



CAC Item C5
Staff Report Item 16

TO: Ava Community Energy Authority Board of Directors

FROM: Alex DiGiorgio, Senior Manager, Public Engagement

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

DATE: July 17, 2024

Recommendation

Adopt a Resolution directing staff to make the necessary arrangements to change the default option to *Renewable 100* for certain customers in the City of Fremont consistent with the request of their City Council. The change shall be implemented in accordance with the adopted Default Rate Product Change Policy (Attachment B). Provide Board direction regarding the two implementation timelines requested by the City of Fremont and assessed by Ava staff (i.e., 1) a single, combined enrollment with residential and commercial customers all enrolled in March 2025; or 2) a phased, sequential enrollment with residential customers enrolled in March 2025, and commercial customers enrolled in March 2026.

Background

Each Ava JPA member (city or county) may formally ask Ava's Board of Directors to set the default service (i.e., Bright Choice or Renewable 100) for Ava customers within their jurisdiction. Such a request must be expressed through an official action of the locally elected body (i.e., the City Council for incorporated areas, or the County Board of Supervisors for unincorporated areas).

Currently, Ava offers two service options with the following value propositions:

- **Bright Choice** – basic service level at a 5% discount compared to PG&E standard rates
- **Renewable 100** – 100% California wind and solar power set at \$0.0025 per kWh above PG&E standard rates.

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

Jurisdiction	Residential	Commercial	Municipal	CARE/FERA/MB
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
Hayward	R100	R100	R100	Bright Choice
Lathrop*	Bright Choice	Bright Choice	Bright Choice	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
Stockton*	Bright Choice	Bright Choice	Bright Choice	Bright Choice
Tracy	Bright Choice	Bright Choice	Bright Choice	Bright Choice
Union City	Bright Choice	Bright Choice	Bright Choice	Bright Choice

*Start of service scheduled to begin April 2025

On March 17, 2021, Ava’s Board of Directors approved the Agency’s initial Policy on Member Requests to Change the Default Rate Product for Certain Customers. 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. These jurisdictions include the cities of Albany, Berkeley, Dublin, Emeryville, Hayward, Pleasanton, and San Leandro¹. As summarized in the table below, nearly half of these jurisdictions implemented their citywide default to Renewable 100 through a phased enrollment (i.e., enrolling residential and commercial/industrial customers in separate, sequential phases).

Table 2: Previous R100 default transitions

Jurisdiction	Date of Council Decision	Implementation
Albany	June 7, 2021	January 2022 (residential and commercial customers)
Berkeley	June 29, 2021	March 2022 (residential) October 2022 (commercial)
Dublin	January 12, 2021 (residential) April 5, 2022 (commercial)	January 2022 (residential) October 2022 (commercial)
Emeryville	March 15, 2022	October 2022 (residential and commercial customers)

¹ The City of Piedmont made Renewable 100 its default option for residential customers during its initial service enrollment in 2018. As such, it has never requested a change to its citywide default and is not included in Table 2.

Hayward	July 6, 2021	January 2022 (residential and commercial customers)
Pleasanton	July 20, 2021	January 2022 (residential and commercial customers)
San Leandro	September 7, 2021	March 2022 (residential) October 2022 (commercial)

Additional Ava member agencies have continued to express interest in changing their default rate to R100. On March 20, 2024, the Board of Directors approved an updated Default Rate Product Change Policy (“Policy” Attachment B) to further streamline the timeline for implementing default rate changes. Per the updated Policy, requests approved by the Board by May 31 will be implemented in March of the following year. However, the Ava Chief Executive Officer (“CEO”) and the Member Agency (the City of Fremont, in this case) may mutually agree upon a different implementation schedule that works best for all parties.

As discussed during Ava’s [Executive Committee meeting on June 5, 2024](#), and its [Finance, Administrative, and Procurement Committee meeting on July 10, 2024](#), staff recommends that the Board extend the Policy’s May 31st deadline for the City of Fremont. Fremont’s staff diligently prepared to meet the original deadline, but Ava staff asked the City to postpone the formal request to provide Ava with time to conduct additional analysis, described in more detail below, before bringing this item to the Board.

