



CAC Item C5  
Staff Report Item 17

**TO:** East Bay Community Energy Board of Supervisors  
**FROM:** Nick Chaset, CEO  
**SUBJECT:** EBCE Budget Fiscal Year 2023-2024 (Action Item)  
**DATE:** June 21, 2023

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**Recommendation**

Adopt a resolution approving the 2023-2024 fiscal year budget.

**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. Continued significant contribution 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 Board of Directors on May 17, 2023, and the Executive Committee on June 7, 2023 ("previous versions"). 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 in previous versions.

## Summary of EBCE Budget FY 2023-2024

|   | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|---|----------------------------|----------------------|--------------------------|
| <b>OPERATING ACTIVITY</b>                     |                            |                      |                          |
| <b>REVENUE &amp; OTHER SOURCES</b>            |                            |                      |                          |
| <b>GASB 62 Unrecognized Revenue Balance</b>   | 15,814,000                 | 15,814,000           | 15,814,000               |
| <b>Operating Revenue</b>                      |                            |                      |                          |
| 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                |
| <b>Total Operating Revenue</b>                | <b>934,627,000</b>         | <b>769,940,000</b>   | <b>865,646,000</b>       |
| <b>EXPENSES &amp; OTHER USES</b>              |                            |                      |                          |
| <b>Energy Operating Expenses</b>              |                            |                      |                          |
| Cost of Energy                                | 683,883,000                | 523,996,000          | 654,987,000              |
| Energy Operating Services                     | 11,230,000                 | 11,245,000           | 11,270,000               |
| <b>Total Energy Operating Expenses</b>        | <b>695,113,000</b>         | <b>535,241,000</b>   | <b>666,257,000</b>       |
| <b>Overhead Operating Expenses</b>            |                            |                      |                          |
| 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                  |
| <b>Total Overhead Operating Expenses</b>      | <b>39,299,000</b>          | <b>27,426,000</b>    | <b>22,016,000</b>        |
| <b>NON-OPERATING ACTIVITY</b>                 |                            |                      |                          |
| <b>NON-OPERATING REVENUE</b>                  |                            |                      |                          |
| 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                  |
| <b>Total Non-Operating Revenue</b>            | <b>1,728,000</b>           | <b>276,000</b>       | <b>2,821,000</b>         |
| <b>NON-OPERATING EXPENSES</b>                 |                            |                      |                          |
| 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                  |
| <b>Total Non-Operating Expenses</b>           | <b>24,650,000</b>          | <b>30,990,000</b>    | <b>23,854,000</b>        |
| <b>TOTAL EXPENSES</b>                         | <b>759,062,000</b>         | <b>593,657,000</b>   | <b>712,127,000</b>       |
| <b>NET INCREASE(DECREASE) IN POSITION</b>     | <b>177,293,000</b>         | <b>176,559,000</b>   | <b>156,340,000</b>       |
| <b>RESERVE BALANCE</b>                        |                            |                      |                          |
| Beginning Reserve Balance*                    | 230,873,000                | 155,873,000          | 155,873,000              |
| <b>Operating Target (50%)</b>                 | <b>367,206,000</b>         | <b>281,334,000</b>   | <b>281,334,000</b>       |
| *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. Resolution adopting the EBCE Budget FY 203-2024
- B. EBCE Budget for Fiscal Year 2023-2024 Presentation
- C. Overview of Public Process and Summary of Comments
- D. Value Proposition Webinar Presentation
- E. Public Comments Summary Report

**RESOLUTION NO. R-2023-XX**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO APPROVE THE BUDGET FOR  
THE 2023-2024 FISCAL YEAR**

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

**WHEREAS**, EBCE operates on a fiscal year budget cycle from July 1<sup>st</sup> through June 30<sup>th</sup>;

**WHEREAS**, draft versions of EBCE’s budget for fiscal year 2023-2024 were presented to the Executive subcommittee on May 3, 2023 and the Board of Directors on May 17, 2023 (the “Prior Presentations”);

**WHEREAS**, staff has incorporated feedback from the Prior Presentations and prepared a revised proposed budget, set forth in Exhibit A (the “Proposed Budget”);

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

Section 1. The Board of Directors hereby approves and adopts the Proposed Budget, as set forth in Exhibit A, as EBCE’s fiscal year 2023-2024 budget.

ADOPTED AND APPROVED this 21st day of June, 2023 .

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Elisa Marquez, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

**EXHIBIT A**  
**EBCE FISCAL YEAR 2023-24 BUDGET**  
 (as adopted on 6/21/2023)

| <b>EAST BAY COMMUNITY ENERGY</b>            | <b>FY 2022-23<br/>BUDGET</b> | <b>FY 2021-22<br/>BUDGET</b> |
|---|------------------------------|------------------------------|
| <b>OPERATING ACTIVITY</b>                   |                              |                              |
| <b>REVENUE &amp; OTHER SOURCES</b>          |                              |                              |
| <b>GASB 62 Unrecognized Revenue Balance</b> | 15,814,000                   | 15,814,000                   |
| <b>Operating Revenue</b>                    |                              |                              |
| Electricity Sales                           | 792,008,000                  | 508,636,000                  |
| Uncollectables                              | (15,841,000)                 | (8,939,000)                  |
| Other Operations Revenue                    | (6,229,000)                  | 0                            |
| <b>Total Operating Revenue</b>              | <b>769,938,000</b>           | <b>499,697,000</b>           |
| <b>EXPENSES &amp; OTHER USES</b>            |                              |                              |
| <b>Energy Operating Expenses</b>            |                              |                              |
| Cost of Energy                              | 523,996,000                  | 442,337,000                  |
| Data Management/Customer Service            | 7,834,000                    | 8,645,000                    |
| PG&E Service Fees (Billing/Metering)        | 2,715,000                    | 2,752,000                    |
| CAISO Scheduling Coordinator                | 696,000                      | 843,000                      |
| <b>Total Energy Operating Expenses</b>      | <b>535,241,000</b>           | <b>454,577,000</b>           |
| <b>Overhead Operating Expenses</b>          |                              |                              |
| Personnel                                   | 15,712,000                   | 10,171,000                   |
| Marketing & Communications                  | 2,876,000                    | 1,686,000                    |
| Legal, Policy, & Regulatory Affairs         | 2,488,000                    | 1,592,000                    |
| Other Professional Services                 | 2,292,000                    | 850,000                      |
| General & Administrative                    | 3,884,000                    | 2,961,000                    |
| Depreciation                                | 180,000                      | 60,000                       |
| <b>Total Overhead Operating Expenses</b>    | <b>27,432,000</b>            | <b>17,320,000</b>            |
| <b>Total Operating Expenses</b>             | <b>562,673,000</b>           | <b>471,897,000</b>           |
| <b>NON-OPERATING ACTIVITY</b>               |                              |                              |
| <b>NON-OPERATING REVENUE</b>                |                              |                              |
| Interest Income                             | 262,000                      | 798,000                      |
| Grants                                      | 0                            | 894,000                      |
| Other Non-Operating Revenue                 | 15,000                       | 0                            |
| <b>Total Non-Operating Revenue</b>          | <b>277,000</b>               | <b>1,692,000</b>             |
| <b>NON-OPERATING EXPENSES</b>               |                              |                              |
| Borrowing Interest                          | 1,440,000                    | 898,000                      |
| Local Development Funding                   | 22,550,000                   | 8,475,000                    |
| Grant                                       | 0                            | 0                            |
| Capital Expenditures                        | 7,000,000                    | 5,500,000                    |
| <b>Total Non-Operating Expenses</b>         | <b>30,990,000</b>            | <b>14,873,000</b>            |
| <b>NET NON-OPERATING ACTIVITY</b>           | <b>(30,713,000)</b>          | <b>(13,181,000)</b>          |
| <b>TOTAL REVENUES</b>                       | <b>770,215,000</b>           | <b>501,389,000</b>           |
| <b>TOTAL EXPENSES</b>                       | <b>593,663,000</b>           | <b>486,770,000</b>           |
| <b>NET INCREASE(DECREASE) IN POSITION</b>   | <b>176,552,000</b>           | <b>14,619,000</b>            |

JUNE 21, 2023

# Draft Budget for Fiscal Year 2023-2024

PRESENTED BY:  
NICK CHASET, CEO



# Executive Summary - June Update

Attachment Staff Report Item 17B

- PG&E May ERRA Forecast – filed after May Budget presentation – results in less than \$3M change in EBCE’s project net position targets set in 2022
  - No changes to base case value proposition (5% discount for BC and \$0.0025 premium for R100)
  - This additional \$3M is added to local programs to extend Community Grant funding and provide technical assistance to CBO Resilience Hubs
- Additional changes to the forecast are market fluctuations of about \$1.2MM
- Staff has also provided more detailed discussion of:
  - Major Risk Factors
  - Personnel Budget Build Out
  - Use of Funds under different Value Proposition scenarios

