



East Bay Community Energy (EBCE)

ADDENDUM NO. 2 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

TO ADDRESS EBCE EXPANSION TO THE CITY OF STOCKTON

December 8, 2022

For copies of this document contact East Bay Community Energy in Oakland, California, or visit www.ebce.org

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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 service to the City of Stockton, which is 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. On December 20, 2019, EBCE submitted its Addendum 1 to EBCE’s Implementation Plan (“Addendum No. 1”) to the CPUC to address EBCE expansion to the cities of Pleasanton, Newark, and Tracy. Addendum No. 1 was subsequently certified by the CPUC on March 9, 2020. Eligible electricity accounts in those jurisdictions have been successfully receiving service from EBCE since April of 2021.

Recently, EBCE’s Board of Directors approved the membership request of the City of Stockton on September 21, 2022, via Resolution No. R-2022-28. In response to the approval of such request, EBCE staff prepared this Addendum No. 2 to EBCE’s Community Choice Aggregation Implementation Plan and Statement of Intent (“Addendum No. 2”), which addresses service delivery within the City of Stockton. On September 21, 2022, EBCE’s Board of Director authorized staff through Resolution No. R-2022-29 to prepare and submit this addendum to the CPUC for certification.

The EBCE program now provides electric generation service to approximately 630,000 accounts, including a combination of residential and commercial customers.

This Addendum No. 2 describes EBCE’s plans to commence CCA service within the City of Stockton. 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 City of Stockton. This Addendum No. 2 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 City of Stockton

Introduction

This Addendum No. 2 addresses the anticipated impacts of EBCE’s planned expansion to the City of Stockton, 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. 2, EBCE represents that such information shall remain unchanged relative to the December 20, 2019, Implementation Plan (Addendum No. 1).

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
Stockton
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, four phases have been successfully implemented, and a fifth phase will commence in early 2024, 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. 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. Complete, April 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the cities of Newark, Pleasanton, and Tracy.
- Phase 5. Planned, January 2024: Residential, commercial industrial, agricultural, and street lighting accounts within the City of Stockton, subject to economic and operational constraints.

This approach has provided 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 750,000 accounts, following service commencement to customers within the City of Stockton. 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 by approximately 1,113 GWh following Phase 5 expansion, including an assumed opt-out rate of 4.8%. 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 2021 based on Item 16 data from PG&E.
2. Base opt-out assumption is 4.8%, consistent with opt-out percentages for current EBCE communities
3. All new load is phased during the April 2024 billing cycle
4. Annual load growth rate of 0.5% per year, plus impacts of electrification efforts
5. Annual customer account growth rate of 0.5% per year, net of opt-outs
6. Loss Factor of 1.066 is based on 2021 retail and wholesale load data
7. Peak demands are calculated by using the percent contribution to peak hour in 2021 for Stockton. That percentage is then applied to EBCE’s projected system peak going forward
8. Ineligible and Direct Access loads are excluded
9. Revenues are based on forecasted rates and PCIA values, and reflect EBCE’s current expectations of ongoing price changes into the future as well as the breakdown by rate class and rate schedule within EBCE jurisdictions
10. Tables are updated for only 2024 and beyond, except where noted

Chapter 6, Resource Plan Overview

Table 3
East Bay Community Energy
Proposed Resource Plan (GWh)
2018 to 2030

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EBCE Demand													
Retail Demand*	1,346	6,201	6,214	7,217	7,191	7,227	7,673	8,178	8,382	8,106	8,843	9,107	9,368
Losses and UFE	87	403	404	459	457	459	509	542	556	570	586	604	621
TOTAL DEMAND	1,433	6,604	6,617	7,676	7,648	7,686	8,182	8,720	8,938	9,171	9,430	9,710	9,989
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	3,980	4,098	4,215
Conventional Resources													
Total Conventional Resources	996	4,445	4,316	4,789	4,772	4,795	4,819	4,478	4,501	4,503	3,841	3,723	3,606
TOTAL SUPPLY	1,433	6,604	6,617	7,676	7,648	7,686	7,724	7,763	7,802	7,821	7,821	7,821	7,821
Energy Open Position	0	0	0	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-Apr Phase 4	24-Apr Phase 5
Residential	518,456	0	0	491,113	568,589	687,535
Small Commercial	46,117	919	39,126	39,143	52,128	61,886
Large Commercial	5,024	101	4,235	4,285	5,266	5,955
Industrial	2,683	51	2,267	2,267	3,294	3,574
Street Lighting & Traffic	3,695	3,695	3,695	3,695	2,217	3,298
Agricultural & Pumping	147	0	125	125	157	182
Total	576,122	4,766	49,448	540,628	631,651	762,430

