



East Bay Community Energy (EBCE)

ADDENDUM NO. 1 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

TO ADDRESS EBCE EXPANSION TO THE CITIES OF PLEASANTON, NEWARK, & TRACY

December 20, 2019

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CHAPTER 1 – Introduction

The purpose of this document is to make certain revisions to the East Bay Community Energy Authority (“EBCE” or the “Authority”) Implementation Plan and Statement of Intent (“Implementation Plan”) in order to address the expansion of EBCE to the cities of Pleasanton, Newark, and Tracy (“Expansion Communities”, the first two of which are located in Alameda County and the last located in San Joaquin County). EBCE is a public agency located within Alameda County, formed for the purpose of implementing a community choice aggregation program (“CCA”, or “Community Choice Energy” – “CCE” – which has been recently used as an alternative identifying term for the CCA service model), which has been named East Bay Community Energy (the “Program”). At the time of initial service commencement, the Member Agencies of EBCE included the cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro, and Union City located within the County of Alameda (“County”) as well as the unincorporated areas of the County itself (together, the “Members” or “Member Agencies”), which have elected to allow EBCE to provide electric generation service within their respective jurisdictions.

In anticipation of CCA program implementation and in compliance with state law, EBCE submitted its Implementation Plan to the California Public Utilities Commission (“CPUC” or “Commission”) on August 10, 2017, and it was subsequently certified by the CPUC on November 8, 2017. Consistent with its expressed intent, EBCE successfully launched the Program on June 1, 2018 and has been serving customers since that time.

Recently, EBCE’s Board of Directors approved the membership requests of the Expansion Communities on November 20, 2019 via Resolution No. R-2019-33. In response to the approval of such requests, EBCE staff prepared this Addendum No. 1 to EBCE’s Community Choice Aggregation Implementation Plan and Statement of Intent (“Addendum No. 1”), which addresses service delivery within the Expansion Communities. On November 20, 2019, EBCE’s Board of Director authorized staff through Resolution No. R-2019-34 to prepare and submit this addendum to the CPUC for certification.

The EBCE program now provides electric generation service to approximately 560,000 accounts, including a combination of residential and commercial customers.

This Addendum No. 1 describes EBCE’s plans to commence CCA service within the Expansion Communities. According to the Commission, the Energy Division is required to receive and review a revised EBCE implementation plan reflecting changes/consequences that are expected to result from the inclusion of additional members. With this in mind, EBCE has reviewed its Implementation Plan, which was filed with the Commission on August 10, 2017, and has identified certain information that requires updating to reflect the changes and consequences of adding the Expansion Communities. This Addendum No. 1 also reflects certain updated projections that are considerate of EBCE’s recent operating history. The contents of this document, including references to EBCE’s August 10, 2017 Implementation Plan, which is incorporated by reference and attached hereto as Appendix E, addresses all requirements identified in Public Utilities Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes, and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to EBCE’s anticipated expansion.

CHAPTER 2 – Changes to Address EBCE Expansion to the Cities of Pleasanton, Newark, and Tracy

Introduction

This Addendum No. 1 addresses the anticipated impacts of EBCE’s planned inclusion of the Expansion Communities, as well as other forecast modifications reflecting EBCE’s recent operating history. As a result of these member additions, certain assumptions regarding EBCE’s future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses, and various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 1, EBCE represents that such information shall remain unchanged relative to the August 10, 2017 Implementation Plan.

With regard to the defined terms Members and Member Agencies, the following communities are now signatories to the EBCE Joint Powers Agreement and represent EBCE’s current membership:

Table 1 Membership of East Bay Community Energy
Alameda County
Albany
Berkeley
Dublin
Emeryville
Fremont
Hayward
Livermore
Newark
Oakland
Piedmont
Pleasanton
San Leandro
Tracy
Union City

Throughout this document, use of the terms Members and Member Agencies refer to the aforementioned Communities. To the extent that this narrative addresses the process of aggregation and EBCE organization, each of these communities is now an EBCE Member and the electric customers of such jurisdictions have been or will be offered CCA service consistent with the noted phase-in schedule.

Process of Aggregation

All customers currently enrolled in the EBCE program were appropriately noticed. Prospective EBCE customers in new expansion phases will receive two written notices in the mail from EBCE, that will provide information needed to understand the Program’s terms and conditions of service and explain how customers can opt-out of the Program, if desired.

All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date no later than thirty days following the date of automatic enrollment, subject to the service phase-in plan below under *Program Phase-In*. Subsequent notices will be sent to customers in twice within 60 days of automatic enrollment.

Customers enrolled in the EBCE Program will continue to have their electric meters read and to be billed for electric service by the distribution utility (PG&E). The electric bill for Program customers will show separate charges for generation procured by EBCE as well as other charges related to electricity delivery and other utility charges assessed by PG&E.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt-out of the EBCE Program without penalty and return to the distribution utility (PG&E). EBCE customers will be advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of service, as noted previously. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by EBCE but will not otherwise be subject to any penalty for leaving the Program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have elected to become a participant in the EBCE Program and to have agreed to the EBCE Program’s terms and conditions, including those pertaining to requests for termination of service.

Program Phase-In

EBCE will continue to phase-in the customers of its CCA Program as communicated in the Implementation Plan. To date, three phases have been successfully implemented, and a fourth phase will commence in early 2021, pending confirmation of this plan by the CPUC.

- Phase 1. Complete, June 2018: Commercial, industrial, agricultural, and municipal customers, approximately 50,000 accounts. Additionally, a small group (~100) of residential customers were enrolled in this phase as Early Adopters.
- Phase 2. Complete, October 2018: Residential customers, approximately 500,000 accounts.
- Phase 3. Near Complete, April 2019 through December 2019: Bi-monthly enrollment of residential, commercial, and municipal accounts on Net Energy Metering, which is predominantly solar photovoltaic system owners. Customers were enrolled based on the date of their PG&E True-Up date to minimize any loss of credits on their bill.
- Phase 4. Planned, January 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the Expansion Communities, subject to economic and operational constraints.

This approach provides EBCE with the ability to test its program with a smaller number of accounts before building to full program integration for an expected customer base of approximately 630,000 accounts, following service commencement to customers within the Expansion Communities. This approach has also allowed EBCE and its energy suppliers to address all system requirements (billing, collections, payments, etc.) under a phase-in plan that was designed to minimize potential exposure to uncertainty and financial risk by building operational experience with a subset of total accounts before enrolling the majority of EBCE’s prospective customers.

Sales Forecast

With regard to EBCE’s sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, EBCE assumes that total annual retail sales will increase to approximately 1,113 GWh following Phase 4 expansion, including an assumed opt-out rate of 5%. The following tables have been updated to reflect the impacts of planned expansion to EBCE’s new membership given these assumptions:

1. Base Year Data is 2018 based on Item 16 data from PG&E, except for Newark which is based on 2017 data (only data set available) and used as a proxy for 2018 on the energy / customer count numbers
2. Base opt-out assumption is 5%
3. All new load is phased in on 1/1/2021
4. Annual growth rate of 0.5% per year
5. Additional opt out of 1% by year end 2020 for current EBCE customers, and by year end 2021 for new jurisdictions, then stable
6. Loss Factor of 1.0635 between retail and wholesale is based on the last 12 months of data
7. Given that we do not have data for coincident peak contributions in the same year, peak demands are calculated by using the percent contribution to peak hour in 2017 for Newark, and the percent contribution for other jurisdictions in 2018. Those percentages are then applied to the projected system peak
8. Ineligible and Direct Access loads are excluded
9. Revenues are based on average rate class price/kWh using rates effective 7/1/2019, current product distribution, and current rate-setting methodology
10. Tables are updated for only 2021 and beyond, except where noted

Chapter 6, Resource Plan Overview

Table 3
East Bay Community Energy
Proposed Resource Plan (GWh)
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
EBCE Demand										
Retail Demand*	1,346	6,201	6,214	7,217	7,191	7,227	7,263	7,299	7,336	7,373
Losses and UFE	87	403	404	459	457	459	461	464	466	448
TOTAL DEMAND	1,433	6,604	6,617	7,676	7,648	7,686	7,724	7,763	7,802	7,821
EBCE Supply										
Renewable Resources										
Total Renewable Resources	438	2,159	2,301	2,887	2,876	2,891	2,905	3,285	3,301	3,318
Conventional Resources										
Total Conventional Resources	996	4,445	4,316	4,789	4,772	4,795	4,819	4,478	4,501	4,503
TOTAL SUPPLY	1,433	6,604	6,617	7,676	7,648	7,686	7,724	7,763	7,802	7,821
Energy Open Position	0	0	0	0	0	0	0	0	0	0

*Energy efficiency and behind the meter distributed generation are accounted for within the retail demand forecast. As EBCE defines its distributed energy resource strategy, this retail demand forecast may change to reflect greater adoption of distributed energy resources.

Chapter 6, Customer Forecast

Table 4
East Bay Community Energy
Enrolled Retail Service Accounts
Phase-In Period (End of Month)

EBCE Customers	Eligible Accounts	18-May Phase 1	18-Sept Phase 2	19-Jan Phase 3	21-Jan Phase 4
Residential	518,456	0	0	491,113	568,589
Small Commercial	46,117	919	39,126	39,143	52,128
Large Commercial	5,024	101	4,235	4,285	5,266
Industrial	2,683	51	2,267	2,267	3,294
Street Lighting & Traffic	3,695	3,695	3,695	3,695	2,217
Agricultural & Pumping	147	0	125	125	157
Total	576,122	4,766	49,448	540,628	631,651

Table 5
East Bay Community Energy
Retail Service Accounts (End of Year)

2018 to 2027

EBCE Customers	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential	0	492,533	493,518	568,589	565,717	568,546	571,389	574,246	577,117	580,002
Small Commercial	39,121	39,200	39,278	52,128	52,389	52,651	52,914	53,179	53,444	53,712
Large Commercial	4,262	4,270	4,279	5,266	5,240	5,266	5,292	5,319	5,345	5,372
Industrial	2,276	2,281	2,285	3,294	3,277	3,294	3,310	3,327	3,343	3,360
Street Lighting & Traffic	3,672	3,679	3,687	2,217	2,206	2,217	2,228	2,239	2,250	2,262
Agricultural & Pumping	125	125	125	157	156	157	158	158	159	160
Total	49,456	542,088	543,173	631,651	628,985	632,131	635,291	638,468	641,658	644,868

Chapter 6, Sales Forecast

Table 6
East Bay Community Energy
Annual Energy Requirements (GWh)
2018 to 2027

EBCE Energy Req.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Energy	1,346	6,201	6,214	7,217	7,191	7,227	7,263	7,299	7,336	7,373
Losses and UFE	87	403	404	459	457	459	461	464	466	448
Total Load Requirement	1,433	6,604	6,617	7,676	7,648	7,686	7,724	7,763	7,802	7,821

Table 8
East Bay Community Energy
Capacity Requirements (MW)
2018 to 2027

Demand (MW)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Demand	831	1,416	1,419	1,217	1,223	1,229	1,235	1,241	1,247	1,254
Losses and UFE	0	0	0	0	0	0	0	0	0	0
Total Net Peak Demand	831	1,416	1,419	1,217	1,223	1,229	1,235	1,241	1,247	1,254
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	125	212	213	183	183	184	185	186	187	188
Capacity Requirement Including Reserve	956	1,628	1,631	1,400	1,406	1,413	1,420	1,427	1,434	1,442

*Tables are updated for only 2021 and beyond, except where noted

Table 9
East Bay Community Energy
Local Capacity Requirements (MW)
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
EBCE Peak	831	1,416	1,419	1,217	1,223	1,229	1,235	1,241	1,247	1,254
Local Capacity Req. (% of Peak)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Greater Bay Area Share of Local Capacity	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
Other PG&E Areas Share of Local Capacity	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%
EBCE Local Capacity Requirement, Greater Bay	189	322	323	280	281	283	284	285	287	288
EBCE Local Capacity Requirement, Other PG&E	226	385	386	329	330	332	333	335	337	339
EBCE Local Capacity Req., Total	415	708	709	609	612	615	618	621	624	627

*Tables are updated for only 2021 and beyond, except where noted

Chapter 6, Renewables Portfolio Standards Energy Requirements

Table 10
East Bay Community Energy
RPS Requirements (MWh)
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Sales	1,346	6,201	6,214	7,217	7,191	7,227	7,263	7,299	7,336	7,373
Baseline	336	1,798	2,051	2,526	2,661	2,746	2,905	3,066	3,154	3,318
% of Current Year Retail Sales*	25%	29%	33%	35%	37%	38%	40%	42%	43%	45%

Financial Plan

With regard to EBCE’s financial plan, which is addressed in Chapter 7, Financial Plan, EBCE has updated its expected operating results, which now include projected impacts related to service expansion within EBCE’s new member Communities. The following table reflects updated operating projections in consideration of these planned expansions.

EBCE Implementation Plan – Addendum No. 1

Table 11
East Bay Community Energy
Summary of CCA Program Start-Up and Phase-In
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue from Operations (\$)										
Electric Sales Revenue	\$88,676,220	\$394,416,117	\$391,061,371	\$580,974,148	\$578,905,389	\$581,799,916	\$584,708,916	\$587,632,461	\$590,570,623	\$593,523,476
Less Uncollected Accounts	\$549,255	\$2,714,580	\$2,773,690	\$2,904,871	\$2,894,527	\$2,909,000	\$2,923,545	\$2,938,162	\$2,952,853	\$2,967,617
Total Revenues	\$88,126,965	\$391,701,537	\$388,287,681	\$578,069,277	\$576,010,862	\$578,890,916	\$581,785,371	\$584,694,299	\$587,617,770	\$590,555,859
Cost of Operations (\$)										
Cost of Energy	\$65,735,111	\$299,159,237	\$306,687,787	\$431,480,609	\$414,221,385	\$416,292,492	\$418,373,954	\$422,395,574	\$424,507,552	\$426,630,090
<i>Operating & Administrative Costs</i>										
<i>Billing & Data Management</i>	\$248,795	\$7,212,172	\$7,226,596	\$8,618,803	\$8,585,211	\$8,624,851	\$8,664,667	\$8,704,697	\$8,744,891	\$8,785,337
<i>PG&E Fees</i>	\$556,630	\$2,870,921	\$2,934,196	\$2,652,934	\$2,641,737	\$2,654,950	\$2,668,222	\$2,681,566	\$2,694,964	\$2,708,446
<i>Personnel/Staffing</i>	\$1,888,843	\$2,618,276	\$2,670,642	\$4,596,840	\$4,743,939	\$4,895,745	\$5,052,409	\$5,214,086	\$5,380,937	\$5,553,127
<i>Outreach & communication</i>	\$285,000	\$120,000	\$122,400	\$2,715,600	\$2,802,499	\$2,892,179	\$2,984,729	\$3,080,240	\$3,178,808	\$3,280,530
<i>Professional services</i>	\$1,422,500	\$1,307,500	\$1,333,650	\$1,292,939	\$1,334,313	\$1,377,011	\$1,421,076	\$1,466,550	\$1,513,480	\$1,561,911
<i>Legal and regulatory</i>	\$960,000	\$960,000	\$979,200	\$1,689,128	\$1,743,180	\$1,798,962	\$1,856,529	\$1,915,938	\$1,977,248	\$2,040,520
<i>Gen & Admin expenses</i>	\$676,667	\$341,700	\$238,900	\$2,438,905	\$2,516,950	\$2,597,492	\$2,680,612	\$2,766,392	\$2,854,916	\$2,946,274
<i>Debt Service*</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&A Costs	\$6,038,435	\$15,430,569	\$15,505,584	\$24,005,149	\$24,367,829	\$24,841,190	\$25,328,243	\$25,829,468	\$26,345,242	\$26,876,143
Operating Reserves	\$5,401,815	\$23,220,471	\$23,715,868	\$57,806,928	\$92,161,738	\$92,622,547	\$93,085,659	\$93,551,088	\$94,018,843	\$94,488,937
New Programs Funding	\$0	\$0	\$0	\$10,000,000	\$11,000,000	\$12,100,000	\$13,310,000	\$14,641,000	\$16,105,100	\$17,715,610
Total Cost & Reserves	\$77,175,361	\$337,810,277	\$345,909,239	\$523,292,686	\$541,750,952	\$545,856,229	\$550,097,857	\$556,417,129	\$560,976,737	\$565,710,780
CCA Program Surplus/(Deficit)	\$5,556,370	\$36,760,056	\$25,773,694	\$18,559,907	\$34,259,910	\$33,034,688	\$31,687,515	\$28,277,169	\$26,641,033	\$24,845,079

* Debt Service corrected for all years

Table 12
East Bay Community Energy
Reserves Summary
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Reserve Additions*											
Operating Reserve Contributions	\$5,401,815	\$23,220,471	\$23,715,868	\$57,806,928	\$92,161,738	\$92,622,547	\$93,085,659	\$93,551,088	\$94,018,843	\$94,488,937	\$670,073,894
Cash from Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Additions	\$5,401,815	\$23,220,471	\$23,715,868	\$57,806,928	\$92,161,738	\$92,622,547	\$93,085,659	\$93,551,088	\$94,018,843	\$94,488,937	\$670,073,894
Reserve Outlays											
Start-Up Funding Payments	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
New Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve Outlays	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
Rate Stabilization Reserve Balance	\$5,301,815	\$28,522,286	\$52,238,154	\$110,045,082	\$202,206,820	\$294,829,366	\$387,915,026	\$481,466,114	\$575,484,957	\$669,973,894	\$669,973,894

