



**Consent Item 17
CAC Item C9**

TO: Ava Community Energy Authority Board of Directors

FROM: Alex DiGiorgio, Sr. Manager, Public Engagement

SUBJECT: Proposed Amendments to Policy on Member Requests to Change the Default Rate Product for Certain Customers

DATE: March 20, 2024

Recommendation

Approve Resolution adopting an amended Default Rate Product Change Policy regarding Ava member agency (“JPA member”) requests to change the default rate product for certain customers within their jurisdiction.

The proposed amendments include 1) adjusting the timeline for Board approval and staff implementation of JPA member requests within this Policy; and 2) administrative updates reflecting the Ava brand/agency name change.

Background and Discussion

On March 17, 2021, Ava’s Board of Directors approved the Agency’s Policy on Member Requests to Change the Default Rate Product for Certain Customers (“Policy” attached). This action came in response to the City of Dublin’s request (expressed via City Council Resolution) to have Ava’s Renewable 100 become the new default electric service for all residential accounts within the City’s jurisdiction (aside from those on discount programs, such as CARE/FERA and/or Medical Baseline). Previously, Ava’s Bright Choice option had been Dublin’s default electric service for all customer accounts since the City’s initial enrollment—as was the case for the vast majority of Ava’s JPA member-jurisdictions.

Since the Policy’s passage, seven (7) of Ava’s JPA member-jurisdictions have implemented Renewable 100 as their default service option for both residential and commercial customers.¹ These jurisdictions include the cities of Albany, Berkeley, Dublin², Emeryville, Hayward, Pleasanton, and San Leandro.

Additional jurisdictions are currently exploring if/when to implement the policy (to make Renewable 100 the default service for some or all customer account types). The table below summarizes the default service option by customer account type (i.e., Residential, Commercial/Industrial, and Municipal accounts) for JPA member-jurisdictions currently served by Ava.³ The highlighted rows indicate jurisdictions that have implemented the Policy.

Table 1: Default Ava Service Option by JPA Member & Customer Type

Jurisdiction	Residential	Commercial	Municipal	CARE/FERA & Med Baseline
Albany	R100	R100	R100	Bright Choice
Berkeley	R100	R100	R100	Bright Choice
Dublin	R100	R100	R100	Bright Choice
Emeryville	R100	R100	R100	Bright Choice
Fremont	Bright Choice	Bright Choice	R100	Bright Choice

¹ The City of Piedmont chose to have Renewable 100 become the default service option for Residential accounts (excluding those on CARE/FERA and Medical Baseline) during its initial enrollment in 2018 and before the current policy had been established. Similarly, the cities of Albany, Hayward, and Pleasanton all chose to have Ava’s Brilliant 100 service (which was closed and no longer available to customers) as the default service during their initial enrollments.

² The City of Dublin implemented the policy on two separate occasions: first to make Renewable 100 the default service for all Residential accounts (apart from CARE/FERA and Medical Baseline), and then to make it the default service for all Non-Residential accounts (i.e., Commercial, Industrial and Municipal accounts).

³ The cities of Stockton and Lathrop are scheduled to begin Ava service in January of 2025. Staff currently anticipates Bright Choice to be the initial default service option for all customer types within both cities.

Hayward	R100	R100	R100	Bright Choice
Livermore	Bright Choice	Bright Choice	R100	Bright Choice
Newark	Bright Choice	Bright Choice	Bright Choice	Bright Choice
Oakland	Bright Choice	Bright Choice	Bright Choice	Bright Choice
Piedmont	R100	Bright Choice	R100	Bright Choice
Pleasanton	R100	R100	R100	Bright Choice
San Leandro	R100	R100	R100	Bright Choice
Tracy	Bright Choice	Bright Choice	Bright Choice	Bright Choice
Union City	Bright Choice	Bright Choice	Bright Choice	Bright Choice

Policy Implementation

To implement the Policy, a city or county’s elected leadership (i.e., the City Council or County Board of Supervisors) must communicate its desire to do so by official action, typically by passing a Resolution to this effect. Thereafter, Ava’s Board of Directors must approve the jurisdiction’s request before staff may implement it.

