for the next 25 years. On average, the state will need to build 6 GW of new solar, wind, and battery storage resources annually.

Solar interconnection delays are not only a financial burden for businesses and individuals seeking to connect their systems to the grid and a barrier to solar adoption, but they also delay the state's critically important progress towards cutting carbon emissions from generating electricity. A clean electricity grid is necessary to achieve economy wide carbon neutrality.

Every customer that installs solar and storage must submit an interconnection application to the utility. The utility reviews the applications to ensure that the surrounding grid equipment is adequate to handle the new installations.

For the three big investor-owned utilities, the interconnection rules are contained in Rule 21, which is nearly identical for each of the three. Rule 21 provides customers wishing to install generating or storage facilities on their premises with access to the electric grid while protecting the safety and reliability of the distribution and transmission systems at the local and system levels. Rule 21 contains specific timelines for various steps in the process. For example, utilities must inform customers within ten days if a submitted application is complete and ready for review. Utilities then have 15 days to do the preliminary engineering review. Following more detailed study, if upgrades are required and agreed to, they must be designed within three months and installed within an additional three months. Extensions can be made for extraordinary circumstances.

When utilities fall behind on the timelines, it is mostly due to their failure to prioritize staffing and timeliness. Unfortunately, this happens far too often as there are no consequences for failure to meet those timelines. As a result, utilities routinely exceed the maximum amount of time allowed for interconnection review.

THIS BILL

This bill would direct the CPUC, in a new proceeding or in a new phase of an existing proceeding related to Electric Rule 21, to consider adopting mechanisms to enforce timelines for solar interconnections for investor-owned utilities, reduce administrative burden, and provide transparency and certainty to customers.

During the proceeding, the CPUC shall create process improvements to Electric Rule 21 to address the following types of delays:

- Delays between submittal of an application for interconnection of a solar project and the electrical corporation's determination that the application is valid and complete.
- Delays between a local government's inspection approval of a solar project and the electrical corporation's issuance of permission to operate the generator.
- Delays in the electrical corporation scheduling an inspection of a solar project.

SUPPORT

California Solar and Storage Association (sponsor)
Bioenergy Association of California
Camptionville Community Partnership
Electrochaea Corporation
ADT Security Services
Tesla
Revel Energy
Engie North America
SunPower
1000 Grandmothers for Future Generation
350 Bay Area Action
Alameda County Democratic Party
Albany Climate Action Coalition
Aztec Solar Inc.
California State Grange
Camptonville Community Partnership, Inc
Center for Community Energy
Climate Action California
Climate Mobilization San Diego
Climate Reality Project, Orange County
Eco Active 101
Environmental Working Group
Extinction Rebellion San Francisco Bay Area
Indivisible East Bay
Indivisible Green Team
Infinity Energy
JKB Energy
McGee-Spaulding Neighbors in Action
Morongo Basin Conservation Association
Newgen Energy
Oil and Gas Action Network
Project Development Solutions
Recolte Energy
Resource Renewal Institute
Romero Institute
San Diego Community Power
San Joaquin valley Democratic Club
Santa Cruz Climate Action Network
Sierra Club California
Skyline Smart Energy
Sonoma Clean Power
Sunflower Alliance
Sunnova
Sunrise Bay Area
Sunrun
Sustainable Mill valley
Terraverde Energy

OPPOSITION

San Diego Gas and Electric
Pacific Gas and Electric (PG&E)
SoCal Edison

FOR MORE INFORMATION

Isabelle LaSalle
Office of Assemblymember Marc Berman
(916) 319-2023 ◆ (916) 319-2123 (fax)
isabelle.lasalle@asm.ca.gov

Senator Josh Becker, 13th Senate District

SB 410 – Powering Up California

SUMMARY

SB 410 requires the Public Utilities Commission (PUC) to decrease the time in which electrical utilities connect and upgrade customers to electricity service. To ensure shorter target interconnection times, SB 410 requires the PUC to set a target timeline for utilities to connect different types of resources, convene a working group, report necessary data, and encourage workforce development considerations to meet that timeline.

BACKGROUND

To ensure that the lower-voltage electricity distribution energy lines can hold sufficient electrons to power all the buildings in neighborhoods, utilities and localities monitor the capacity on existing lines to keep the grid stable. To connect a new appliance or provide an electrical upgrades to a building on the electricity distribution grid — colloquially known as as 'interconnection' — sometimes requires an electrical corporation, like PG&E, to upgrade the capacity of a distribution line or upgrade a local substation (which convert high voltage power to low voltage, usable power) capacity.

These interconnection evaluations and upgrades are necessary for many new resources on the electricity grid, including solar panel installations, EV chargers, and home electric appliance installation, but also for the addition of new housing or building developments.

As more homes and businesses are built, as they switch over to climate-friendly electric appliances, and as they install EV chargers or rooftop solar, the upgrades needed to the electricity distribution system continue — and will continue — to grow. In the long run, planning for this increased electricity grid capacity will require planning and cost foresight from electrical utilities, in partnership with the PUC, to meet the SB 100 (de León, 2018) energy transition goals.[1]

[1] Brockway et al., Can Distribution Grid Infrastructure Accommodate Residential Electrification and Electric Vehicle Adoption in Northern California?" (2022)

THE PROBLEM

Californians are experiencing delays in the time it takes for utilities to interconnect their new homes and electrical upgrades with the electricity grid. While the most common causes and average time of delays are not fully known due to lack of publicly available data, reports from Californians indicate wide-spread delays in certain parts of the state.

One customer from Northern California described his frustrating experience with delays from utility interconnections when upgrading his electrical panel:[2]

> "One potential electrician I met with was not interested in the project because it would require too much coordination with the utility and uncertainty about project timing due to the utility capacity review. After hearing this, we chose an electrician who had a strength in utility coordination. Even this electrician told us that they were increasing the fee that they charge to clients for utility coordination because it was taking more and more of their time."

As another example, delays for connecting electric vehicle (EV) fast chargers to the grid were around 70 weeks inside of PG&E territory in 2022.[3] Still, no comprehensive statistics about the causes of the delays for different types of resources are available to the public.

Another community choice aggregator, whose program provides free upgrades for low-income households to obtain heating and cooling systems, now avoids homes on streets where distribution upgrades are needed, as the associated PG&E upgrade time for past projects is estimated to require 6 months before the new unit could be installed.

[2] Campbell, "The Home Upgrade Process Needs an Upgrade" (2022)

[3] PG&E, "Clean Transportation Program Advisory Council Meeting. Q4, 2022."

SOLUTION

This legislation requires the PUC to plan and set guidance for how to accommodate these growing electricity grid connection requests in order to reduce current delays and preemptively prevent future delays.

This bill sets out multiple requirements for the PUC to ensure electrical utilities connect new buildings or electricity service capacity upgrades to customers on a reasonable timeframe. The PUC is first required to create an average and maximum timeline in which electrical utilities should connect customers to the grid. This timeline must minimize controllable causes of delays and accounts for potential future grid capacity growth from the state's building decarbonization goals.

The legislation subsequently requires the PUC and utilities to do the following to ensure compliance with the average timeline targets.

1. If utilities exceed the set target averages, the utility must create a strategy to meet the targets in the future. The PUC is permitted to take remedial actions, if necessary to ensure compliance.

2. The PUC is required to ensure utilities plan for sufficient workforce training and development for interconnection work,

3. The PUC must convene a working group to establish annual reporting standards on delayed projects and explore options to resolve the delays with relevant stakeholders.

The improvements and targets set for connecting new and upgraded electricity service to the grid will ensure that California is adequately able to meet its decarbonization targets and reduce customer frustration.

SUPPORT

Coalition of California Utility Employees (sponsor)
City of San Jose
California State Association of Electrical Workers
Elders Climate Action, NorCal and SoCal chapters
Rural County Representatives of California
Silicon Valley Clean Energy
Sonoma Clean Power

FOR MORE INFORMATION

Jo Gardias, *Legislative Aide*
Jo.Gardias@sen.ca.gov
(916) 651-4235

SB 527

Neighborhood Decarbonization Program
Senator Dave Min, 37th District

SUMMARY

SB 527 directs the California Public Utilities Commission (CPUC) to establish the Neighborhood Decarbonization Program. This is a cost effective, community-scale pilot program that will decarbonize 15 neighborhoods across the state.

BACKGROUND

The California Air Resources Board (CARB) has laid out goals for the state to reach its benchmark of carbon neutrality by 2045. Those goals include reducing greenhouse gas emissions to 85% below 1990 levels and reducing fossil fuel consumption to less than 10 percent of what is currently consumed. To reach these goals California will need to decarbonize every sector, including our buildings.

Buildings account for 25 percent of all emissions, and 13 percent of all greenhouse gas emissions. These emissions contribute to climate change and cause poor indoor air quality that can lead to adverse health problems.

In an effort to reduce emissions in buildings, the 2022-23 State Budget created The Equitable Building Decarbonization Program. The program allocated $922 million in funding for the decarbonization of low- and moderate-income households. The funds provide rebates and incentives for zero-emission appliances, such as heat pumps for air and water heating and cooling. While this was a step in the right direction, California will not meet its climate targets by switching out one appliance at a time.

California can take a community based approach to decarbonization by first reviewing which service areas are using outdated energy infrastructure. When natural gas pipelines are too old for operation, public utilities are responsible for replacing or refurbishing them. In certain instances, however, replacing outdated natural gas pipelines is more costly than decommissioning the pipelines and decarbonizing the buildings in that service area. This is done by providing free appliance upgrades to affected customers, using high-efficiency appliances such as heat pumps to provide heating, cooling and hot water service. These communities can also be connected to geothermal energy networks.

It is evident that building decarbonization is a priority for the state. In order to meet GHG emission targets, California can further its decarbonization efforts by targeting specific zones that need upgrades to their outdated energy infrastructure.

THIS BILL

SB 527 directs the CPUC to establish the Neighborhood Decarbonization Program. The program would allow utilities, along with the CPUC, to identify 15 cost-effective projects throughout the state with outdated infrastructure for decarbonization using strategies such as heat pump technology, geothermal energy networks, and high efficiency energy appliances. Two-thirds of customers in a targeted area must consent before these projects move forward.

The CPUC would create program guidelines including high road labor standards and transition requirements for workers,

SB 527

Neighborhood Decarbonization Program
Senator Dave Min, 37th District

protections to ensure rate stability for remaining gas customers, and preference for projects that serve a large percentage of low-income individuals or households.