* Reserve Additions corrected for all years

Expansion Addendum Appendices

- Appendix A** East Bay Community Energy Authority Resolution R. 2019-33, Authorizing the cities of Tracy, Pleasanton, and Newark to become parties to the JPA and members of EBCE
- Appendix B** East Bay Community Energy Authority Resolution R. 2019-34, Authorizing staff to reflect the inclusion of new Member Jurisdictions and submit the updated plan to the CPUC
- Appendix C** East Bay Community Energy Authority Joint Powers Agreement
- Appendix D** Member Resolutions and Ordinances
- Appendix E** East Bay Community Energy Authority Implementation Plan and Statement of Intent

RESOLUTION NO. R-2019-33

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CITIES OF
TRACY, PLEASANTON, AND NEWARK TO BECOME PARTIES TO THE JOINT POWERS
AGREEMENT AND MEMBERS OF EBCE**

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES
HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

WHEREAS, on September 24, 2002, the Governor of California signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the “Act”), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (“CCA”); and,

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powers agency; and on December 1, 2016, the East Bay Community Energy Authority (“EBCE” or “the Agency”) was formed 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 and energy-related climate change programs in all of the member jurisdictions; and

WHEREAS, on November 8, 2017, the California Public Utilities Commission (“CPUC”) certified the “Implementation Plan” of EBCE, confirming EBCE’s compliance with the requirements of the Act; and

WHEREAS, Section 3.1 of the EBCE Joint Powers Agreement (“Agreement”) sets forth the procedures for the addition of new member jurisdictions; and

WHEREAS, including new member jurisdictions within EBCE’s Joint Powers Authority can benefit EBCE communities, customers, and the general public by 1) expanding access to competitively-priced renewable energy, innovative programs and equitable policies; 2) achieving greater economies of scale while accelerating the reduction of greenhouse gas emissions; 3) enhancing EBCE’s financial strength through increased revenues and reserves; 4) diversifying the Agency’s service area while advancing environmental justice in historically marginalized communities; 5) empowering local stakeholders with more direct representation before State-level regulators and elected officials; and 6) inspiring more cities and counties to explore public power options in California and nationwide; and

WHEREAS, on September 17, 2019, through a unanimous vote of its City Council, the City of Tracy expressed its intention of joining EBCE and participating in the Agency's CCA program by passing a resolution to request membership in EBCE and introducing an ordinance to implement a CCA program as required by Public Utilities Code section 366.2; and

WHEREAS, on October 1, 2019, through a unanimous vote of its City Council, the City of Pleasanton expressed its intention of joining EBCE and participating in the Agency's CCA program by passing a resolution to request membership in EBCE and introducing an ordinance to implement a CCA program as required by Public Utilities Code section 366.2; and

WHEREAS, on October 24, 2019, through a unanimous vote of its City Council, the City of Newark expressed its intention of joining EBCE and participating in the Agency's CCA program by passing a resolution to request membership in EBCE and introducing an ordinance to implement a CCA program as required by Public Utilities Code section 366.2; and

WHEREAS, EBCE conducted a quantitative analysis to examine the cost of service to the Cities of Tracy, Pleasanton, and Newark, which indicated positive financial and environmental benefits from their membership to the prospective cities as well as to EBCE's current communities and customer base; and,

WHEREAS, per CPUC rules, prospective member jurisdictions must join EBCE before the end of calendar year 2019 in order to begin customer enrollments in EBCE's service options by 2021; and

WHEREAS, Section 3.1 of the Agreement requires the Board of Directors to adopt a resolution authorizing the membership of additional member jurisdictions, and specifying the membership payment and conditions for membership, if any.

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

Section 1. The City of Tracy is hereby authorized to become a party to the Agreement and a member of EBCE, subject to the following conditions:

- (a) The Community Choice Aggregation ordinance adopted by the City of Tracy becoming effective.
- (b) The execution of the Agreement by the duly authorized official of the City of Tracy.

Section 2. The City of Pleasanton is hereby authorized to become a party to the Agreement and a member of EBCE, subject to the following conditions:

Appendix A

(a) The Community Choice Aggregation ordinance adopted by the City of Pleasanton becoming effective.

(b) The execution of the Agreement by the duly authorized official of the City of Pleasanton.

Section 3. The City of Newark is hereby authorized to become a party to the Agreement and a member of EBCE, subject to the following conditions:

(a) The Community Choice Aggregation ordinance adopted by the City of Newark becoming effective.

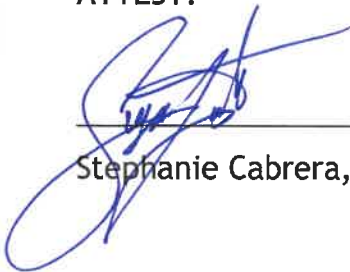
(b) The execution of the Agreement by the duly authorized official of the City of Newark.

ADOPTED AND APPROVED this 20th day of November, 2019.



Dan Kalb, Chair

ATTEST:



Stephanie Cabrera, Clerk of the Board

RESOLUTION NO.R-2019-34

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING EBCE STAFF TO UPDATE EBCE'S IMPLEMENTATION PLAN TO REFLECT THE INCLUSION OF NEW MEMBER JURISDICTIONS AND SUBMIT THE UPDATED PLAN TO THE CPUC

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

WHEREAS, The East Bay Community Energy Authority ("EBCE") was formed 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 and energy-related climate change programs in all of the member jurisdictions.

WHEREAS, the Board of Directors has approved Resolution R-2019-33 to authorize the Cities of Tracy, Pleasanton, and Newark to become members of EBCE, with enrollments expected to begin in 2021;

WHEREAS, on February 8, 2018, the California Public Utilities Commission ("CPUC") passed Resolution E-4907, which requires a one year waiting period for jurisdictions intending to form or join a community choice aggregation ("CCA") program, like EBCE;

WHEREAS, in order to begin enrolling electricity customers in Tracy, Pleasanton and Newark by 2021, EBCE must submit to the CPUC an updated Implementation Plan and Statement of Intent ("Implementation Plan") reflecting the inclusion of these new member jurisdictions before the end of the 2019 calendar year.

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

Section 1. The Board hereby authorizes EBCE staff to update EBCE's Implementation Plan, reflecting the membership of the Cities of Tracy, Pleasanton, and Newark.

Section 2. The Board hereby directs staff to submit the updated Implementation Plan to the CPUC for certification as soon as reasonably feasible, before December 31, 2019.

ADOPTED AND APPROVED this 20th day of November, 2019.

Appendix B



Dan Kalb, Chair

ATTEST:



Stephanie Cabrera, Clerk of the Board

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East Bay Community Energy Authority

- Joint Powers Agreement –

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

Among The Following Parties:

County of Alameda

City of Albany

City of Berkeley

City of Dublin

City of Emeryville

City of Fremont

City of Hayward

City of Livermore

City of Newark

City of Oakland

City of Piedmont

City of Pleasanton

City of San Leandro

City of Tracy

City of Union City

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EAST BAY COMMUNITY ENERGY AUTHORITY

JOINT POWERS AGREEMENT

This Joint Powers Agreement (“Agreement”), effective as of December 1, 2016, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit A (“Parties”). The term “Parties” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
2. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local government to develop programs to reduce greenhouse gas emissions.
3. The purposes for the Initial Participants (as such term is defined in Section 1.1.16 below) entering into this Agreement include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by reducing energy related greenhouse gas emissions, promoting electrical rate price stability, and fostering local economic benefits such as jobs creation, community energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional and local solar and wind energy production.
4. The Parties desire to establish a separate public agency, known as the East Bay Community Energy Authority (“Authority”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
5. The Initial Participants have each adopted an ordinance electing to implement through the Authority a Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 (“CCA Program”). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.
6. By establishing the Authority, the Parties seek to:
 - (a) Provide electricity rates that are lower or competitive with those offered by PG&E for similar products;

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- (b) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate;
- (c) Develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of the parties’ greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;
- (d) Establish an energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits;
- (e) Promote an energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals;
- (f) Demonstrate quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments);
- (g) Recognize the value of workers in existing jobs that support the energy infrastructure of Alameda County and Northern California. The Authority, as a leader in the shift to a clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a “just transition” to the new clean energy economy;
- (h) Deliver clean energy programs and projects using a stable, skilled workforce through such mechanisms as project labor agreements, or other workforce programs that are cost effective, designed to avoid work stoppages, and ensure quality;
- (i) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
- (j) Provide and manage lower cost energy supplies in a manner that provides cost savings to low-income households and promotes public health in areas impacted by energy production; and
- (k) Create an administering agency that is financially sustainable, responsive to regional priorities, well managed, and a leader in fair and equitable treatment of employees through adopting appropriate best practices employment policies, including, but not limited to, promoting efficient consideration of petitions to unionize, and providing appropriate wages and benefits.

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AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1 CONTRACT DOCUMENTS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified below, unless the context requires otherwise.

- 1.1.1** “AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.
- 1.1.2** “Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*)
- 1.1.3** “Agreement” means this Joint Powers Agreement.
- 1.1.4** “Annual Energy Use” has the meaning given in Section 1.1.23.
- 1.1.5** “Authority” means the East Bay Community Energy Authority established pursuant to this Joint Powers Agreement.
- 1.1.6** “Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.
- 1.1.7** “Board” means the Board of Directors of the Authority.
- 1.1.8** “Community Choice Aggregation” or “CCA” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.
- 1.1.9** “CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.4 and 5.1.
- 1.1.10** “Days” shall mean calendar days unless otherwise specified by this Agreement.
- 1.1.11** “Director” means a member of the Board of Directors representing a Party, including an alternate Director.
- 1.1.12** “Effective Date” means the date on which this Agreement shall become effective and the East Bay Community Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

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- 1.1.13** “Ex Officio Board Member” means a non-voting member of the Board of Directors as described in Section 4.2.2. The Ex Officio Board Member may not serve on the Executive Committee of the Board or participate in closed session meetings of the Board.
- 1.1.14** “Implementation Plan” means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.
- 1.1.15** “Initial Costs” means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority’s initial formation activities or in support of the negotiation, preparation and approval of power purchase agreements. The Board shall determine the termination date for Initial Costs.
- 1.1.16** “Initial Participants” means, for the purpose of this Agreement the County of Alameda, the Cities of Albany, Berkeley, Emeryville, Oakland, Piedmont, San Leandro, Hayward, Union City, Fremont, Dublin, and Livermore.
- 1.1.17** “Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.
- 1.1.18** “Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.
- 1.1.19** “Party” means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.
- 1.1.20** “Percentage Vote” means a vote taken by the Board pursuant to Section 4.12.1 that is based on each Party having one equal vote.
- 1.1.21** “Total Annual Energy” has the meaning given in Section 1.1.23.
- 1.1.22** “Voting Shares Vote” means a vote taken by the Board pursuant to Section 4.12.2 that is based on the voting shares of each Party described in Section 1.1.23 and set forth in Exhibit C to this Agreement. A Voting Shares vote cannot take place on a matter unless the matter first receives an affirmative or tie Percentage Vote in the manner required by Section 4.12.1 and three or more Directors immediately thereafter request such vote.

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1.1.23 “Voting Shares Formula” means the weight applied to a Voting Shares Vote and is determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) “Annual Energy Use” means (i) with respect to the first two years following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s respective jurisdiction and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by the Authority and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit B and the initial voting shares are designated in Exhibit C. Both Exhibits B and C shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year subject to the approval of the Board.

1.2 **Documents Included.** This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

- Exhibit A: List of the Parties
- Exhibit B: Annual Energy Use
- Exhibit C: Voting Shares

1.3 **Revision of Exhibits.** The Parties agree that Exhibits A, B and C to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

ARTICLE 2 **FORMATION OF EAST BAY COMMUNITY ENERGY AUTHORITY**

2.1 **Effective Date and Term.** This Agreement shall become effective and East Bay Community Energy Authority shall exist as a separate public agency on December 1, 2016, provided that this Agreement is executed on or prior to such date by at least three Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.3, subject to the rights of the Parties to withdraw from the Authority.

2.2 **Initial Participants.** Until December 31, 2016, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(12) to the Authority. Additional conditions, described in Section 3.1, may apply (i) to either an

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incorporated municipality or county desiring to become a Party that is not an Initial Participant and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

2.3 Formation. There is formed as of the Effective Date a public agency named the East Bay Community Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing boards of all Parties.

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

2.5 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:

- 2.5.1** to make and enter into contracts, including those relating to the purchase or sale of electrical energy or attributes thereof;
- 2.5.2** to employ agents and employees, including but not limited to a Chief Executive Officer and General Counsel;
- 2.5.3** to acquire, contract, manage, maintain, and operate any buildings, works or improvements, including electric generating facilities;
- 2.5.4** to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
- 2.5.5** to lease any property;
- 2.5.6** to sue and be sued in its own name;
- 2.5.7** to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Section 53850 *et seq.* and authority under the Act;

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- 2.5.8 to form subsidiary or independent corporations or entities, if appropriate, to carry out energy supply and energy conservation programs at the lowest possible cost consistent with the Authority's CCA Program implementation plan, risk management policies, or to take advantage of legislative or regulatory changes;
- 2.5.9 to issue revenue bonds and other forms of indebtedness;
- 2.5.10 to apply for, accept, and receive all licenses, permits, grants, loans or other assistance from any federal, state or local public agency;
- 2.5.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- 2.5.12 to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Rules and Regulations");
- 2.5.13 to make and enter into service, energy and any other agreements necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and
- 2.5.14 to negotiate project labor agreements, community benefits agreements and collective bargaining agreements with the local building trades council and other interested parties.

2.6 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Emeryville and any other restrictions on exercising the powers of the Authority that may be adopted by the Board.

2.7 Compliance with Local Zoning and Building Laws. Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

2.8 Compliance with the Brown Act. The Authority and its officers and employees shall comply with the provisions of the Ralph M. Brown Act, Government Code Section 54950 *et seq.*

2.9 Compliance with the Political Reform Act and Government Code Section 1090. The Authority and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 *et seq.*) and Government Code Section 1090 *et seq.*, and shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board of

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Directors may adopt additional conflict of interest regulations in the Operating Rules and Regulations.

ARTICLE 3 **AUTHORITY PARTICIPATION**

3.1 Addition of Parties. Subject to Section 2.2, relating to certain rights of Initial Participants, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption by an affirmative vote of a majority of all Directors of the entire Board satisfying the requirements described in Section 4.12, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership fee, if any, and (e) satisfaction of any conditions established by the Board.

3.2 Continuing Participation. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

ARTICLE 4 **GOVERNANCE AND INTERNAL ORGANIZATION**

4.1 Board of Directors. The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.

4.2 Appointment of Directors. The Directors shall be appointed as follows:

4.2.1 The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the regular Director shall be a member of the governing body of the Party at the time of appointment but may continue to serve as a Director following his/her term as a member of the Party's governing body until a new Director is appointed pursuant to the timing in Section 4.3. The person appointed and designated as the alternate Director shall also be a member of the governing body of a Party and the alternate may continue to serve

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as an alternate following his/her term as a member of a Party's governing body until a new alternate is appointed pursuant to the timing in Section 4.3.

4.2.2 The Board shall also include one non-voting ex officio member as defined in Section 1.1.13 ("Ex Officio Board Member"). The Chair of the Community Advisory Committee, as described in Section 4.9 below, shall serve as the Ex Officio Board Member. The Vice Chair of the Community Advisory Committee shall serve as an alternate Ex Officio Board Member when the regular Ex Officio Board Member is absent from a Board meeting.

4.2.3 The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.12 may include rules regarding Directors, such as meeting attendance requirements. No Party shall be deprived of its right to seat a Director on the Board.

4.3 Term of Office. Each regular and alternate Director shall serve at the pleasure of the governing body of the Party that the Director represents and may be removed as Director by such governing body at the time. If at any time a vacancy occurs on the Board because a Director is no longer a member of a Party's governing body, the Party shall appoint a replacement to fill the position of the previous Director in accordance with the provisions of Section 4.2.1 within ninety (90) days of the date that such Director is no longer a member of a Party's governing body or for any other reason that such position becomes vacant.

4.4 Quorum. A majority of the Directors of the entire Board shall constitute a quorum, except that less than a quorum may adjourn a meeting from time to time in accordance with law.

4.5 Powers and Function of the Board. The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law. Board approval shall be required for any of the following actions, which are defined as "Essential Functions":

4.5.1 The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.

4.5.2 The hiring of a Chief Executive Officer and General Counsel.

4.5.3 The appointment or removal of an officer.

4.5.4 The adoption of the Annual Budget.

4.5.5 The adoption of an ordinance.

4.5.6 The initiation of resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief

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Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board. The Board shall adopt Operating Rules and Regulations governing the Chief Executive Officer and General Counsel's exercise of authority under this Section 4.5.6.

4.5.7 The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.

4.5.8 Termination of the CCA Program.

4.6 **Executive Committee.** The Board shall establish an Executive Committee consisting of a smaller number of Directors. The Board may delegate to the Executive Committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain Essential Functions, as described in Section 4.5 and the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.12 to adopt and amend the Operating Rules and Regulations or its Essential Functions listed in Section 4.5. After the Executive Committee meets or otherwise takes action, it shall, as soon as practicable, make a report of its activities at a meeting of the Board.

4.7 **Director Compensation.** Directors shall receive a stipend of \$100 per meeting, as adjusted to account for inflation, as provided for in the Authority's Operating Rules and Regulations.