# Summary Draft Budget for Fiscal Year 2023-2024

Attachment Staff Report Item 17B

|   | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|---|----------------------------|----------------------|--------------------------|
| <b>OPERATING ACTIVITY</b>                 |                            |                      |                          |
| <b>REVENUE &amp; OTHER SOURCES</b>        |                            |                      |                          |
| GASB 62 Unrecognized Revenue Balance      | 15,814,000                 | 15,814,000           | 15,814,000               |
| <b>Operating Revenue</b>                  |                            |                      |                          |
| Electricity Sales                         | 957,028,000                | 792,009,000          | 867,591,000              |
| Uncollectables                            | (12,095,000)               | (15,840,000)         | (17,352,000)             |
| Other Operations Revenue                  | (6,642,000)                | (6,229,000)          | 10,146,000               |
| <b>Total Operating Revenue</b>            | <b>938,291,000</b>         | <b>769,940,000</b>   | <b>860,385,000</b>       |
| <b>EXPENSES &amp; OTHER USES</b>          |                            |                      |                          |
| <b>Energy Operating Expenses</b>          |                            |                      |                          |
| Cost of Energy                            | 682,367,000                | 523,996,000          | 657,984,000              |
| Energy Operating Services                 | 11,219,000                 | 11,245,000           | 11,274,000               |
| <b>Total Energy Operating Expenses</b>    | <b>693,586,000</b>         | <b>535,241,000</b>   | <b>669,258,000</b>       |
| <b>Total Overhead Operating Expenses</b>  | <b>39,299,000</b>          | <b>27,426,000</b>    | <b>21,793,000</b>        |
| <b>NON-OPERATING ACTIVITY</b>             |                            |                      |                          |
| <b>Total Non-Operating Revenue</b>        | <b>1,728,000</b>           | <b>276,000</b>       | <b>3,275,000</b>         |
| <b>Total Non-Operating Expenses</b>       | <b>27,650,000</b>          | <b>30,990,000</b>    | <b>23,893,000</b>        |
| <b>NET NON-OPERATING ACTIVITY</b>         | <b>(25,922,000)</b>        | <b>(30,714,000)</b>  | <b>(20,618,000)</b>      |
| <b>TOTAL REVENUES</b>                     | <b>940,019,000</b>         | <b>770,216,000</b>   | <b>863,660,000</b>       |
| <b>TOTAL EXPENSES</b>                     | <b>760,535,000</b>         | <b>593,657,000</b>   | <b>714,944,000</b>       |
| <b>NET INCREASE(DECREASE) IN POSITION</b> | <b>179,484,000</b>         | <b>176,559,000</b>   | <b>148,716,000</b>       |
| <b>RESERVE BALANCE</b>                    |                            |                      |                          |
| Beginning Reserve Balance*                | 230,873,000                | 155,873,000          | 155,873,000              |
| <b>Operating Target (50%)</b>             | <b>366,443,000</b>         | <b>281,334,000</b>   | <b>281,334,000</b>       |

\*Expected value after FY 2022-23 contribution

## Notes:

YTD\* reflects actuals through Apr 30, 2023

EST are most current projections as of June 5, 2023

Net Position through Apr 30, 2023: \$92MM



# Draft Budget: Base Case Assumptions

Attachment Staff Report Item 17B

## 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 in Q1/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 from May ERRA filing
- 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 of \$25.9MM

# Draft Budget: Carbon Free Procurement Options

Attachment Staff Report Item 17B

## 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                  | <b>2023</b> | <b>2024</b> |
|--------------------------------|-------------|-------------|
| Current Carbon Free Targets    | 71%         | 71%         |
| Proposed Increases for FY 2024 | 5%          | 10%         |
| Proposed Carbon Free Targets   | 76%         | 81%         |

# Draft Budget: On-Bill Credit Average Allocations

Attachment: Staff Report Item 17B

Average for Each Account

|                                       | Residential   |               | C&I           |                | Total EBCE Wide |               |
|---------------------------------------|---------------|---------------|---------------|----------------|-----------------|---------------|
|                                       | Bright Choice | Renewable 100 | Bright Choice | Renewable 100  | Bright Choice   | Renewable 100 |
| Current Avg Savings (Premium) to PG&E | \$20.68       | (\$34.01)     | \$262.73      | (\$427.23)     | \$41.50         | (\$86.74)     |
| Each 1% BC or 0.25c R100 change       | 6.58          | 10.89         | 83.25         | 136.11         | 13.17           | 27.68         |
| 5% BC and 0.25c R100                  | 33.83         | (12.24)       | 429.23        | (155.02)       | 67.85           | (31.38)       |
| On Bill Credit                        | 9.94          | 9.94          | 128.36        | 128.36         | 21.62           | 21.62         |
| <b>Total Annual Savings (Premium)</b> | <b>43.77</b>  | <b>(2.30)</b> | <b>557.59</b> | <b>(26.66)</b> | <b>89.47</b>    | <b>(9.76)</b> |

- Current annual average savings and premiums paid at the 3% discount for Bright Choice and the 0.75c premium on Renewable 100 products for 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 \$4.9MM
- With both the discount and the On-Bill credit at the end of the year, on average most customers would experience actual savings over PG&E rates
- **Total Customer Savings** = Adjustment to Value Proposition + On-Bill Credits = \$23.2MM + \$14.8MM = **\$38MM**

Base methodology for the On-Bill Credit:  $Dividend = Individual\ annual\ kWh \times (Total\ Surplus) / (Total\ annual\ kWh)$

# Draft Budget: Historical Rate Trends

| Compared Average Rates for Bright Choice Customers by Year (\$/kWh) |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|
| Calendar Year   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   |
| PG&E  | 0.1067 | 0.1060 | 0.0949 | 0.1275 | 0.1407 | 0.1360 |
| %Change/Yr  |        | -0.7%  | -10.4% | 34.4%  | 10.3%  | -3.3%  |
| EBCE  | 0.1051 | 0.1047 | 0.0940 | 0.1250 | 0.1350 | 0.1292 |
| %Change/Yr  |        | -0.4%  | -10.3% | 33.1%  | 8.0%   | -4.3%  |

- The rates shown are inclusive of all fees, including PCIA, and EBCE’s value proposition to reflect what the customer pays on their bill (exclusive of T&D)
- These averages are by calendar year, and some years had more than one rate adjustment
- Average rates by product and year show EBCE rates consistently lower than PG&E’s as per our value proposition
- Rates have not recovered from large increases to rates in 2022 and 2023, due to increased energy costs
- Proposed adjustment to value proposition helps rates recover faster for customers in both products
  - On average, 2024 rates are returned closer to 2022 rates for EBCE customers

# Draft Budget: Value Proposition Alternatives

## Customer Savings per Incremental Change in Product Rate

|                                    | Residential  | C&I          | Total        |
|------------------------------------|--------------|--------------|--------------|
| Each 1% Change in Bright Choice    | \$ 3,027,000 | \$ 3,607,000 | \$ 6,634,000 |
| Each 0.25c Change in Renewable 100 | 1,684,000    | 3,260,000    | 4,944,000    |
| Total                              | 4,711,000    | 6,867,000    | 11,578,000   |

- Bright Choice/RE100 customer value proposition is generally correlated where 0.75% change in BC equates to a 0.25c change in RE100 at current procurement cost levels
- A decrease in customer savings of one increment - where BC would be priced at a 4% discount to PG&E and RE100 priced at a 0.50c premium to PG&E) – would increase expected Net Income by \$11.5m, while maintaining current value proposition (3% discount and 0.75% RE100 premium) would increase expected net income to \$23.2m

|               | 1 increment Change | 2 Increment Change |
|---------------|--------------------|--------------------|
| Bright Choice | \$6.6m             | \$13.2m            |
| RE 100        | \$5m               | \$10m              |
|               | \$11.5m            | \$23.2m            |

| Options for Use of Funds if Discount Reduced |   |   |
|--|---|---|
| CO-2 Free energy options                     | \$11.5m   | ~2.5% increase in CO2-free energy content |
| Local Development options                    | EBCE staff has limited capacity to increase LD funding beyond current levels. At most \$3m could be allocated to extend existing work.<br>-\$1m - \$2m to TE incentives<br>-\$1m for Resilience project development |   |

# Draft Budget: Proposed Surplus Allocations

Net Position Estimated at \$179.5MM\*

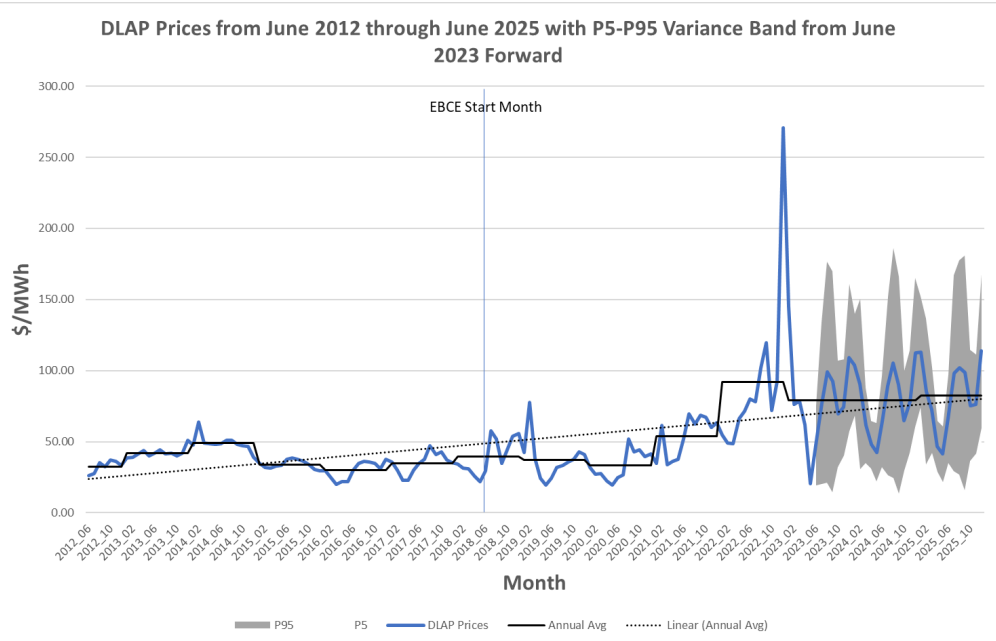
Proposed Budget Surplus Waterfall Allocation:

