



Consent Item 6

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, Vice President Marketing & Account Services

SUBJECT: Amend and Approve Non-Standard Pricing Rate and Billing Agreement Policy (Action Item)

DATE: July 19, 2023

Recommendation

Adopt the Amended and Restated Non-Standard Pricing Rate and Billing Agreement Policy to extend the offer of non-standard pricing and billing rates to municipal customers implementing beneficial electrification projects.

Background and Discussion

In September 2019, the Board of Directors approved a Non-Standard Pricing Rate Agreement Policy in order to retain large customers that were offered or expanding their Direct Access service and for Direct Access customers who return to EBCE service. The original Non-Standard Pricing Rate Agreement Policy serves to retain significant foundational baseline load.

Since the implementation of the Non-Standard Pricing Rate Agreement Policy, EBCE has used this tool to retain two large customers who were offered Direct Access and to support the return of a large customer from Direct Access to EBCE service.

At this time, EBCE would like to apply the use of a Non-Standard Pricing Rate Agreement to a new scenario: the beneficial electrification of municipal buildings.

The specific use case currently under consideration is the electrification of the municipal pool in the city of Piedmont.

Non-Standard Pricing Rate and Billing Agreement

There is no change to the Agreement requirements of:

- Rates must be cost-based
- Rates that do not transfer the risk of Power Charge Indifference Adjustment (PCIA) rate changes onto EBCE
- Rates designed to achieve some level of contribution to EBCE's fixed cost, reserve margin, and programs
- Provide power that is in line with current service options (Bright Choice, Renewable 100)

Fiscal Impact

The Amended and Restated Non-Standard Pricing Rate and Billing Agreement Policy has no fiscal impact, but any subsequent Agreements would have a fiscal impact. Such Agreements will need to meet the existing requirement of the Amended and Restated Non-Standard Pricing Rate and Billing Agreement Policy to “be priced to allow EBCE to cover variable costs and achieve some level of contribution to fixed cost, reserve margin, and programs.”

Attachments

- A. Amended and Restated Non-Standard Pricing Rate and Billing Agreement Policy (Redlined)
- B. Amended and Restated Non-Standard Pricing Rate and Billing Agreement Policy (Clean)
- C. Resolution to Adopt the Amended and Restated Non-standard Pricing Rate and Billing Agreement Policy

AMENDED AND RESTATED
EAST BAY COMMUNITY ENERGY
NON-STANDARD PRICING RATE AND BILLING AGREEMENT POLICY

Policy 13.1

Agenda Date: July 19, 2023

Resolution Number:

When offering ~~Non-Standard Pricing Rate and Billing Agreements~~ (“~~Agreement~~”) for electric generation service to eligible customers, EBCE adheres to a defined ~~Non-standard Pricing Rate and Billing Agreement~~ policy (“~~Policy~~”). Under this ~~Policy~~, the ~~Non-Standard Pricing Rate and Billing Agreement~~ must comply with the following requirements:

1. The ~~Agreement~~ must be with a large commercial, industrial, agricultural, or municipal customers with one or more accounts on Direct Access, ~~or granted a Direct Access allocation, or that is implementing beneficial electrification projects on a municipal building,~~
2. the ~~Agreement~~ must be marginal cost-based and account for any volume and/or price risk, including risk associated with investor-owned utility fees,
3. the ~~Agreement~~ must be priced to allow EBCE to cover variable costs and achieve some level of contribution to fixed cost, reserve margin, and programs,
4. the ~~Agreement~~ must require a commitment level from the customer (e.g. volume, length of term) commensurate with the ~~non-standard pricing rate and billing Agreement~~ offered to the customer,
5. the ~~Agreement~~ must provide power that is at least as low emitting as, and with at least as much renewable energy content as, the Bright Choice or other EBCE baseline standard service, and
6. the ~~Agreement~~ must be used to leverage an opportunity to prevent departing load, ~~or gain load previously on Direct Access service, or support the implementation of beneficial electrification projects on a municipal building.~~

Commented [1]: Should this be a reference to the rate rather than the Agreement.

AMENDED AND RESTATED
EAST BAY COMMUNITY ENERGY
NON-STANDARD PRICING RATE AND BILLING AGREEMENT POLICY

Policy 13.1

Agenda Date: July 19, 2023

Resolution Number: XX

When offering Non-Standard Pricing Rate and Billing agreements (“Agreement”) for electric generation service to eligible customers, EBCE adheres to a defined Non-standard Pricing Rate and Billing Agreement policy (“Policy”). Under this Policy, the Agreement must comply with the following requirements:

1. The Agreement must be with a large commercial, industrial, agricultural, or municipal customer with one or more accounts on Direct Access, granted a Direct Access allocation, or that is implementing beneficial electrification projects on a municipal building,
2. the Agreement must be marginal cost-based and account for any volume and/or price risk, including risk associated with investor-owned utility fees,
3. the Agreement must be priced to allow EBCE to cover variable costs and achieve some level of contribution to fixed cost, reserve margin, and programs,
4. the Agreement must require a commitment level from the customer (e.g., volume, length of term) commensurate with the rate offered to the customer,
5. the Agreement must provide power that is at least as low emitting as, and with at least as much renewable energy content as, the Bright Choice or other EBCE baseline standard service, and
6. the Agreement must be used to leverage an opportunity to prevent departing load, gain load previously on Direct Access service, or support the implementation of beneficial electrification projects on a municipal building.

RESOLUTION NO. R-2023-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

**OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO AMEND AND APPROVE THE
NON-STANDARD PRICING RATE AND BILLING AGREEMENT POLICY**

WHEREAS The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020. The City of Stockton, located in San Joaquin County was added as a member of EBCE and party to the JPA in September of 2022.

WHEREAS the Board approved the original Non-standard Pricing Rate Agreement Policy on September 18, 2019, to retain eligible commercial and industrial customers;

WHEREAS this Non-standard Pricing Rate Agreement Policy can be useful to municipal customers as a mechanism to finance beneficial electrification projects on municipal buildings and make payments via their utility bill;

WHEREAS expanding the eligibility of the Non-standard Pricing Rate Agreement Policy to municipal customers will support the climate action goals of member jurisdictions.

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

Section 1. The Board hereby adopts the Amended and Restated Non-Standard Pricing Rate and Billing Agreement Policy as attached as Exhibit A.

Section 2. The Board hereby delegates authority to the Chief Executive Officer to negotiate and execute non-standard pricing rate and billing agreements with eligible commercial, industrial, and municipal customers, provided that the pricing and billing agreements meet the minimum requirements set forth in the Amended and Restated Non-Standard Pricing Rate and Billing Agreement Policy.

ADOPTED AND APPROVED this 19th day of July, 2023.

Elisa Márquez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board