4.8 **Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

4.9 **Community Advisory Committee.** The Board shall establish a Community Advisory Committee consisting of nine members and three alternates, none of whom may be voting members of the Board. One alternate from the pool of three alternates may take the place of a Community Advisory Member when a Community Advisory Committee member cannot attend a meeting. The Community Advisory Committee member that is unable to attend a meeting must notify the alternates of their inability to attend and obtain confirmation that one of the Alternates can attend the Community Advisory Committee meeting in that member's place. The function of the Community Advisory Committee shall be to advise the Board of Directors on all subjects related to the operation of the CCA Program as set forth in a work plan adopted by the Board of Directors from time to time, with the exception of personnel and litigation decisions. The Community Advisory Committee is advisory only, and shall not have decision making authority, or receive any delegation of authority from the Board of Directors. The Board shall publicize the opportunity to serve on the Community Advisory Committee and shall

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appoint members of the Community Advisory Committee and Alternates from those individuals expressing interest in serving, and who represent a diverse cross-section of interests, skill sets and geographic regions. Members of the Community Advisory Committee shall serve staggered four-years terms (the first term of three of the members shall be two years, and four years thereafter), which may be renewed. A member or Alternate of the Community Advisory Committee may be removed by the Board of Directors by majority vote. The Board of Directors shall determine whether the Community Advisory Committee members will receive a stipend or be entitled to reimbursement of expenses.

4.10 Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement, if the expenditure is authorized in the Authority's approved budget, except the powers specifically set forth in Section 4.5 or those powers which by law must be exercised by the Board of Directors. The Board of Directors shall provide procedures and guidelines for the Chief Executive Officer exercising the powers of the Authority in the Operating Rules and Regulations.

4.11 General Counsel. The Board of Directors shall appoint a General Counsel for the Authority, who shall be responsible for providing legal advice to the Board of Directors and overseeing all legal work for the Authority.

4.12 Board Voting.

4.12.1 Percentage Vote. Except when a supermajority vote is expressly required by this Agreement or the Operating Rules and Regulations, action of the Board on all matters shall require an affirmative vote of a majority of all Directors on the entire Board (a "Percentage Vote" as defined in Section 1.1.20). A supermajority vote is required by this Agreement for the matters addressed by Section 8.4. When a supermajority vote is required by this Agreement or the Operating Rules and Regulations, action of the Board shall require an affirmative Percentage Vote of the specified supermajority of all Directors on the entire Board. No action can be taken by the Board without an affirmative Percentage Vote. Notwithstanding the foregoing, in the event of a tie in the Percentage Vote, an action may be approved by an affirmative "Voting Shares Vote," as defined in Section 1.1.22, if three or more Directors immediately request such vote.

4.12.2 Voting Shares Vote. In addition to and immediately after an affirmative percentage vote, three or more Directors may request that, a vote of the voting shares shall be held (a "Voting Shares Vote" as defined in Section 1.1.22). To approve an action by a Voting Shares Vote, the corresponding voting shares (as defined in Section 1.1.23 and Exhibit C) of all Directors voting in the affirmative shall exceed 50% of the voting share of all Directors on the entire Board, or such other higher voting shares percentage expressly required by this Agreement or the Operating Rules

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and Regulations. In the event that any one Director has a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter. When a voting shares vote is held, action by the Board requires both an affirmative Percentage Vote and an affirmative Voting Shares Vote. Notwithstanding the foregoing, in the event of a tie in the Percentage Vote, an action may be approved on an affirmative Voting Shares Vote. When a supermajority vote is required by this Agreement or the Operating Rules and Regulations, the supermajority vote is subject to the Voting Share Vote provisions of this Section 4.12.2, and the specified supermajority of all Voting Shares is required for approval of the action, if the provision of this Section 4.12.2 are triggered.

4.13 Meetings and Special Meetings of the Board. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.

4.14 Officers.

4.14.1 Chair and Vice Chair. Prior to the end of the fiscal year, the Directors shall elect, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The newly elected Chair and Vice Chair shall commence serving in those capacities on July 1, except that no separate election shall be required for Fiscal Year 2018-2019 and the Chair and Vice Chair elected in 2018 shall continue to serve until the end of the 2018-2019 Fiscal Year. The Chair and Vice Chair shall hold office for one year and serve no more than two consecutive terms, however, the total number of terms a Director may serve as Chair or Vice Chair is not limited. The office of either the Chair or Vice Chair shall be declared vacant and the Board shall make a new selection if: (a) the person serving dies, resigns, or ceases to be a member of the governing body of a Party that person represents, except if the person is continuing to serve on the Board after that person no longer serves on the governing body in conformance with section 4.2.1; (b) the Party that the person represents removes the person as its representative on the Board, or (c) the Party that the person represents withdraws from the Authority pursuant to the provisions of this Agreement.

4.14.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

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4.14.3 Treasurer and Auditor. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. The same person may not simultaneously hold both the office of Treasurer and the office of the Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made annually by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested, the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time.

4.15 Administrative Services Provider. The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. The Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

4.16 Operational Audit. The Authority shall commission an independent agent to conduct and deliver at a public meeting of the Board an evaluation of the performance of the CCA Program relative to goals for renewable energy and carbon reductions. The Authority shall approve a budget for such evaluation and shall hire a firm or individual that has no other direct or indirect business relationship with the Authority. The evaluation shall be conducted at least once every two years.

ARTICLE 5 **IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS**

5.1 Implementation of the CCA Program.

5.1.1 Enabling Ordinance. Prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code

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Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

5.1.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.12.

5.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

5.2 Other Authority Documents. The Parties acknowledge and agree that the operations of the Authority will be implemented through various documents duly adopted by the Board through Board resolution or minute action, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

5.3 Integrated Resource Plan. The Authority shall cause to be prepared an Integrated Resource Plan in accordance with CPUC regulations that will ensure the long-term development and administration of a variety of energy programs that promote local renewable resources, conservation, demand response, and energy efficiency, while maintaining compliance with the State Renewable Portfolio standard and customer rate competitiveness. The Authority shall prioritize the development of energy projects in Alameda and adjacent counties. Principal aspects of its planned operations shall be in a Business Plan as outlined in Section 5.4 of this Agreement.

5.4 Business Plan. The Authority shall cause to be prepared a Business Plan, which will include a roadmap for the development, procurement, and integration of local renewable energy resources as outlined in Section 5.3 of this Agreement. The Business Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs. The Business Plan shall identify opportunities for local power development and how the CCA Program can achieve the goals outlined in Recitals 3 and 6 of this Agreement. The Business Plan shall include specific language detailing employment and labor standards that relate to the execution of the CCA Program as referenced in this Agreement. The Business Plan shall identify clear and transparent marketing practices to be followed by the CCA Program, including the identification of the sources of its electricity and explanation of the various types of electricity procured by the Authority. The Business Plan shall cover the first five (5) years of the operation of the CCA Program. Progress on the implementation of the Business Plan shall be subject to annual public review.

Appendix C

5.5 Labor Organization Neutrality. The Authority shall remain neutral in the event its employees, and the employees of its subcontractors, if any, wish to unionize.

5.6 Renewable Portfolio Standards. The Authority shall provide its customers renewable energy primarily from Category 1 eligible renewable resources, as defined under the California RPS and consistent with the goals of the CCA Program. The Authority shall not procure energy from Category 3 eligible renewable resources (unbundled Renewable Energy Credits or RECs) exceeding 50% of the State law requirements, to achieve its renewable portfolio goals. However, for Category 3 RECs associated with generation facilities located within its service jurisdiction, the limitation set forth in the preceding sentence shall not apply.

ARTICLE 6 **FINANCIAL PROVISIONS**

6.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

6.2 Depository.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 Budget and Recovery Costs.

6.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.

6.3.2 Funding of Initial Costs. The County shall fund the Initial Costs of establishing and implementing the CCA Program. In the event that the CCA Program becomes operational, these Initial Costs paid by the County and any specified interest shall be included in the customer charges for

Appendix C

electric services to the extent permitted by law, and the County shall be reimbursed from the payment of such charges by customers of the Authority. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County shall not be entitled to any reimbursement of the Initial Costs.

- 6.3.4 Additional Contributions and Advances.** Pursuant to Government Code Section 6504, the Parties may in their sole discretion make financial contributions, loans or advances to the Authority for the purposes of the Authority set forth in this Agreement. The repayment of such contributions, loans or advances will be on the written terms agreed to by the Party making the contribution, loan or advance and the Authority.

ARTICLE 7 **WITHDRAWAL AND TERMINATION**

7.1 Withdrawal.

- 7.1.1 General Right to Withdraw.** A Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.
- 7.1.2 Withdrawal Following Amendment.** Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement provided that the requirements of this Section 7.1.2 are strictly followed. A Party shall be deemed to have withdrawn its membership in the Authority effective 180 days after the Board approves an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board.
- 7.1.3 The Right to Withdraw Prior to Program Launch.** After receiving bids from power suppliers for the CCA Program, the Authority must provide to the Parties a report from the electrical utility consultant retained by the Authority comparing the Authority's total estimated electrical rates, the estimated greenhouse gas emissions rate and the amount of estimated renewable energy to be used with that of the incumbent utility. Within 30 days after receiving this report, through its City Manager or a person expressly authorized by the Party, any Party may immediately withdraw its membership in the Authority by providing written notice of withdrawal to the Authority if the report determines that any one of the following

Appendix C

conditions exists: (1) the Authority is unable to provide total electrical rates, as part of its baseline offering to customers, that are equal to or lower than the incumbent utility, (2) the Authority is unable to provide electricity in a manner that has a lower greenhouse gas emissions rate than the incumbent utility, or (3) the Authority will use less qualified renewable energy than the incumbent utility. Any Party who withdraws from the Authority pursuant to this Section 7.1.3 shall not be entitled to any refund of the Initial Costs it has paid to the Authority prior to the date of withdrawal unless the Authority is later terminated pursuant to Section 7.3. In such event, any Initial Costs not expended by the Authority shall be returned to all Parties, including any Party that has withdrawn pursuant to this section, in proportion to the contribution that each made. Notwithstanding anything to the contrary in this Agreement, any Party who withdraws pursuant to this section shall not be responsible for any liabilities or obligations of the Authority after the date of withdrawal, including without limitation any liability arising from power purchase agreements entered into by the Authority.

7.2 Continuing Liability After Withdrawal; Further Assurances; Refund. A Party that withdraws its membership in the Authority under either Section 7.1.1 or 7.1.2 shall be responsible for paying its fair share of costs incurred by the Authority resulting from the Party's withdrawal, including costs from the resale of power contracts by the Authority to serve the Party's load and any similar costs directly attributable to the Party's withdrawal, such costs being limited to those contracts executed while the withdrawing Party was a member, and administrative costs associated thereto. The Parties agree that such costs shall not constitute a debt of the withdrawing Party, accruing interest, or having a maturity date. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's costs described above. Any amount of the Party's funds held by the Authority for the benefit of the Party that are not required to pay the Party's costs described above shall be returned to the Party. The withdrawing party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. A withdrawing party has the right to continue to participate in Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party until the withdrawal's effective date.

7.3 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.

7.4 Disposition of Property upon Termination of Authority. Upon termination of this Agreement as to all Parties, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any Authority Documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority shall engage in nonbinding mediation in the manner agreed upon by the Party or Parties and the Authority. The Parties agree that each Party may specifically enforce this section 8.1. In the event that nonbinding mediation is not initiated or does not result in the settlement of a dispute within 120 days after the demand for mediation is made, any Party and the Authority may pursue any remedies provided by law.

8.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 *et seq.* Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

8.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as the Board deems necessary to protect the interests of the Authority, the Parties and the public. Such insurance coverage shall name the Parties and their respective Board or Council members, officers, agents and employees as additional insureds. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

8.4 Amendment of this Agreement. This Agreement may be amended in writing by a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.12. Except that, any amendment to the voting provisions in Section 4.12 may only be made by a three-quarters affirmative vote of the entire Board. The Authority shall provide written notice to the Parties at least 30 days in advance of any proposed amendment being considered by the Board. If the proposed amendment is adopted by the Board, the Authority shall provide prompt written notice to all Parties of the effective date of such amendment along with a copy of the amendment.

8.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 8.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of

Appendix C

proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

8.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

8.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 72 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. In addition, a duplicate copy of all notices provided pursuant to this section shall be provided to the Director and alternate Director for each Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties. All notices required hereunder shall be delivered to:

The County of Alameda

Director, Community Development Agency
224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

Appendix C

if to [PARTY No. ____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

if to [PARTY No. ____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: _____

Name: _____

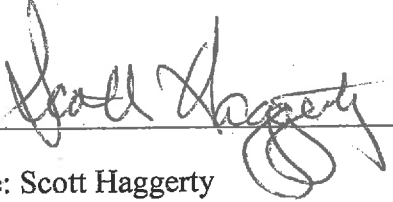
Title: _____

Date: _____

Party: _____

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: 

Name: Scott Haggerty

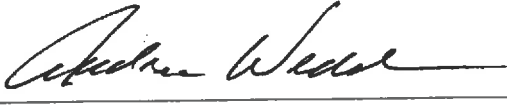
Title: Board President

Date: January 4, 2017

Party: County of Alameda

APPROVED AS TO FORM:

DONNA R. ZIEGLER, COUNTY COUNSEL

By: 

Andrea L. Weddle
Chief Assistant County Counsel

224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to [PARTY No. ____]

Office of the City Clerk

Eileen Harrington, Deputy
Eileen Harrington 12/2/16

Office of the City Manager/Administrator

Delores Crumpley
Delores Crumpley

Office of the City Attorney

Craig Labadie
Craig Labadie

if to [PARTY No. ____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: *D. Williams-Ridley*

Name: *Dee Williams-Ridley*

Title: *City Manager*

Date: *December 1, 2016*

Party: *City of Berkeley*

APPROVED AS TO FORM

By *Michael Woo*
CITY ATTORNEY FOR THE
CITY OF BERKELEY

Registered by:

Ann-Monica Hagan
City Treasurer

ATTEST for the City of Berkeley

Wendy Spurr
City Clerk

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to [PARTY No. ____]

City of Dublin
City Manager
100 Civic Plaza
Dublin, CA 94568

Meyers Nave
City Attorney
555 12th Street, Suite 1500
Oakland, CA 94607

if to [PARTY No. ____]

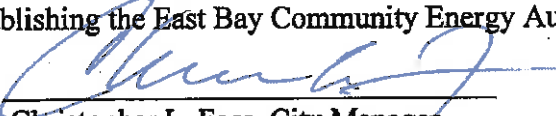
Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: 

Christopher L. Foss, City Manager
City of Dublin

Date: 12/1/10

Party: _____

224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to: City of Emeryville

Office of the City Clerk
1333 Park Avenue
Emeryville, CA 94608

Office of the City Manager
1333 Park Avenue
Emeryville, CA 94608

Office of the City Attorney
1333 Park Avenue
Emeryville, CA 94608

if to [PARTY No. _____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: Carolyn Lehr

Name: Carolyn Lehr

Title: City Manager

Date: 12-1-16

Party: City of Emeryville

APPROVED AS TO FORM:

Michael A. Guina

Michael A. Guina, City Attorney

224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to [PARTY No. _____]

City of Fremont

Office of the City Clerk
3300 Capitol Ave., Building A
Fremont, CA 94538

Office of the City Manager/Administrator
3300 Capitol Ave., Building A
Fremont, CA 94538

Office of the City Attorney
3300 Capitol Ave., Building A
Fremont, CA 94538

if to [PARTY No. _____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: 

Name: **Jessica von Borck**

Title: **Assistant City Manager**

Date: **12-1-16**

Party: _____

APPROVED AS TO FORM:



Debra S. Margolis
Assistant City Attorney

The County of Alameda

Director, Community Development Agency
224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

City of Hayward

Office of the City Manager
City of Hayward
777 B Street
Hayward, CA 94541

With a copy to:

Office of the City Attorney
City of Hayward
777 B Street
Hayward, CA 94541

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

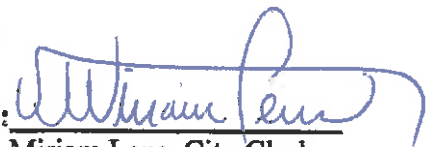
CITY OF HAYWARD, A Municipal Corporation

Date of Approval: 12/16/2016



Kelly McAdoo, City Manager

ATTEST:



Miriam Lens, City Clerk

APPROVED AS TO FORM



Michael Lawson, City Attorney

224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to City of Livermore

City Clerk's Office
1052 South Livermore Avenue
Livermore, CA 94550

With a copy to:

Public Works Department
Attn: Public Works Manager
3500 Robertson Park Road
Livermore, CA 94550

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: 

Name: Marc Roberts

Title: City Manager

Date: 1/4/2017

Party: City of Livermore

APPROVED AS TO FORM:



Appendix C

224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to [PARTY No. ____]

Office of the City Clerk
1 Frank H. O'Connell Plaza
Oakland, CA 94612

Office of the City Manager/Administrator
1 Frank H. O'Connell Plaza
Oakland, CA 94612

Office of the City Attorney

if to [PARTY No. ____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By:  for SBL

Name: CLAUDIA CAPPIO

Title: ASST CITY ADMINISTRATOR

Date: 12/07/16

Party: CITY OF OAKLAND

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: Jeff Wieler

Name: Jeffrey Wieler

Title: Mayor

Date: 12/19/16

Party: City of Piedmont

force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 72 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. In addition, a duplicate copy of all notices provided pursuant to this section shall be provided to the Director and alternate Director for each Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties. All notices required hereunder shall be delivered to:

The County of Alameda

Director, Community Development Agency
224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to the City of San Leandro

Office of the City Clerk
835 East 14th Street
San Leandro, CA 94577

Office of the City Manager/Administrator
835 East 14th Street
San Leandro, CA 94577
Office of the City Attorney
835 East 14th Street
San Leandro, CA 94577

Appendix C

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

CITY OF SAN LEANDRO



Chris Zapata, City Manager

Attest:



Tamika Greenwood, City Clerk

Approved as to Form:



Richard D. Pio Roda, City Attorney

Appendix C

224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to The City of Union City [PARTY No. 12]

Office of the City Clerk

Anna M. Brown, City Clerk
34009 Alvarado-Niles Road
Union City, CA 94587

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: _____ 

Name: Mark Evanoff

Title: Deputy City Manager

Date: December 5, 2016

Party: The City of Union City

Appendix C

East Bay Community Energy (EBCE)
1999 Harrison Street, Suite 800
Oakland CA 94612

if to Newark

Office of the City Clerk
37101 Newark Boulevard
Newark, CA 94560

Office of the City Manager/Administrator
37101 Newark Boulevard
Newark, CA 94560

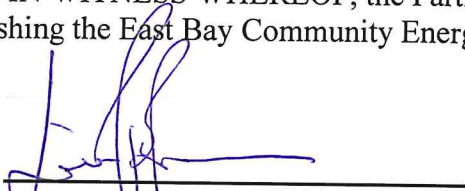
Office of the City Attorney
37101 Newark Boulevard
Newark, CA 94560

Appendix C

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By:



Name: David J. Benoun

Title: City Manager

Date: November 18, 2019

Party: CITY OF NEWARK


Appendix C

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

CITY OF PLEASANTON, a municipal corporation

Date: November 27, 2019



Nelson Fialho, City Manager

ATTEST: 

Karen Diaz, City Clerk


APPROVED AS TO FORM:



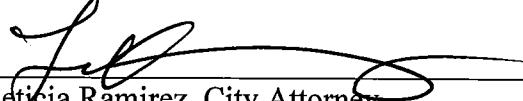
for Daniel G. Sodergren, City Attorney

ARTICLE 9
SIGNATURE

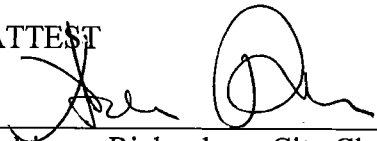
IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the East Bay Community Energy Authority.