- 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: ~\$14.75MM
  - One-time On-Bill Credits to Customers: ~\$14.75MM

*\*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.*

# Risk Management—Market Risk

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DLAP = Default Load Aggregation Point—the hub price where EBCE serves its customers

- Historically, market prices have averaged in the \$30-50/MWh range, but currently estimated near \$80/MWh
- Historically, volatility has ranged from 10-20% on a regular basis, but currently ranging 50-60%
- In recent months, prices have softened for the Draft Budget year, but volatility remains high
- This market volatility creates risk on working capital requirements and basis between hedge costs and retail rates.
- EBCE has approximately 60-80% of its budget year energy portfolio hedged against market prices with the balance effectively hedged via the PCIA - i.e. increase in market prices is offset somewhat by decrease in PCIA in future years
- When prices decrease, PCIA increases, which reduces operating headroom
- Although the fiscal years of 2020-2021 and 2021-2022 were positive with net position, calendar year 2021 was operationally negative in net position for EBCE with margins being squeezed from low 2020 prices setting PCIA and with rising 2021 market prices

# Risk Management—Additional Risks

- **Uncollectables/Write-offs:**
  - EBCE increased uncollectables from 0.5% to 2.5% of revenues for COVID crisis in 2020-21 FY
  - For FY 2022-2023 Budget, this estimation is reduced to 2.0%, and 2023-24 Draft Budget reduced further to 1.5% and 1.0% to align with trending aging actuals
  - Uncollectables are at the higher range than other CCA's based on regional income demographics
  - To mitigate, pushing CARE/FERA enrollments, AMP, PIPP, and Connected Communities programs DAC-GT/CS-GT
- **Opt-Out Risk:**
  - No anticipated risk of increased opt-outs for established communities
  - New community enrollment opt-outs are estimated at 5%-10% of total accounts—current jurisdiction-wide rate is 4.9%
  - Changes to value proposition or change in product decisions may increase opt-outs but difficult to estimate. Many constituents have opted-up to Renewable 100 product, which carries a slight premium relative to PG&E rates
- **Financial Market & Economic Risk**
  - Recessionary risks may drive reductions in load or an increase in uncollectables - mitigated in part by limiting overhedging
  - Banking sector risk may impact cash, deposits, and credit availability – mitigated by cash collateral requirements on gov't deposits, FDIC insurance, and diversification of banking deposits
- **Wildfire Risk:**
  - EBCE does not own or maintain any transmission or distribution facilities. PSPS events cause decreased customer use during peak periods, this can reduce estimated revenues if a significant area of EBCE service territory is affected
  - 2019 wildfire PSPS events impacted nearly 46,000 customers, disrupting 6% of load for a full day
  - 2020 events impacted nearly 20,000 customers disrupting about 2% of load over 4 days



# Draft Budget: Local Development Fund

Attachment Staff Report Item 17B

- 2023-2024 Local Development Fund allocation is set at \$25.9MM
- 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       |
| <b>BEGINNING BALANCE</b>                  | 35,927,953        | 16,626,143        | 10,398,245        | 5,201,410         | 0                |
| <b>REVENUE &amp; OTHER SOURCES</b>        |                   |                   |                   |                   |                  |
| Transfer from Operating Fund              | 25,500,000        | 22,550,000        | 8,475,000         | 6,340,000         | 6,340,000        |
| Grants/Interest                           | -                 | 1,200,405         | 335,460           | 395,000           | 219,673          |
| <b>Total Revenues &amp; Other Sources</b> | <b>25,500,000</b> | <b>23,750,405</b> | <b>8,810,460</b>  | <b>6,735,000</b>  | <b>6,559,673</b> |
| <b>EXPENSES &amp; OTHER USES</b>          |                   |                   |                   |                   |                  |
| Actual Program Expenses                   | -                 | 3,235,594         | 2,582,563         | 1,538,165         | 1,358,263        |
| Expected Remaining Expenses               | 61,427,953        | 1,213,000         | -                 | -                 | -                |
| <b>Total Expenses &amp; Other Uses</b>    | <b>61,427,953</b> | <b>4,448,594</b>  | <b>2,582,563</b>  | <b>1,538,165</b>  | <b>1,358,263</b> |
| <b>ENDING BALANCE</b>                     | <b>-</b>          | <b>35,927,953</b> | <b>16,626,143</b> | <b>10,398,245</b> | <b>5,201,410</b> |

## Local Development Areas of Emphasis Budget Allocation

|                                |                                   |
|--------------------------------|-----------------------------------|
| Transportation Electrification | \$11.75M                          |
| Building Electrification       | \$8.5M                            |
| Energy Efficiency              | No Direct EBCE Cost               |
| Community Resilience/VPPs      | \$4M                              |
| Community Grants               | \$1.4M (\$4.2M allocated in FY23) |
| Sponsorships/Memberships       | \$250k                            |

- 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

- **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

- **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

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) and households with a newborn child 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

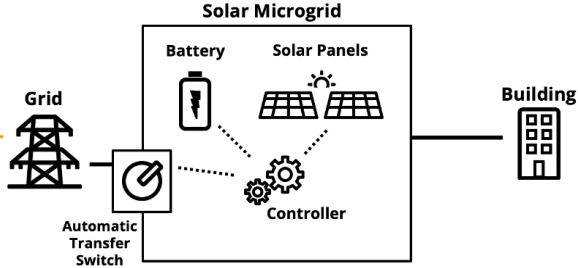
- EBCE has secured a verbal agreement for \$250k in funding to support health care partnership
- EBCE has identified several non-profit partners who can manage the health-care partnership
- EBCE is currently hiring a building electrification channel manager to develop EBCE's installation partner network

# Resilience and VPPs

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

- Phase 1: 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

⚡ A miniature version of the big grid  
 ⚡ Generates its own electricity with solar and battery  
 ⚡ Disconnects when the grid is down via an automatic transfer switch ("islanding")  
 ⚡ Can power a house, building or entire community



Fremont Fire Station Microgrid

# Resilience and VPPs - Resilience Hubs Technical Assistance

Attachment Staff Report Item 17B

EBCE proposes to enhance its Community Resilience and VPP management program by adding an additional \$2M to fund technical assistance for community based organizations considering the development of microgrids and resilience hubs.

At this time, EBCE does not have the internal resources to directly support the inclusion of CBO sponsored projects in our community resilience program. But with significant local, state and federal available in the form of grants to support these projects, EBCE staff is able to provide technical assistance in the form of engineering and grant writing support.

EBCE staff proposes to allocate \$2m over the next two years to provide CBOs with engineering reviews of potential host sites for solar and storage microgrids and grant writing support for CBOs seeking to apply for Resilience Hub grants.

EBCE will provide these funds in the form of direct, in-kind engineering and grant writing up to \$15,000 per resilience hub site. Staff will develop a streamlined process for CBOs to bring forward projects to receive this technical assistance.

# Community Grant (update)

## Background:

- EBCE BOD approved \$4.2M in FY'23-24 budget for 3-year Community Grant Program (\$1.4M/year)
- EBCE proposes to add and additional \$1.4m from this FY to fund a fourth round of grants in 2026
- 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 / Round 4 - January 2026



# Break Page

Attachment Staff Report Item 17B

# Draft Budget: Carbon Free Procurement

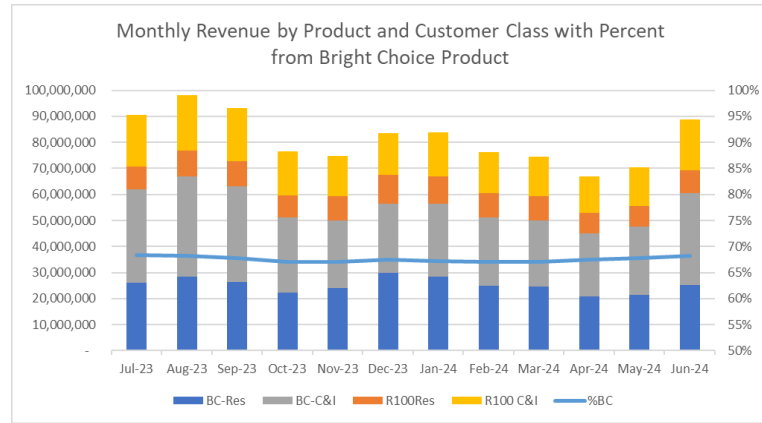
| Year | Bright Choice |               |                      |                      | CA-RPS %    |
|------|---------------|---------------|----------------------|----------------------|-------------|
|      | Renewable %   | Carbon Free % | TCR*-Emission Factor | PSDR-Emission Factor | Renewable % |
| 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%