After five years of implementation of the program, the CPUC will submit a report to the Legislature on the findings of the program.

SUPPORT

Building Decarbonization Coalition (Sponsor)
Earthjustice
Sierra Club
Natural Resources Defense Council
Rocky Mountain Institute
Building Electrification Institute
Environmental Protection Information Center
SPUR
Rewiring America
California Environmental Voters
Efficiency First California
San Diego Green Building Council
Climate Justice Team First Unitarian Universalist Church of San Diego
San Diego 350
Menlo Spark
AjO.earth
American Institute of Architects
City of Berkeley Office of Energy and Sustainable Development
Carbon Free Palo Alto
Mothers Out Front Silicon Valley
Emerald Cities Bay Area
San Diego Building Electrification Coalition
Hammond Climate Solutions Foundation
Mothers Out Front San Francisco
Climate Action Campaign
350SV Palo Alto Climate Team
Rising Sun Center for Opportunity
thirdACT PBC
Silicon Valley Clean Energy
California Housing Partnership

OPPOSITION

Rural County Representatives of California

STAFF CONTACT

Brett Hailey
Brett.hailey@sen.ca.gov
Office of Senator Dave Min
(916) 651-4037

Attachment Staff Report Item 17C

SB 529 (Gonzalez) Electric Vehicles for All Act

SUMMARY

Senate Bill (SB) 529 will expand electric vehicle access for low-income Californians by creating a dedicated grant program to deploy electric vehicle car-sharing programs at 100 public and low-income housing facilities in California.

This program will meet the unique mobility needs of low-income Californians, a group that is largely excluded from the existing benefits of California's clean transportation transformation.

EXISTING LAW

Through Executive Order N-79-20, California has set ambitious targets for zero-emission vehicle (ZEV) deployment that include:

- 5 million ZEVs on the road by 2030;
- 100% of in-state sales of new passenger cars and trucks be zero-emission by 2035; and
- 100% of medium- and heavy-duty vehicles be zero-emission by 2045, where feasible.[1]

To meet these goals, several federal and state funding sources support ZEV adoption and charging infrastructure deployment.

Federally, there are multiple competitive grant and incentive programs that accelerate ZEV and charging infrastructure deployment. Through the Infrastructure Investment and Jobs Act (IIJA), the National Electric Vehicle Program provides $5 billion for the acquisition, installation, maintenance, and operation of electric vehicle charging infrastructure. The IIJA also appropriates $2.5 billion for electric vehicle charging infrastructure along designated "alternative fuel corridors".[2] In addition to IIJA grant funds, Section 30D of the Inflation Reduction Act of 2022 provides tax credits up to $7,500 for the purchase and use of electric vehicles.[3]

California also has existing programs that fund zero-emission vehicle and charging infrastructure deployment. Most notably, the Clean Transportation Program (CTP) awards $100 million annually for projects that support the adoption of cleaner transportation powered by alternative and renewable fuels.[4]

California also invests in clean transportation deployment through the Clean Mobility Options Program to support car share, bike share, vanpool, and ride sourcing projects and transportation needs assessments in disadvantaged communities. As of May 2022, this program invested $55.2 million to support 51 implemented projects throughout the State.[5]

At the Federal level, H.R. 6662, the "Electric Vehicles for All Act" would have also facilitated an electric vehicle car sharing program at public housing locations throughout the United States.[6]

---

[1] https://test.sites.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-text.pdf.

[2] https://sor.senate.ca.gov/sites/sor.senate.ca.gov/files/IIJA%20Transportation%20Overview%20-%20SOR-FINAL.pdf.

[3] https://www.mayerbrown.com/en/perspectives-events/publications/2022/09/tax-credits-for-electric-vehicles-whats-changed-with-the-us-ira#:~:text=The%20IRA%20establishes%20a%20new%20tax%20credit%20for,the%20vehicle%2C%20which%20cannot%20be%20more%20than%20%2425%2C000.

[4] https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-program-overview.

[5] https://cleanmobilityoptions.org/about/.

[6] https://www.congress.gov/bill/117th-congress/house-bill/6662.

BACKGROUND/PROBLEM

California is a world leader in the ZEV market: in 2021, California accounted for about 39% of all electric vehicles registered in the United States.[7]

However, California is still far from its ambitious ZEV targets. As of 2021, there are 837,887 ZEVs in California, representing just 2.9% of all the cars on the road.[8] Moreover, these ZEVs are not deployed equitably, as low-income, households of color are far less likely to own ZEVs than white, higher-income households. As of 2019, fewer than 6% of California ZEVs are registered in census tracts within the upper 80th percentile of CalEnviroScreen score.[9]

In order for California to meets its ZEV goals, the State must increase electric vehicle adoption in low-income, disadvantaged communities.

Over the last several years, there have been small-scale pilot projects aimed at expanding ZEV access in low-income neighborhoods, including electric vehicle car-sharing programs at public housing. Notably, the Los Angeles Cleantech Incubator launced an electric vehicle car sharing program at the Housing Authority of the City of Los Angeles' San Pedro public housing project with great success. Through this program, San Pedro residents have access to two electric vehicles and charging stations, which they use to get to work, grocery shop, run errands, and visit family among other uses.[10] While these previous pilot programs have been successful locally, there is still an immediate need for a large scale statewide program to help fund and guide a statewide effort to get ZEVs and charging infrastructure into the communities that need it the most.

SOLUTION

SB 529 will ensure that low-income Californians benefit from the State's ambitious clean transportation goals, while providing critical mobility options for public and low-income housing residents.

SB 529 will create a grant program to launch electric vehicle car-sharing programs throughout the state, with the goal of servicing the residents of 100 public and low-income housing facilities. With flexible financing, local governments, housing authorities, air districts, and other community groups can access funds for electric vehicles, charging infrastructure, education and outreach, and subsidized fares to support the car-sharing program. Priority will be given to programs that demonstrate that the electric vehicle car-sharing program would address the transportation needs and the lack of electric vehicle charging infrastructure in the community.

SUPPORT

Los Angeles Cleantech Incubator (Sponsor)

CONTACT

Marissa Hagerman
Senator Lena Gonzalez
(916) 651-4033
Marissa.hagerman@sen.ca.gov

[7] https://afdc.energy.gov/data/10962.
[8] https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/light-duty-vehicle.
[9] https://innovation.luskin.ucla.edu/wp-content/uploads/2021/04/An-Agenda-for-Equity-Centered-Clean-Transportation.pdf.
[10] https://laincubator.org/rancho-san-pedro-evs-for-all/?utm_source=Vince+V+Testing+2022&utm_campaign=2090c876fd-EMAIL_CAMPAIGN_2019_08_05_06_51_COPY_01&utm_medium=email&utm_term=0_79198dd5e0-2090c876fd-330853693&mc_cid=2090c876fd&mc_eid=2f81bf0f3d.

CAC Item C7
Staff Report Item 18

TO: East Bay Community Energy Board of Directors

FROM: Michael Quiroz, Regulatory Analyst

SUBJECT: **Request for Approval of an Interim Compliance Plan for the California Energy Commission's Load Management Standards**

DATE: May 17, 2023

Recommendation

Approve a Resolution to serve as the interim Load Management Standards compliance plan. The proposed compliance plan defers submitting data into the California Energy Commission's (CEC's) Market Informed Demand Automation Server (MIDAS) database until issues pending in the CEC's LMS proceeding are satisfactorily resolved.

Background and Discussion

I. Overview of the Load Management Standards

The Load Management Standards (LMS) are defined in the California Code of Regulations. In October of 2022, the California Energy Commission (CEC) adopted revisions to the LMS.[1]

The revised LMS require large CCAs, Investor Owned Utilities, (IOUs) and Publicly Owned Utilities (POUs) to develop: (1) hourly location-based electric rates and (2) systems for reporting current and future time-dependent rates.[2]

---

[1] Proposed Revisions to the Load Management Standards, as adopted by the CEC on October 12, 2022.
[2] OAL Approval of Revisions to the Load Management Standards, as approved by the CEC on January 20, 2023, and ordered effective as of April 1, 2023

Our focus in this report is on item (2), the reporting obligation. Unless the Board acts, EBCE must upload to MIDAS all time-dependent rates (such as time-of-use) by *no later than July 1st, 2023.*[3]

The Board can vote to extend this deadline. §1623.1(a)(2) of the LMS authorizes POU and CCA Boards to delay or modify compliance with LMS requirements, including MIDAS upload requirements, if "despite a Large POU's or Large CCA's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the Large POU or CCA," or would not be "technologically feasible or cost effective."

Since November of 2022, EBCE staff members have been coordinating with other CCAs, CalCCA, the IOUs, the POUs, and the CEC to provide feedback on the development of MIDAS and proactively address any potential barriers to compliance. Members of EBCE's Regulatory, Analytics, and Account Services teams have collaborated to participate in several working groups, respond to CEC requests for information, preemptively test MIDAS upload and download capabilities, and inform discussions with CEC staff and Commissioner McAllister via CalCCA. Through this process, EBCE staff has identified critical issues that preclude technologically feasible and cost-effective compliance with the July 1st deadline for LSEs to upload existing rates.

We detail the compliance challenges below.

II. The CEC has not decided how to combine CCA and IOU rates

CCAs are responsible just for the generation portion of a customer's bill. IOUs, in contrast, are responsible for all the other components of a customer's bill. Things like transmission charges, distribution charges, public purposes surcharges, etc., are solely the IOU's responsibility.

The question that has arisen is who will merge the CCA portion of a bill – i.e., a CCA rate – with the IOU portions of a bill when uploading to MIDAS?

CEC staff has interpreted the LMS as requiring *CCAs* to upload *all* rate components associated with each rate, including IOU rate components, to the MIDAS database.

CCAs disagree with this interpretation. CCAs have proposed that third parties merge CCA and IOU rates, or that MIDAS itself merge CCA and IOU rates.

[3] §1623.1(c), OAL Approval of Revisions to the Load Management Standards

It is neither technologically feasible, nor cost effective for EBCE to manage the combination of its and PG&E's rates for MIDAS purposes. Doing so would result in significant hardship to EBCE for two primary reasons: 1) EBCE does not have PG&E's rate information in a machine-readable format, and 2) the combination of all potentially overlapping IOU and CCA rate components would be labor-intensive and a complex computational process.