By: 
Name: Robert Rickman
Title: Mayor
Date: 11-7-19
Party: City of Tracy

APPROVED AS TO FORM


Leticia Ramirez, City Attorney

ATTEST


Adrienne Richardson, City Clerk

Appendix C

EXHIBIT A

-LIST OF THE PARTIES

This Exhibit A is effective as of December 14, 2019.

County of Alameda

City of Albany

City of Berkeley

City of Dublin

City of Emeryville

City of Fremont

City of Hayward

City of Livermore

City of Newark

City of Oakland

City of Piedmont

City of Pleasanton

City of San Leandro

City of Tracy

City of Union City

Appendix C

EXHIBIT B

ANNUAL ENERGY USE

This Exhibit B is effective as of December 14, 2019.

Party	kWh (2018*)
Albany	63,772,461
Berkeley	508,448,567
Dublin	297,210,239
Emeryville	197,077,013
Fremont	1,665,481,673
Hayward	984,424,723
Livermore	509,943,277
Newark**	419,357,962
Oakland	1,962,783,117
Piedmont	30,163,670
Pleasanton	520,214,314
San Leandro	556,074,739
Tracy	527,997,761
Unincorporated County	564,393,280
Union City	387,369,206
<hr/>	
Total	9,194,712,002

*All data provided by PG&E

**2017

Appendix C

EXHIBIT C

VOTING SHARES

This Exhibit C is effective as of December 14, 2019.

Party	kWh (2018*)	Voting Shares Section 4.12.2
Albany	63,772,461	0.7%
Berkeley	508,448,567	5.5%
Dublin	297,210,239	3.2%
Emeryville	197,077,013	2.1%
Fremont	1,665,481,673	18.1%
Hayward	984,424,723	10.7%
Livermore	509,943,277	5.5%
Newark**	419,357,962	4.6%
Oakland	1,962,783,117	21.3%
Piedmont	30,163,670	0.3%
Pleasanton	520,214,314	5.7%
San Leandro	556,074,739	6.0%
Tracy	527,997,761	5.7%
Unincorporated County	564,393,280	6.1%
Union City	387,369,206	4.2%
Total	9,194,712,002	100%

*All data provided by PG&E

**2017

Appendix D

RESOLUTION NO. 19-1113

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON, APPROVING AN AGREEMENT TO PARTICIPATE IN A JOINT POWERS AGENCY FOR COMMUNITY CHOICE AGGREGATION PROGRAM IN ALAMEDA COUNTY

WHEREAS, the City of Pleasanton has demonstrated its commitment to an environmentally sustainable future through its policy goals and actions, including energy reduction, and expansion of clean energy programs; and

WHEREAS, the City has adopted a Climate Action Plan, and is in the process of developing a Climate Action Plan 2.0, to reduce greenhouse gas emissions; and

WHEREAS, Community Choice Aggregation (CCA) is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with local commercial energy purveyors and owners of transmission facilities, which in the case of the City of Pleasanton is Pacific Gas & Electric, Co; and

WHEREAS, CCA has the potential to reduce greenhouse gas emissions related to the use of power in the City of Pleasanton; provide electrical power and other forms of energy to customers at a competitive cost; carry out programs to reduce energy consumption; stimulate and sustain the local economy by developing local jobs in renewable energy; and promote long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources; and

WHEREAS, staff has examined and identified Community Choice Aggregation as a key strategy to meet local clean energy goals and projected greenhouse gas reduction targets; and

WHEREAS, the Board of Supervisors of Alameda County directed the Alameda County Community Development Agency (CDA) to determine if a Community Choice Aggregation (CCA) program is feasible for cities in Alameda County; and

WHEREAS, CDA staff prepared a "Technical Study for Community Choice Aggregation Program in Alameda County" (Technical Study, July 2016); and

WHEREAS, take comprehensively, the Technical Study suggests that an Alameda County CCA would be feasible, could operate economically, could provide ratepayers reductions on their electric bills, and could both increase renewable energy and reduce greenhouse gas emissions if the right balance is achieved by a joint powers agreement; and

WHEREAS, if a municipality is to form a CCA with other municipalities, it must become part of a Join Powers Agency (JPA) as required by the legislation that permits CCAs' and

WHEREAS, a JPA agreement prepared by the Office of the County Counsel has been reviewed by City Attorneys of Alameda County cities and the membership of the Steering Committee over the course of several months. The JPA agreement was approved and signed by Alameda County and a majority of Alameda County cities in December of 2016.

Appendix D

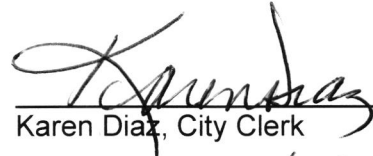
NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

SECTION 1. The City Council of the City of Pleasanton does hereby approve the agreement titled "East Bay Community Energy Authority – Joint Powers Agreement" in order to participate with other signatories in a Community Choice Aggregation JPA for Alameda County municipalities, and authorizes the City Manger of his designee to execute the agreement.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on the 1st day of October 2019.

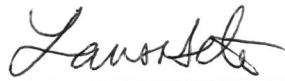
I, Karen Diaz, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on the 1st day of October 2019, by the following vote:

Ayes: Councilmembers Brown, Narum, Pentin, Testa, Mayor Thorne
Noes: None
Absent: None
Abstain: None



Karen Diaz, City Clerk
Dated: 10/8/19

APPROVED AS TO FORM:



for Daniel G. Sodergren, City Attorney

Appendix D

ORDINANCE NO. 2198

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLEASANTON AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

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

WHEREAS, Assembly Bill 117, codified as Public Utilities Code Section 366.2 (the “Act”), authorizes any California city or county whose governing body so elects, to combine the electricity load of its residents and businesses in a community wide electricity aggregation program known as Community Choice Aggregation (“CCA”).

WHEREAS, the Act allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have capacity to implement a CCA program individually. The joint power agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants. To this end, since 2014, the County has been evaluating a potential CCA program for the County and the cities within Alameda County; and

WHEREAS, the County Board of Supervisors voted unanimously in June 2014 to allocate funding to explore the creation of a CCA Program and directed County staff to undertake the steps necessary to evaluate its feasibility. To assist in the evaluation of the CCA program within Alameda County, the County established a Steering Committee in 2015, that has met monthly, advising the Board of Supervisors on the possibility of creating a CCA Program; and

WHEREAS, the Technical Feasibility Study completed in June of 2016 shows that implementing a Community Choice Aggregation program would likely provide multiple benefits to the citizens of Alameda County, including the following: Providing customers a choice of power providers; Increasing local control over energy rates and other energy-related matters; Providing electric rates that are competitive with those provided by the incumbent utility; Reducing greenhouse gas emissions arising from electricity use; Increasing local and regional renewable generation capacity; Increasing energy conservation and efficiency projects and programs; Increasing regional energy self-sufficiency; and Encouraging local economic and employment benefits through energy conservation and efficiency projects; and

WHEREAS, representatives from the County and Alameda County cities have developed the East Bay Community Energy Authority Joint Powers Agreement (“Joint Powers Agreement”). The Joint Powers Agreement creates the East Bay Community Energy Authority (“Authority”), which will govern and operate the CCA program. The County and the Alameda County cities that elect to participate in the CCA Program shall do so by approving the execution of the Joint Powers Agreement and adopting an ordinance electing to implement a CCA Program, as required by Public Utilities Code Section 366.2(c)(12). In December of 2016, the County and Alameda County cities joined the Joint Powers Agreement; and

WHEREAS, the Authority has entered into agreements with electric power suppliers and other service providers and, based upon these agreements, the Authority provides electrical power to residents and businesses at rates that are competitive with those of the incumbent utility and the Authority plans to enter more agreements in the future.

WHEREAS, the California Public Utilities Commission approved the implementation plan prepared by the Authority, and the Authority now provides service to customers within its member jurisdictions and under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, and customers who wish to continue to receive service from the incumbent utility will be able to do so at any time.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 2. Elects to implement a Community Choice Aggregation program within Alameda County by and through the City's participation in the East Bay Community Energy Authority.

SECTION 3. Finds, under Title 14 of the California Code of Regulations, Section 15061(b)(3), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a Project which has the potential for causing a significant effect on the environment; therefore directs that a Notice of Exemption be filed with the Alameda County Clerk in accordance with the CEQA guidelines.

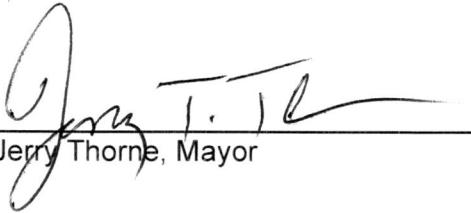
SECTION 4. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this ordinance and declares that it would have passed this ordinance and each section or subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 5. A summary of this ordinance shall be published once within fifteen (15) days after its adoption in "The Valley Times," a newspaper of general circulation published in the City of Pleasanton, and the complete ordinance shall be posted for fifteen (15) days in the City Clerk's office within fifteen (15) days after its adoption.

SECTION 6. This ordinance shall be effective thirty (30) days after its passage and adoption.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Pleasanton on October 1, 2019 and adopted at a regular meeting of the City Council of the City of Pleasanton on October 15, 2019 by the following vote.

Ayes: Councilmembers Brown, Narum, Pentin, Testa, Mayor Thorne
Noes: None
Absent: None
Abstain: None



Jerry Thorne, Mayor

ATTEST:



Karen Diaz, City Clerk

Dated: 10/23/18

APPROVED AS TO FORM:



Daniel G. Sodergren, City Attorney

RESOLUTION NO. 10,996

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NEWARK APPROVING AN AGREEMENT TO PARTICIPATE
IN A JOINT POWERS AGENCY FOR COMMUNITY CHOICE
AGGREGATION PROGRAM IN ALAMEDA COUNTY

WHEREAS, the City of Newark has demonstrated its commitment to an environmentally sustainable future through its policy goals and actions, including energy reduction, clean energy programs, and the expansion of local renewable power supply; and

WHEREAS, the City Council adopted a Climate Action Plan to reduce greenhouse gas emissions; and

WHEREAS, Community Choice Aggregation is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with local commercial energy purveyors and owners of transmission facilities, which in the case of the City of Newark is Pacific Gas & Electric Company; and

WHEREAS, Community Choice Aggregation has the potential to reduce greenhouse gas emissions related to the use of power in the City of Newark; provide electric power and other forms of energy to customers at a competitive cost; carry out programs to reduce energy consumption; stimulate and sustain the local economy by developing local jobs in renewable energy; and promote long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources; and

WHEREAS, City staff has examined and identified Community Choice Aggregation as a key strategy to meet local clean energy goals and projected greenhouse gas reduction targets; and

WHEREAS, the Alameda County Board of Supervisors directed the Alameda County Community Development Agency (CDA) to determine if a Community Choice Aggregation program is feasible for cities in Alameda County; and

WHEREAS, CDA staff prepared a Technical Study for Community Choice Aggregation Program in Alameda County; and

WHEREAS, taken comprehensively, the Technical Study suggests that an Alameda County CCA would be feasible, could operate economically, could provide ratepayers reductions on their electric bills, and could both increase renewable energy and reduce greenhouse gas emissions if the right balance is achieved by a joint powers agreement; and

WHEREAS, if a municipality is to form a CCA with other municipalities, it must become a part of a Joint Powers Agency (JPA) as required by the legislation that permits CCAs; and

Appendix D

WHEREAS, a draft JPA Agreement has been prepared by the Office of the County Counsel, has been reviewed by City Attorneys across Alameda County, and the membership of the Steering Committee. The JPA Agreement, a copy of which is attached hereto as Exhibit A, was approved and executed by Alameda County and a majority of Alameda County cities in December 2016.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newark hereby approves the agreement entitled, "East Bay Community Energy Authority - Joint Powers Agreement" in order to participate with other signatories in a CCA Joint Powers Authority for Alameda County municipalities, and authorizes the City Manager and/or his designee to execute said agreement and any amendments or related documents.

I HEREBY CERTIFY the foregoing resolution was introduced at a regular meeting of the City Council of the City of Newark held on October 24, 2019, by Council Member Hannon who moved its adoption and passage, which motion was carried after being duly seconded, and passed by the following vote:

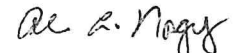
AYES: Council Members Freitas, Hannon and Mayor Nagy

NOES: None

ABSENT: Council Member Bucci and Vice Mayor Collazo

SECONDED: Council Member Freitas

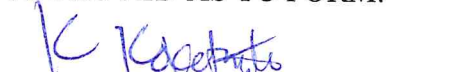
APPROVED:


s/ALAN L. NAGY
Mayor

ATTEST:


s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:


s/KRISTOPHER J. KOKOTAYLO
Interim City Attorney

ORDINANCE NO. 517

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
NEWARK AUTHORIZING THE IMPLEMENTATION OF A
COMMUNITY CHOICE AGGREGATION PROGRAM
PURSUANT TO CALIFORNIA PUBLIC UTILITIES CODE
SECTION 366.2

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

WHEREAS, Assembly Bill 117, codified as Public Utilities Code Section 366.2 (the “Act”), authorizes any California city or county whose governing body so elects, to combine the electricity load of its residents and businesses in a community wide electricity aggregation program known as Community Choice Aggregation (“CCA”); and

WHEREAS, the Act allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have capacity to implement a CCA program individually. The joint power agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants. To this end, since 2014, the County has been evaluating a potential CCA program for the County and the cities within Alameda County; and

WHEREAS, the County Board of Supervisors voted unanimously in June of 2014 to allocate funding to explore the creation of a CCA Program and directed County staff to undertake the steps necessary to evaluate its feasibility. To assist in the evaluation of the CCA program within Alameda County, the County established a Steering Committee in 2015 comprised of city and stakeholder representatives, that met monthly, advising the Board of Supervisors on the possibility of creating a CCA Program; and

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

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

8. Encouraging local economic and employment benefits through energy conservation and efficiency projects; and

WHEREAS, representatives from the County and Alameda County cities have developed the East Bay Community Energy Authority Joint Powers Agreement (“Joint Powers Agreement”). The Joint Powers Agreement creates the East Bay Community Energy Authority (“Authority”), which will govern and operate the CCA program. The County and the Alameda County cities that elect to participate in the CCA Program shall do so by approving the execution of the Joint Powers Agreement and adopting an ordinance electing to implement a CCA Program, as required by Public Utilities Code Section 366.2(c)(12). In December 2016, the County and Alameda County cities entered into the Joint Powers Agreement; and

WHEREAS, the County and the Alameda County cities that elect to participate in the CCA Program shall do so by approving the execution of the Joint Powers Agreement and adopting an ordinance electing to implement a CCA Program, as required by Public Utilities Code Section 366.2(c)(12); and

WHEREAS, the Authority has entered into agreements with electric power suppliers and other service providers and, based upon those agreements, the Authority provides electrical power to residents and businesses at rates that are competitive with those of the incumbent utility. The California Public Utilities Commission approved the implementation plan prepared by the Authority, and the Authority now provides service to customers within its member jurisdictions. Under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so at any time.

The City Council of the City of Newark does ordain as follows:

Section 1: Recitals and Implementation of a Community Choice Aggregation Program. The above recitals are true and correct and made a part of this Ordinance. The City Council of the City of Newark hereby elects to implement a Community Choice Aggregation program within Alameda County by and through the City’s participation in East Bay Community Energy Authority, pursuant to the authority provided by the California Public Utilities Code.

Section 2: CEQA. The City Council finds, pursuant to Title 14 of the California Administrative Code, Section 15378(b)(5), that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a Project. A Project does not include “Organization or administrative activities of governments that will not result in direct or indirect physical changes in the environment.” Forming or joining a CCA presents no foreseeable significant adverse impact to the environment over the existing condition because state regulations such as the Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) requirements apply equally to CCAs as they do to private utilities.

Section 3: Severability. Every section, paragraph, clause, and phrase of this Ordinance is hereby declared severable. If, for any reason, any section, paragraph, clause, or phrase is held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining section, paragraphs, clauses, or phrases.