# Draft Budget: Operating Revenues

|   | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|---|----------------------------|----------------------|--------------------------|
| <b>REVENUE &amp; OTHER SOURCES</b>          |                            |                      |                          |
| <b>GASB 62 Unrecognized Revenue Balance</b> | 15,814,000                 | 15,814,000           | 15,814,000               |
| <b>Operating Revenue</b>                    |                            |                      |                          |
| Electricity Sales                           | 957,028,000                | 792,009,000          | 867,591,000              |
| Uncollectables                              | (12,095,000)               | (15,840,000)         | (17,352,000)             |
| Other Operations Revenue                    | (6,642,000)                | (6,229,000)          | 10,146,000               |
| <b>Total Operating Revenue</b>              | <b>938,291,000</b>         | <b>769,940,000</b>   | <b>860,385,000</b>       |



- 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 2023, 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 from May ERRA filing
- 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 CARE & FERA on-bill credits plus damages received from counterparties

# Draft Budget: Overview of Expenses

|  | FY 2023-24<br>DRAFT BUDGET | % Cost        |
|--|----------------------------|---------------|
| <b>EXPENSES &amp; OTHER USES</b>         |                            |               |
| <b>Energy Operating Expenses</b>         |                            |               |
| Cost of Energy                           | 682,367,000                | 89.7%         |
| Energy Operating Services                | 11,219,000                 | 1.5%          |
| <b>Total Energy Operating Expenses</b>   | <b>693,586,000</b>         | <b>91.2%</b>  |
| <b>Overhead Operating Expenses</b>       |                            |               |
| Personnel                                | 21,911,000                 | 2.9%          |
| Marketing & Communications               | 5,303,000                  | 0.7%          |
| Legal, Policy, & Regulatory Affairs      | 3,509,000                  | 0.5%          |
| Other Professional Services              | 2,505,000                  | 0.3%          |
| General & Administrative                 | 5,711,000                  | 0.8%          |
| Depreciation                             | 360,000                    | 0.0%          |
| <b>Total Overhead Operating Expenses</b> | <b>39,299,000</b>          | <b>5.2%</b>   |
| <b>NON-OPERATING EXPENSES</b>            |                            |               |
| Borrowing Interest                       | 1,650,000                  | 0.2%          |
| Local Development Funding                | 25,500,000                 | 3.4%          |
| Grant                                    | 0                          |               |
| Capital Expenditures                     | 500,000                    | 0.1%          |
| <b>Total Non-Operating Expenses</b>      | <b>27,650,000</b>          | <b>3.6%</b>   |
| <b>TOTAL EXPENSES</b>                    | <b>760,535,000</b>         | <b>100.0%</b> |

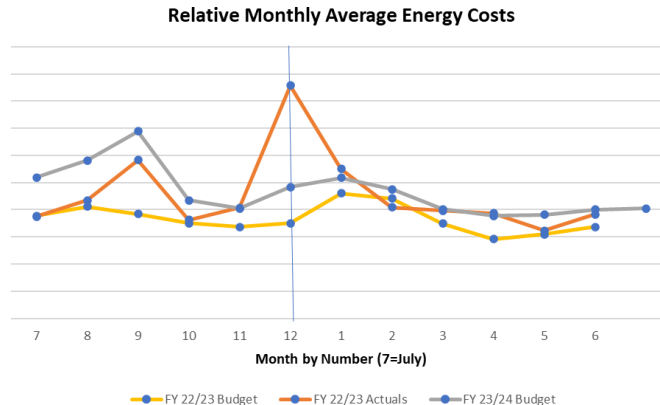
- Expenses are divided into three overall cost center categories:
- **Energy Operations** which includes all energy, energy attributes, and ancillary related costs and the services required to managing energy and attributes, such as scheduling, data management, and customer billing
  - This category 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

# Draft Budget: Energy Expenses

|  | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|--|----------------------------|----------------------|--------------------------|
| <b>Energy Operating Expenses</b>       |                            |                      |                          |
| Cost of Energy                         | 682,367,000                | 523,996,000          | 657,984,000              |
| Energy Operating Services              | 11,219,000                 | 11,245,000           | 11,274,000               |
| <b>Total Energy Operating Expenses</b> | <b>693,586,000</b>         | <b>535,241,000</b>   | <b>669,258,000</b>       |

## 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 par 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



# Draft Budget: Overhead Expenses

|  | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|--|----------------------------|----------------------|--------------------------|
| <b>Overhead Operating Expenses</b>       |                            |                      |                          |
| Personnel                                | 21,911,000                 | 15,711,000           | 13,131,000               |
| Marketing & Communications               | 5,303,000                  | 2,824,000            | 1,884,000                |
| Legal, Policy, & Regulatory Affairs      | 3,509,000                  | 2,411,000            | 1,661,000                |
| Other Professional Services              | 2,505,000                  | 2,293,000            | 1,232,000                |
| General & Administrative                 | 5,711,000                  | 4,007,000            | 3,744,000                |
| Depreciation                             | 360,000                    | 180,000              | 141,000                  |
| <b>Total Overhead Operating Expenses</b> | <b>39,299,000</b>          | <b>27,426,000</b>    | <b>21,793,000</b>        |

## 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

# Draft Budget: Overhead Expenses – Personnel

Attachment Staff Report Item 17B

|                      | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|----------------------|----------------------------|----------------------|--------------------------|
| <b>PERSONNEL</b>     |                            |                      |                          |
| Salaries & Wages     | 16,587,000                 | 11,598,000           | 9,784,000                |
| Retirement           | 2,058,000                  | 1,544,000            | 1,382,000                |
| Health Care/Benefits | 2,893,000                  | 2,292,000            | 938,000                  |
| Payroll Expenses     | 373,000                    | 277,000              | 167,000                  |
| <b>Total</b>         | <b>21,911,000</b>          | <b>15,711,000</b>    | <b>12,271,000</b>        |

- **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 an 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

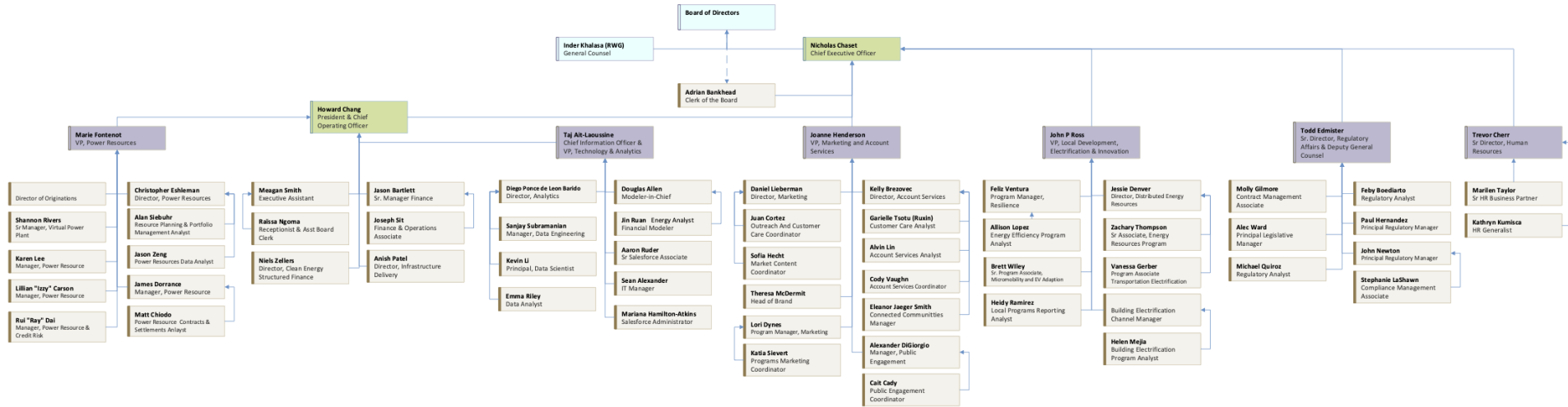
# Draft Budget: Overhead Expenses – Personnel

|                      | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|----------------------|----------------------------|----------------------|--------------------------|
| <b>PERSONNEL</b>     |                            |                      |                          |
| Salaries & Wages     | 16,587,000                 | 11,598,000           | 9,784,000                |
| Retirement           | 2,058,000                  | 1,544,000            | 1,382,000                |
| Health Care/Benefits | 2,893,000                  | 2,292,000            | 938,000                  |
| Payroll Expenses     | 373,000                    | 277,000              | 167,000                  |
| <b>Total</b>         | <b>21,911,000</b>          | <b>15,711,000</b>    | <b>12,271,000</b>        |