EBCE's billing process can be summarized in three distinct steps:

1. As EBCE's metering agent, PG&E owns, operates, and reads all customer meters in EBCE's territory. After reviewing and validating the consumption data from these meters, PG&E provides SMUD with the resulting energy usage data.
2. As EBCE's billing agent, SMUD retains all information about EBCE's rates. By multiplying EBCE's rates by the corresponding usage data, SMUD calculates the generation charges for each EBCE customer.
3. SMUD sends finalized generation charges to PG&E, who is responsible for formatting and distributing the final customer-facing bill.

Neither PG&E nor EBCE exchange any information about their rates in this process. Moreover, although PG&E posts individual PDFs describing each of its rates online, these PDFs are not machine-readable, and no advance warning is given when rate components are updated. As such, EBCE does not have sufficient access to the specific transmission and distribution rate components that PG&E uses to calculate customer bill amounts. Without this information, EBCE cannot be responsible for uploading anything beyond its own generation rate components to MIDAS.

Even if EBCE was provided with timely access to all transmission and distribution rate components, the CEC's interpretation of §1623.1(c) would require EBCE to combine all EBCE's generation rate components with every eligible set of PG&E rate components in order to upload combined rates to MIDAS. EBCE staff have estimated that there are 11,664 distinct combinations of rate components needed to fully represent EBCE's current time dependent rates. Combining all of these components with every possible permutation of PG&E components would be extremely difficult and would require significant planning and review to ensure accuracy and reliability. Additionally, while CCAs only change their rates once annually, utility rate changes may be much more common. While EBCE does not agree that CCAs can be responsible for the maintenance of IOU rates, if they are, it would require CCAs to recalculate and upload the above number of scenarios and entries each time. Adopting location-based prices that vary by hour will make this process multiple times more challenging.

III. MIDAS guidelines and systems are still in development

As of the date of this report, the CEC has not released the final specifications or guidelines for how rates must be categorized and formatted before upload to MIDAS. Additionally, MIDAS itself requires updated documentation and appears to remain under active development by the CEC. EBCE will not be able to develop automated systems to upload complex pricing to MIDAS while the system is in active development and without current documentation. While limited manual upload of rates may be possible, it would, at best, be a time and labor-intensive process.

IV. Conclusion

As it stands, there is not currently a technologically feasible process in place for EBCE to compile unbundled customer rates for upload to MIDAS. EBCE cannot take responsibility for the accuracy of PG&E's rates. The CCAs have proposed that third party automation providers build into their technology the capability to compile CCA generation and IOU transmission/delivery rates (to make up the combined rate). The CCAs have also proposed that MIDAS itself have the capability to compile the rate itself, which could be more efficient given the rate compilation would all be done in one place. However, CEC staff have not responded to the CCA proposals, and the IOUs and CCAs currently have no guidance on the rate compilation issue.

EBCE staff recommend that the Board approve an interim compliance plan that extends the July 1st deadline for uploading EBCE rates to MIDAS to no less than nine months after compliance barriers have: (a) been resolved, (b) in a manner that allows for cost effective and technologically feasible CCA compliance.

Fiscal Impact

The proposed interim compliance plan minimizes LMS compliance costs and requires no additional funding beyond current authorizations.

Attachments

A. Resolution to Approve an Interim Compliance Plan for the California Energy Commission's Load Management Standards
B. Relevant Sections of the Load Management Standards
C. IOU & CCA Request for Extension of July 1, 2023 Deadline Set By Revised Load Management

D. EBCE Response to CEC Request for Information

RESOLUTION NO.__

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO APPROVE AN INTERIM COMPLIANCE PLAN FOR THE CALIFORNIA ENERGY COMMISSION'S LOAD MANAGEMENT STANDARDS

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. The city of Stockton located in San Joaquin County, was added as a member of EBCE in December of 2022.

WHEREAS The CEC approved revisions to the Load Management Standards on January 20, 2023, that require large CCAs, Investor Owned Utilities (IOUs), and Publicly Owned Utilities (POUs) to develop hourly location-based electric rates and systems for reporting current and future time-dependent rates; and

WHEREAS Members of EBCE's Regulatory, Analytics, and Account Services teams have collaborated to proactively identify and address any potential barriers to compliance by participating in several working groups, responding to CEC requests for information, preemptively testing MIDAS upload and download capabilities, and informing discussions with CEC staff and Commissioner McAllister via CalCCA; and

WHEREAS There is not currently a technologically feasible or cost-effective process in place for the CCAs or IOUs to combine their rates and upload to MIDAS by July 1, 2023, as is required by §1623.1(c) of the LMS. There are differences in CCA and CEC interpretations around who is responsible for doing so; and

WHEREAS the CEC has not formally released the final specifications or guidelines for how rates must be categorized and formatted before upload to MIDAS, and MIDAS itself requires updated documentation and appears to remain under development; and

WHEREAS Addressing these foundational issues is crucial for EBCE staff to develop further plans for compliance with future requirements described in the Load Management Standards.

WHEREAS Requiring EBCE to upload combined rates by July 1, 2023 would result in extreme hardship to EBCE; and

WHEREAS §1623.1(a)(2) of the Load Management Standards authorize a CCA's Board of Director's to delay or modify compliance with LMS requirements, including MIDAS upload requirements, if "despite a Large POU's or Large CCA's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the Large POU or CCA," or would not be "technologically feasible or cost effective."

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

Section 1. The Board hereby authorizes this Resolution to serve as EBCE's interim compliance plan for implementation of the Load Management Standards.

Section 2. The Board hereby authorizes an extension of the July 1, 2023 deadline for uploading EBCE rates to MIDAS to no less than nine months after compliance barriers have: (a) been resolved, (b) in a manner that allows for cost effective and technologically feasible CCA compliance.

Section 3. If such barriers are not resolved, the Board authorizes EBCE staff to make additional modifications to the interim LMS compliance plan, as necessary.

ADOPTED AND APPROVED this 17th day of May.

____

, Chair

ATTEST:

____

Adrian Bankhead, Clerk of the Board

§ 1623.1. Large POU and Large CCA Requirements for Load Management Standards.

(a) Large POU Plans to Comply with Load Management Standards

(1) Within six months of April 1, 2023, each Large POU, and within one year of April 1, 2023, each Large CCA, shall submit a compliance plan that is consistent with this Section 1623.1 to its rate approving body for adoption in a duly noticed public meeting to be held within 60 days after the plan is

submitted. The plan shall describe how the Large POU or the Large CCA will meet the goals of encouraging the use of electrical energy at off-peak hours, encouraging the control of daily and seasonal peak loads to improve electric system efficiency and reliability, lessening or delaying the need for new electrical capacity, and reducing fossil fuel consumption and greenhouse gas emissions. The plan shall include consideration of programs and rate structures as specified in section 1623.1 (b)-(d).

(A) The plan must evaluate cost effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers of marginal cost-based rates for each customer class.

(B) If after consideration of the factors in Subsection 1623.1(a)(1)(A) the plan does not propose development of marginal cost-based rates, the plan shall propose programs that enable automated response to marginal cost signal(s) for each customer class and evaluate them based on their cost-effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers.

(C) The Large POU or the Large CCA shall review the plan at least once every three years after the plan is adopted. The Large POU or Large CCA shall submit a plan update to its rate approving body where there is a material change to the factors considered pursuant to Subsections 1623.1 (a)(1)(A) and (B).

(2) The rate approving body of a Large POU or a Large CCA may approve a plan, or material revisions to a previously approved plan, that delays compliance or modifies compliance with the requirements of Subsections 1623.1 (b)-(c), if the rate approving body determines that the plan demonstrates any of the following:

(A) that despite a Large POU's or Large CCA's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the Large POU or the Large CCA,

(B) requiring timely compliance with the requirements of this article would result in reduced system reliability (e.g., equity or safety) or efficiency,

(C) requiring timely compliance with the requirements of this article would not be technologically feasible or cost-effective for the Large POU to implement, or

(D) that despite the Large POU's or the Large CCA's good faith efforts to implement its load management standard plan, the plan must be modified to provide a more technologically feasible, equitable, safe or cost-effective way to achieve the requirements of this article or the plan's goals.

(3) Commission Approval of Large POU and Large CCA Plans to Comply with Load Management Standards and Material Plan Revisions

(A) Within thirty (30) days after adoption of a plan or material plan revision pursuant to this subdivision, each large POU and Large CCA shall submit its plan to comply with the requirements of this Section 1623.1 or material plan revision to the Executive Director.

(B) The Executive Director shall review plans or material plan revisions and either return them to the Large POU or the Large CCA for changes or submit them to the Commission for review and potential approval. The Executive Director shall make an initial determination whether the plan or material plan revision is consistent with the requirements of Section 1623.1(a)(1) and (2). In reviewing plans and material plan revisions, the Executive Director may request additional information or recommend changes to make it consistent with the requirements of Section 1623.1(a)(1) and (2). The Large POU or Large CCA shall respond to requests or recommendations within ninety (90) days of receipt from the Executive Director. The Executive Director shall then submit the plan or material plan revision to the Commission with a recommendation on whether to approve it. The Commission may also request additional information and shall approve plans and material plan revisions which are consistent with Section 1623.1(a)(1) and (2), and which show a good faith effort to meet the goals listed in Section 1623.1(a)(1) and (2). The Commission may place conditions on its approval of plans or material plan revisions that are necessary to guarantee that the plan or material plan revision will comply with Section 1623.1 (a)(1) and (2) by a date certain.

(C) Each Large POU and Large CCA shall submit to the Executive Director annual reports demonstrating their implementation of plans approved pursuant to this subsection, as such plans may be revised pursuant to this subsection. The reports shall be submitted one year after plans are approved pursuant to subsection (2) and annually thereafter.

(b) Large POU and Large CCA Marginal Cost-Based Rates and Programs. Each Large POU and each Large CCA shall develop marginal cost-based rates or public programs structured according to the requirements of this article.

(1) Total marginal cost shall be calculated as the sum of the marginal energy cost, the marginal capacity cost (generation, transmission, and distribution), and any other appropriate time and location dependent marginal costs, including the locational marginal cost of associated greenhouse gas emissions, on a time interval of no more than one hour. Energy cost computations shall reflect locational marginal cost pricing as determined by the associated balancing authority, such as the Los Angeles Department of Water and Power, the Balancing Authority of Northern California, or other balancing authority. Marginal capacity cost computations shall reflect the variations in the probability and value of system reliability of each component (generation, transmission, and distribution).