On October 10, 2023, the Fremont City Council approved an update to their Climate Action Plan (CAP), which outlined the City’s climate goals through 2030. A top CAP priority was adopting R100 as the default service for all residents and businesses in Fremont, which is estimated to address 18% of Fremont’s 2030 greenhouse gas emissions reduction targets. As such, Ava and Fremont’s City staff have been in discussions for over a year regarding the City’s desire to default to R100.

On June 18, 2024, Fremont’s City Council unanimously approved a Resolution (Attachment C) requesting to default residential customers (with the exception of those on CARE/FERA/Medical Baseline discount programs) and commercial/industrial customers to Renewable 100. Fremont’s municipal accounts were enrolled in Renewable 100 in April of 2022.

Analysis & Discussion

The prospect of transitioning Fremont’s citywide default option to Renewable 100 is unprecedented in terms of the scale and timing of the transition.

In terms of size, Fremont is among Ava’s three largest jurisdictions (measured by both citywide electricity load and customer population). It currently represents roughly **17%** of Ava’s total load. To help put this in perspective, the following data points provide useful

context, when comparing Fremont’s prospective citywide opt up to the cities that have previously done so:

- Fremont’s load is nearly *double* the size of the largest city to have ever implemented a citywide default to Renewable 100 to date (i.e., Hayward);
- It is nearly *triple* the load of the next largest city (i.e., San Leandro);
- Aside from Hayward and San Leandro, Fremont’s load nearly equals the combined loads of *all other* jurisdictions that have implemented citywide defaults to Renewable 100 (i.e., the cities of Albany, Berkeley, Dublin, Emeryville, Piedmont, and Pleasanton).

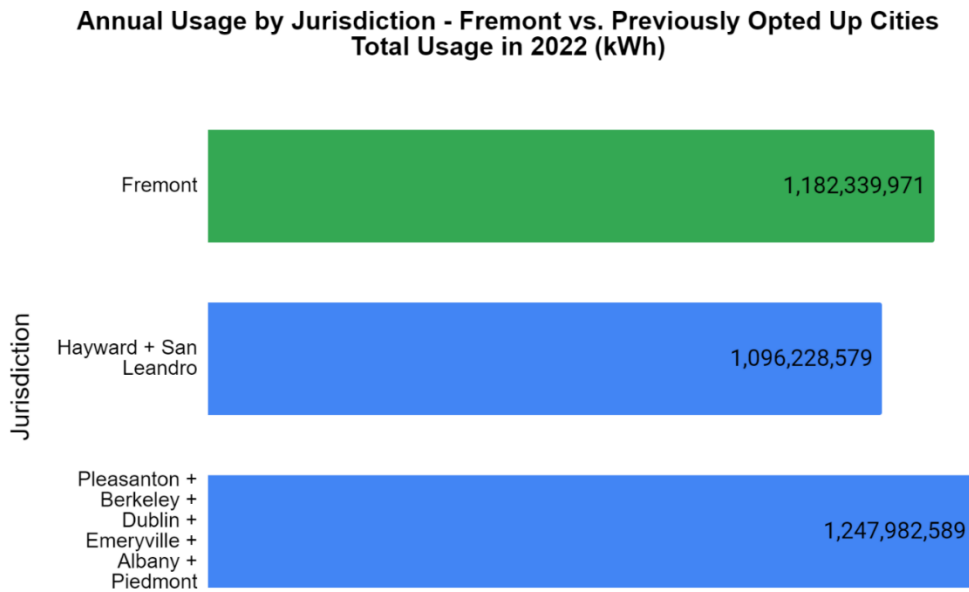


Figure 1: Annual Usage by jurisdiction, Fremont versus cities with Renewable 100 as their Default Service Plan

Due to historically high wholesale costs for renewable energy, and the prospect of substantially increasing Ava’s Renewable 100 load, Ava staff has worked closely with Fremont’s City staff to evaluate the potential cost impacts of a citywide default to Renewable 100. These potential impacts to Fremont’s residential customers—as well as all other residential customers on Renewable 100 throughout Ava’s service area—are summarized below (Table 3).