- Personnel costs account for 2.9% of total budget costs
- **FY 2023-24 Budget** seeks to add 15 FTE, to staff up to 83 FTE, to accommodate additional work requirements in all areas. Additional headcount will expand on internal expertise/skills, build more depth, and scale operations:
  - Inflation driven increases to existing benefit costs, with a 3.5% COLA and up to 10% merit-based/promotional compensation pool, increases the base 68 FTE cost to nearly \$18MM
  - 15 new FTE added at the fully loaded rate adds an additional \$3.5MM
  - About \$500k was given for variability and possible turn-over costs
  - Additional FTE will cover much needed assistance with scaling in all areas of operations: 3 Marketing, 2 Local Programs, 2 Operations, 2 Technology, 3 Power Resources, 3 Legal



# Draft Budget: Organization Chart Attachment Staff Report Item 17B



# 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                  |
| <i>Total New Roles:</i>     | <i>15 + 2 (17)</i> |

# Draft Budget: Personnel Demographics

| Average Personnel Costs by Category* |                   |                   | Expected Loading Rate for Open Positions |                  | Open Position Banding |               |
|--------------------------------------|-------------------|-------------------|--|------------------|-----------------------|---------------|
|                                      | Current           | Open              | Quarter                                  | Positions Filled | Open Count            | Title         |
| Salary                               | 157,984.45        | 142,368.59        | Q1                                       | 9                | 1                     | Analyst       |
| Merit                                | 22,117.82         | 19,931.60         | Q2                                       | 3                | 2                     | Associate     |
| Retirement                           | 23,887.25         | 21,526.13         | Q3                                       | 5                | 6                     | Sr. Associate |
| Health Care                          | 24,000.00         | 24,000.00         | Q4                                       | 0                | 1                     | Manager       |
| PTO                                  | 9,114.49          | 8,213.57          |  |                  | 2                     | Sr. Manager   |
| Life Insurance                       | 789.92            | 711.84            |  |                  | 4                     | Director      |
| Other                                | 12,553.33         | 12,553.33         |  |                  | 1                     | Sr. Director  |
| Payroll Tax                          | 4,096.98          | 3,735.41          |  |                  |                       |               |
| <b>Total</b>                         | <b>254,544.25</b> | <b>233,040.48</b> |  |                  |                       |               |

\*C-list is not included

- Open position average costs are below current staff averages, as position band for open positions is lower than average staff
- Loading rate for new positions is expected to be complete by the end of financial Q3 (March 31, 2024)
- The average position band being hired is under the manager level

# Draft Budget: New Positions

| 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<br>(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

Attachment Staff Report Item 17B

|                   | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|-------------------|----------------------------|----------------------|--------------------------|
| <b>MARKETING</b>  |                            |                      |                          |
| Required Mailings | 282,000                    | 520,000              | 483,000                  |
| Advertising       | 2,044,000                  | 986,000              | 572,000                  |
| Promotional Items | 123,000                    | 50,000               | 38,000                   |
| Communications    | 2,854,000                  | 1,268,000            | 790,000                  |
| <b>Total</b>      | <b>5,303,000</b>           | <b>2,824,000</b>     | <b>1,883,000</b>         |

## 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**

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

Attachment Staff Report Item 17B

|                         | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|-------------------------|----------------------------|----------------------|--------------------------|
| <b>LEGAL AND POLICY</b> |                            |                      |                          |
| Legal Consultants       | 3,117,000                  | 2,135,000            | 1,445,000                |
| Legislative Consultants | 237,000                    | 177,000              | 180,000                  |
| Other Consultants       | 155,000                    | 147,000              | 36,000                   |
| <b>Total</b>            | <b>3,509,000</b>           | <b>2,459,000</b>     | <b>1,661,000</b>         |

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

# Draft Budget: Overhead Expenses—Other Professional Services

|                               | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|-------------------------------|----------------------------|----------------------|--------------------------|
| <b>OPERATIONS CONSULTANTS</b> |                            |                      |                          |
| Operations                    | 881,000                    | 315,000              | 444,000                  |
| Human Resources Consulting    | 634,000                    | 1,000,000            | 327,000                  |
| Tech Consulting               | 360,000                    | 325,000              | 188,000                  |
| Power Resources               | 630,000                    | 605,000              | 273,000                  |
| <b>Total</b>                  | <b>2,505,000</b>           | <b>2,245,000</b>     | <b>1,232,000</b>         |

## 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

# Draft Budget: Overhead Expenses—General & Administrative

|                                 | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|---------------------------------|----------------------------|----------------------|--------------------------|
| <b>GENERAL OPERATIONS</b>       |                            |                      |                          |
| Operational Expenses            | 1,523,000                  | 1,039,000            | 1,387,000                |
| Software, Subscriptions, SaaS   | 2,676,000                  | 2,345,000            | 1,506,000                |
| Small Equipment                 | 510,000                    | 210,000              | 101,000                  |
| Rent & Utilities                | 764,000                    | 345,000              | 569,000                  |
| Conferences & Prof. Development | 160,000                    | 130,000              | 127,000                  |
| Board & Director Fees           | 78,000                     | 50,000               | 53,000                   |
| <b>Total</b>                    | <b>5,711,000</b>           | <b>4,119,000</b>     | <b>3,743,000</b>         |

## 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

## 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



# Draft Budget: Non-Operating Activity

|                                     | FY 2023-24<br>DRAFT BUDGET | FY 2022-23<br>BUDGET | FY 2022-23<br>YTD* + EST |
|-------------------------------------|----------------------------|----------------------|--------------------------|
| <b>NON-OPERATING REVENUE</b>        |                            |                      |                          |
| Interest Income                     | 1,680,000                  | 261,000              | 1,837,000                |
| Grants                              | 0                          | 0                    | 1,272,000                |
| Other Non-Operating Revenue         | 48,000                     | 15,000               | 166,000                  |
| <b>Total Non-Operating Revenue</b>  | <b>1,728,000</b>           | <b>276,000</b>       | <b>3,275,000</b>         |
| <b>NON-OPERATING EXPENSES</b>       |                            |                      |                          |
| Borrowing Interest                  | 1,650,000                  | 1,440,000            | 570,000                  |
| Local Development Funding           | 25,500,000                 | 22,550,000           | 22,550,000               |
| Grant                               | 0                          | 0                    | 0                        |
| Capital Expenditures                | 500,000                    | 7,000,000            | 773,000                  |
| <b>Total Non-Operating Expenses</b> | <b>27,650,000</b>          | <b>30,990,000</b>    | <b>23,893,000</b>        |
| <b>NET NON-OPERATING ACTIVITY</b>   | <b>(25,922,000)</b>        | <b>(30,714,000)</b>  | <b>(20,618,000)</b>      |

- **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

# Thank You!



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



@PoweredbyEBCE



customer-support@ebce.org

Español  
[ebce.org/es](https://ebce.org/es)

中文  
[ebce.org/cn](https://ebce.org/cn)

**Public Comment Period:** May 18 - June 9, 2023

# Overview of Public Process and Summary of Comments

As part of East Bay Community Energy's (EBCE) rate setting process, staff hosted an open public comment period regarding our proposed value proposition changes for fiscal year 2023 - 2024. Staff opened this session with the email shown in Image 1, below.

## **EBCE's proposed 2023-2024 value proposition: public comment period**

East Bay Community Energy (EBCE) is committed to a robust and transparent rate setting process, which includes input from our community. We invite you to share your thoughts on EBCE's 2023-2024 electric generation rates and our value proposition (the proposed financial benefit compared to PG&E's rates) using one or more of the following three methods:

### **Online at a webinar**

Thursday, May 25 at 6:00 pm | [Click here to register](#)

Saturday, June 3 at 9:00 am | [Click here to register](#)

Tuesday, June 6 at 12:00 pm | [Click here to register](#)

This webinar will be recorded and shared on the [ebce.org/rates](#) webpage.

### **Written comments**

Written comments may be emailed to [PublicComment@ebce.org](mailto:PublicComment@ebce.org).

Written comments shall not exceed 1,500 words. All comments will be posted to [ebce.org/rates](#) for six months.

Written comments are only accepted via email.

Please provide your written comments no later than **8:00 AM on Friday, June 9, 2023**. A summary of public comments received will be part of the report to the Board on Wednesday, June 21, 2023.

### **Online at a public meeting**

See the public meeting schedule, as well as directions for how to participate and a link for the Public Comment Speaker Form at: [ebce.org/meetings](#)

### **Background documents:**

Historic

- [Power Content Procurement Floor, video](#) from April 22, 2020 Board of Directors Meeting
- [Bright Choice Renewables Procurement, video](#) presented at April 20, 2022 Board of Directors Meeting
- [Rate Setting Protocol Amendment, video](#) from May 18, 2022 Board of Directors meeting
- [2022-2023 Budget Presentation, video from June 15, 2022 Board of Directors meeting](#)

2023-2024

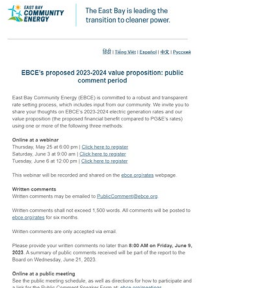
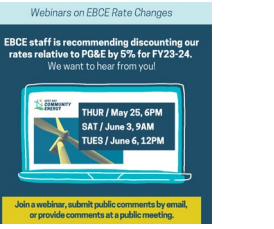
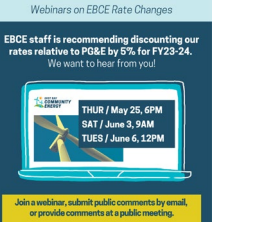
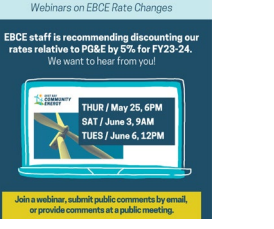
- [Draft FY 2023-24 Budget](#), to be presented at the Board of Directors Meeting on Wednesday, May 17, 2023. Video to be posted [here](#) after the meeting.