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

2018 to 2030													
EBCE Customers	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Residential	0	492,533	493,518	568,589	565,717	568,546	687,535	690,973	694,429	697,903	701,394	704,903	708,428
Small Commercial	39,121	39,200	39,278	52,128	52,389	52,651	61,886	62,195	62,506	62,819	63,133	63,449	63,766
Large Commercial	4,262	4,270	4,279	5,266	5,240	5,266	5,955	5,985	6,015	6,045	6,075	6,105	6,136
Industrial	2,276	2,281	2,285	3,294	3,277	3,294	3,574	3,592	3,610	3,628	3,646	3,665	3,683
Street Lighting & Traffic	3,672	3,679	3,687	2,217	2,206	2,217	3,298	3,315	3,331	3,348	3,365	3,381	3,398
Agricultural & Pumping	125	125	125	157	156	157	182	183	184	185	186	187	188
Total	49,456	542,088	543,173	631,651	628,985	632,131	762,430	766,243	770,076	773,928	777,799	781,690	785,599

Chapter 6, Sales Forecast

Table 6
East Bay Community Energy
Annual Energy Requirements (GWh)
2018 to 2030

EBCE Energy Req.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Energy	1,346	6,201	6,214	7,217	7,191	7,227	7,673	8,178	8,382	8,601	8,843	9,107	9,368
Losses and UFE	87	403	404	459	457	459	509	542	556	570	586	604	621
Total Load Requirement	1,433	6,604	6,617	7,676	7,648	7,686	8,182	8,720	8,938	9,171	9,430	9,710	9,989

Table 8
East Bay Community Energy
Capacity Requirements (MW)
2018 to 2030

Demand (MW)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Demand	831	1,416	1,419	1,217	1,223	1,229	1,723	1,735	1,749	1,765	1,784	1,805	1,827
Losses and UFE	0	0	0	0	0	0	167	168	169	171	173	175	177
Total Net Peak Demand	831	1,416	1,419	1,217	1,223	1,229	1,889	1,902	1,918	1,936	1,956	1,980	2,003
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	16%	16%	16%	16%	16%	16%	16%
Capacity Reserve Requirement	125	212	213	183	183	184	302	304	307	310	313	317	321
Capacity Requirement Including Reserve	956	1,628	1,631	1,400	1,406	1,413	2,191	2,207	2,225	2,245	2,270	2,297	2,324

Chapter 6, Renewables Portfolio Standards Energy Requirements

Table 9
East Bay Community Energy
RPS Requirements (GWh)
2018 to 2030

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Sales	1,346	6,201	6,214	7,217	7,191	7,227	7,673	8,178	8,382	8,601	8,843	9,107	9,368
Baseline	336	1,798	2,051	2,526	2,661	2,746	3,376	3,844	4,124	4,472	4,829	5,209	5,621
% of Current Year Retail Sales*	25%	29%	33%	35%	37%	38%	44%	47%	49.2%	52%	54.6%	57.2%	60%

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. 2

Table 10
East Bay Community Energy
Summary of CCA Program Start-Up and Phase-In
2018 to 2030