(2) Within two (2) years of April 1, 2023, each Large POU, and within twenty-seven (27) months of April 1, 2023, each Large CCA, shall apply to its rate-approving body for approval of at least one marginal cost-based rate, that meets the requirements of Subsection 1623.1(b)(1). Large CCAs may apply for approval of marginal cost-based rates that are offered by the Large IOUs in whose service areas the Large CCAs exist in.

(A) Large POUs and Large CCAs shall apply for approval of marginal cost-based rates only for those customer classes for which the rate-approving body determines such a rate will materially reduce peak load.

(B) Large POUs and Large CCAs shall provide the Commission with informational copies of tariff applications when they are submitted to their rate-approving bodies.

(3) No later than eighteen (18) months after April 1, 2023, each Large POU and each Large CCA shall submit to the Executive Director a list of load flexibility programs deemed cost-effective by the Large POU or the Large CCA.

(A) The portfolio of identified programs shall provide at least one option for automating response to MIDAS signals for each customer class that the rate-approving body determines such a program will materially reduce peak load.

(B) The programs shall allow customers to respond to MIDAS signals indicating marginal cost-based rates, marginal prices, hourly or sub-hourly marginal greenhouse gas emissions, or other Commission-approved marginal signal(s).

(4) Within three (3) years of April 1, 2023, each Large POU, and within fifty-one (51) months of April 1, 2023, each Large CCA, shall offer to each of its electricity customers voluntary participation in either a marginal cost-based rate developed according to Subsection 1623.1(b)(2), if such rate is approved by the Large POU's or Large CCA's rate-approving body, or a cost-effective program identified according to Subsection 1623.1(b)(3).

(5) Each Large POU and Large CCA shall conduct a public information program to inform and educate the affected customers why marginal cost-based rates or load flexibility programs, and automation are needed, how they will be used, and how these rates or programs can save the customer money.

(c) Publication of Machine-Readable Electricity Rates. No later than three (3) months after April 1, 2023, each Large POU and each Large CCA shall upload its existing time-dependent rates applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database. Each Large POU and Large CCA shall upload all time-dependent rates, including those approved after April 1, 2023, to MIDAS prior to the effective date of the time-dependent rates each time a time-dependent rate is approved by the rate-approving body and each time a time-dependent rate changes.

The time-dependent rates uploaded to the MIDAS database shall include all applicable time-dependent cost components, including, but not limited to, generation, distribution, and transmission. The Commission maintains public access to the MIDAS database through an Application Programming Interface (API) that, provided a Rate Identification Number (RIN), returns information sufficient to enable automated response to marginal grid signals, such as price, emergency events, and greenhouse gas emissions.

(d) Enforcement. The Executive Director may, after reviewing the matter with the Large POU or the Large CCA, file a complaint with the Commission following the process set forth in Sections 1233.1 to 1233.4 or seek injunctive relief if a Large POU or Large CCA:

(1) Fails to adhere to its approved load management standard plan,

(2) Materially modifies its approved load management standard plan without approval,

(3) Does not provide information by a deadline established by the Executive Director or the Commission, or

(4) Violates the provisions of this article.

(e) There shall be no reimbursement to local government entities for the costs of carrying out the programs mandated by these standards, because the Commission has found these standards to be cost-effective. The savings which these entities will realize as a result of carrying out these programs will outweigh the costs associated with implementing these programs.

Note: Authority cited: Sections 25213, and 25218(e), and 25403.5, Public Resources Code. Reference: Sections 25132 and 25403.5, Public Resources Code.

Pacific Gas and Electric Company

Jennifer Privett
State Agency Relations
jennifer.privett@pge.com

1415 L Street, Suite 280
Sacramento, CA 95814
(916) 698-8033

April 28, 2023

Drew Bohan
Executive Director
California Energy Commission
Re: Docket No. 21-OIR-03
715 P Street
Sacramento, CA 95814-5512

Re: 21-OIR-03, 2022 Load Management Rulemaking: Request for Extension of July 1, 2023 Deadline Set By Revised Load Management Standards

Dear Executive Director Bohan:

Pacific Gas and Electric Company (PG&E), on behalf of itself and other load serving entities (LSEs) that are subject to the recently revised load management standards (LMS) (collectively, the Joint Parties),[1] writes to request your approval of an extension of the July 1, 2023 deadline set by the revised LMS for the Joint Parties to upload their existing time-dependent rates to the California Energy Commission's (CEC) Market-Informed Demand Automation Server (MIDAS) Database.

This letter follows up on a constructive conference call the Joint Parties held with Commissioner Andrew McAllister, CEC staff members, and CEC counsel on April 10, 2023, during which the Joint Parties explained their concerns about the feasibility of the July 1, 2023, deadline. This letter summarizes those concerns and proposes a path forward that combines flexibility as to the deadline with a phased approach that will allow for forward movement in the near term toward meeting the important goals set by the revised LMS.

[1] The other parties, all of which have agreed to PG&E sending this letter on their behalf, are: Southern California Electric Company (SCE), San Diego Gas & Electric Company (SDG&E), Clean Power Alliance of Southern California (CPA), East Bay Community Energy (EBCE), Marin Clean Energy (MCE), Central Coast Community Energy (CCCE), Silicon Valley Clean Energy Authority (SVCE), San Jose Clean Energy (SJCE), Peninsula Clean Energy Authority (PCE), CleanPowerSF (CPSF), Sonoma Clean Power Authority (SCP), San Diego Community Power (SDCP), Pioneer Community Energy (Pioneer), Valley Clean Energy (VCE), and Orange County Power Authority (OCPA).

1. Background Regarding Revised LMS

On January 20, 2023, the Office of Administrative Law approved, and ordered effective as of April 1, 2023, the CEC's proposed amendments to California Code of Regulations (CCR) §§ 1621-1625, which set forth the LMS.[2] The revised LMS are intended to facilitate a statewide real-time signaling system that can be used by mass-market end-use automation to provide load flexibility on the electric grid.

Among other changes, the revised LMS set a deadline of July 1, 2023 for the Large Investor-Owned Utilities (the Large IOUs, namely PG&E, SCE, and SDG&E), the Large Publicly-Owned Utilities (the Large POUs, namely LADWP and SMUD), and the Large Community Choice Aggregators (the Large CCAs, namely any CCA that provides in excess of 700 GWh of electricity to customers in any calendar year) to upload their existing time-dependent rates to the MIDAS database.[3]

2. The Joint Parties' Concerns with the July 1, 2023 Deadline

As stated during the April 10, 2023 conference call, the Joint Parties are concerned about the feasibility of the July 1, 2023 deadline for upload of existing time-dependent rates to the MIDAS database.

This concern stems from the fact that the MIDAS Database is still in development (as discussed further below), and until it is finalized, the Joint Parties will not be able to automate the process of uploading rates to MIDAS. While manual uploads of rates are possible to some extent, large scale manual uploads are not feasible or cost-effective given the number of different rates and the personnel time required to perform such uploads.

As discussed during the April 10, 2023 conference call, the MIDAS database remains in development in important respects, preventing the Joint Parties from initiating the significant work necessary to allow for automatic uploading of rates. Current impediments to automation of uploads include the following.

(a) Until the Requirements for Rate Identification Numbers are Finalized, the Joint Parties are Unable to Develop Processes for Automated Uploads of Rates to MIDAS

---

[2] *See* CEC, Docket 21-OIR-03, TN# 248526, *Office of Administrative Law Approval of Revisions to the Load Management Standards*, docketed 1/25/23, available at https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-OIR-03.

[3] *See* 20 CCR § 1623(b) ("No later than three (3) months after April 1, 2023, each Large IOU shall upload its existing time-dependent rates applicable to its customers to the [MIDAS] database."); 20 CCR § 1623.1(c) ("No later than three (3) months after April 1, 2023, each Large POU and each Large CCA shall upload its existing time-dependent rates applicable to its customers to the [MIDAS] database.").

Starting in November 2022, the CEC convened Working Groups to develop functional requirements for MIDAS and the format for Rate Identification Numbers (RINs). However, except for one meeting on March 30, 2023, all Working Group meetings in March 2023 were cancelled. As of the date of this letter, the CEC has not formally released the final specification for RIN construction, and MIDAS is not yet able to support all required rate components. Among some of the unresolved questions are the following:

- How should unbundled vs. bundled rates and RIN be addressed?
    - While the LSEs do not interpret LMS to require rate compilation for unbundled customer rates (made up of a Large CCA's generation rates plus the IOU's transmission and distribution rates) prior to LSE upload, if such rate compilation is required, who will build, pay for, and be responsible for maintaining a rate compilation tool?
        - There is not currently a technologically feasible process in place for the IOUs or CCAs to compile the unbundled customer rates to upload to MIDAS, either in MIDAS or otherwise.
        - The CCAs and IOUs cannot take responsibility for the accuracy of each other's rates (i.e., the CCA generation rate and the IOU transmission/delivery rate).
        - There is no system or process available to update and keep unbundled customer rates current and accurate in MIDAS when rates change, as required by the LMS regulations. The IOUs and CCAs need time to fund, create, and maintain these systems and processes.
        - The CCAs have proposed that third party automation providers build into their technology the capability to compile CCA generation and IOU transmission/delivery rates (to make up the unbundled rate). The CCAs have also proposed that MIDAS itself have the capability to compile the rate itself, which is the most efficient option given the rate compilation will all be done in one place. However, CEC staff have not responded to the CCA proposals, and the Joint Parties have no guidance on the rate compilation issue.
- Because rate modifiers can result in different generation and distribution prices for different customers, should all rate modifiers be included, or should the list be filtered based on the number of customers eligible?
- What are the examples of rate modifiers that may need different RINs because they affect volumetric charges? These include, without limitation:
    - CARE
    - FERA
    - Medical baseline (only if it affects the volumetric price)
    - Disadvantaged community discount
    - Green tariff (50% or 100%)

  - Critical Peak Pricing (e.g., SmartRate)
  - Line voltage (service voltage) levels
  - Connection type: Transmission, primary, secondary, phase service
  - Vintage year (results in different Power Charge Indifference Adjustments for different CCAs customers)
  - Location (when it affects volumetric pricing)
- How should MIDAS's current inability to accept rates with different import and export prices (e.g., DAHTRP-CEV) be addressed?
- What rate data granularity should be used?
  - For hourly rates, 8760 hours vs. 24 hours
  - For TOU rates, should this follow the same level of granularity as hourly rates?
  - Should the upload involve only the time-dependent charges of a customer rate or the entire rate, including static charges?