Table 3: Potential Impacts on Renewable 100 Retail Pricing (residential customers only)

R100 Premium/kWh	FY 25-26	% of Baseline	Ava Resi Monthly Premium	FY 26-27	% of Baseline	Ava Resi Monthly Premium
Baseline (no change)	\$0.0025	-	\$0.90	\$0.0025	-	\$0.90
All Fremont (single enrollment)	\$0.0055	220%	\$1.98	\$0.0046	184%	\$1.66
Resi 2025/Comm 2026 (phased)	\$0.0034	136%	\$1.22	\$0.0044	176%	\$1.58
Comm 2025/Resi 2026 (phased)	\$0.0048	192%	\$1.73	\$0.0045	180%	\$1.62

Additionally, as with the seven prior citywide default transitions, successfully implementing Fremont's default rate product transition will require updates to technology systems, specifically the billing engine and customer relationship management (“CRM”) system, as well as customer communications.

The customer communications plans will include the two customer notifications, as required by the Default Rate Product Change Policy. Additional outreach and communications will be determined based on coordination with City staff in Fremont.

Financial Impact

There will be an additional cost to Ava from SMUD to implement operational adjustments and for the cost of customer notification mailers. These costs will be absorbed by Ava, per Ava’s Default Rate Product Change Policy.

As summarized in Table 3 above, the estimated cost impacts to customers varies according to the different implementation scenarios considered by Ava and the City of Fremont. For example, enrolling Fremont’s residential and commercial customers together in 2025 would result in a higher Renewable 100 rate increase to all of Ava’s Renewable 100 customers throughout the agency’s service area. By contrast, a phased enrollment in which residential customers would be enrolled in 2025 and commercial customers would be enrolled in 2026, would likely help mitigate the Renewable 100 rate increase for Ava’s Renewable 100 customers.

More analysis regarding the potential impacts from approving Fremont’s request to make Renewable 100 the citywide default option is included in a separate item on Ava’s Cost Allocation Methodology, which was discussed by the Board’s Finance, Administrative, and Procurement Committee on July 10, 2024, and is concurrently before the Board for discussion.

Attachments

- A. Resolution Directing Staff to Make Necessary Arrangements to Change the Default Rate Product to Renewable 100 for Certain Customers in the City of Fremont.
- B. Ava's Default Rate Product Change Policy
- C. Resolution No. 2024-27 of the Fremont City Council Requesting Ava Community Energy to Enroll All Residential, Commercial, and Industrial Accounts in Renewable 100.
- D. Presentation

RESOLUTION NO. R-2024-xx

A RESOLUTION OF THE BOARD OF DIRECTORS

OF AVA COMMUNITY ENERGY AUTHORITY DIRECTING STAFF TO MAKE NECESSARY ARRANGEMENTS TO CHANGE THE DEFAULT RATE PRODUCT TO RENEWABLE 100 FOR CERTAIN RESIDENTIAL AND COMMERCIAL CUSTOMERS IN THE CITY OF FREMONT

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 JPA in November of 2019. 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 the Board of Directors approved a Default Rate Product Change Policy on March 17, 2021;

WHEREAS the Board of Directors approved an updated Default Rate Product Change Policy on March 20, 2024;

WHEREAS on June 18, 2024 the City Council for the City of Fremont adopted a Resolution requesting the Ava Board of Directors change the default product for all electric service accounts within Fremont, with the exceptions noted below, to Renewable 100 with two possible implementation timelines, including 1) enrolling all eligible customers in 2025; and 2) phasing the enrollment by customer sector (e.g., residential vs commercial/industrial) such that some customers could enroll in 2025, while others would enroll in 2026

WHEREAS the Resolution adopted by the City Council of the City of Fremont requests that the change in the default product exempt residential accounts on California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), medical baseline accounts, those enrolled in Direct Access Service, those who have made a service level election with Ava, and those who have opted out of Ava;

WHEREAS residential and commercial customers in the City of Fremont would retain the option to “opt down” from Renewable 100 to a service without a cost premium and a lower percentage of carbon-free electricity, or “opt out” to PG&E’s electricity.

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

Section 1. The Board of Directors hereby desires to accommodate the requests from the City of Fremont; and therefore, directs the Ava Chief Executive Officer or his/her designee to take any and all necessary actions to change the default rate product for residential and commercial accounts in Fremont to Renewable 100, per the Default Rate Product Change Policy.

Section 2. Customers in Fremont participating in CARE, FERA, and the Medical Baseline Allowance programs will remain on the Bright Choice service.