Section 4: Codification. This Ordinance shall not be codified in the Newark Municipal Code.

Section 5: Publication and Effective Date. This Ordinance shall take effect thirty (30) days from the date of its adoption. Before expiration of fifteen (15) days after its adoption, this Ordinance shall be published in The Tri-City Voice, a newspaper of general circulation published and printed in the County of Alameda and circulated in the City of Newark.

The foregoing ordinance was introduced and read before the City Council of the City of Newark by Council Member Hannon at the regular meeting of the City Council of the City of Newark held on October 24, 2019.

This ordinance was read at the regular meeting of the City Council held November 14, 2019. Council Member Hannon moved that it be adopted and passed, which motion was duly seconded, and said ordinance was passed and adopted.


AYES: Council Members Bucci, Freitas, Hannon, Vice Mayor Collazo and Mayor Nagy

NOES: None


ABSENT: None

SECONDED: Council Member Bucci


APPROVED:


s/ALAN L. NAGY
Mayor

ATTEST:


s/SHEILA HARRINGTON
City Clerk

APPROVED AS TO FORM:


s/KRISTOPHER J. KOKOTAYLO
Interim City Attorney

Appendix D

RESOLUTION 2019-190

APPROVING A JOINT POWERS AGREEMENT WITH THE EAST BAY COMMUNITY ENERGY (EBCE) AUTHORITY TO PROVIDE ELECTRIC SERVICES TO THE CITY OF TRACY

WHEREAS, The City of Tracy has been actively investigating options to provide electricity supply services to constituents within the City with the intent of achieving greater local involvement over the provision of electric supply services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions and the wider implementation of energy conservation and efficiency projects and programs, and

WHEREAS, Community Choice Aggregation (CCA) is a mechanism by which local governments assume responsibility for supplying electrical power for residential and commercial customers in their jurisdiction in partnership and competition with local commercial energy purveyors and owners of transmission facilities, which in the case of the City of Tracy is Pacific Gas & Electric Co., and

WHEREAS, CCA has the potential to reduce greenhouse gas emissions related to the use of power in the City of Tracy; provide electric power to customers at a competitive cost; carry out programs to reduce energy consumption; stimulate and sustain the local economy by developing local jobs in renewable energy; and through local control of electric generation resources, and

WHEREAS, Staff has examined and identified CCA as a key strategy to meet local clean energy goals and projected greenhouse gas reduction targets, and

WHEREAS, Alameda County and cities in Alameda County have developed the EBCE Authority Joint Powers Agreement (JPA) which creates the East Bay Community Energy Authority (Authority) which will govern and operate the CCA program, and

WHEREAS, the Authority provides alternate electric services to consumers under a JPA with Alameda County and the vast majority of all cities in that county, and

WHEREAS, The Authority is interested in providing potential services to the City of Tracy and made a presentation to City Council at its regular meeting of August 20, 2019, and

WHEREAS, On August 20, 2019, City Council authorized staff to pursue services with EBCE, and

WHEREAS, A standard JPA Agreement must be executed with the Authority to participate in the CCA program;

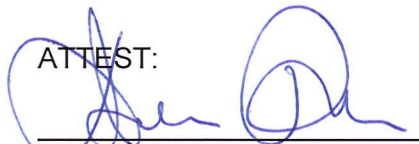
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Resolution 2019-190
Page 2

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Tracy approves a Joint Powers Agreement with the East Bay Community Energy (EBCE) Authority to provide Electric Services to the City of Tracy.

The foregoing Resolution 2019-190 was adopted by the Tracy City Council on the 17th day of September, 2019, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, YOUNG, RICKMAN
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: VARGAS
ABSTAIN: COUNCIL MEMBERS: NONE

ATTEST:

CITY CLERK


MAYOR

Appendix D

ORDINANCE 1272

AN ORDINANCE OF THE CITY OF TRACY ELECTING TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM BY AND THROUGH THE EAST BAY COMMUNITY ENERGY AUTHORITY

WHEREAS, The City of Tracy has an interest in achieving greater local involvement over the provision of electricity supply services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, Assembly Bill 117 codified as Public Utilities Code Section 366.2 (the "Act"), authorizes any California city or county whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA"); and

WHEREAS, The Act allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have capacity to implement a CCA program individually. The joint power agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants. To this end, since 2014, Alameda County completed a feasibility study and evaluated a potential CCA program for the County and the cities within Alameda County; and

WHEREAS, The Alameda County feasibility study and evaluation showed that implementing the program was likely to provide multiple benefits to the residents, including the following:

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

WHEREAS, Representatives from the Alameda County and Alameda County cities have developed the East Bay Community Energy Authority Joint Powers Agreement ("Joint Powers Agreement"), attached hereto as Exhibit A. The Joint Powers Agreement creates the East Bay Community Energy Authority ("Authority") which will govern and operate the CCA program. The County and a majority of major Alameda County cities have elected to participate in the CCA program by executing the Joint Powers Agreement and adopting an ordinance electing to implement a CCA program, as required by Public Utilities Code Section 366.2(c)(12), and

WHEREAS, The Authority has entered into agreements with electric power suppliers and other service providers and, based upon those agreements, the Authority has provided electrical power to residents and businesses at rates that are competitive with those of the incumbent

Appendix D

Ordinance 1272
Page 2

utility. Upon the California Public Utilities Commission certification of the implementation plan prepared by the Authority, the Authority has provided service to customers within its member jurisdictions. Under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to request do so at any time, and

WHEREAS, The Authority made a presentation to City Council at its August 20, 2019 meeting and showed interest in exploring potential services to the City of Tracy. The City Council authorized staff to pursue participation in the CCA program with the Authority, and

WHEREAS, Concurrent with the introduction of this ordinance, the City Council considered a resolution approving the East Bay Community Energy Authority Joint Powers Agreement;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1: Findings. Based upon the findings set forth hereinabove, the City Council elects to participate in, and approves the implementation of a Community Choice Aggregation program within the City of Tracy’s jurisdiction by and through the East Bay Community Energy Authority.

SECTION 2: California Environmental Quality Act. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines sections 15061(b)(3) because it is not a project which has the potential for causing a significant effect on the environment.

SECTION 3: Severability. If any part of this ordinance is declared invalid by a court, such validity shall not affect any of the remaining parts.

SECTION 4. Publication. This Ordinance shall either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk’s office at least five days before the Ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the Ordinance. (Govt. Code § 36933).

SECTION 5. Effective Date. This ordinance shall take effect 30 days after its adoption.

* * * * *

Ordinance 1272

Page 3


The foregoing Ordinance 1272 was introduced at a regular meeting of the Tracy City Council on the 17th day of September 2019, and finally adopted on the 1st day of October 2019, by the following vote:


AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: NONE


MAYOR

ATTEST:

CITY CLERK



East Bay Community Energy (EBCE)

COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

August 2017

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CHAPTER 1 – Introduction

East Bay Community Energy Authority (EBCEA) is a public agency located within Alameda County, formed for the purpose of implementing a community choice aggregation program (“CCA”, or “Community Choice Energy” – “CCE” – which has been recently used as an alternative identifying term for the CCA service model), which has been named East Bay Community Energy (the “Program” or “EBCE”). Member Agencies of EBCEA include eleven municipalities located within the County of Alameda (“County”) as well as the unincorporated areas of the County itself (together, the “Members” or “Member Agencies”), which have elected to allow EBCE to provide electric generation service within their respective jurisdictions. Currently, the following Members Agencies comprise EBCEA:

Alameda County	Hayward
Albany	Livermore
Berkeley	Oakland
Dublin	Piedmont
Emeryville	San Leandro
Fremont	Union City

This Implementation Plan and Statement of Intent (“Implementation Plan”) describes EBCEA’s plans to implement a voluntary CCA program for electric customers within the jurisdictional boundaries of the cities and unincorporated county that currently take bundled electric service from Pacific Gas & Electric (“PG&E”). The EBCE Program will provide electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over PG&E’s transmission and distribution system. The planned start date for the Program is May 1, 2018, the first business day in May 2018. All current PG&E customers within EBCE’s service area will receive information describing the EBCE Program and will have multiple opportunities to choose to remain full requirement (“bundled”) customers of PG&E, in which case they will not be enrolled. Thus, participation in the EBCE Program is completely voluntary; however, customers, as provided by law, will be automatically enrolled according to the anticipated phase-in schedule later described in Chapter 5 unless they affirmatively elect to opt-out.

Implementation of EBCE will enable customers within EBCEA’s service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law. EBCE’s primary objectives in implementing this Program are to provide lower-cost electric services than PG&E; reduce greenhouse gas emissions (“GHGs”) resulting from electricity use within the County; stimulate renewable energy development; promote energy efficiency and demand reduction programs; and sustain long-term rate stability for residents and businesses through local control. The prospective benefits to consumers

include increased renewable and other low-GHG emitting energy supplies, lower electric rates, and the opportunity for public participation in determining which technologies are utilized to meet local electricity needs.

To ensure successful operation of the Program, EBCE will solicit energy suppliers and marketers through a competitive process and will negotiate with one or more qualified suppliers throughout the summer and fall of 2017. Final selection of EBCE's initial energy supplier(s) will be made by EBCE following administration of the aforementioned solicitation process and related contract negotiations. Information regarding the anticipated solicitation process for EBCE's initial energy services provider(s) is contained in Chapter 10.

The California Public Utilities Code provides the relevant legal authority for EBCE to become a Community Choice Aggregator and invests the California Public Utilities Commission ("CPUC" or "Commission") with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the EBCE Program. The CPUC also has responsibility for registering EBCE as a Community Choice Aggregator and ensuring compliance with basic consumer protection rules. The Public Utilities Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the Program in order to prevent shifting of costs to bundled customers of the incumbent utility.

On August 2nd, 2017, EBCE, at a duly noticed public hearing, considered and adopted this Implementation Plan, through Resolution No. R-2017-10 (a copy of which is included as part of Appendix A). The Commission has established the methodology that will be used to determine the cost recovery mechanism, and PG&E has approved tariffs for imposition of the cost recovery mechanism. With each of these milestones having been accomplished, EBCE submits this Implementation Plan to the CPUC. Following the CPUC's certification of its receipt of this Implementation Plan and resolution of any outstanding issues, EBCE will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

Organization of this Implementation Plan

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by PU Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides EBCE's statement of intent for implementing a CCA program that includes all of the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and

EBCE Implementation Plan

- Any requirements established by state law or by the CPUC concerning aggregated service.

The remainder of this Implementation Plan is organized as follows:

- Chapter 2: Aggregation Process
- Chapter 3: Organizational Structure
- Chapter 4: Startup Plan & Funding
- Chapter 5: Program Phase-In
- Chapter 6: Load Forecast & Resource Plan
- Chapter 7: Financial Plan
- Chapter 8: Rate setting
- Chapter 9: Customer Rights and Responsibilities
- Chapter 10: Procurement Process
- Chapter 11: Contingency Plan for Program Termination
- Appendix A: EBCE Resolution No. R-2017-10 (Adopting Implementation Plan)

The requirements of AB 117 are cross-referenced to Chapters of this Implementation Plan in the following table.

**Table 2
AB 117 Cross References**

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan & Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate setting
Rate setting and other costs to participants	Chapter 8: Rate setting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other vendors	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination

CHAPTER 2 – Aggregation Process

Introduction

This chapter describes the background leading to the development of this Implementation Plan, and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

Beginning in 2014, the County began investigating formation of a CCA Program in the County unincorporated areas and within its cities, pursuant to California state law, with the following objectives: 1) provide lower-cost electric services; 2) reduce greenhouse gas emissions related to the use of electric power within the County; and 3) increase the use of renewable energy resources relative to the incumbent utility. A technical feasibility study for a CCA Program serving the City was completed for the EBCE Steering Committee in June of 2016.

After a year of collaborative work by representatives of the County, independent consultants, local experts, and stakeholders, EBCE was formed in January of 2017. The EBCE Program represents a culmination of planning efforts that are responsive to the expressed needs and priorities of the citizenry and business community within the County. EBCE plans to offer choices to eligible customers through creation of innovative programs for voluntary purchases of renewable energy, net energy metering to promote customer-owned renewable generation, as well as many other energy programs.

Process of Aggregation

Before they are enrolled in the Program, prospective EBCE customers will receive two written notices in the mail, from EBCE, that will provide information needed to understand the Program's terms and conditions of service and explain how customers can opt-out of the Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date no later than thirty days following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. The initial enrollment notices will be provided to the first phase of customers in March. Initial enrollment notices will be provided to subsequent customer phases consistent with statutory requirements and based on schedule(s) determined by EBCE. These notices will be sent to customers in subsequent phases twice within 60 days of automatic enrollment.

Customers enrolled in the EBCE Program will continue to have their electric meters read and to be billed for electric service by the distribution utility (PG&E). The electric bill for Program customers will show separate charges for generation procured by EBCE as well as other charges related to electricity delivery and other utility charges assessed by PG&E.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt-out of the EBCE Program without penalty and return to the distribution utility (PG&E). EBCE customers will be advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of service. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by EBCE but will not otherwise be subject to any penalty for leaving the Program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have elected to become a participant in the EBCE Program and to have agreed to the EBCE Program's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

Consequences of Aggregation

Rate Impacts

EBCE Customers will pay the generation charges set by EBCE and no longer pay the generation charges set forth in PG&E's applicable rate schedules. Customers enrolled in the Program will be subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

EBCE's rate setting policies described in Chapter 7 establish a goal of providing rates that are competitive with the projected generation rates offered by the incumbent distribution utility (PG&E). EBCE will establish rates sufficient to recover all costs related to operation of the Program, and actual rates will be adopted by EBCE's Board.

Initial EBCE Program rates will be established following approval of EBCE's initial program budget, reflecting final costs from the EBCE Program's energy supplier(s). EBCE's rate policies and procedures are detailed in Chapter 7. Information regarding final EBCE Program rates will be disclosed along with other terms and conditions of service in the pre-enrollment and post-enrollment notices sent to potential customers.

Once EBCE gives definitive notice to PG&E that it will commence service, EBCE customers will generally not be responsible for costs associated with PG&E's future electricity procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits will continue to be charged by PG&E to CCA customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in PG&E's electric service tariffs, which can be accessed from the utility's website, and the costs are included in charges paid by both PG&E bundled customers as well as CCA and Direct Access customers.¹

¹ For PG&E bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth

Renewable Energy Impacts

A second consequence of the Program will be an increase in the proportion of energy generated and supplied by renewable resources. The resource plan includes procurement of renewable energy sufficient to exceed California's prevailing renewable energy procurement mandate for all enrolled customers. EBCE customers may also voluntarily participate in a 100 percent renewable supply option. To the extent that customers choose EBCE's 100 percent renewable energy option, the renewable content of EBCE's aggregate supply portfolio will further increase. Initially, requisite renewable energy supply will be sourced through one or more power purchase agreements. Over time, however, EBCE may consider independent development of new renewable generation resources.

in PG&E's tariffs as separate rates/charges paid by all customers (with limited exceptions).

CHAPTER 3 – Organizational Structure

This section provides an overview of the organizational structure of EBCE and its proposed implementation of the CCA program. Specifically, the key agreements, governance, management, and organizational functions of EBCE are outlined and discussed below.

Organizational Overview

East Bay Community Energy Authority is responsible for establishing EBCE's Program policies and objectives and overseeing EBCE's operation. In August 2017, the EBCE Board of Directors appointed a Chief Executive Officer (CEO) to manage the operation of EBCE in accordance with policies adopted by the Board. When EBCE receives CPUC certification, the CEO will proceed to hire staff and contractors to manage EBCE's activities. These activities include support services (administration, finance and IT), marketing and public affairs (community outreach, key account management and customer advocacy), supply acquisition (energy trading, contract negotiation and system development), and legal and government affairs.

Governance

The EBCE Program will be governed by the Board of Directors. The Board of Directors' primary duties are to establish program policies, approve rates and provide policy direction to the CEO, who has general responsibility for program operations, consistent with the policies established by the Board of Directors. In the future, the Board of Directors may establish special committees and sub-committees, as needed, to address issues that require greater expertise in particular areas. EBCE may also form various standing and ad hoc committees, as appropriate, which would have responsibility for evaluating various issues that may affect EBCE and its customers and would provide analytical support and recommendations to the Board of Directors.

Management

In August 2017, EBCE's Board of Directors hired a CEO, who has management responsibilities over the functional areas of Administration & Finance, Marketing & Public Affairs, Power Resources & Energy Programs, and Government Affairs as well as EBCE's General Counsel. In performing the obligations to EBCE, the CEO may utilize a combination of internal staff and/or contractors. Certain specialized functions needed for program operations, namely the electric supply and customer account management functions described below, may be performed initially by third-party contractors. Major functions of EBCE that will be managed by the CEO are summarized below.

Administration

EBCE's CEO is responsible for managing the organization's human resources and administrative functions and will coordinate with the Board of Directors, as necessary, with regard to these functions. The functional area of administration will include oversight of employee hiring and

termination, compensation and benefits management, identification and procurement of requisite office space and various other issues.

Finance

The CEO is also responsible for managing the financial affairs of EBCE, including the development of an annual budget, revenue requirement and rates; managing and maintaining cash flow requirements; arranging financing as necessary; and other financial tools.

Revenues via rates and other funding sources (such as a rate stabilization fund, when necessary) must, at a minimum, meet the annual budgetary revenue requirement, including recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other agreements. EBCE will have the flexibility to consider rate adjustments, administer a standardized set of electric rates, and may offer optional rates to encourage policy goals such as economic development or low income assistance programs, provided that the overall revenue requirement is achieved.