Even as these questions require more clarification through further effort by the Working Group, it is already clear that the numerous factors involved will likely result in an extremely high level of complexity for RIN. As an example, PG&E has approximately 36 time-dependent rates, including residential, non-residential, and agricultural. Based on the rate modifiers above, each rate could have 45 to 450 RINs, amounting to from 1620 to 16200 RINs in total, and this figure does not include the locational permutation.[4] If each RIN were required to be uploaded on a daily basis on a 24-hour interval, PG&E estimates it would need to upload 38,880 to 380,000 price intervals into MIDAS. This number could double if each unbundled customer has two RINs, one for its UDC and one for its LSE.

Only after these questions are resolved and the standards and requirements for RIN are firmly established will each of the Joint Parties be able to begin to develop the systems and processes necessary for automated uploads to MIDAS.

(b) Until Application Programming Interface Requirements are Finalized with Current Documentation, the Joint Parties are Unable to Develop Processes for Automated Uploads of Rates to MIDAS

In addition to needing to finalize guidelines for RINs and price formatting as described in the previous section, the MIDAS system needs to be stabilized and documentation updated. Initially, SCE was testing the MIDAS application programming interface (API) by uploading test data but has now paused that effort due primarily to the system being under active development with no availability of updated documentation.

[4] SDG&E has 30 commodity and UDC time dependent tariffs, spanning residential, adaptive lighting, commercial and agricultural. These equates to over 95 rate categories that SDG&E uses for billing in its systems. Factoring in the modifiers and renewable programs with these rate categories, SDG&E estimates it would need to upload anywhere from 30k to 300k price intervals into MIDAS.

For example, during the LMS Working Group Meeting 5 held on February 21, 2023, CEC staff informed stakeholders that all test data should be uploaded with "TEST" as the location code. After this meeting, SCE attempted to upload data with "TEST" in the location field as requested, but the upload failed. CEC staff made a change to the system, and subsequently "TEST" was accepted as a location code but did not appear in the LOCATION table when SCE downloaded it. Around this same time, SCE requested updated documentation, and CEC staff notified SCE that they were working on updated documentation or changelogs.

The Joint Parties are unaware of the MIDAS documentation having been updated since October 2022.[5] Based on the interactions described above, it appears that MIDAS remains under active development by the CEC.

(c) Large Scale Uploading of Rates is Not Feasible Until MIDAS Is Finalized Such that the Joint Parties Can Automate the Uploading Process

The Joint Parties will not be able to develop automated systems to upload complex pricing to MIDAS while the system is in active development and without current documentation. While manual uploads of rates may be possible to a limited extent, this is not a feasible or cost-effective broad-based solution given the time- and labor-intensive nature of such work. The discussion regarding PG&E's rates above is indicative of the magnitude of the uploading work that would be required to be performed manually, potentially on an ongoing basis to keep rate information current in MIDAS. The Joint Parties submit that it would be incongruent and counterproductive for load serving entities to be required to perform (using ratepayer funds) extensive manual uploading for a system that is intended to promote efficiency and end-use automation to provide load flexibility on the electric grid.

3. An Extension of the July 1, 2023 Deadline Is Warranted

The Joint Parties acknowledge that the revised regulations may differ with respect to the *process* for IOUs and Large CCAs to seek an extension, even though the Joint Parties' reasons for seeking the extensions are aligned. Section 1621(e) allows the IOUs to apply directly to the Executive Director for an exemption or extension of a compliance deadline, based on a showing that requiring timely compliance would cause extreme hardship, result in reduced system reliability or efficiency, or would not be technologically feasible or cost-effective.[6] While Section 1623.1(a)(2) provides Large CCAs the ability to seek approval from their rate approving body of a compliance plan that delays compliance under the regulations (based on the same criteria as the IOU request for extension),[7] the compliance plans of the Large CCAs are

---

[5] See https://www.energy.ca.gov/publications/2021/market-informed-demand-automation-server-midas-documentation-version-12.

[6] *See* § 1621(e).

[7] *See* § 1623.1(a)(2) ("The rate approving body of a . . . Large CCA may approve a plan, or material revisions to a previously approved plan, that delays compliance or modifies compliance with the requirements of Subsections 1623.1(b)-(c) . . . .").

not due until April 2024.[8] Therefore, the regulations do not explicitly provide for a process for CCAs to request an extension of the July 1, 2023 MIDAS upload requirement.[9]

Nevertheless, grounds exist to extend the July 1, 2023 deadline for all of the Joint Parties to upload all existing time-dependent rates to MIDAS to nine months after the final MIDAS protocols are issued by the CEC. Requiring the Joint Parties to upload all of their existing time-dependent rates to the MIDAS database by July 1, 2023 would cause extreme hardship to, and is technologically infeasible for, the Joint Parties because (1) the requirements for RINs are still in development by the CEC, have become very complex, and automating the uploads will require significant time and resources; and (2) MIDAS API functional requirements continue to change and need to be in a stable state with current documentation before the Joint Parties can build the systems and processes needed for automated uploads. The LSEs note that the ability of the LSEs to upload all existing time-dependent rates within the proposed nine-month period is predicated on the LSEs' interpretation of the regulations that each LSE is required to upload its own time-dependent rate (i.e., that rate combination between the CCAs generation and IOUs' transmission and distribution rates is not required).

The Joint Parties therefore submit that in response to this letter, the Executive Director may (i) approve the Joint IOUs' extension request, and (ii) approve the Large CCAs' extension request without requiring individual CCA requests for extension or governing body approval, acknowledging that the Large CCAs face the same impediments to meeting the July 1, 2023 deadline as do the Joint IOUs.

4. Proposal for Alternative Timeline Involving Staged Implementation

As discussed during the April 10, 2023 conference call, given the many challenges and complexities described above, the Joint Parties ideally would prefer an extension of the deadlines set forth in 20 CCR § 1623.1(b) and 20 CCR § 1623.1(c) for uploading existing time dependent rates to MIDAS to 12 months after adoption of standards for RINs.

However, based on the feedback of Commissioner McAllister during the conference call, the Joint Parties have worked together to develop proposals for a phased implementation of the LMS over a nine-month period after the MIDAS completion that would avoid a flat extension of 12 months. For each milestone listed below during the nine-month period, each LSE will endeavor to provide the most information possible, based on technological feasibility and cost-effectiveness. The compliance parameters set forth below provide a range of the implementation capabilities of the 16 LSEs making up the Joint Parties. For all LSEs, the

[8] *See* § 1623.1(a)(1) ("Within . . . one year of April 1, 2023, each Large CCA, shall submit a compliance plan that is consistent with Section 1623.1 to its rate approving body . . . .").

[9] Despite this ambiguity, each of the Large CCAs signing on to this letter can seek approval from its respective rate approving body for an extension of the July 1, 2023 upload requirement, and can provide any such approval to the Executive Director at a later date. However, the Large CCAs submit that a blanket extension is warranted given the regulation ambiguity and the overall circumstances.

milestones established are predicated on the LSEs' interpretation of the regulations that each of the LSEs upload its own time-dependent rate (i.e., that rate combination between the CCAs' generation and IOUs' transmission and distribution rates is not required).

Specifically, the Joint Parties propose as follows:

By July 1, 2023:

- Manual Rate Uploads - Because rate uploads at this compliance milestone will be done manually, and not driven from an automated system, only the base rate(s), without modifiers, will be uploaded. For the same reasons, rate upload format will be in the most efficient manner, and likely not hourly as discussed in the MIDAS workshops. These prices will be maintained until automated solutions are developed. Depending on the LSE, the uploads will consist of the following range amongst the Joint Parties:
    - SCE, PG&E and SDG&E will provide a selection of base rate prices to MIDAS that will cover the majority of customers on time dependent rates and attempt to cover a variety of scenarios. Rates will include a selection of Residential TOU, Commercial TOU with peak demand charge and Agricultural/Pumping rates.
        - SDG&E will provide its pricing files in an excel spreadsheet to CEC staff.
        - PG&E will provide its pricing files in csv format to CEC staff.
        - SCE will manually upload its pricing files via API directly to MIDAS.
    - The Large CCAs' submissions of rate schedules will vary among each Large CCA and will range from uploading to MIDAS a selection of between one and four base rates, to creating spreadsheets or .csv files with between one and all of their time dependent rates and sending those spreadsheets or .csv files to CEC staff for upload into MIDAS. The Large CCAs will endeavor to submit rates covering a large number of customers. The rate(s) submitted will include at a minimum one vintage and one renewable energy option.

By October 1, 2023, assuming MIDAS is stable by July 1:

- SDG&E and PG&E plan to begin to upload rate/price information described above directly into MIDAS using manual processes. SDG&E and PG&E will require three months after MIDAS is stable to begin to upload rate/price information, otherwise the processes described above will continue.

CEC Issuance of MIDAS Final Protocols (Date to be provided to LSEs by the CEC):

- Party concerns described above in item 2 have been resolved, including stabilization of MIDAS development, resolution of the IOU/CEC rate compilation issue, and adoption of working group best practices for uploading rate adders and price granularity.

CEC Issuance of MIDAS Final Protocols (Date to be provided to LSEs by the CEC) plus nine months:

- All parties have completed necessary development of final automated systems to upload all prices for all time-dependent rates into MIDAS and have achieved full compliance with the LMS.

5. Conclusion

The Joint Parties appreciate the Executive Director's attention to this request and look forward to moving forward collaboratively to implement the revised LMS. We are available for further discussion and to answer any questions at your convenience, and we look forward to your response.