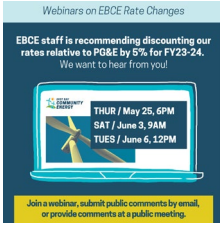
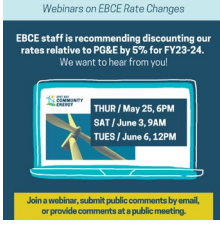
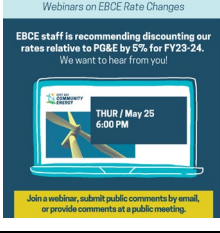
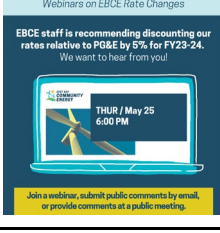
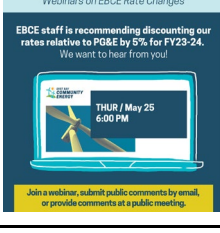
Image 1: Introduction and webinar invitation email, sent on May 18, 2023

In addition to the email to EBCE’s subscribers, staff advertised the webinar and public comment period via Facebook, Instagram, NextDoor, and Twitter. Sharing statistics are in Table 1, in the section below.

After the webinars, the recordings were added to EBCE’s rates website at <https://ebce.org/rates/>.

## Webinar and Public Comment Marketing and Communications

| Date      | Source    | Content  | # of Views or Opens  |
|-----------|-----------|--|--|
| 5/18/2023 | Email     |   | <ul style="list-style-type: none"> <li>- 3,483 delivered</li> <li>- 3,016 total opens</li> <li>- 1,790 unique opens</li> </ul> |
| 5/18/2023 | Facebook  |  | 31   |
| 5/18/2023 | Twitter   |  | 58   |
| 5/18/2023 | Instagram |  | 59   |

|           |                             |  |                                  |
|-----------|-----------------------------|--|----------------------------------|
| 5/18/2023 | LinkedIn                    |  <p>Webinars on EBCE Rate Changes</p> <p>EBCE staff is recommending discounting our rates relative to PG&amp;E by 5% for FY23-24. We want to hear from you!</p> <p>THUR / May 25, 6PM<br/>SAT / June 3, 9AM<br/>TUES / June 6, 12PM</p> <p>Join a webinar, submit public comments by email, or provide comments at a public meeting.</p> | 301                              |
| 5/23/2023 | NextDoor                    |  <p>Webinars on EBCE Rate Changes</p> <p>EBCE staff is recommending discounting our rates relative to PG&amp;E by 5% for FY23-24. We want to hear from you!</p> <p>THUR / May 25, 6PM<br/>SAT / June 3, 9AM<br/>TUES / June 6, 12PM</p> <p>Join a webinar, submit public comments by email, or provide comments at a public meeting.</p> | 11,212                           |
| 5/24/2023 | Facebook                    |  <p>Webinars on EBCE Rate Changes</p> <p>EBCE staff is recommending discounting our rates relative to PG&amp;E by 5% for FY23-24. We want to hear from you!</p> <p>THUR / May 25<br/>6:00 PM</p> <p>Join a webinar, submit public comments by email, or provide comments at a public meeting.</p>  | 25                               |
| 5/24/2023 | Twitter                     |  <p>Webinars on EBCE Rate Changes</p> <p>EBCE staff is recommending discounting our rates relative to PG&amp;E by 5% for FY23-24. We want to hear from you!</p> <p>THUR / May 25<br/>6:00 PM</p> <p>Join a webinar, submit public comments by email, or provide comments at a public meeting.</p>                                       | 84                               |
| 5/24/2023 | Instagram                   |  <p>Webinars on EBCE Rate Changes</p> <p>EBCE staff is recommending discounting our rates relative to PG&amp;E by 5% for FY23-24. We want to hear from you!</p> <p>THUR / May 25<br/>6:00 PM</p> <p>Join a webinar, submit public comments by email, or provide comments at a public meeting.</p>                                      | 43                               |
| 5/25/2023 | Zoom Webinar                | Registered: 6  | Attended: 2<br>Public Comment: 0 |
| 6/03/2023 | Zoom Webinar                | Registered: 5  | Attended: 1<br>Public Comment: 0 |
| 6/06/2023 | Zoom Webinar                | Registered: 8  | Attended: 3<br>Public Comment: 2 |
| 6/09/2023 | Youtube Video of Webinar #2 | <a href="#">EBCE 2023-2024 Proposed Value Proposition Webinar (6/3/2023)</a>   | Views: 25                        |

|           |                             |  |          |
|-----------|-----------------------------|--|----------|
| 6/09/2023 | Youtube Video of Webinar #3 | <a href="#">EBCE 2023-2024 Proposed Value Proposition Webinar (6/6/2023)</a> | Views: 6 |
|-----------|-----------------------------|--|----------|

Table 1: Event advertising and customer participation

## Summary Overview of Comments

Two verbal comments and one written comment were received, which are summarized below. Comments and questions were received from the following individuals and/or organizations:

| Verbal Comments                                  | Written Comments                           |
|--|--|
| Jim Lutz: community member, Oakland              | Jim Lutz: community member, Oakland        |
| Charles Mee: adjacent community member, Danville | Stephen Taylor: community member, Berkeley |

### Summary of Comments:

- Jim Lutz (oral and written):** community member (also member of EBCE CAC), Oakland, CA  
 Lutz wanted to express his dissatisfaction with the length and complexity of PG&E bills. He would like the bills to appear shorter, with fewer line items. Lutz compared EBCE and PG&E to Alameda Municipal Power's less complex energy bills. They would like EBCE to unlink our rates from PG&E to offer lower rates for customers in transitioning to a cost of service model.
- Charles Mee (oral):** adjacent community member, Danville, CA  
 Mee inquired regarding renewable percentage of Bright Choice, and wanted to express support for the energy movement of CCAs generally. Mr. Mee was informed that the CCA in their service territory is MCE.
- Stephen Taylor (written):** community member, Berkeley  
 Taylor commented in support of the proposed 2023-2024 value proposition and provided general support for lowering rates or discounts in relation to PG&E's generation rates, maintaining a 3% discount or greater.

## Verbal Public Comments

Public comments were gathered at two webinars. Links to the staff presentation and the comments can be found on our website at [ebce.org/rates](http://ebce.org/rates) and here:

- Thursday, May 25, 2023 at 6:00 pm
- [Sunday, June 3, 2023 at 9:00 pm](#)
- [Tuesday, June 6, 2023 at 12:00 pm](#)

### 5/25/2022 Webinar: Public Comments

- No Public Comments Made

### 6/3/2022 Webinar: Public Comments

- No Public Comments Made

### 6/6/2022 Webinar: Public Comments

- **Charles Mee:** adjacent community member, Danville

**Transcript:** I am a new resident of Danville in this area so that is why I tried to learn this a long time ago and tried to catch up with this movement, which is really meaningful. And also because maybe we are new we kind of want to get more educated about the local CCA program to see how we can personally benefit from this program, secondly how can we help to improve the program.

- **Jim Lutz:** community member (also member of EBCE CAC), Oakland

**Transcript:** Thank you for doing this I was curious about I want and wanted to compare my understanding to understand the utility bill so I am trying to reverse engineer the PG&E bill and oh my goodness it's complicated there's 27 line items on it just the electricity not counting the gas and I wanted to compare it to a friend of mine in Alameda.

In Alameda Municipal Power and just to see how the rates compare, because I think it's, I'm not sure we should be comparing PG&E as our value Proposition. So the PG&E bill was 6 pages long so one page of that was the gas so it's five pages about electricity. The Alameda Municipal Power, AMP as they call it I think that's cute, they were two pages and there were four line items. That's how the charges broke down and on the PG&E there were 27 line items so it's very very complicated to decode a PG&E bill and try to see what I'm saving from the bill. So, but just as a comparison to the AMP the Alameda one there's an energy charge and a customer charge at the sort of highest level there's a PG&E electric delivery charges page and an EBCE electric generation charges page. And for my bill it turned out the charges, the generation charges, which

I'm assuming are equivalent charges on the Alameda bill - on my bill on the time of use and the Renewable 100 but the average cents per kilowatt-hour for my generation charges was 13.8 and for the Alameda it was 11.7 cents per kilowatt-hour so the Alameda ones are significantly lower and that suggests that to me that we shouldn't be tying to PG&E, we should be providing rates that make sense to EBCE and keep them lower as is fiscally prudent. That's it, thank you.