EBCE may also offer customized pricing options such as dynamic pricing or contract-based pricing for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly larger energy users within the commercial sector – with greater rate-related flexibility than is currently available.

EBCE's finance function will be responsible for arranging financing necessary for any capital projects, preparing financial reports, and ensuring sufficient cash flow for successful operation of the EBCE Program. The finance function will play an important role in risk management by monitoring the credit of energy suppliers so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition and/or credit rating are identified, EBCE will be able to take appropriate action, as would be provided for in the electric supply agreement(s).

Marketing & Public Affairs

The marketing and public affairs functions include general program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. EBCE will conduct program marketing to raise consumer awareness of the EBCE Program and to establish the EBCE "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into the EBCE Program. Communications will also be directed at key policy-makers at the state and local level, community business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance EBCE's ability to differentiate itself as a highly customer-focused organization that is responsive to the needs

of the community. EBCE will also establish a customer call center designed to field customer inquiries and routine interaction with customer accounts.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements/billing-related activities and management of a customer database. This function processes customer service requests, and administers customer enrollments and departures from the EBCE Program, maintaining a current database of enrolled customers. This function coordinates the issuance of monthly bills through the distribution utility's billing process and tracks customer payments. Activities include the electronic exchange of usage, billing, and payments data with the distribution utility and EBCE, tracking of customer payments and accounts receivable, issuance of late payment and/or service termination notices (which would return affected customers to bundled service), and administration of customer deposits in accordance with credit policies of EBCE.

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. EBCE will initially contract with a third party for these services, who has demonstrated the necessary experience and administers an appropriate customer information system to perform the customer account and billing services functions.

Power Resources & Energy Programs

EBCE must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives as well as applicable legislative and/or regulatory mandates. EBCE's long term resource plans (addressing the 10-20 year planning horizon) will comply with California Law and other pertinent requirements of California regulatory bodies. EBCE may develop and administer complementary energy programs that may be offered to EBCE customers, including green pricing, energy efficiency, net energy metering, EV incentives, feed-in-tariff, distributed energy resources, energy storage, demand response and various other programs that may be identified to support the overarching goals and objectives of EBCE.

EBCE will develop integrated resource plans that meet program supply objectives and balance cost, risk and environmental considerations. Such integrated resource plans will also conform to applicable requirements imposed by the State of California. Integrated resource planning efforts of EBCE will make maximum use of demand side energy efficiency, distributed energy resources and demand response programs as well as traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. Integrated resource plans will be updated and adopted by EBCE on an annual basis.

Electric Supply Operations

Electric supply operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These highly specialized activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of Program customers.
- *Risk Management* – application of standard industry techniques to reduce exposure to the volatility of energy and credit markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop load forecasts, both long-term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the CAISO.

EBCE will initially contract with one or more experienced and financially sound third parties to perform electric supply operations for the EBCE Program. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting, portfolio management and day-ahead and real-time electricity trading.

Local Energy Programs

A key focus of the EBCE Program will be the development and implementation of local energy programs responsive to community input and interests. These programs are likely to be phased in during the first several years of operations. The implementation of such programs will follow the identification of requisite funding sources and responsive to the recommendations of the Local Development Business Plan.

Governmental Affairs & General Counsel

The EBCE Program will require ongoing regulatory and legislative representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California’s Renewables Portfolio Standard (“RPS”), and overall representation on issues that will impact EBCE, its customers. EBCE will maintain an active role at the CPUC, the California Energy Commission, the California Independent System Operator, the California legislature and, as necessary, the Federal Energy Regulatory Commission.

Under the direction of its General Counsel, EBCE may retain outside legal services, as necessary, to administer EBCE, review contracts, and provide overall legal support related to activities of the EBCE Program.

CHAPTER 4 – Startup Plan & Funding

This Chapter presents EBCE’s plans for the start-up period, including necessary expenses and capital outlays. As described in the previous Chapter, EBCE may utilize a mix of staff and contractors in its CCA Program implementation.

Startup Activities

The initial program startup activities include the following:

- Hire staff and/or contractors to manage implementation
- Identify qualified suppliers (of requisite energy products and related services) and negotiate supplier contracts
- Define and execute communications plan
 - ✓ Customer research/information gathering
 - ✓ Media campaign
 - ✓ Key customer/stakeholder outreach
 - ✓ Informational materials and customer notices
 - ✓ Customer call center
- Post CCA bond and complete requisite registration requirements
- Pay utility service initiation, notification and switching fees
- Perform customer notification, opt-out and transfers
- Conduct load forecasting
- Establish rates
- Legal and regulatory support
- Financial management and reporting

Other costs related to starting up the EBCE Program will be the responsibility of the EBCE Program’s contractors (and are assumed to be covered by any fees/charges imposed by such contractors). These may include capital requirements needed for collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

Staffing and Contract Services

Personnel in the form of EBCE staff or contractors will be added incrementally to match workloads involved in forming the new organization, managing contracts, and initiating customer outreach/marketing during the pre-operations period.

Capital Requirements

The Start-up of the CCA Program will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital. Based on EBCE's anticipated start-up activities and phase-in schedule, a total need of up to \$73 million has been identified to support the aforementioned functions. The finance plan in Chapter 7 provides some additional detail regarding EBCE's expected capital requirements and general Program finances.

Related to EBCE's initial capital requirement, this amount is expected to cover staffing and contractor costs during startup and pre-startup activities, including direct costs related to public relations support, technical support, and customer communications. Requisite deposits and operating reserves are also reflected in the initial capital requirement, including the following items: 1) operating reserves to address anticipated cash flow variations (as well as operating reserve deposits that will likely be required by EBCE's power supplier(s)); 2) requisite deposit with the California Independent System Operator prior to commencing market operations; 3) CCA bond (posted with the CPUC); and 4) PG&E service fee deposit.

Operating revenues from sales of electricity will be remitted to EBCE beginning approximately sixty days after the initial customer enrollments. This lag is due to the distribution utility's standard meter reading cycle of 30 days and a 30-day payment/collections cycle. EBCE will need working capital to support electricity procurement and costs related to program management, which is included in EBCE's assessment of a potential initial \$73 million capital requirement.

Financing Plan

EBCE's initial capital requirement will be provided via conventional financing methods (e.g., bank loans and/or lines of credit); subsumed in the initial capital requirement is EBCE's initial start-up funding (not to exceed \$5.5M), which has been provided by the County of Alameda – such amounts are to be repaid by EBCE as soon as practically possible. For all other amounts borrowed, EBCE will make repayments (including any interest, as applicable) over assumed 2- and 5-year terms, commencing in July 2018. EBCE will recover the principal and interest costs associated with the start-up funding via EBCE's retail generation rates charged to EBCE customers. It is anticipated that the start-up costs will be fully recovered through such customer generation rates within the first years of EBCE operation.

CHAPTER 5 – Program Phase-In

EBCE will roll out its service offering to customers over the course of several phases. At present, EBCE expects to launch with the following three phases:

- Phase 1. Municipal accounts and volunteers
- Phase 2. Non-residential accounts and volunteers
- Phase 3. Residential accounts

This approach provides EBCE with the ability to test its program with municipal and volunteer accounts before building to full program integration for an expected customer base of approximately 540,500 accounts, post customer opt-out. EBCE will offer service to all customers on a phased basis, which is expected to be completed within nine (9) months of initial service to Phase 1 customers.

Phase 1 of the Program is targeted to begin in May 2018, subject to a decision to proceed by EBCE. During Phase 1, EBCE anticipates serving approximately 4,800 accounts, comprised of all municipal accounts, totaling roughly 150 GWh of annual energy sales. EBCE is currently refining the potential composition of Phase 1 accounts in consideration of cost of service and customer load characteristics as well as other operational considerations. Specific accounts to be included in Phase 1 will be approximately two (2) percent of EBCE's total customer load and will be specifically defined after further analysis and consideration by EBCE.

Phase 2 of the Program will commence following successful operation of the EBCE Program over an approximate four-month term, which corresponds with an expected Phase 2 service commencement date occurring in September 2018. It is anticipated that approximately 44,700 additional customers, comprised primarily of commercial and industrial customers will be included in Phase 2, with annual energy consumption approximating 3,735 GWh, or sixty (60) percent of EBCE's total prospective customer load.

Following the successful completion of Phase 1 and Phase 2 customer enrollments, EBCE will commence the process of completing the CCA roll out to all remaining customers in Phase 3, which is expected to occur in January 2019. This phase is expected to comprise the remaining residential accounts within EBCE's service territory. Phase 3 will add approximately 491,000 accounts with annual energy consumption of approximately 2,315 GWh, or thirty-seven (37) percent of EBCE's total prospective customer load.

EBCE may also evaluate more aggressive phase-in timelines in order to maximize revenue with the lowest risk of customer dissatisfaction based on current market conditions, statutory

requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts, such as data management service constraints.

CHAPTER 6 – Load Forecast & Resource Plan

Introduction

This Chapter describes the planned mix of electric resources that will meet the energy demands of EBCE customers using a diversified portfolio of electricity supplies. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. These key policies are as follows:

- EBCE will seek to reduce greenhouse gas (GHG) emissions from electric generation to serve customers in its service territory through decreased reliance on fossil-fuels and increased use of renewable resources.
- EBCE will seek to reduce energy costs and maintain stable electric rates for its customers.
- EBCE will support local renewable resource development and benefit the area's economy through investment in local infrastructure, projects, and energy programs.

EBCE will offer its customers at least two power products. EBCE's default product will at a minimum match the share of renewable energy in PG&E's standard rate and exceed by at least ten percent (10%) the share of GHG-free energy in PG&E's standard rate. In addition, EBCE will offer at least one other power product that will be 100% renewable. As the EBCE Program moves forward, incremental renewable supply additions will be made based on resource availability as well as economic goals of the EBCE Program to achieve increased renewable energy content over time. EBCE's aggressive commitment to renewable generation adoption may involve both direct investment in new renewable generating resources, partnerships with experienced public power developers/operators, and purchases of renewable energy from third party suppliers. EBCE may introduce additional power products and increase the renewable and GHG-free content of its default power product offering based on market conditions and in consideration of the Local Development Business Plan.

The plan described in this section would accomplish the following:

- Procure energy through one or more contracts with experienced, financially stable third party suppliers sufficient to offer at least two distinct generation rate tariffs: 1) a default EBCE service option that at a minimum matches PG&E's renewable energy share and exceeds its share of GHG-free energy by 10%; and 2) 100 percent renewable energy, offered to EBCE customer on a voluntary basis.
- Continue increasing renewable energy supplies over time, subject to resource availability, economic viability and applicable compliance mandates.

- Encourage distributed renewable generation in the local area through the offering of a net energy metering, feed-in-tariff and other creative, customer-focused programs targeting increased access to local renewable energy sources.

EBCE will comply with regulatory rules applicable to California load serving entities. EBCE will arrange for the scheduling of sufficient electric supplies to meet the demands of its customers. EBCE will adhere to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve EBCE's customers, even if there were a need for the EBCE Program to cease operations and return customers to PG&E. In addition, EBCE will be responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide RPS (33 percent renewable energy by 2020, increasing to 50 percent by 2030). The resource plan will meet or exceed all of the applicable regulatory requirements related to resource adequacy and the RPS.

Resource Plan Overview

To meet the aforementioned objectives and satisfy the applicable regulatory requirements pertaining to EBCE's status as a California load serving entity, EBCE's resource plan will likely include a diverse mix of power purchases, renewable energy, new energy efficiency programs, demand response, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The ultimate goal of EBCE's resource plan is to reduce electric sector GHG emissions while offering reduced generation rates to participating customers. The planned power supply initially will most likely be comprised of power purchases from third party suppliers and, in the longer-term, may also include renewable generation assets owned and/or controlled by EBCE.

Once the EBCE Program demonstrates it can operate successfully, EBCE may begin evaluating opportunities for investment in renewable generating assets and local distributed resources, subject to then-current market conditions, statutory requirements and regulatory considerations. EBCE is developing a Local Development Business Plan to help guide these potential investments. Any renewable generation owned by EBCE or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of EBCE's electricity requirements on a cost-of-service basis. Depending on market conditions and the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement might be more cost-effective than purchasing renewable energy from third party developers, which would allow the EBCE Program to pass on cost savings to its customers. Any investment decisions will be made following thorough environmental reviews, and in consultation with qualified financial and legal advisors.

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As an alternative to direct investment, EBCE may consider partnering with an experienced public power developer and could enter into a long-term (20-to 30-year) power purchase agreement that would support the development of new renewable generating capacity. Such an arrangement could be structured to reduce the EBCE Program’s operational risk associated with capacity ownership while providing its customers with all renewable energy generated by the facility under contract. This option may be preferable to EBCE as it works to achieve increasing levels of renewable energy supply to its customers.

EBCE’s resource plan will integrate supply-side resources with programs that will help customers reduce their energy costs through improved energy efficiency and other demand-side measures. As part of its integrated resource plan, EBCE will actively pursue, promote and ultimately administer a variety of customer energy efficiency programs that can cost-effectively displace supply-side resources.

EBCE’s indicative resource plan for the years 2018 through 2027 is summarized in the following table:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
EBCE Demand										
Retail Demand*	1,346	6,201	6,214	6,226	6,239	6,251	6,264	6,276	6,289	6,301
Losses and UFE	87	403	404	405	405	406	407	408	409	409
TOTAL DEMAND	1,433	6,604	6,617	6,631	6,644	6,657	6,671	6,684	6,697	6,711
EBCE Supply										
Renewable Resources										
Total Renewable Resources	438	2,159	2,301	2,382	2,469	2,559	2,652	2,748	2,848	2,952
Conventional Resources										
Total Conventional Resources	996	4,445	4,316	4,249	4,175	4,099	4,019	3,936	3,849	3,759
TOTAL SUPPLY	1,433	6,604	6,617	6,631	6,644	6,657	6,671	6,684	6,697	6,711
Energy Open Position	0	0	0	0	0	0	0	0	0	0

*Energy efficiency and behind the meter distributed generation are accounted for within the retail demand forecast. As EBCE defines its distributed energy resource strategy, this retail demand forecast may change to reflect greater adoption of distributed energy resources.

Supply Requirements

The starting point for EBCE's resource plan is a projection of participating customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis, and matched with resources best suited to serving the aggregate of hourly demands or the program's "load profile". The electric sales forecast and load profile will be affected by EBCE's plan to introduce the EBCE Program to customers in phases and the degree to which customers choose to remain with PG&E during the customer enrollment and opt-out periods. EBCE's phased roll-out plan and assumptions regarding customer participation rates are discussed below.

Customer Participation Rates

Customers will be automatically enrolled in the EBCE Program unless they opt-out during the customer notification process conducted during the 60-day period prior to enrollment and continuing through the 60-day period following commencement of service. For the first phase, an estimated 4,800 municipal accounts, EBCE anticipates a 100% participation rate. For subsequent phases, EBCE anticipates an overall average customer participation rate of approximately 90 percent of PG&E bundled service customers, based on reported opt-out rates for other CCA programs in California. It is assumed that potential EBCE customers taking direct access service will initially continue with their current supplier.

The participation rate is not expected to vary significantly among customer classes, in part due to the fact that EBCE will offer two distinct rate tariffs that will address the needs of cost-sensitive customers as well as the needs of both residential and business customers that prefer a highly renewable energy product. The assumed participation rates will be refined as EBCE's public outreach and market research efforts continue to develop.

Customer Forecast

Once customers enroll in each phase, they will be switched over to service by EBCE on their regularly scheduled meter read date over an approximately thirty-day period. Approximately 160 service accounts per day will be switched over during the first month of service. For Phase 2, the number of accounts switched over to EBCE service will increase to about 1,650 accounts per day. For Phase 3, the number of accounts switched over to EBCE service will increase again to about 18,000 accounts per day. The number of accounts served by EBCE at the end of each phase is shown in the table below.

Table 4
East Bay Community Energy
Enrolled Retail Service Accounts
Phase-In Period (End of Month)

EBCE Customers	Eligible Accounts	May-18 Phase 1	Sep-18 Phase 2	Jan-19 Phase 3
Residential	518,456	0	0	491,113
Small Commercial	46,117	919	39,126	39,143
Large Commercial	5,024	101	4,235	4,285
Industrial	2,683	51	2,267	2,267
Street Lighting & Traffic	3,695	3,695	3,695	3,695
Agricultural & Pumping	147	0	125	125
Total	576,122	4,766	49,448	540,628

*Volunteers who choose to enroll earlier than their scheduled phase may impact the total account numbers.

EBCE assumes that customer growth will generally offset customer attrition (opt-outs) over time, resulting in a relatively stable customer base (0.2% annual growth) over the noted planning horizon. EBCE believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the historical customer growth within the region and the potential for continuing customer opt-outs following mandatory customer notification periods. The forecast of service accounts (customers) served by EBCE for each of the next ten years is shown in the following table:

Table 5
East Bay Community Energy
Retail Service Accounts (End of Year)
2018 to 2027

EBCE Customers	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential	0	492,533	493,518	494,505	495,494	496,485	497,478	498,473	499,470	500,469
Small Commercial	39,121	39,200	39,278	39,356	39,435	39,514	39,593	39,672	39,752	39,831
Large Commercial	4,262	4,270	4,279	4,287	4,296	4,305	4,313	4,322	4,331	4,339
Industrial	2,276	2,281	2,285	2,290	2,295	2,299	2,304	2,308	2,313	2,318
Street Lighting & Traffic	3,672	3,679	3,687	3,694	3,701	3,709	3,716	3,724	3,731	3,739
Agricultural & Pumping	125	125	125	126	126	126	126	127	127	127
Total	49,456	542,088	543,173	544,259	545,347	546,438	547,531	548,626	549,723	550,823

Sales Forecast

EBCE's forecast of kWh sales reflects the roll-out and customer enrollment schedule shown above. Annual energy requirements are shown below.