Section 3. The CEO is authorized to work with Fremont to identify and agree upon a timeline for customer enrollment, which may take the form of a one-time enrollment of all customers in 2025, or phased enrollment starting in 2025 and continuing through 2026.

Section 4. All customers in Fremont are to be given an option to opt down to Bright Choice or to opt out as provided by law.

ADOPTED AND APPROVED this 17th day of July, 2024.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

Ava COMMUNITY ENERGY
DEFAULT RATE PRODUCT CHANGE POLICY

Policy Number: 15.1

Approval Date: 3/20/24

Agenda Item: Consent Item 17

Approved by Resolution: R-2024-24

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 Ava Community Energy (Ava) 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 Ava 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 based on the following schedule:
 - a. If the Board approves a Member’s request for a Default Rate Product Change by May 31 the Default Rate Change will be implemented in March of the following year.
 - b. Notwithstanding the foregoing, the Ava 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 Month
May 31 of Year A	March 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 AVA rate product option that each Member selected as the default for AVA 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 Ava 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. **Ava Agency Requirements:** Upon the Board's approval of a Member's request for a Default Rate Product Change, Ava 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 Ava's data and call center services manager to make necessary operational adjustments;
 - d. Evaluate fiscal impacts of the Default Rate Product Change;
 - e. Examine Ava 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 Ava 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. Ava 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:** Ava will notify customers subject to a Member's approved Default Rate Product Change. Ava 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, Ava 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 Ava rate product, to opt in to Ava service, or to opt out of Ava service at any time by notifying Ava through the standard channels of phone, interactive voice recording, or online form.

RESOLUTION NO. 2024-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT REQUESTING AVA COMMUNITY ENERGY TO ENROLL ALL RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL ACCOUNTS IN RENEWABLE 100 ELECTRICITY SERVICE, WITH THE EXCEPTION OF THOSE PARTICIPATING IN MEDICAL BASELINE, CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE), FAMILY ELECTRIC RATE ASSISTANCE (FERA), DIRECT ACCESS ELECTRIC SERVICE PROGRAMS, OR THOSE WHO HAVE PREVIOUSLY OPTED TO A SPECIFIC AVA SERVICE LEVEL OR OPTED OUT OF AVA SERVICE; DETERMINE THAT ACTION IS EXEMPT FROM CEQA

WHEREAS, on November 18, 2008, the Fremont City Council (City Council) adopted a goal of reducing community-wide greenhouse gas (GHG) emissions by 25 percent below 2005 levels by 2020; and

WHEREAS, on November 13, 2012, the City Council adopted its first Climate Action Plan (CAP) for reducing greenhouse gas (GHG) emissions 25 percent by 2020 in alignment with its adopted target, directed staff to begin implementation of the CAP, and established an Environmental Sustainability Commission (ESC) to advise the City Council on CAP updates; and

WHEREAS, on October 10, 2023, the City Council adopted an updated CAP with the goal of reducing community-wide GHG emissions by 30% below 2018 levels or 55% below 2005 levels by the year 2030; and

WHEREAS, Community Choice Aggregation (CCA) programs enable cities and counties to aggregate the buying power of individual customers within their jurisdictions in order to secure more renewable energy; and

WHEREAS, the City Council adopted Ordinance No. 23-2016 on November 15, 2016, joining the Ava Community Energy (formerly East Bay Community Energy) CCA program in furtherance of the 2012 CAP's stated goal to prioritize renewable energy; and

WHEREAS, all residential, commercial, and industrial accounts were enrolled in Ava's "Bright Choice" electric service plan by default; and

WHEREAS, Ava's "Renewable 100" service offers 100% California-based wind and solar-generated power at a price premium of 2.5-4.5% over Bright Choice service; and

WHEREAS, on March 15, 2022, the City Council approved enrollment of all municipal accounts in the Renewable 100 electric service plan; and

WHEREAS, the 2023 CAP identified a priority action to establish Ava's Renewable 100 as the default electric service plan throughout Fremont, contributing to Fremont's transition to clean electricity, which accounts for 18% of the entire 2030 GHG reductions quantified; and

WHEREAS, this change will exempt customers participating in income-qualified programs (California Alternate Rates for Energy/CARE and Family Electric Rate Assistance/FERA), those on Medical Baseline service, those enrolled in Direct Access Service, those who have made a service level election with Ava, and those who have opted out of Ava; and