## Written Public Comments

### Full Written Comments

- **Jim Lutz:** community member (also member of EBCE CAC), Oakland, CA  
Submitted June 9, 2023

Dear EBCE Board,

I am submitting this comment in response to the EBCE 2023-2024 Proposed Value Proposition Webinar I attended on June 6. The rate changes proposed by staff were to increase the Bright Choice discount relative to PG&E rates from 3% to 5% and to reduce the Renewable 100 premium relative to PG&E rates from  $\frac{3}{4}\%$  to  $\frac{1}{4}\%$ .

Since EBCE began, its rates have always been established relative to PG&E's rates for comparable products. While this may have been appropriate for a newly established community energy agency, it is no longer necessary. I believe this practice is now leading EBCE to charge its customers more than it should.

A more fiscally responsible method of setting rates would be to estimate operating costs, including appropriate market volatility risks and maintaining prudent reserves, and then divide those costs across the total projected energy sales, while preserving the current incremental rate differences between the various EBCE products (Bright Choice and Renewable 100) and rate classes.

EBCE states that, as a Renewable 100 customer, I'm paying only  $\frac{3}{4}$  percent more per kWh today than I would be paying if I were a PG&E customer. While I believe this to be true, there is no way I can confirm it by examining my own PG&E bill.

To get a rough estimate of the reasonableness of EBCE electric generation charges, I compared my November 2022 PG&E bill with the November bill of a friend of mine who lives in Alameda. My EBCE



generation-only charges divided by my kWh usage for the month was 13.81 cents per kWh. The energy charges from the Alameda Municipal Power (AMP) bill for the same month was 11.72 cents per kWh. For basically the same rate class, EBCE generation charges were 17.8% higher than AMP energy charges. While I do not know what EBCE is paying to procure electricity, to me this dramatic difference in generation charges suggests significant opportunities for potential rate reductions for EBCE customers if our rates were calculated independently and not tied to PG&E's.

I'm asking the Board to consider directing staff to evaluate other ways of setting rates for customers, given EBCE's successful operations so far.

Sincerely, your loyal customer,

Jim Lutz

PS: I am a member of the Community Advisory Committee, but I am submitting this comment on behalf of myself.

PPS: My original email to [PublicComment@ebce.org](mailto:PublicComment@ebce.org) was returned by google mail with a message the group I was trying to contact (publiccomment) may not exist or I didn't have permission to post messages to the group.

- **Stephen Taylor:** community member, Berkeley  
Submitted June 5, 2023; Resubmitted June 12, 2023 (due to technical issues related to the email address)

Dear EBCE:

In response to your request for comment on your proposed new rate plan, please rest assured that I support lowering your rates relative to PG&E, to create a 3% discount or greater.

Sincerely,

Stephen A. Taylor  
Berkeley, CA

## Attachments

1. PDF of Presentation made during webinars

2. PDF of Public Comments Summary Report Presentation to the BOD

# 2023-2024 EBCE Value Proposition: Public Comment



# Public Meeting Reminders

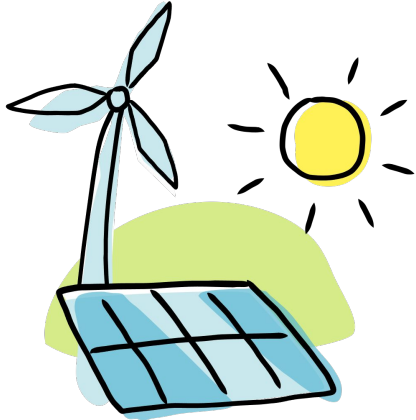
- Thank you for participating in our public meeting
- The video and audio from this meeting will be posted on our website
- We will provide a brief introduction to the proposed policy and then allow for your comments
  - Everyone will be muted until the public comment period
- Please be prepared to provide:
  - Your name
  - Organization, if applicable
  - City of residence or business location
  - Your comment

# What is EBCE?

**East Bay Community Energy (EBCE)** is our local power supplier committed to providing Alameda County and the city of Tracy with more renewable energy at lower rates. EBCE reinvests earnings back into the community to create local jobs, administer customer programs, and catalyze sustainable development.

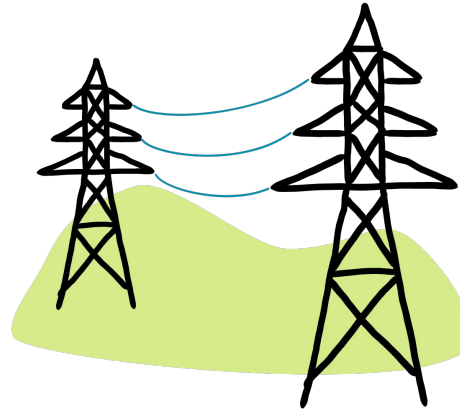


# How it Works



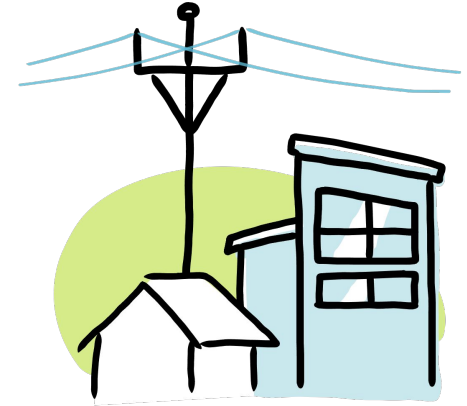
## EBCE BUYS CLEAN POWER

EBCE buys from, and is building, clean power plants. EBCE sells the energy to customers at low rates.



## PG&E DELIVERS THE POWER

EBCE's power is delivered to customers by PG&E. Customers pay PG&E for power delivery as they always have.



## YOU GET THE POWER AND ALL THE BENEFITS

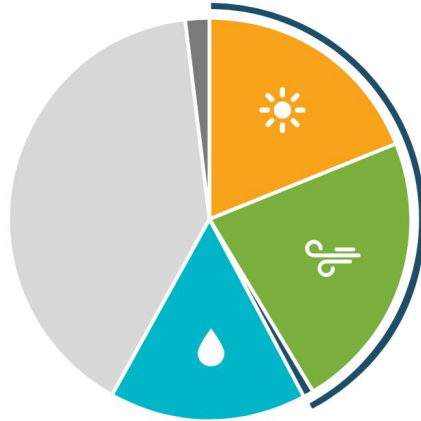
You benefit from cleaner energy, low rates, local governance, and innovative programs.

# Definitions



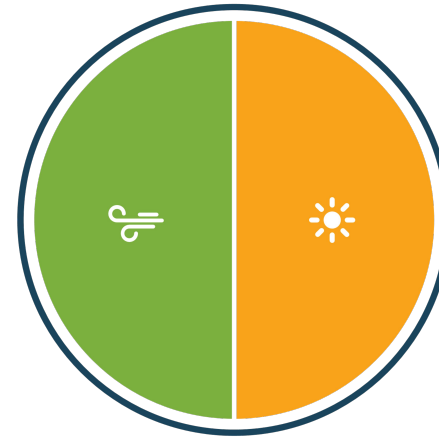
# EBCE Service Plan Choices Today

Attachment Staff Report Item 17D



## BRIGHT CHOICE

Rates 3% below PG&E with a goal to be carbon-free by 2030



## RENEWABLE 100

100% California solar & wind energy at \$0.0075 (¾) cent per kilowatt-hour above PG&E rates

### KEY

Wind Solar Hydro Biomass & Biowaste, Geothermal, Eligible Hydroelectric  
Other or Unspecified Natural Gas Nuclear



# Default Service

| Jurisdiction   | Commercial    | Residential   | CARE/FERA/<br>Medical Baseline |
|--|---------------|---------------|--------------------------------|
| Albany, Berkeley, Dublin,<br>Emeryville, Hayward, Pleasanton,<br>San Leandro | Renewable 100 | Renewable 100 | Bright Choice                  |
| Piedmont   | Bright Choice | Renewable 100 | Bright Choice                  |
| Livermore, Newark, Oakland,<br>Tracy, Union City, and County of<br>Alameda   | Bright Choice | Bright Choice | Bright Choice                  |

- **Rates** – what EBCE charges customers for electricity, currently updated when PG&E changes their generation rates or fees
- **(Rate) Value proposition** – the cost comparison to PG&E rates based on EBCE product
  - *EBCE brings additional value to our community. This is only about the direct financial value to our customers.*

**EBCE has saved Bright Choice customers  
over \$37 million since 2018**

# 2023-2024 Recommendations



- Energy prices are high this year
- PG&E raised their generation rates
  - EBCE sets our rates based on PG&E rates - today offering a 3% discount compared to PG&E
- EBCE's rates to procure power have also increased, but not as much as PG&E's rates

## Value proposition update:

- Increase the **Bright Choice** discount from **3%** to **5%** savings to PG&E
- Decrease the **Renewable 100** premium from **\$0.0075 (¾ of a penny)** to **\$0.0025 (¼ of a penny)** above PG&E
- \$50 bill credit to all CARE & FERA customers

*Potential for an annual on-bill credit to customers depending on market conditions. Credit would be applied during the subsequent fiscal year.*