EBCE Energy Req.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Energy	1,346	6,201	6,214	6,226	6,239	6,251	6,264	6,276	6,289	6,301
Losses and UFE	87	403	404	405	405	406	407	408	409	409
Total Load Requirement	1,433	6,604	6,617	6,631	6,644	6,657	6,671	6,684	6,697	6,711

Capacity Requirements

The CPUC's resource adequacy standards applicable to the EBCE Program require a demonstration one year in advance that EBCE has secured physical capacity for 90 percent of its projected peak loads for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, EBCE must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

A portion of EBCE's capacity requirements must be procured locally, from the Greater Bay area as defined by the CAISO and another portion must be procured from local reliability areas outside. EBCE would be required to demonstrate its local capacity requirement for each month of the following calendar year. The local capacity requirement is a percentage of the total (PG&E service area) local capacity requirements adopted by the CPUC based on EBCE's forecasted peak load. EBCE must demonstrate compliance or request a waiver from the CPUC requirement as provided for in cases where local capacity is not available.

EBCE is also required to demonstrate that a specified portion of its capacity meets certain operational flexibility requirements under the CPUC and CAISO's flexible resource adequacy framework.

The estimated forward resource adequacy requirements for 2018 through 2020 are shown in the following tables²:

²The figures shown above are estimates. EBCE's resource adequacy requirements will be subject to modification due to application of certain coincidence adjustments and resource allocations relating to utility demand response and energy efficiency programs, as well as generation capacity allocated through the Cost Allocation Mechanism. These adjustments are addressed through the CPUC's resource adequacy compliance process.

Table 7
East Bay Community Energy
Forward Capacity and Reserve Requirements (MW)
2018 to 2020

Month	2018	2019	2020
January	0	1,229	1,232
February	0	1,250	1,256
March	0	1,125	1,127
April	0	1,172	1,175
May	28	1,124	1,126
June	34	1,381	1,384
July	34	1,392	1,395
August	34	1,416	1,419
September	831	1,271	1,274
October	736	1,134	1,136
November	750	1,212	1,214
December	706	1,231	1,234

EBCE’s plan ensures that sufficient reserves will be procured to meet its peak load at all times. EBCE’s projected annual capacity requirements are shown in the following table:

Table 8
East Bay Community Energy
Capacity Requirements (MW)
2018 to 2027

Demand (MW)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Demand	831	1,416	1,419	1,421	1,424	1,427	1,430	1,433	1,436	1,439
Losses and UFE	0	0	0	0	0	0	0	0	0	0
Total Net Peak Demand	831	1,416	1,419	1,421	1,424	1,427	1,430	1,433	1,436	1,439
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	125	212	213	213	214	214	214	215	215	216
Capacity Requirement Including Reserve	956	1,628	1,631	1,635	1,638	1,641	1,644	1,648	1,651	1,654

Local capacity requirements are a function of the PG&E area resource adequacy requirements and EBCE’s projected peak demand. EBCE will need to work with the CPUC’s Energy Division and staff at the California Energy Commission to obtain the data necessary to calculate its monthly local capacity requirement. A preliminary estimate of EBCE’s annual local capacity requirement for the ten-year planning period ranges from approximately 415 MW to 718 MW as shown in the following table:

Table 9
East Bay Community Energy
Local Capacity Requirements (MW)
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
EBCE Peak	831	1,416	1,419	1,421	1,424	1,427	1,430	1,433	1,436	1,439
Local Capacity Req. (% of Peak)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Greater Bay Area Share of Local Capacity	46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
Other PG&E Areas Share of Local Capacity	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%
EBCE Local Capacity Req., Greater Bay	189	322	323	324	324	325	326	326	327	328
EBCE Local Capacity Req., Other PG&E	226	385	386	387	388	389	389	390	391	392
EBCE Local Capacity Req., Total	415	708	709	711	712	714	715	716	718	719

The CPUC assigns local capacity requirements during the year prior to the compliance period; thereafter, the CPUC provides local capacity requirement true-ups for the second half of each compliance year.

EBCE will coordinate with PG&E and appropriate state agencies to manage the transition of responsibility for resource adequacy from PG&E to EBCE during CCA program phase-in. For system resource adequacy requirements, EBCE will make month-ahead showings for each month that EBCE plans to serve load, and load migration issues would be addressed through the CPUC’s approved procedures. EBCE will work with the California Energy Commission and CPUC prior to commencing service to customers to ensure it meets its local and system resource adequacy obligations through its agreement(s) with its chosen electric supplier(s).

Renewables Portfolio Standards Energy Requirements

Basic RPS Requirements

As a CCA, EBCE will be required by law and ensuing CPUC regulations to procure a certain minimum percentage of its retail electricity sales from qualified renewable energy resources. For purposes of determining EBCE’s renewable energy requirements, the same standards for RPS compliance that are applicable to the distribution utilities are assumed to apply to EBCE.

California’s RPS program is currently undergoing reform. On October 7, 2015, Governor Brown signed Senate Bill 350 (“SB 350”; De Leon and Leno), the Clean Energy and Pollution Reduction Act of 2015, which increased California’s RPS procurement target from 33 percent by 2020 to 50 percent by 2030 amongst other clean-energy initiatives. Many details related to SB 350 implementation will be developed over time with oversight by designated regulatory agencies. However, it is reasonable to assume that interim annual renewable energy procurement targets will be imposed on CCAs and other retail electricity sellers to facilitate progress towards the 50 percent procurement mandate – for planning purposes, EBCE has assumed straight-line annual increases (1.7 percent per year) to the RPS procurement target beginning in 2021, as the state advances on the 50 percent RPS. EBCE will also adopt an integrated resource plan in compliance with SB 350 – EBCE understands that various details related to this planning requirement have yet to be developed, and EBCE intends to monitor and participate, as appropriate, in pertinent proceedings to promote the preparation and submittal of a responsive planning document. Furthermore, EBCE will ensure that all long-term renewable energy contracting requirements, as imposed by SB 350, will be satisfied through appropriate transactions with qualified suppliers and will also reflect this intent in ongoing resource planning and procurement efforts.

EBCE’s Renewables Portfolio Standards Requirement

EBCE’s annual RPS procurement requirements, as specified under California’s RPS program, are shown in the table below. When reviewing this table, it is important to note that EBCE expects to procure more renewable energy than this baseline – this table is intended to indicate the minimum quantity that EBCE could procure to remain in compliance with the RPS program. EBCE projects increases in energy efficiency savings as well as increases in locally situated distributed generation capacity, resulting in only a slight upward trend in projected retail electricity sales.

Table 10
East Bay Community Energy
RPS Requirements (MWh)
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Sales	1,346	6,201	6,214	6,226	6,239	6,251	6,264	6,276	6,289	6,301
Baseline	336	1,798	2,051	2,164	2,277	2,391	2,505	2,615	2,725	2,836
% of Current Year Retail Sales ^{3*}	25%	29%	33%	35%	37%	38%	40%	42%	43%	45%

³ Note: Specific details related to SB 350 implementation have yet to be identified. For purposes of this table, EBCE assumed a straight-line increase from California’s 33 percent RPS procurement mandate in 2020 to California’s new, 50 percent RPS procurement mandate in 2030.

Purchased Power

Power purchased from power marketers, public agencies, generators, and/or utilities will be a significant source of supply during the first several years of EBCE Program operation. EBCE will initially contract to obtain all of its electricity from one or more third party electric providers under one or more power supply purchase, and the supplier(s) will be responsible for procuring the specified resource mix, including EBCE's desired quantities of renewable energy, to provide a stable and cost-effective resource portfolio for the Program.

Renewable Resources

EBCE will initially secure necessary renewable power supply from its third party electric supplier(s). EBCE may supplement the renewable energy provided under the initial power supply contract(s) with direct purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned by EBCE. At this point in time, it is not possible to predict what projects might be proposed in response to future renewable energy solicitations administered by EBCE, unsolicited proposals or discussions with other agencies. Renewable projects that are located virtually anywhere in the Western Interconnection can be considered as long as the electricity is deliverable to the CAISO control area, as required to meet the Commission's RPS rules and any additional guidelines ultimately adopted by EBCE. The costs of transmission access and the risk of transmission congestion costs would need to be considered in the bid evaluation process if the delivery point is outside of EBCE's load zone, as defined by the CAISO.

Energy Efficiency

EBCE's energy efficiency goals will reflect a strong commitment to increasing energy efficiency within the County, expanding beyond the savings achieved by PG&E's and Regional Energy Network (REN) programs. To promote the achievement of this goal, EBCE may complete the CPUC application process for third party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by EBCE customers. To the extent that EBCE is successful in this application process, receiving funding to administer additional energy efficiency programs within the region, it will seek to maximize end-use customer energy efficiency by facilitating customer participation in existing utility and REN programs as well as by forming new programs that will compliment the existing programs and displace EBCE's need for traditional electric procurement activities. Additional details related to EBCE's energy efficiency plan will be developed once EBCE Program phase-in is underway and the financial viability of EBCE is established.

Demand Response

Demand response programs provide incentives to customers to reduce demand upon request by the load serving entity (i.e., EBCE), reducing the amount of generation capacity that must be maintained as infrequently used reserves. Demand response programs can be cost effective alternatives to procured capacity that would otherwise be needed to comply with California's resource adequacy requirements. The programs also provide rate benefits to customers who

have the flexibility to reduce or shift consumption for relatively short periods of time when generation capacity is most scarce. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier as well as customer service benefits.

In its ruling on local resource adequacy, the CPUC found that dispatchable demand response resources as well as distributed generation resources should be counted for local capacity requirements. It is likely that any EBCE demand response programs would partially offset its local capacity requirements.

PG&E offers several demand response programs to its customers, and EBCE may recruit those customers that have shown a willingness to participate in utility programs into similar programs offered by EBCE. EBCE may also adopt a demand response program that enables it to request customer demand reductions during times when capacity is in short supply or spot market energy costs are exceptionally high.

Appropriate limits on customer curtailments, both in terms of the length of individual curtailments and the total number of curtailment hours that can be called should be included in EBCE's demand response program design. It will also be important to establish a reasonable measurement protocol for customer performance of its curtailment obligations and deploy technology to automate customer notifications and responses. Performance measurement should include establishing a customer specific baseline of usage prior to the curtailment request from which demand reductions can be measured. EBCE may utilize experienced third party contractors to design, implement and administer its demand response programs.

Distributed Energy Resources

Consistent with EBCE's policies and the state's Energy Action Plan, clean distributed generation is a component of EBCE's resource plan. EBCE will work to promote deployment of photovoltaic (PV) systems and energy storage within EBCE's service territory, with the goal of optimizing the use of the available incentives that are funded through current utility distribution rates and public benefits surcharges. EBCE also plans to implement a net energy metering program and a feed-in-tariff to promote local investment in distributed generation. Community solar project development also is a high priority for EBCE.

There are clear environmental benefits and strong customer interest in distributed energy resource systems. To support such systems, EBCE may provide direct financial incentives from revenues funded by customer rates to further support use of solar power, energy storage, and other renewable resources within the local area. With regards to EBCE's prospective net energy metering program, it is anticipated that EBCE may eventually adopt a program that would allow participating customers to sell excess energy produced by customer-sited renewable generating sources to EBCE. In addition, EBCE may eventually develop a Renewable Energy Self-Generation Bill Credit Transfer program (RES-BCT). These programs would be generally

consistent with principles identified in Assembly Bill 920 (“AB 920”), which directed the CPUC to establish and implement a compensation methodology for surplus renewable generation produced by net energy metered facilities located within the service territories of California’s large investor owned utilities, including PG&E. However, EBCE may choose to offer enhanced compensation structures, relative to those implemented as a result of AB 920, as part of the direct incentives that may be established to promote distributed generation development within the County. To the extent that incentives offered by EBCE improve project economics for its customers, it is reasonable to assume that the penetration of distributed generation within the County would increase.

CHAPTER 7 – Financial Plan

This Chapter examines the annual cash flows expected during the startup and customer phase-in period of the EBCE Program and identifies the anticipated financing requirements. It includes estimates of program startup costs, including necessary expenses and capital outlays. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan outline contained in Chapter 6.

Description of Cash Flow Analysis

EBCE's cash flow analysis estimates the level of capital that will be required during the startup and phase-in period. The analysis focuses on the EBCE Program's monthly costs and revenues and specifically accounts for the phased enrollment of EBCE Program customers described in Chapter 5.

Cost of CCA Program Operations

The first category of the cash flow analysis is the Cost of CCA Program Operations. To estimate the overall costs associated with CCA Program Operations, the following components are taken into consideration:

- Electricity Procurement;
 - ✓ Ancillary Service Requirements;
 - ✓ Grid Management and other CAISO Charges;
 - ✓ Scheduling Coordination;
- Exit Fees;
- Staffing and Professional Services;
- Data Management Costs;
- Administrative Overhead;
- Billing Costs;
- CCA Bond and Security Deposit;
- Pre-Startup Cost; and
- Debt Service.

Revenues from CCA Program Operations

The cash flow analysis also provides estimates for revenues generated from CCA operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the customer phase-in schedule described herein, and assumes that EBCE charges a standard, default electricity tariff similar to the generation rates of PG&E for each customer

class and an optional 100% renewable energy tariff at a premium reflective of incremental renewable power costs. More detail on EBCE Program rates can be found in Chapter 8.

Cash Flow Analysis Results⁴

The results of the cash flow analysis provide an estimate of the level of capital required for EBCE to move through the CCA startup and phase-in periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from CCA operations minus cost of CCA operations) based on assumptions for payment of costs or other cash requirements (e.g., deposits) by EBCE, along with estimates for when customer payments will be received. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between revenues received and payments made during the phase-in period. The estimated financing requirements for the startup and phase-in period, including working capital needs associated with all three phases of customer enrollments, was determined to be \$73 million. Working capital requirements peak soon after enrollment of the Phase 2 customers.

CCA Program Implementation Pro Forma

In addition to developing a cash flow analysis which estimates the level of working capital required to move EBCE through full CCA phase-in, a summary pro forma analysis that evaluates the financial performance of the CCA program during the phase-in period is shown below. The difference between the cash flow analysis and the CCA pro forma analysis is that the pro forma analysis does not include a lag associated with payment streams. All other items, such as costs associated with CCA Program operations and rates charged to customers remain the same. Cash provided by financing activities are not shown in the pro forma analysis, although payments for debt service are included as a cost item.

The results of the pro forma analysis are shown in the following tables. In particular, the summary of CCA program startup and phase-in addresses projected EBCE Program operations for the period beginning 2018 through 2027. EBCE has also included a summary of Program reserves, which are expected to accrue over this same period of time.

⁴ Inflation assumptions: Staffing: 3%; All other items: 2%

Appendix E

EBCE Implementation Plan

Table 11
East Bay Community Energy
Summary of CCA Program Start-Up and Phase-In
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Revenue from Operations (\$)											
Electric Sales Rev	\$88,676,220	\$394,416,117	\$391,061,371	\$402,960,442	\$415,128,329	\$427,570,969	\$440,294,432	\$453,304,919	\$466,608,770	\$480,122,369	\$3,960,143,939
Less Uncollected Accounts	\$549,255	\$2,714,580	\$2,773,690	\$2,834,822	\$2,897,301	\$2,961,158	\$3,026,422	\$3,093,124	\$3,161,297	\$3,230,521	\$27,242,169
Total Revenues	\$88,126,965	\$391,701,537	\$388,287,681	\$400,125,620	\$412,231,028	\$424,609,812	\$437,268,010	\$450,211,795	\$463,447,474	\$476,891,848	\$3,932,901,770
Cost of Operations (\$)											
Cost of Energy	\$65,735,111	\$299,159,237	\$306,687,787	\$313,983,457	\$321,251,295	\$328,491,702	\$335,827,439	\$344,057,617	\$351,479,356	\$358,916,828	\$3,025,589,829
Operating & Administrative											
Billing & Data Management	\$248,795	\$7,212,172	\$7,226,596	\$7,241,049	\$7,255,531	\$7,270,042	\$7,284,582	\$7,299,151	\$7,313,750	\$7,328,377	\$65,680,046
PG&E Fees	\$556,630	\$2,870,921	\$2,934,196	\$2,998,866	\$3,064,961	\$3,132,512	\$3,201,553	\$2,792,719	\$2,798,304	\$2,803,901	\$27,154,563
Personnel/Staffing	\$1,888,843	\$2,618,276	\$2,670,642	\$2,724,055	\$2,778,536	\$2,834,106	\$2,890,788	\$2,948,604	\$3,007,576	\$3,067,728	\$27,429,155
Outreach & communication	\$285,000	\$120,000	\$122,400	\$124,848	\$127,345	\$129,892	\$132,490	\$135,139	\$137,842	\$140,599	\$1,455,555
Professional services	\$1,422,500	\$1,307,500	\$1,333,650	\$1,360,323	\$1,387,529	\$1,415,280	\$1,443,586	\$1,472,457	\$1,501,907	\$1,531,945	\$14,176,677
Legal and regulatory	\$960,000	\$960,000	\$979,200	\$998,784	\$1,018,760	\$1,039,135	\$1,059,918	\$1,081,116	\$1,102,738	\$1,124,793	\$10,324,443
Gen & Admin expenses	\$676,667	\$341,700	\$238,900	\$202,878	\$206,936	\$211,074	\$215,296	\$219,602	\$223,994	\$228,474	\$2,765,519
Debt Service	\$5,395,235	\$17,131,204	\$16,604,748	\$16,078,291	\$16,078,291	\$12,907,924	\$0	\$0	\$0	\$0	\$84,195,693
Total O&A Costs	\$11,433,670	\$32,561,773	\$32,110,331	\$31,729,093	\$31,917,888	\$28,939,966	\$16,228,212	\$15,948,789	\$16,086,111	\$16,225,816	\$233,181,651
Operating Reserves	\$5,401,815	\$23,220,471	\$23,715,868	\$24,199,878	\$24,721,843	\$25,020,217	\$24,643,896	\$25,200,448	\$25,729,583	\$26,259,985	\$400,683,256
New Programs Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost & Reserves	\$82,570,595	\$354,941,480	\$362,513,987	\$369,912,428	\$377,891,026	\$382,451,885	\$376,699,547	\$385,206,855	\$393,295,050	\$401,402,630	\$3,659,454,736
CCA Program Surplus/(Deficit)	\$5,556,370	\$36,760,056	\$25,773,694	\$30,213,192	\$34,340,001	\$42,157,927	\$60,568,463	\$65,004,941	\$70,152,424	\$75,489,218	\$273,447,034

Appendix E

EBCE Implementation Plan

Table 12
East Bay Community Energy
Reserves Summary
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Reserve Additions											
Operating Reserve Contr.	\$10,958,185	\$59,980,527	\$49,489,563	\$54,413,070	\$59,061,844	\$67,178,144	\$85,212,359	\$90,205,389	\$95,882,007	\$101,749,203	\$674,130,290
Cash from Financing	\$73,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$73,000,000
Total Additions	\$83,958,185	\$59,980,527	\$49,489,563	\$54,413,070	\$59,061,844	\$67,178,144	\$85,212,359	\$90,205,389	\$95,882,007	\$101,749,203	\$747,130,290
Reserves Outlays											
Start-Up Funding Payments	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
New Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve Outlays	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
Rate Stabilization Reserve Balance	\$83,858,185	\$143,838,712	\$193,328,274	\$247,741,345	\$306,803,189	\$373,981,332	\$459,193,691	\$549,399,080	\$645,281,087	\$747,030,290	

The surpluses noted in Table 11 serve to build EBCE's net financial position and credit profile and to provide operating reserves for EBCE in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time. In addition, financial surpluses could be used to increase renewable and GHG-free resources within EBCE's resource mix plus offer discounts off of the current PG&E generation rates.