Sincerely,

Darren P. Roach
Chief Counsel
Pacific Gas & Electric Company

Cc: Energy Commissioner Andrew McAllister, andrew.mcallister@energy.ca.gov
Michael Sokol, CEC Director of Efficiency Division, Michael.Sokol@energy.ca.gov
Jennifer Nelson, CEC Manager of Existing Buildings Branch- Efficiency Division, Jennifer.Nelson@energy.ca.gov
Stefanie Wayland, Load Management Standards Lead, Stefanie.Wayland@Energy.ca.gov
Rebecca Hansson, San Diego Gas & Electric Company, RHansson@sdge.com
Sarah Taheri, San Diego Gas & Electric Company, STaheri@sdge.com
Jeff DeTuri, San Diego Gas & Electric Company, JDeturi@sdge.com
James Whooley, Southern California Edison, James.Whooley@sce.com
Brandon Sanders, Southern California Edison, Brandon.Sanders@sce.com
Eva Molnar, Southern California Edison, Eva.Molnar@sce.com
Robert Thomas, Southern California Edison, Robert.Thomas@sce.com
Mark Krausse, Pacific Gas & Electric Company, Mark.Krausse@pge.com
Emily Bartman, Pacific Gas & Electric Company, Emily.Bartman@pge.com
Andrew Au, Pacific Gas & Electric Company, Andrew.Au@pge.com
Shirley Woo, Pacific Gas & Electric Company, Shirely.Woo@pge.com
Sharon Pierson, Pacific Gas & Electric Company, Sharon.Pierson@pge.com

Leanne Bober, California Community Choice Association (on behalf of the Large CCAs),
Leanne@cal-cca.org
Evelyn Kahl, California Community Choice Association (on behalf of the Large CCAs),
Evelyn@cal-cca.org
Eric Little, California Community Choice Association (on behalf of the Large CCAs),
Eric@cal-cca.org

1) **For each CCA subject to the regulation, what are the CCA time-dependent cost components? How are these CCA cost components handled in the current billing process in conjunction with IOUs?**

   a) EBCE's only time dependent cost component is generation. As an energy-only provider, EBCE replaces PG&E generation service on a customer's bill. EBCE does not have any transmission or distribution rates, time-dependent or otherwise. EBCE's current and previous rates can be found at https://ebce.org/rates/.

      Nearly all EBCE's rates are time-variant. EBCE employs time-varying demand and energy charges that feature peak, partial peak, off-peak, and super off-peak periods. Rates are also often seasonal (differing in the summer and winter). Combinations of the above result in 81 discrete generation rates per rate sheet. With six distinct rate sheets, one for each of the PCIA vintages that EBCE customers can fall into, EBCE offers a total of 486 rates. Again, most of these rates are time-variant.

   b) EBCE's billing process relies on coordination among EBCE, PG&E, and SMUD. PG&E is EBCE's metering agent. PG&E owns, manages, and reads customer meters, and then provides EBCE with aggregated usage for each customer according to PG&E predefined Time of Use ("TOU") periods. For example: "the customer used X units during the peak period and Y units during the off-peak period as defined by their rate schedule."

      SMUD is EBCE's back-office services provider. SMUD uses usage data from PG&E together with EBCE's rate schedules to perform a price times quantity calculation. SMUD then provides PG&E with a generation charge to place on a customer's bill.

      That might look like:

      (1) Peak @ $.20/kWh x 200 kWh = $40.00
      (2) Off-peak @ $.10/kWh x 300 kWh = $30.00
      (3) Total CCA charges = $70.00

2) **What IOU time-dependent costs components (e.g. transmission, distribution, PCIA, etc.) are needed by CCAs from IOUs to meet the regulation?**

   a) The LMS amendments do not require CCAs to include any IOU rate components to meet the regulations. Section 1623.1.c of the LMS States:

      "No later than three (3) months after April 1, 2023, each Large POU and *each Large CCA shall upload **its** existing time-dependent rates* applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database. Each Large POU and Large CCA shall upload all time-dependent rates, including those approved after April 1, 2023, to MIDAS prior to the effective dots of the time dependent rates each time a time-dependent rate is approved by the rate approving body and each time a time-dependent rate changes. The time-dependent rates uploaded to the MIDAS database shall include all applicable time-dependent cost components, including, but not limited to, generation, distribution, and transmission."

EBCE's "existing time-dependent rates applicable to its customers" do not include any IOU rate components. As CCAs do not have distribution and transmission rate components, those rate components likewise are outside the scope of CCA obligations under the LMS amendments.

b) EBCE does not maintain information on the IOUs current rates and cannot speak to which PG&E rate components PG&E should upload.

3) Are the lists of IOU cost components publicly available? If so, are they in a workable format?

a) At least some IOU cost components are publicly available as individual PDFs of tariffs on PG&E's website. EBCE cannot confirm whether these records are comprehensive.

b) IOU cost components are not, to EBCE's knowledge, publicly available in a workable format for the purpose of rate compilation and upload into MIDAS. To be uploaded, rate components from each tariff PDF would need to be manually converted into a machine-usable format. This time-intensive process would need to be repeated each time one of the IOU's rates are changed.

4) What data format is needed by CCAs to calculate composite rates?

Notwithstanding EBCE's objection to the relevance of this question for compliance with the regulations, EBCE notes that a .csv would be ideal for storing both the inputs to and outputs from the combination process. Additionally, a reconciliation or adaptation process could be used to ensure utility and CCA formatting is consistent.

5) Have CCAs requested the needed information in the desired format from IOUs? Please identify IOU contacts for this information or describe the steps have taken so far.

EBCE has not requested any additional rate information from PG&E.

6) The combinatorics issue has been brought up in the workgroup. Please provide complete details about the issue and its scale, e.g., how many IOU cost component combinations are there? How many CCA cost components are there? What is the final number of combinations?

a) It is difficult to estimate the final number of combinations possible without further discussion among the IOUs, CCAs, and the CEC, as well as the finalization of MIDAS protocols with regards to how certain rate modifiers will be treated. EBCE respectfully submits that this would be best addressed in a meeting or working group. However, a summary of EBCE's generation side components is included below, which can begin to give the issue some scope.

i) Each EBCE rate sheet contains 81 rates with over 400 billing determinants based on either energy usage or demand. Most of these determinants are time variant.

ii) Almost all EBCE's rates use both demand and energy charges, which add two potential combinatory dimensions:

81 rates x 2 dimensions = 162 components

iii) EBCE's rates also differ by season:

81 rates x 2 dimensions ***x 2 seasons = 324 components***

iv) If we assume all rates consist of three potential periods (on-peak, off-peak, and partial-peak):

81 rates x 2 dimensions x 2 seasons ***x 3 periods = 972 components***

v) The number of entries will increase significantly as various rate modifiers are introduced. For example, EBCE serves six different customer vintages, each with their own rate sheet. The number of vintages is only expected to grow based on current EBCE expansion plans.

81 rates x 2 dimensions x 2 seasons x 3 periods ***x 6 vintages = 5832 components***

vi) EBCE offers customers a choice of two distinct services. The Renewable 100 product supplies customers with 100% renewable energy at a slightly higher price than PG&E; the Bright Choice product is a basic plan which costs less than PG&E. Each rate sheet contains a different set of billing determinants for each product choice.

81 rates x 2 dimensions x 2 seasons x 3 periods x 6 vintages ***x 2 products = 11,664 components***

b) Each of these 11,664 components from EBCE would need to be combined with every possible T&D rate entry from PG&E and then converted to 8760 format. This process would be computationally expensive and would require significant planning and review to ensure accuracy and reliability. Additionally, While CCAs only change their rates once annually, utility rate changes may be much more frequent. While EBCE does not agree that CCAs can be responsible for the maintenance of IOU rates, if they are it would require CCAs to recalculate and upload the above number of scenarios and entries each time.

EBCE cannot effectively use limited staff time and resources (ratepayer dollars) to build the systems and processes necessary to calculate composite rates; this is only more so the case for smaller CCAs named in the LMS regulations with fewer staff members. EBCE believes that any rate compilation should be done by MIDAS itself, a third party, or the CPUC's Price Machine, which is currently in development in the Demand Flexibility proceeding.

7) Other relevant comments

a) Despite the looming July 1 deadline, there are many outstanding questions regarding what is required for compliance with the regulations. CEC Staff have canceled March MIDAS working group meetings.

In light of the outstanding questions, and lack of a clear process to resolve them, EBCE respectfully requests that the deadline for compliance be extended to:

i) no sooner than six months after all MIDAS rate upload requirements, including the issue of unbundled combination, are finalized and
ii) either: a) agreed upon by all LSEs or b) approved by the CEC.

EBCE shares the CEC's goals of increasing load flexibility and facilitating load management. Extension of the timeline for implementing LMS ensures that staff time and ratepayer dollars are used efficiently, and that systems and processes developed for compliance will work for customers from day one, and not require expensive and time consuming rebuilding in the near term.

b) Through emails, the MIDAS working groups, and a meeting between the CCAs, CPUC, and CEC staff members, the CCAs have expressed concerns about engaging in extensive testing activities before the CEC finalizes MIDAS protocols. In response to this concern, CEC staff members have stated that the instructions for utilizing MIDAS should not be changing substantially.

While EBCE appreciates the CEC's confidence, as a practical matter even small changes between now and finalization of the combinatorics issues will have a significant impact on how and where rates are processed and uploaded. It is inefficient to build out internal processes for upload and download to MIDAS given the current uncertainty around what those processes must ultimately produce. EBCE encourages the CEC to resolve combinatorics issues before requiring LSEs to upload complete data sets.

EBCE Public Comment received for 5/15/23 CAC and 5/17/23 Board of Directors Meetings

Letter #	City	Name	Date
1	San Francisco	Tom Kelly	5/2/2023
2	Berkeley	Chance Cutrano	5/10/2023
3		EBCE response to Chance Cutrano's letter	5/16/2023

Board of Directors and Community Advisory Committee
East Bay Community Energy

RE: Greenhouse Gas Emissions Associated with *Bright Choice* May 2, 2023

Dear Member of the EBCE Board of Directors and Community Advisory Committee

Thank you for agreeing to form an ad hoc committee of EBCE Board members to consider the greenhouse gas emissions associated with EBCE's default product, *Bright Choice*. I would like to offer my own suggestions on how to improve the quality of *Bright Choice*, as well as how to move EBCE closer to 100% renewable over the next few years.

I have written extensively over the past two years to the Board about EBCE's obligation to acquire electricity that has fewer greenhouse gases than PG&E's base product. I have requested that the Board direct the staff to meet the agency's obligations as stated in the Joint Power Agreement, each jurisdiction's enabling legislation, and EBCE's original Implementation Plan and its subsequent Addenda.

Those of us who were at the forefront of pushing for, and then shaping, what eventually became our Community Choice Energy program, were adamant that EBCE had four primary obligations to the people of Alameda County and the planet we live on. EBCE should:

1) Provide an electricity product that was <u>competitively priced</u> with PG&E, and
2) Provide an electricity product that generates <u>fewer greenhouse gases</u> than PG&E's basic service, and
3) Provide an electric supply portfolio and program offerings that <u>support the achievement of city and county Climate Action Plan goals</u>, and
4) Establish an energy portfolio that prioritizes the use and development of <u>local resources</u>.