WHEREAS, this action does not commit customers to remaining on Renewable 100, as customers retain the option to switch back to Ava's Bright Choice or opt out to PG&E service; and

WHEREAS, according to Ava's timeline for processing changes to default service, this change would go into effect in March 2025; and

WHEREAS, prior to the implementation of the change, Ava with assistance from the City will conduct extensive outreach to customers explaining the change and providing information regarding options; and

WHEREAS, on June 13, 2024, the ESC recommended that the City Council adopt a resolution choosing Ava's Renewable 100 service level as the default for all Fremont electric energy accounts, with the exceptions noted in this Resolution.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fremont hereby requests that, effective March 2025, Ava enroll all electric service accounts within Fremont in Renewable 100 as the default electricity product, except for customers participating in income-qualified programs (California Alternate Rates for Energy/CARE and Family Electric Rate Assistance/FERA), customers on Medical Baseline service, customers enrolled in Direct Access Service, customers who have made a service level election with Ava, and customers who have opted out of Ava.


BE IT FURTHER RESOLVED that the Ava Board of Directors has final decision-making authority regarding changes to default service, and while it is not the preferred option, the City Council of the City of Fremont authorizes a phased implementation over two years (2025 and 2026) if that option is selected by the Ava Board of Directors.

BE IT FURTHER RESOLVED that this enrollment in the proposed electric utility rate plan is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to, without limitation: (1) CEQA Guidelines Section 15378(b)(3), (4) &/or (5), as it is a fiscal or administrative activity that will not result in any direct physical impacts to the environment; (2) Section 15273(a)(2), as CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies for the purpose of purchasing or leasing supplies, equipment, or materials, (3) Section 15183, as the project is consistent with the previously-circulated Fremont General Plan

EIR (SCH#2010082060) and the 2023 EIR Addendum prepared for the Climate Ready Fremont (qualified Climate Action Plan), under which the proposed project was a recommended community-level strategy action item in the plan, and/or (4) Section 15061(b)(3), in that the proposed action would not have the potential to cause a significant effect on the environment, and is not subject to CEQA review. Each of the foregoing provides a separate and independent basis for CEQA exemption.


ADOPTED June 18, 2024, by the City Council of the City of Fremont, by the following vote:

AYES: Mayor Mei, Councilmembers Keng, Campbell, Kassan, Salwan and Cox
NOES: None
ABSENT: Vice Mayor Shao
ABSTAIN: None



Mayor

ATTEST:

APPROVED AS TO FORM:


City Attorney



Assistant City Clerk
for City Clerk

Fremont Renewable 100
Citywide Default
July 17, 2024



1. Background re R100 citywide defaults
2. City of Fremont
3. Recommendation & Next Steps



Background

- **March 17, 2021:** Board approved policy on community-wide default product changes;
 - **March 20, 2024:** Policy updated to streamline process and timing of implementation
- Eight (8) cities currently default most customers to Renewable 100
 - One (1) city since 2018; seven (7) additional cities since 2021/2022
 - ~**1/3** of Ava 2024 load on R100 (~**1/4** after Stockton & Lathrop begin service in 2025)
 - Fremont would be largest jurisdiction by load/customers to default to R100 (nearly 2X Hayward)
- **June 18, 2024:** Fremont City Council unanimously passes Resolution to default residential and commercial customers to Renewable 100
 - Council Resolution approves more than one potential implementation timeline:
 1. Single enrollment -- Residential & Commercial customers in 2025
 2. Phased enrollment -- e.g. Residential customers in 2025; Commercial customers in 2026
- ***Per Ava's Default Rate Product Change policy, CEO is authorized to coordinate with Fremont to adjust implementation timeline and inform the Board.***



Default service by Ava member-jurisdiction

- Eight (8) cities currently default most customers to R100
- All CARE/FERA/Medical Baseline customers remain on Bright Choice
- Municipal accounts may request R100 or Bright Choice at anytime