EBCE Financings

It is anticipated that one or more financings will be necessary to support EBCE Program implementation. Subsequent capital requirements will be self-funded from EBCE's accrued financial reserves. The anticipated financing approach is described below.

CCA Program Start-up and Working Capital

As previously discussed, the anticipated start-up and working capital requirements for the EBCE Program may be as much as \$73 million. This amount is dependent upon the electric load served by EBCE, actual energy prices, payment terms established with the third-party supplier, and program rates. This figure would be refined during the startup period as these variables become known. Once the EBCE Program is up and running, these costs would be recovered from customers through retail rates.

It is assumed that this financing will be primarily secured via a short-term loan or letter of credit, which would allow EBCE to draw cash as required. Requisite financing would need to be arranged no later than the third quarter of 2018.

Renewable and Distributed Resource Project Financing

EBCE may consider project financings for renewable and distributed energy resources, likely local wind, solar, biomass and/or geothermal as well as energy efficiency/demand response projects. EBCE is developing a Local Development Business Plan to support these efforts. These financings would only occur after a period of successful EBCE Program operation, and after appropriate project opportunities are identified. EBCE's ability to directly finance projects with outside funds will likely require a track record of years of successful program operations demonstrating strong underlying credit to support the financing.

In the event that such financing occurs, funds would include any short-term financing for the renewable resource project development costs, and would likely extend over a 20- to 30-year term. The security for such bonds would be the revenue from sales to the retail customers of EBCE.

CHAPTER 8 – Rate Setting, Program Terms and Conditions

Introduction

This Chapter describes the initial policies proposed for EBCE in setting its rates for electric aggregation services. These include policies regarding rate design, rate objectives, and provision for due process in setting Program rates. Program rates are ultimately approved by the Board of Directors. EBCE would retain authority to modify program policies from time to time at its discretion.

Rate Policies

EBCE will establish rates sufficient to recover all costs related to operation of the EBCE Program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the EBCE Board. As a general policy, rates will be uniform for all similarly situated customers enrolled in the EBCE Program.

The primary objectives of the rate setting plan are to set rates that achieve the following:

- Rate competitive tariff option (default service offering), including a proportionate quantity of renewable energy at or in excess of California’s prevailing renewable energy procurement mandate;
- 100 percent renewable energy supply option (voluntary service offering);
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

Rate Competitiveness

A primary goal is to offer competitive rates for electric services that EBCE would provide to participating customers. For participants in EBCE’s standard Tariff, the goal would be for EBCE Program rates to initially be lower than similar generation rates offered by PG&E, subject to actual energy product pricing and decisions of EBCE’s Board. For voluntary participants in the EBCE Program’s 100 percent renewable energy Tariff, the goal would be to offer the lowest possible customer rates with an incremental monthly cost premium reflective of the actual cost of additional renewable energy supply required to serve such customers.

Competitive rates will be critical to attracting and retaining EBCE customers. In order for EBCE to be successful, the combination of price and value must be perceived as advantageous when

compared to the bundled utility service alternative. As planned, the value provided by the EBCE Program will include a higher proportion of renewable energy and reduced GHG emissions relative to the incumbent utility, enhanced energy efficiency and customer programs, community focus, local investment and control.

As previously discussed, the EBCE Program will increase renewable energy supply to program customers, relative to the incumbent utility, by offering two distinct rate tariffs. The default tariff for EBCE Program customers will be the standard Tariff, which will increase renewable energy supply while maintaining generation rates that are generally comparable to PG&E's. The initial renewable energy content provided under EBCE's standard Tariff will exceed California's prevailing renewable energy procurement mandate, and EBCE will endeavor to increase this percentage on an ongoing basis, subject to operational and economic constraints. EBCE will also offer its customers a voluntary 100% renewable energy Tariff, which will supply participating customers with 100 percent renewable energy at rates that reflect EBCE's cost for procuring related energy supplies.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy (CARE) program, will be automatically enrolled in the standard Tariff and will continue to receive related discounts on monthly electricity bills through PG&E.

Rate Stability

EBCE will offer stable rates by hedging its supply costs over multiple time horizons and by including renewable energy supplies that exhibit stable costs. EBCE will attempt to maintain general rate parity with PG&E to ensure that EBCE Program rates are not drastically different from the competitive alternative.

Equity among Customer Classes

EBCE's initial rates will be set below similar rates offered by PG&E. Rate differences among customer classes will reflect the rates charged by the local distribution utility as well as differences in the costs of providing service to each class. Rate benefits may also vary among customers within the major customer class categories, depending upon the specific rate designs adopted by EBCE.

Customer Understanding

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction but will also result in fewer billing inquiries to the EBCE Program's customer service call center. Customer understanding also requires rate structures to reflect rational rate design principles (i.e., there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

Revenue Sufficiency

EBCE Program rates must collect sufficient revenue from participating customers to fully fund EBCE's annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all of costs of the EBCE Program, subject to the disclosure and due process policies described later in this chapter. To ensure rate stability, funds available in EBCE's rate stabilization fund may be used from time to time to augment operating revenues.

Rate Design

EBCE will initially match the rate structures from PG&E's standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures that would take effect following enrollment in the EBCE Program. EBCE will review its rates at a minimum once a year. EBCE will employ a robust and highly transparent rate setting process for all rate changes that will include both a public hearing and a written public comment period.

Custom Pricing Options

EBCE may work to develop specially-tailored rate and electric service products that meet the specific load characteristics or power market risk profiles of larger commercial and industrial customers. This will allow such customers to have access to a wider range of products than is currently available under the incumbent utility and potentially reduce the cost of power for these customers. Some examples of potential custom pricing options are rates that are based on an observable market index (e.g., CAISO prices) or fixed priced contracts of various terms.

Net Energy Metering

As planned, customers with on-site generation eligible for net metering from PG&E will be offered a net energy metering rate from EBCE. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. The PG&E net energy metering (NEM) tariff requires the CCA to offer a net energy metering tariff in order for the customer to continue to be eligible for service on Schedule NEM. The objective is that EBCE's net energy metering tariff will apply to the generation component of the bill, and the PG&E net energy metering tariff will apply to the utility's portion of the bill. EBCE plans to pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by EBCE.

Disclosure and Due Process in Setting Rates and Allocating Costs among Participants

Initial program rates will be adopted by EBCE following the establishment of the first year's operating budget prior to initiating the customer notification process. Subsequently, EBCE will prepare an annual budget and corresponding customer rates. Any proposed rate adjustment will be made to the Board of Directors and ample time will be given to affected customers to provide meaningful comment on the proposed rate changes.

After proposing a rate adjustment, EBCE will furnish affected customers with a notice of its intent to adjust rates, either by mailing such notices postage prepaid to affected customers, by including such notices as an insert to the regular bill for charges transmitted to affected customers, or by including a related message directly on the customer's monthly electricity bill (on the page addressing EBCE charges). The notice will provide a summary of the proposed rate adjustment and will include a link to the EBCE Program website where information will be posted regarding the amount of the proposed adjustment, a brief statement of the reasons for the adjustment, and the mailing address of EBCE to which any customer inquiries relative to the proposed adjustment, including a request by the customer to receive notice of the date, time, and place of any hearing on the proposed adjustment, may be directed.

CHAPTER 9 – Customer Rights and Responsibilities

This Chapter discusses customer rights, including the right to opt-out of the EBCE Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the CCA Program. All customers that do not opt out within 30 days of the fourth enrollment notice will have agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the Board of Directors from time to time.

By adopting this Implementation Plan, EBCE will have approved the customer rights and responsibilities policies contained herein to be effective at Program initiation. The EBCE Board retains authority to modify program policies from time to time at its discretion.

Customer Notices

At the initiation of the customer enrollment process, a total of four notices will be provided to customers describing the Program, informing them of their opt-out rights to remain with utility bundled generation service from PG&E, and containing a simple mechanism for exercising their opt-out rights. The first notice will be mailed to customers approximately sixty days prior to the date of a phase launch from PG&E. A second notice will be sent approximately thirty days later. EBCE will likely use its own mailing service for requisite enrollment notices rather than including the notices in PG&E's monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying EBCE using the EBCE Program's designated telephone-based or internet opt-out processing service. Should customers choose to initiate an opt-out request by contacting PG&E, they would be transferred to the EBCE Program's call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt-out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two billing cycles (at approximately thirty and sixty days from a phase launch). Opt-out requests made on or before the sixtieth day following start of EBCE Program service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by EBCE during the time the customer took service from the EBCE Program, but will otherwise not be subject to any penalty or transfer fee from EBCE.

Customers who establish new electric service accounts within the Program's service area will be automatically enrolled in the EBCE Program and will have sixty days from the start of service

to opt out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post enrollment period. Such customers will also receive a notice detailing EBCE's privacy policy regarding customer usage information. EBCE will have the authority to implement entry fees for customers that initially opt out of the Program, but later decide to participate. Entry fees, if deemed necessary, would aid in resource planning by providing additional control over the EBCE Program's customer base.

Cost-Based Termination Fee

Customers that are automatically enrolled in the EBCE Program can elect to transfer back to PG&E without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation but may be subject to payment of a cost-based Termination Fee, which EBCE reserves the right to impose, if deemed necessary. Customers that relocate within EBCE's service territory would have EBCE service continued at their new address. If a customer relocating to an address within EBCE's service territory elected to cancel CCA service, the cost-based Termination Fee could be applied. Program customers that move out of EBCE's service territory would not be subject to the Termination Fee. If deemed applicable by EBCE, PG&E would collect the cost-based Termination Fee from returning customers as part of EBCE's final bill to the customer. The final determination of whether a cost-based Termination Fee is applicable may depend on many cost factors, which may include EBCE administrative costs, power supply agreement terms and pricing, and the market value of power. In any event, the termination fee is intended to be non-punitive to the customer.

If adopted, the cost-based Termination Fee would be clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could also be changed prospectively by EBCE subject to applicable customer noticing requirements and based on future EBCE cost analysis.

Customers electing to terminate service after the initial notification period would be transferred to PG&E on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers would also be liable for the nominal reentry fees imposed by PG&E and would be required to remain on bundled utility service for a period of one year, as described in the PG&E's tariffs.

Customer Confidentiality

EBCE will establish policies covering confidentiality of customer data that are fully compliant with the required privacy protection rules for CCA customer energy usage information, as detailed within Decision 12-08-045. EBCE will maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption, except where reasonably necessary to conduct business of EBCE or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable EBCE to provide service to its

customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. EBCE will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at EBCE's discretion.

Responsibility for Payment

Customers will be obligated to pay EBCE Program charges for service provided through the date of transfer including any applicable cost-based Termination Fees. Pursuant to current CPUC regulations, EBCE will not be able to direct that electricity service be shut off for failure to pay EBCE bills. However, PG&E has the right to shut off electricity to customers for failure to pay electricity bills, and PG&E Electric Rule 23 mandates that partial payments are to be allocated pro rata between PG&E and the CCA. In most circumstances, customers would be returned to utility service for failure to pay bills in full and customer deposits (if any) would be withheld in the case of unpaid bills. PG&E would attempt to collect any outstanding balance from customers in accordance with Rule 23 and the related CCA Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service would be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

Customer Deposits

Under certain circumstances, EBCE customers may be required to post a deposit equal to the estimated charges for two months of CCA service prior to obtaining service from the EBCE Program. A deposit would be required for an applicant who previously had been a customer of PG&E or EBCE and whose electric service has been discontinued by PG&E or EBCE during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally, a customer who fails to pay bills before they become past due as defined in PG&E Electric Rule 11 (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether or not service has been discontinued for such nonpayment. A customer whose service is discontinued by EBCE is returned to PG&E generation service. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with PG&E.

CHAPTER 10 – Procurement Process

Introduction

This Chapter describes EBCE’s initial procurement policies and the key third party service agreements by which EBCE will obtain operational services for the EBCE Program. By adopting this Implementation Plan, EBCE will have approved the general procurement policies contained herein to be effective at Program initiation. EBCE retains authority to modify Program policies from time to time at its discretion.

Procurement Methods

EBCE will enter into agreements for a variety of services needed to support program development, operation and management. It is anticipated that EBCE will generally utilize Competitive Procurement methods for services but may also utilize Direct Procurement or Sole Source Procurement, depending on the nature of the services to be procured. Direct Procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole Source Procurement is generally to be performed only in the case of emergency or when a competitive process would be an idle act.

EBCE will utilize a competitive solicitation process to enter into agreements with entities providing electrical services for the program. Agreements with entities that provide professional legal or consulting services, and agreements pertaining to unique or time sensitive opportunities, may be entered into on a direct procurement or sole source basis at EBCE’s discretion. Authority for terminating agreements will generally mirror the authority for entering into such agreements.

Key Contracts

Electric Supply Contracts

EBCE will initiate service using supply contracts with one or more qualified providers to supply sufficient electric energy resources to meet EBCE customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. EBCE may seek the services of a portfolio manager to support electric supply management. EBCE may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. EBCE would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time.

EBCE will also solicit the services of a certified Scheduling Coordinator to schedule loads and resources to meet EBCE customer demand, and in keeping with CAISO requirements.

At this point in time, EBCE has not yet commenced the requisite competitive solicitation process to identify its initial energy supplier(s). However, EBCE anticipates executing the electric supply contract for Phase 1 loads in fall of 2017. The contract for Phase 2 and Phase 3 loads will be executed a few months in advance of each phase's launch.

Data Management Contract

A data manager will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with PG&E, billing, remittance processing, and account management). It is anticipated that a single contractor will be selected to perform all of the data management functions.

The data manager is responsible for the following services:

- Data exchange with PG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements;
- Settlement quality meter data reporting; and
- Reporting and audits of utility billing.

Utilizing a third party for data management services eliminates a significant expense associated with implementing a customer information system. Such systems can impose significant information technology costs and take significant time to deploy. Separation of the data management contract from the energy supply contract gives EBCE greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue.

As this point in time, EBCE has not yet completed the requisite competitive solicitation process to identify its data management services provider. However, it is anticipated that EBCE will execute a contract for data management services in September 2017.

CHAPTER 11 – Contingency Plan for Program Termination

Introduction

This Chapter describes the process to be followed in the case of EBCE Program termination. By adopting the original Implementation Plan, EBCE will have approved the general termination process contained herein to be effective at Program initiation. In the unexpected event that EBCE would terminate the EBCE Program and return its customers to PG&E service, the proposed process is designed to minimize the impacts on its customers and on PG&E. The proposed termination plan follows the requirements set forth in PG&E's tariff Rule 23 governing service to CCAs. EBCE retains authority to modify program policies from time to time at its discretion.

Termination by EBCE

EBCE will offer services for the long term with no planned Program termination date. In the unanticipated event that EBCE decides to terminate the Program, each of its Member Agencies would be required to adopt a termination ordinance or resolution and provide adequate notice to EBCE consistent with the terms set forth in the JPA Agreement. Following such notice, EBCE's Board would vote on Program termination subject to voting provisions as described in the JPA Agreement. In the event that EBCE affirmatively votes to proceed with JPA termination, EBCE would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to PG&E. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year advance notice would be provided to PG&E and the CPUC before transferring customers, and EBCE would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred *en masse* on the date of their regularly scheduled meter read date.

EBCE will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of re-entry fees is the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer

returned for default or because its contract has expired. EBCE will post financial security in the appropriate amount as part of its registration materials and will maintain the financial security in the required amount, as necessary.

CHAPTER 12 – Appendices

Appendix A: EBCE Resolution No. R-2017-10 (Adopting Implementation Plan)