Nothing has changed in EBCE's obligations since the agency was founded. In fact, the JPA Agreement and enabling legislation signed by the City of Stockton are the very same documents signed by the members of the East Bay Community Energy Authority. (Attached is a document with excerpted statements from the existing JPA that highlights EBCE's obligation to beat PG&E on greenhouse gases.)

In reviewing the Board documents and staff presentations from other CCA programs that provide a cleaner energy supply, I've been impressed with how the staff have engaged their respective Boards in the decisions on the overall emissions quality of their respective products. In EBCE's case, I have not witnessed the same degree of engagement. Over the past year or so when the issue of emissions has been raised by the Board, CAC, or customers, I have heard staff offer the following general statements about why *Bright Choice* produces 5x more greenhouse gases than PG&E:

1) Energy prices are volatile without providing any context. In truth, natural gas prices upon which "system power" relies have been volatile. *Bright Choice* is made up of 40% system power (2021).[1]
2) The Board refused to accept an allocation of nuclear power from PG&E. It is true, however, that several northern California CCAs with much lower emissions than PG&E did not accept a nuclear allocation either. On this point, those of us who worked and fought for the formation of EBCE, did so, in part, because we wanted to free ourselves from relying on nuclear power.
3) Renewable energy prices are much higher than they were in the past. According to the *2023 Padilla Report* (annual report on Renewable Portfolio Standards to the Legislature) that statement is true, however the Report qualifies the reasons for the increase:
The average price of RPS contracts that were executed in 2022 increased to 6.2 ¢/kWh as compared to a real dollar value of 3.0 ¢/kWh in 2021. Cost drivers include continued supply chain impacts as well as notable purchases of higher cost renewable resource types such as geothermal.

In my view, if all other northern California CCAs were producing electricity with such a high emissions intensity as *Bright Choice*, I would have a greater appreciation for EBCE's difficulty in cleaning up its power supply. However, if we look at Peninsula Clean Energy (PCE), a CCA half the size of EBCE (315,000 accounts vs. 640,000 accounts), PCE has consistently provided a standard electricity product that is 100% carbon free and sold at a 5% discount to PG&E. In addition, PCE has pledged to deliver 100% renewable power, 99% percent of the time by 2025[2]. In contrast, EBCE has pledged to supply 100% carbon free power by 2030. PCE has developed a modeling tool called MATCH (Matching Around-the-Clock Hourly energy) that demonstrates that the cost of achieving its stated

[1] RPS prices have been declining, supporting one of the original purposes of the RPS program, which was to be a cost-effective physical hedge against high and volatile fuel prices such as for fossil methane gas. 2023 Padilla Report

[2] See, https://www.peninsulacleanenergy.com/achieving-24-7-renewable-energy-by-2025/ Carbon emissions are generally calculated on an "annual" basis. PCE promises to deliver 100% renewable power on an "hourly" basis – 99% of the time.

goal will increase its energy costs only by 2%.[3] PCE believes it is able to achieve this goal because 71% of its current electricity portfolio is sourced from renewables. This means that the calculation for EBCE is likely to be somewhat different if we assume that EBCE's percentage of renewables is less than 71%. Nevertheless, EBCE should be using this tool to determine when it will be able to replicate PCE's goal.

I would also like to point out that PCE is in a strong financial position with $215MM in Net Reserves.

My recommendations to the Board are:

1) Ask the staff to provide a report on energy costs. In the past staff have stated that the market is "volatile", prices are "higher" than before, that hydro is not available, but have never really provided the Board with the hard data it needs to determine how much the Board is willing to authorize to clean up the *Bright Choice* power supply.
2) Provide an analysis of what the costs will be with making *Bright Choice* a 100% carbon free product or at least below PG&E's 98 lbs. CO_2/MWh (2021).
3) Ask the staff to conduct a MATCH analysis to determine when EBCE could be 100% renewable on a 24/7 basis.
4) MCE Clean Energy is enrolling all new customers in 100% renewable, regardless of the jurisdiction in which they live or operate. It adds a significant number of new 100% renewable customers each year. What would it take to do something similar at EBCE?

I see that the Executive Committee will get a first look at the proposed budget for the next fiscal year. I urge the Executive Committee and Board to first consider the cost of making *Bright Choice* a product that helps rather than hinders the fight against climate change instead of providing discounts that have little impact on residential customers.

Sincerely,

Tom Kelly
Berkeley

[3] The cost of 24/7 renewable energy varies depending on how perfectly supply and demand are matched. We find that a "sweet spot" goal of providing 100% renewable energy on a 99% time-coincident basis results in only a 2% cost increase relative to our baseline, while achieving critical emission reductions and providing other benefits to the grid.

East Bay Community Energy Authority – Joint Powers Agreement

Effective December 1, 2016 As amended by Resolution No. 2018-23 dated June 20, 2018

Recitals

3. The purposes for the Initial Participants (as such term is defined in Section 1.1.16 below) entering into this Agreement include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by reducing energy related greenhouse gas emissions, promoting electrical rate price stability, and fostering local economic benefits such as jobs creation, community energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional and local solar and wind energy production.

6. By establishing the Authority, the Parties seek to:

Commented [TK1]: This certainly different than saying "will" or "must", but it was everyone's understanding that "seek" gave them a bit of wiggle room if they were confronted by an extraordinary situation. It was never intended to be a "guideline" as staff have stated.

(a) Provide electricity rates that are lower or competitive with those offered by PG&E for similar products;

(b) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may "opt-up" and voluntarily participate;

(c) Develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of the parties' greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;

(d) Establish an energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits;

Agreement

2.4 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party and any other powers granted to the Authority under state law to participate as a group in the CCA Program pursuant to Public Utilities Code Section 366.2(c)(12); to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs; and, to exercise all other powers necessary and incidental to accomplishing this purpose.

5.4 Business Plan. The Authority shall cause to be prepared a Business Plan, which will include a roadmap for the development, procurement, and integration of local renewable energy resources as outlined in Section 5.3 of this Agreement. The Business Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs. The Business Plan shall identify opportunities for local power development and how the CCA Program can achieve the goals outlined in Recitals 3 and 6 of this Agreement. The Business Plan shall include specific language detailing employment and labor standards that relate to the execution of the CCA Program as referenced in this Agreement. The Business Plan shall identify clear and transparent marketing practices to be followed by the CCA Program, including the identification of the sources of its electricity and explanation of the various types of electricity procured by the Authority. The Business

Commented [TK2]: This sentence states that the Business Plan will help the agency achieve the goals outlined in Recitals 3 and 6 above which I have highlighted as addressing climate change and greenhouse gas emission reductions.

Plan shall cover the first five (5) years of the operation of the CCA Program. Progress on the implementation of the Business Plan shall be subject to annual public review.

7.1.3 The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers for the CCA Program, the Authority must provide to the Parties a report from the electrical utility consultant retained by the Authority comparing the Authority's total estimated electrical rates, the estimated greenhouse gas emissions rate and the amount of estimated renewable energy to be used with that of the incumbent utility. Within 30 days after receiving this report, through its City Manager or a person expressly authorized by the Party, any Party may immediately withdraw its membership in the Authority by providing written notice of withdrawal to the Authority if the report determines that any one of the following conditions exists: (1) the Authority is unable to provide total electrical rates, as part of its baseline offering to customers, that are equal to or lower than the incumbent utility, (2) the Authority is unable to provide electricity in a manner that has a lower greenhouse gas emissions rate than the incumbent utility, or (3) the Authority will use less qualified renewable energy than the incumbent utility.

Commented [TK3]: This section describes how a party to the Agreement can withdraw "prior to program launch" within 30 days of receiving a report on rates and GHGs that describes the Agency's rate structure (must be competitive or lower than PG&E) and GHGs (that must be lower than the incumbent utility), and even the failure to provide more renewable power than PG&E). If those are the criteria for withdrawal, it reinforces the fact that the Agency must consistently do better than PG&E on each of those criteria. Otherwise what would be the point of joining if the Agency could ignore those criterial later?

Emeryville ordinance

Commented [TK4]: The ordinance that all the jurisdictions signed.

ORDINANCE NO. 16-010 ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EMERYVILLE AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM PURSUANT TO CALIFORNIA PUBLIC UTILITIES CODE SECTION 366.2

WHEREAS, the County of Alameda ("County") and Alameda County cities, including the City of Emeryville, have been actively investigating options to provide electricity supply services to constituents within the County with the intent of achieving greater local involvement over the provision of electricity supply services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs;

Commented [TK5]: Again, demonstrates the desire to be better than PG&E on all three matters.

WHEREAS, the Technical Feasibility Study completed in June of 2016 shows that implementing a Community Choice Aggregation program would likely provide multiple benefits to the citizens of Alameda County, including the following:

1. Providing customers a choice of power providers;
2. Increasing local control over energy rates and other energy-related matters;
3. Providing electric rates that are competitive with those provided by the incumbent utility;
4. Reducing greenhouse gas emissions arising from electricity use;
5. Increasing local and regional renewable generation capacity;
6. Increasing energy conservation and efficiency projects and programs;
7. Increasing regional energy self-sufficiency; and
8. Encouraging local economic and employment benefits through energy conservation and efficiency projects; and