To help ensure 1) a smooth transition for customers and 2) adequate time for Ava to procure sufficient volumes of wholesale power resources, the Policy provides a six-month implementation “runway” from the time of Board approval to the subsequent enrollment/transition of customer accounts. As originally drafted, the Policy provided two timelines by which member-jurisdictions could seek Ava Board approval and implementation for default service transitions. These are summarized in the Policy via the table below:

Table 2: Current Ava Policy for Citywide Service Plan Transitions

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

To help further streamline the implementation process—and facilitate strategic, cost-effective, long and short-term power procurement, as well as efficient and effective community outreach—staff is proposing to amend the Policy to have one timeline by which member-jurisdictions may change their default service option(s). This proposed, single timeline would require **Ava Board approval by May 31 of a given year, with implementation to occur during the month of March of the following year** (i.e., on the March billing cycle of individual customer accounts). As such, the Policy’s table above would be adjusted as follows:

Table 3: Proposed Ava Policy for Citywide Service Plan Transitions

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

Proposed amendments to Policy’s implementation timeline: 1) Ava Board approval by May 31st of a given year; and 2) staff implementation of new default enrollments/service transitions in March of the following year.

At its meeting on March 6, 2024, Ava’s Executive Committee discussed staff’s proposed amendments to the Policy’s timeline, including a single, annual deadline for Ava Board approval of JPA member requests within the Policy; and the timing of staff implementation of Board-approved requests.

Regarding the former, the Committee expressed support for staff’s recommendation. By limiting the Policy to a single, annual Board approval deadline of **May 31**, Ava’s staff will continue to have adequate “runway” to plan and procure for approved JPA member requests to transition to new citywide/countywide default service options. Regarding the latter, the Committee considered and compared two potential months (i.e., January vs. March) for staff implementation of Board-approved citywide/countywide default service plan transitions. The table below summarizes considerations associated with enrolling customers in January vs. March of the following year. Ultimately, the Committee recommended March as the month in which staff should implement approved default service plan transitions.

Table 4: Considerations of a January vs. March Default Service Plan Transition

Consideration	January	March
Ease of outreach/communication	Customer notifications sent during Q4/holiday season	Customer notifications sent during Q1
Customer bill impacts	Winter bills tend to be high, may also be aligned with a PG&E rate change	Seasonal rates are lower, as is typical customer usage. However, summer bills are higher in inland communities.
Accounting/Power Procurement	Straightforward 12 months for Renewable Energy Credits (RECs) and Carbon Free (CF) portfolio planning/purchasing Temperature/climate tends to be universally lower/less variable during January. This typically makes 24-hour energy scheduling easier to plan	Cost risks may increase with shorter timeframe for REC and CF procurement Jurisdictions w/higher temperatures/less moderate weather (e.g. San Joaquin County jurisdictions) may have greater impact on Ava’s overall energy profile. Thus, 24-hour energy scheduling implications may be harder to anticipate if they begin later in the year.
City/County Climate Action Plan Commitments	Annual accounting may be simplified	Climate action planning may be somewhat more difficult/less straightforward

Fiscal Impact

There is no cost to amending the Policy on Member Requests to Change the Default Rate Product for Certain Customers.

Limiting the Policy to a single/annual implementation timeline may help streamline internal processes that result in operational efficiencies.

Committee Recommendation

At its meeting on March 6, 2024, Ava’s Executive Committee recommended adopting the proposed amendments to the Policy on Member Requests to Change the Default Rate Product for Certain Customers. These amendments are reflected in Attachment B. They specifically include: 1) requiring Ava Board approval by May 31 of a given year; and 2) staff implementation in March of the following year.