# Residential Bill Estimates

| Customer Type: Residential                      | 2022-2023 (Today)                             | 2023-2024 (after July)                        |
|---|---|---|
| Bright Choice Discount                          | 3%  | 5%  |
| Average Residential Bright Choice Electric Bill | \$129.12                                      | \$128.15                                      |
| Monthly Savings to PG&E                         | \$1.45  | \$2.42  |
| Renewable 100 Premium                           | \$0.0075 per kWh ( $\frac{3}{4}$ of one cent) | \$0.0025 per kWh ( $\frac{1}{4}$ of one cent) |
| Average Residential Renewable 100 Electric Bill | \$134.04                                      | \$132.21                                      |
| Monthly Renewable 100 Premium                   | \$2.74  | \$0.91  |

# Small Commercial Bill Estimates

| Customer Type: Small Commercial     | 2022-2023 (Today)                             | 2023-2024 (after July)                        |
|-------------------------------------|---|---|
| Bright Choice Discount              | 3%  | 5%  |
| Average Bright Choice Electric Bill | \$479.78                                      | \$476.11                                      |
| Monthly Savings to PG&E             | \$5.50  | \$9.17  |
| Renewable 100 Premium               | \$0.0075 per kWh ( $\frac{3}{4}$ of one cent) | \$0.0025 per kWh ( $\frac{1}{4}$ of one cent) |
| Average Renewable 100 Electric Bill | \$498.53                                      | \$491.53                                      |
| Monthly Renewable 100 Premium       | \$10.50                                       | \$3.50  |

# Large Commercial Bill Estimates

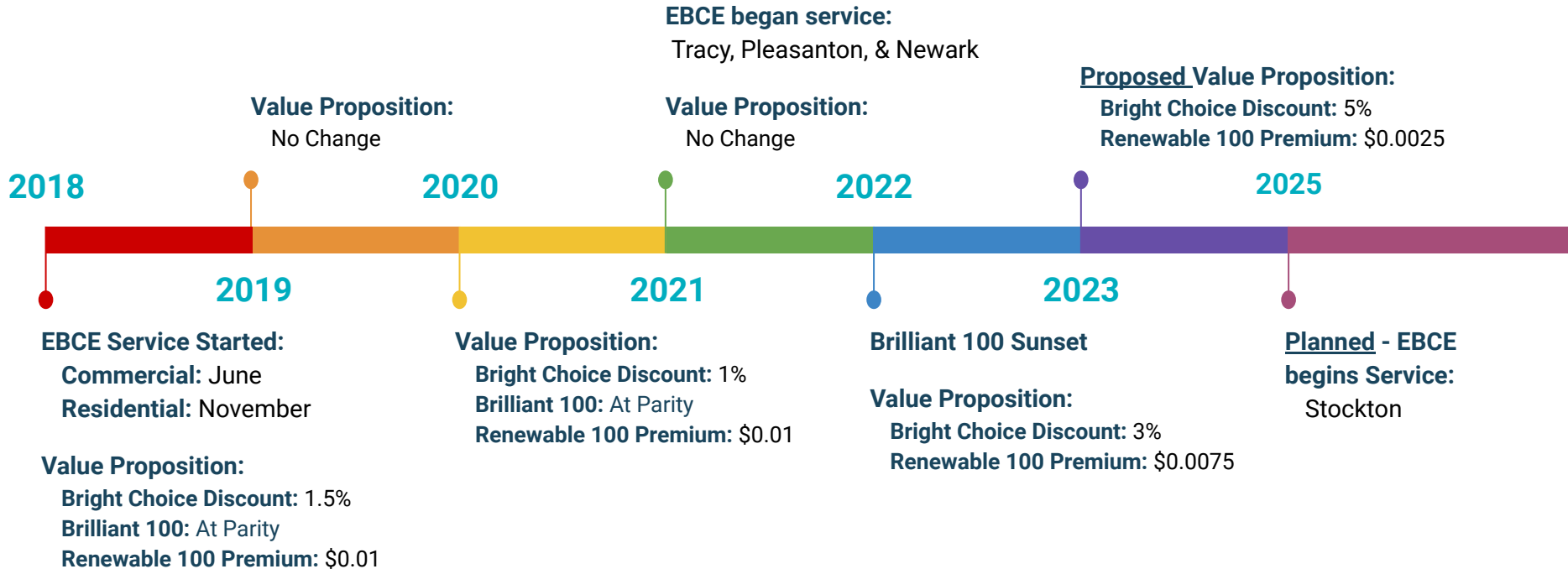
| Customer Type: Large Commercial     | 2022-2023 (Today)                | 2023-2024 (after July)           |
|-------------------------------------|----------------------------------|----------------------------------|
| Bright Choice Discount              | 3%                               | 5%                               |
| Average Bright Choice Electric Bill | \$61,963.27                      | \$61,359.87                      |
| Monthly Savings to PG&E             | \$905.09                         | \$1,508.49                       |
| Renewable 100 Premium               | \$0.0075 per kWh (¾ of one cent) | \$0.0025 per kWh (¼ of one cent) |
| Average Renewable 100 Electric Bill | \$65,103.37                      | \$63,901.00                      |
| Monthly Renewable 100 Premium       | \$1,803.55                       | \$601.18                         |



Average Large Commercial (B19) customer uses 162,700 kWh per month and has a demand of 487 kW



# East Bay Community Energy Timeline

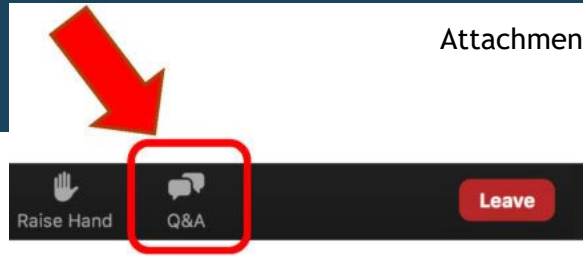


# Public Comment Period



# How to Participate

Attachment Staff Report Item 17D



- Click on the Q&A bubble
- Enter your name, city, and organization into the text box
  - Note that everyone on the call will see what you type into the chat box
- We will call on each speaker in the order we received the chat, we'll then disable the mute feature for each speaker
- Please be conscientious of the time. Every speaker will be allowed three minutes.
- Note that this webinar is being recorded and will be posted to our website



# Thank You for Participating

- **EBCE staff's next steps:**
  - Post this webinar, including the audio recording of your comments, on our website at [ebce.org/rates](https://ebce.org/rates)
  - Summarize all public comments in the staff report to Board
  - Present summary and value proposition recommendation at Board of Directors meeting on **June 21** as part of the next fiscal year's budget
- **Additional comment opportunities:**
  - **Written** comments may be emailed to [PublicComment@ebce.org](mailto:PublicComment@ebce.org)
- **All comments are due by Friday, June 9, 2023 at 8 AM**

# Comments

## Welcome at:

[PublicComment@ebce.org](mailto:PublicComment@ebce.org)



# Public Comments Summary Report

June 21, 2023



| Webinars   | Written Comments   |
|--|--|
| <p>Thursday, May 25, 2023, at 6pm</p> <ul style="list-style-type: none"><li>● 6 registered, 2 Attended</li><li>● 0 Public Comments</li></ul> <p>Saturday, June 3, 2023, at 9:00am</p> <ul style="list-style-type: none"><li>● 5 registered, 1 Attended</li><li>● 0 Public Comments</li></ul> <p>Tuesday, May 31, 2023, at 12pm</p> <ul style="list-style-type: none"><li>● 8 registered, 3 attendees</li><li>● 2 Public Comments</li></ul> | <p>Opened on May 18</p> <p>Closed at 8am on Friday, June 9</p> <ul style="list-style-type: none"><li>● 2 written comments received</li></ul> |



# Respondent Demographics

| City of Residence/Business | Written  | Verbal   |
|----------------------------|----------|----------|
| Berkeley                   | 1        |          |
| Oakland                    | 1        | 1        |
| Danville                   |          | 1        |
| <b>TOTAL</b>               | <b>2</b> | <b>2</b> |

Unique respondents = 3





# Outreach and Interactions

Attachment Staff Report Item 17E

| Date      | Source    | # of Views or Opens                     |
|-----------|-----------|---|
| 5/18/2023 | Email     | 3,016 total opens<br>1,790 unique opens |
| 5/18/2023 | Facebook  | 31                                      |
| 5/18/2023 | Twitter   | 58                                      |
| 5/18/2023 | Instagram | 59                                      |
| 5/18/2023 | LinkedIn  | 301                                     |
| 5/23/2023 | NextDoor  | 11,212                                  |
| 5/24/2023 | Facebook  | 25                                      |
| 5/24/2023 | Twitter   | 84                                      |
| 5/24/2023 | Instagram | 43                                      |



# Summary of Comments

| Comments  | Occurrence |
|---|------------|
| <b>Cost:</b> <ul style="list-style-type: none"><li>● Support for 2023-2024 Value Proposition</li><li>● De-pegging EBCE's generation rates from PG&amp;E for a Cost-of-Service Generation Rate Model</li></ul> | 1<br>1     |
| <b>Billing:</b> <ul style="list-style-type: none"><li>● Reduced length and Complexity of PG&amp;E bills</li></ul>   | 1          |
| Community Choice Aggregation (CCA): <ul style="list-style-type: none"><li>● General Support for Community Choice Aggregation</li></ul>  | 1          |