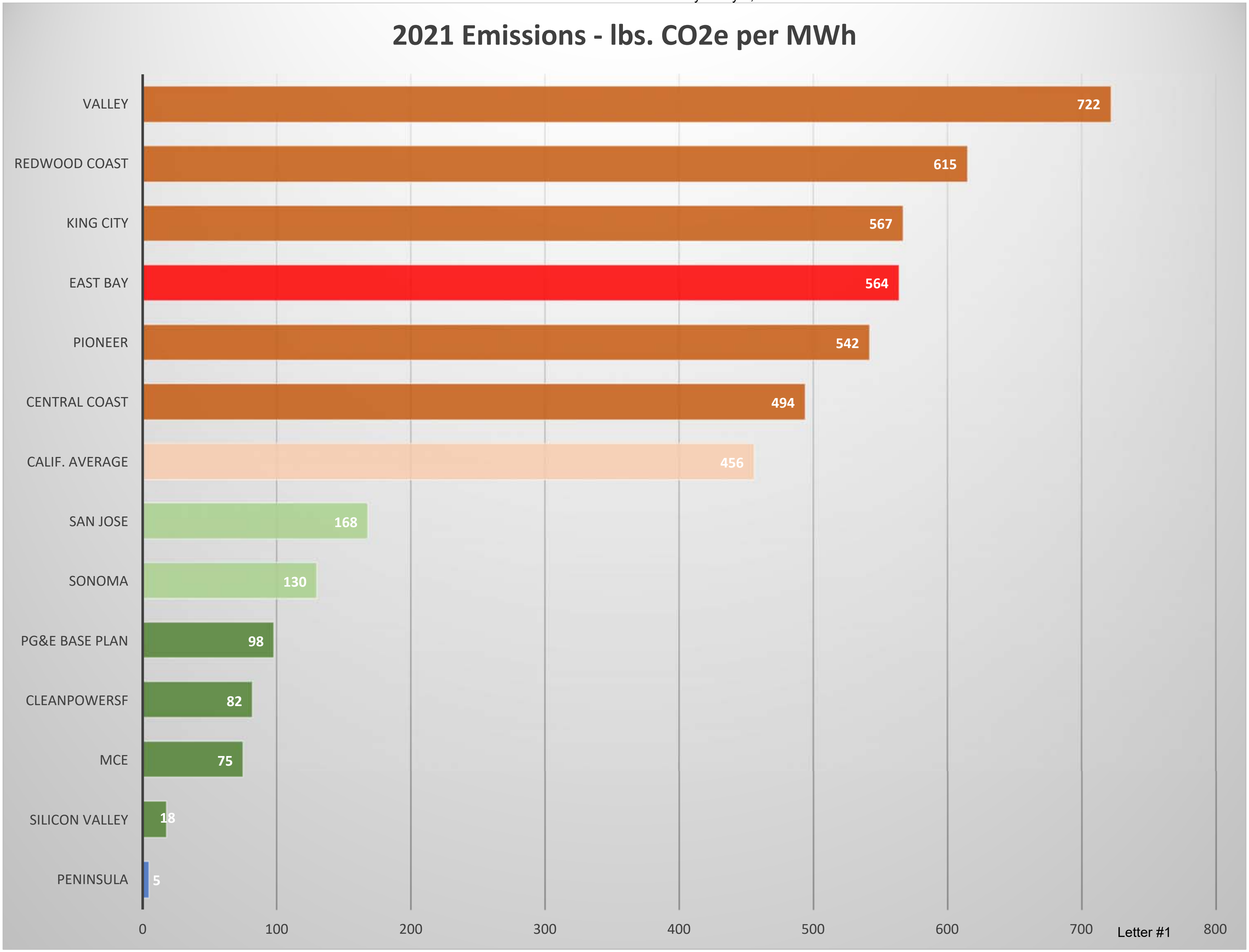
2019 Emissions Factor Results

- **142 lb-CO^2/MWh** (0.064 MT-CO^2/MWh)

- **135 lb-CO^2/MWh** (0.061 MT-CO^2/MWh)
  - *101 lb-CO^2/MWh in 2018*

- **113 lb-CO^2/MWh** (0.052 MT-CO^2/MWh)
  - *83 lb-CO^2/MWh in 2018*

EAST BAY COMMUNITY ENERGY


2021 Emissions - lbs. CO2e per MWh
VALLEY
722
REDWOOD COAST
615
KING CITY
567
EAST BAY
564
PIONEER
542
CENTRAL COAST
494
CALIF. AVERAGE
456
SAN JOSE
168
SONOMA
130
PG&E BASE PLAN
98
CLEANPOWERSF
82
MCE
75
SILICON VALLEY
18
PENINSULA
5
0
100
200
300
400
500
600
700
800

2021 CALIFORNIA ENERGY COMMISSION POWER CONTENT LABELS - NORTHERN CALIFORNIA

2020 RANK	2021 RANK	Load Serving Entity	Lbs CO2e per MWh	% Renewable	% Unspecified	% Nat. Gas	% Large Hydro	% Nuclear	% Other	% Unbundled RECs
2	1	Peninsula	5	49.20%	0.00%	0.00%	50.80%	0.00%	0.10%	0.00%
1	2	Silicon Valley	18	44.10%	0.00%	0.00%	35.90%	**20.00%**	0.00%	0.00%
4	3	MCE	75	60.50%	**1.70%**	0.00%	36.80%	**0.90%**	0.10%	0.00%
3	4	CleanPowerSF	82	55.40%	**6.90%**	0.00%	37.60%	**0.10%**	0.00%	0.00%
7	5	PG&E BASE PLAN	98	47.70%	0.00%	**8.90%**	4.00%	**39.30%**	0.00%	**2.00%**
5	6	Sonoma	130	49.70%	**9.20%**	0.00%	40.60%	**0.50%**	0.00%	0.00%
8	7	San Jose	168	36.00%	**1.30%**	0.00%	31.30%	**31.30%**	0.00%	0.00%
11	8	CALIF. AVERAGE	456	33.60%	**6.80%**	**37.90%**	9.20%	**9.30%**	0.20%	NA
6	9	Central Coast	494	38.40%	**49.80%**	0.00%	11.80%	0.00%	0.00%	0.00%
14	10	Pioneer	542	30.80%	**48.40%**	0.00%	0.40%	**20.40%**	0.00%	**5.00%**
13	11	East Bay	564	42.30%	**40.00%**	0.00%	15.90%	**1.70%**	0.10%	0.00%
12	12	King City	567	40.00%	**60.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
10	13	Redwood Coast	615	33.10%	**56.40%**	0.00%	10.50%	0.00%	0.00%	0.00%
9	14	Valley	722	12.60%	**76.50%**	0.00%	10.90%	0.00%	0.00%	0.00%

SIERRA CLUB
SAN FRANCISCO BAY
Serving Alameda, Contra Costa, Marin and San Francisco counties

May 10, 2023

Chair Marquez and East Bay Community Energy (EBCE) Directors
Community Advisory Committee
East Bay Community Energy
1999 Harrison St.
Oakland, CA 94612

RE: CPUC Resolution E-5258
EBCE fines for failing to meet Resource Adequacy procurement requirements

Dear Chair Marquez, EBCE Directors, and Community Advisory Committee,

The Sierra Club has supported CCAs from the beginning as a way to accelerate the transition to clean, renewable energy. We were active in the formation and supportive of East Bay Community Energy (EBCE), its Local Development Business Plan, and the associated benefits of community representation in decision-making and the promise of alignment with the Climate Action Plans of member jurisdictions.

Sierra Club has 400,000 members and supporters living in California, many of whom live within CCA jurisdictions, including EBCE's. We appreciate the mission of EBCE as a local, cleaner, greener, and more affordable to investor-owned utilities. It is with that framing that we write to you today.

The April 27, 2023 voting meeting of the CPUC considered and approved Resolution E-5258, which included the following:

- a tabulation of CPUC imposed fines paid by EBCE over the past 4 years totaling almost $6.4 million;
- a description of the fines, indicating that they followed EBCE violations of the CPUC's Resource Adequacy procurement requirements from 2019 through 2022;
- a statement that the fines were paid by EBCE, with fines transferred to the California general fund; and

- a statement of concern noting the impact of EBCE's failure to procure sufficient Resource Adequacy on customers; and
- a postponement of at least a one year for the enrollment of the City of Stockton in EBCE due to the pattern of missed Resource Adequacy procurement.

We understand that EBCE has multiple programmatic and statutory obligations to manage and continue to support the vision and mission of the agency. At the same time, it is concerning to the Club that nearly $6.4 million of EBCE ratepayer money was diverted from energy procurement and other EBCE programs to the payment of fines.

We are seeking EBCE's perspective on the above, especially how EBCE is planning to avoid such fines in 2023 and beyond. Our Energy-Climate Committee meets next on Thursday, May 18, 2023. Your written response prior to this meeting would be appreciated.

We care deeply about the programmatic success of EBCE and full implementation of its Local Development Business Plan. If there is anything we can do in supporting the agency in its fulfillment of its mission, please let us know.

Sincerely,

Chance Cutrano, Chair
Sierra Club San Francisco Bay Chapter

EAST BAY COMMUNITY ENERGY

May 16, 2023

Mr. Chance Cutrano
Sierra Club of San Francisco Bay
2530 San Pablo Ave, Suite 1
Berkeley, CA 94702

Dear Mr. Cutrano,

Thank you for Sierra Club of San Francisco Bay's inquiry dated May 10, 2023. In your letter, you asked about CPUC Resolution E-5258 and the penalties EBCE incurred for under-procurement in the California Public Utilities Commission (CPUC) Resource Adequacy (RA) program.

Before turning to the penalties described in Resolution E-5258, some background on the RA program may be helpful. RA is a form of *capacity*, as opposed to *energy*. Paying for RA means, in essence, paying for a generator to be available to generate rather than to actually generate. The RA program requires jurisdictional load serving entities like EBCE (LSEs) to procure CPUC-determined amounts of RA-qualified generation capacity. The CPUC determines these amounts annually. The CPUC will assess penalties to LSEs unable to procure their requirement of RA (whether due to market scarcity, illiquidity, or resources being economically withheld).

There are "backstop" RA procurement mechanisms that kick in when an LSE is "short" on RA, thereby ensuring a reliable grid. The grid operator can obtain additional capacity via its FERC-approved authority to obtain resources for reliability purposes. The availability of resources for CPM designation serves to demonstrate that resources had been withheld from the bilateral RA market for artificial purposes. The "CPM" price is set by regulation rather than the market. It can be well below the market price.

2021 and 2022 saw significant tightening in the RA market. Consequently, there were times when EBCE could not buy all the RA it needed. Counter-intuitive as it may seem, though incurring these penalties actually saved EBCE customers money. The cost of penalties plus backup through the CAISO were less expensive than the alternative of buying RA at prevailing market prices.

EBCE wishes to clarify for Sierra Club of San Francisco Bay that RA penalties were ***in lieu of*** procurement of RA and therefore the costs of the penalties were equal to or less than the price EBCE would have paid for RA, and as a result the payment of penalties did not have the effect of raising EBCE's procurement costs, nor did they have a negative impact on customer rates and funding for EBCE's customer programs.

EBCE appreciates Sierra Club of San Francisco Bay's continued support as we

1999 Harrison Street, Suite 800 Oakland, CA 94612 | 1-833-699-EBCE (3223) | ebce.org

accelerate the transition to clean and renewable energy in a manner that is sustainable for our diverse customers.

Sincerely,

DocuSigned by:

Marie Fontenot

205FAF1AF9DE4A7...

Marie Fontenot

Vice President, Power Resources