Attachments

- A. Resolution for Default Rate Product Change Policy
- B. Current Policy on Member Requests to Change the Default Rate Product for Certain Customers
- C. Redlined version of Policy on Member Requests to Change the Default Rate Product for Certain Customers (reflecting proposed amendments)
- D. Presentation - Proposed Amendments: Default Rate Product Change Policy

RESOLUTION NO. R-2024-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE AVA COMMUNITY ENERGY AUTHORITY TO APPROVE AMENDMENTS
TO THE DEFAULT RATE PRODUCT CHANGE POLICY

WHEREAS The Ava Community Energy Authority (“Ava”) 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 Ava and parties to the Joint Powers Authority (“JPA”) in March of 2020. The city of Stockton, located in San Joaquin County was added as a member of Ava and party to the JPA in September of 2022. The city of Lathrop, located in San Joaquin County, was added as a member to Ava and party to the JPA in October of 2023. On October 24, 2023, the Authority legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS, since 2018 Ava Community Energy Authority has provided its member agencies with a choice of which default service product to provide to its customers, and several member agencies have upgraded their default product offerings.

WHEREAS on March 17, 2021, the Board of Directors approved the Default Rate Product Change Policy (“Policy”).

WHEREAS on March 17, 2021, the Policy was implemented by the Board of Directors via Resolution 2021-9 to approve the City of Dublin’s request to make Renewable 100 the default product for Dublin’s residential customers, except for those on discount programs such as CARE/FERA and Medical Baseline.

WHEREAS on July 21, 2021, the Policy was implemented by the Board of Directors via Resolution 2021-32 to approve the requests from the city councils of the cities of Albany, Berkeley, Hayward, and Pleasanton to make Renewable 100 the default product for residential and commercial customers, except for those on discount programs, such as CARE/FERA and Medical baseline.

WHEREAS on September 22, 2021, the Policy was implemented by the Board of Directors via Resolution 2021-42 to approve the San Leandro City Council’s request to make Renewable 100 the default product for residential and commercial customers, except for those on discount programs, such as CARE/FERA and Medical baseline.

WHEREAS on April 20, 2022, the Policy was implemented by the Board of Directors via Resolution 2022-12 to approve the request by the Dublin City Council to make Renewable 100 the default product for commercial customers, and to approve the request by the Emeryville City Council to make Renewable 100 the default product for residential and commercial customers, except for those on discount programs, such as CARE/FERA and Medical baseline.

WHEREAS in January of 2022, consistent with the Board's direction and due to the closure of the Brilliant 100 product, Ava staff implemented the Policy by enrolling residential customers in the City of Dublin, and residential and commercial customers in the cities of Albany, Hayward, and Pleasanton in Renewable 100, as the new, citywide default product.

WHEREAS in March of 2022, consistent with the Board's direction, Ava staff implemented the Policy by enrolling residential customers in the cities of Berkeley and San Leandro in Renewable 100, as the new, citywide default product.

WHEREAS in October of 2022, consistent with the Board's direction, Ava staff implemented the Policy by enrolling commercial customers in the cities of Berkeley, Dublin, and San Leandro; and residential and commercial customers in the City of Emeryville in Renewable 100, as the new, citywide default product.

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

WHEREAS in consultation with the Board and Community Advisory Committee, staff has identified adjustments to the Policy, which can help create a more efficient, cost-effective, and customer-oriented process for Board consideration and staff implementation of future JPA member requests to change the default rate product within their jurisdictions;

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

Section 1. The Board of Directors hereby approves amendments to the Default Rate Product Change Policy (attached hereto as Exhibit A), which identify May 31 as the annual date by which Board approval must be given to JPA member requests under the Policy; and March of the following year as the month in which staff implements the corresponding, jurisdiction-wide customer account enrollments.