Jurisdiction	Residential	Commercial	Attachment 5 Staff Report Item 16D	CARE/FERA/MB
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
Hayward	R100	R100	R100	Bright Choice
Lathrop*	Bright Choice	Bright Choice	Bright Choice	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
Stockton*	Bright Choice	Bright Choice	Bright Choice	Bright Choice
Tracy	Bright Choice	Bright Choice	Bright Choice	Bright Choice
Union City	Bright Choice	Bright Choice	Bright Choice	Bright Choice



Implementation Timelines for Citywide Transitions

- 4 of 7 cities proceeded w/single enrollment
- 3 of 7 cities proceeded w/phased enrollment
- Significantly higher costs for renewables in 2025/2026 than 2021/2022
- Ava Policy identifies March as the enrollment month – this could be adjusted w/agreement between City and CEO + Board is notified

Jurisdiction	Date of Council Decision	Implementation
Albany	June 7, 2021	January 2022 (residential and commercial customers)
Berkeley	June 29, 2021	March 2022 (residential) October 2022 (commercial)
Dublin	Jan 12, 2021 (residential) April 5, 2022 (commercial)	January 2022 (residential) October 2022 (commercial)
Emeryville	March 15, 2022	October 2022 (residential and commercial customers)
Hayward	July 6, 2021	January 2022 (residential and commercial customers)
Pleasanton	July 20, 2021	January 2022 (residential and commercial customers)
San Leandro	Sept 7, 2021	March 2022 (residential) October 2022 (commercial)



Fremont Renewable 100 default

- Fremont citywide load represents a considerable portion of Ava's total load (17% currently, 14% after Lathrop and Stockton begin service in April 2025).
- Fremont and Ava staff have been in discussions for approximately a year regarding the default product change and its importance to Fremont's Climate Action Plan. A community wide default to Renewable 100 would address ~18% of the City's GHG emission reduction goal.
- Ava's current policy requires Board approval by the end of May and implementation the following March. Ava staff requests an exception to this timeline given **1)** the size of proposed load transitioning to Renewable 100; and **2)** recently proposed updates to the Renewable 100 Cost Allocation Methodology that postponed Fremont's Council vote.



Fremont: Load Size

- Fremont's load is nearly *double* the size of the current largest city (Hayward) to default to R100
- It is nearly *triple* the load of the next largest city (San Leandro)
- Aside from Hayward and San Leandro, Fremont's load is nearly the size of all other R100 cities combined (i.e.. Albany, Berkeley, Dublin, Emeryville, Pleasanton, and Piedmont).

Annual Usage by Jurisdiction - Fremont vs. Previously Opted Up Cities
Total Usage in 2022 (kWh)



Example of Potential Impacts on Renewable 100 Pricing

Renewable 100 Premium/kWh	2025	% of Baseline	Ave Resi Monthly Premium	2026	% of Baseline	Ave Resi Monthly Premium
Baseline (no change)	\$0.0025	-	\$0.90	\$0.0025	-	\$0.90
All Fremont (single enrollment)	\$0.0055	220%	\$1.98	\$0.0046	184%	\$1.66
Resi 2025/Comm 2026 (phased enrollment)	\$0.0034	136%	\$1.22	\$0.0044	176%	\$1.58
Comm 2025/Resi 2026 (phased enrollment)	\$0.0048	192%	\$1.73	\$0.0045	180%	\$1.62

Note: Price impacts would be applicable to all Renewable 100 customers (not just those in Fremont). The table above only reflects cost impacts to residential customers.



Recommendation & Next Steps

1. Approve Resolution regarding Fremont's request to default customers to Renewable 100.
2. Provide Board direction regarding the two implementation timelines identified by the City of Fremont and assessed by Ava staff (i.e., 1) a single, combined enrollment with residential and commercial customers enrolled in March 2025; or 2) a phased enrollment with residential customers enrolled in March 2025, and commercial customers enrolled in March 2026.

Ava's Default Rate Product Change Policy states the following:

- "Notwithstanding the foregoing, the Ava Chief Executive Officer ("CEO") and the Member [City of Fremont] may mutually agree upon a different implementation schedule, provided that the CEO provides the Board with notification of the agreed-upon schedule."

Correspondingly, the Resolution states the following:

- "*Section 3.* The CEO is authorized to work with Fremont to identify and agree upon a timeline for customer enrollment, which may take the form of a one-time enrollment of all customers in 2025, or a phased enrollment starting in 2025 and continuing through 2026.