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

ADOPTED AND APPROVED this 20th day of March 2024.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

EAST BAY COMMUNITY ENERGY
DEFAULT RATE PRODUCT CHANGE POLICY

The purpose of this Default Rate Product Change Policy is to specify a process for a Joint Powers Authority (JPA) member agency (“Member”) to change its Default Rate Product¹ and to ensure that East Bay Community Energy (EBCE) is provided with sufficient notice and time to prepare for the change.

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

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

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

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

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

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

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

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

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

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EAST BAY Ava COMMUNITY ENERGY
DEFAULT RATE PRODUCT CHANGE POLICY

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The purpose of this Default Rate Product Change Policy is to specify a process for a Joint Powers Authority (JPA) member agency ("Member") to change its Default Rate Product¹ and to ensure that East Bay Ava Community Energy (EBCEAVA) is provided with sufficient notice and time to prepare for the change.

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

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

1. **Timeline for Board Approval and Implementation:** Any request for a Default Rate Product Change must be approved by the Board. The Board will consider Members' requests for Default Rate Product changes in the spring ~~and the fall,~~ based on the following schedule:
 - a. If the Board approves a Member's request for a Default Rate Product Change by ~~April 30~~ May 31 the Default Rate Change will be implemented ~~in October of the same~~ by [January 31 OR March 31] of the following year.
 - ~~b. If the Board approves a Member's request for a Default Rate Change by September 30, the Default Rate Change will be implemented in March of the following year.~~
 - ~~c. b.~~ Notwithstanding the foregoing, the EBCEAva Chief Executive Officer ("CEO") and the Member may mutually agree upon a different implementation schedule, provided that the CEO provides the Board with notification of the agreed-upon schedule.

Board Approval By	Implementation By <u>Month</u>
April 30 <u>May 31</u> of Year A	October 31 <u>January or</u> <u>March</u> of Year A+1
September 30 of Year A	March 31 of Year A+1

Commented [AD1]: Executive Committee feedback included a request for clarification that Implementation would occur during a single billing month

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

¹ For purposes of this Policy, the "Default Rate Product" is the EBCEAVA rate product option that each Member selected as the default for EBCEAVA customers within the Member's jurisdiction.

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

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- a. Required Notifications. Any customer accounts subject to a Member's approved Default Rate Product Change shall be sent a minimum of two (2) notifications. A minimum of one (1) notice shall be sent prior to the change going into effect.
 - b. Optional Additional Notifications. In addition to the two (2) required notices referenced in Section 6.a., above, EBCEAva staff will coordinate with a Member who wishes to develop and distribute additional customer notices and/or conduct additional communications such as social media campaigns, jurisdictional newsletters, Member press release, etc. The Member shall be responsible for the costs of such additional communications.
7. A customer may take an enrollment action to change their EBCEAva rate product, to opt in to EBCEAva service, or to opt out of EBCEAva service at any time by notifying EBCEAva through the standard channels of phone, interactive voice recording, or online form.

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**Proposed Amendments:
Default Rate Product Change Policy**

March 20, 2024



Ava's Default Rate Product Change Policy

Aka - Renewable 100 Citywide Opt Up Policy

Purpose: To provide a process by which member-jurisdictions of Ava's Joint Powers Authority (JPA) can request to change their default rate product (e.g., from Bright Choice to Renewable 100); and to ensure Ava has sufficient time to prepare for and implement the change.

Jurisdictions that have implemented the policy (to date): Albany, Berkeley, Dublin, Emeryville, Hayward, Pleasanton, San Leandro



Default Rate Product Change Policy

Current policy provides **two options/timelines** for Board approval + implementation

1. Approval: By April 30 → Implementation: By Oct 31
2. Approval: By Sept 30 → Implementation: By March 31 (of following year)

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



Default Rate Product Change Policy

Proposed amended policy provides one option/timeline for Board approval + implementation

1. Approval: **By May 31** → Implementation: **March of following year** (by account meter-read date)

Ava Board Approval By	Implementation
May 31 of Year A	March of Year A + 1
September 30 of Year A	March 31 of Year A+1