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue from Operations (\$)													
Electric Sales Revenue	\$88,676,220	\$394,416,117	\$391,061,371	\$580,974,148	\$578,905,389	\$581,799,916	\$938,886,798	\$845,649,149	\$796,835,180	\$793,203,874	\$780,443,814	\$803,675,083	\$826,710,633
Less Uncollected Accounts	\$549,255	\$2,714,580	\$2,773,690	\$2,904,871	\$2,894,527	\$2,909,000	\$9,388,868	\$4,228,246	\$3,984,176	\$3,966,019	\$3,902,219	\$4,018,375	\$4,133,553
Total Revenues	\$88,126,965	\$391,701,537	\$388,287,681	\$578,069,277	\$576,010,862	\$578,890,916	\$929,497,930	\$841,420,904	\$792,851,004	\$789,237,855	\$776,541,595	\$799,656,708	\$822,577,080
Cost of Operations (\$)													
Cost of Energy	\$65,735,111	\$299,159,237	\$306,687,787	\$431,480,609	\$414,221,385	\$416,292,492	\$747,527,679	\$693,770,858	\$654,077,165	\$676,704,466	\$681,360,450	\$703,308,197	\$725,048,051
<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	\$10,266,622	\$10,314,662	\$10,362,952	\$10,411,492	\$10,460,267	\$10,509,292	\$10,558,553
<i>PG&E Fees</i>	\$556,630	\$2,870,921	\$2,934,196	\$2,652,934	\$2,641,737	\$2,654,950	\$3,202,207	\$3,218,221	\$3,234,317	\$3,250,497	\$3,266,756	\$3,283,097	\$3,299,518
<i>Personnel/Staffing</i>	\$1,888,843	\$2,618,276	\$2,670,642	\$4,596,840	\$4,743,939	\$4,895,745	\$15,415,290	\$15,954,825	\$16,513,244	\$17,091,208	\$17,689,400	\$18,308,529	\$18,949,327
<i>Outreach & communication</i>	\$285,000	\$120,000	\$122,400	\$2,715,600	\$2,802,499	\$2,892,179	\$3,002,107	\$3,107,181	\$3,215,932	\$3,328,490	\$3,444,987	\$3,565,562	\$3,690,356
<i>Professional services</i>	\$1,422,500	\$1,307,500	\$1,333,650	\$1,292,939	\$1,334,313	\$1,377,011	\$1,429,350	\$1,479,377	\$1,531,155	\$1,584,746	\$1,640,212	\$1,697,619	\$1,757,036
<i>Legal and regulatory</i>	\$960,000	\$960,000	\$979,200	\$1,689,128	\$1,743,180	\$1,798,962	\$1,867,338	\$1,932,695	\$2,000,339	\$2,070,351	\$2,142,813	\$2,217,812	\$2,295,435
<i>Gen & Admin expenses</i>	\$676,667	\$341,700	\$238,900	\$2,438,905	\$2,516,950	\$2,597,492	\$2,696,220	\$2,790,587	\$2,888,258	\$2,989,347	\$3,093,974	\$3,202,263	\$3,314,342
<i>Debt Service*</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$2	\$3
Total O&A Costs	\$6,038,435	\$15,430,569	\$15,505,584	\$24,005,149	\$24,367,829	\$24,841,190	\$37,879,134	\$38,797,548	\$39,746,198	\$40,726,130	\$41,738,410	\$42,784,176	\$43,864,570
Operating Reserves	\$5,401,815	\$23,220,471	\$23,715,868	\$57,806,928	\$92,161,738	\$92,622,547	\$79,746,107	\$76,722,898	\$60,941,217	\$37,705,426	\$0	\$0	\$8,611,519
New Programs Funding	\$0	\$0	\$0	\$10,000,000	\$11,000,000	\$12,100,000	\$24,475,000	\$26,922,500	\$29,614,750	\$32,576,225	\$35,833,848	\$39,417,232	\$43,358,955
Total Cost & Reserves	\$77,175,361	\$337,810,277	\$345,909,239	\$523,292,686	\$541,750,952	\$545,856,229	\$889,627,920	\$836,213,805	\$784,379,329	\$787,712,247	\$758,932,707	\$785,509,606	\$820,883,096
CCA Program Surplus/(Deficit)	\$5,556,370	\$36,760,056	\$25,773,694	\$18,559,907	\$34,259,910	\$33,034,688	\$39,870,010	\$5,207,099	\$8,471,675	\$1,525,608	\$17,608,888	\$14,147,102	\$1,693,984

* Debt Service corrected for all years

EBCE Implementation Plan – Addendum No. 2

Table 11
East Bay Community Energy
Reserves Summary
2018 to 2030

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Reserve Additions*														
Operating Reserve Contributions	\$5,401,815	\$23,220,471	\$23,715,868	\$37,574,503	\$65,728,941	\$157,415,701	\$79,746,107	\$76,722,898	\$60,941,217	\$37,705,426	\$0	\$0	\$8,611,519	\$576,784,466
Cash from Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Additions	\$5,401,815	\$23,220,471	\$23,715,868	\$37,574,503	\$65,728,941	\$157,415,701	\$79,746,107	\$76,722,898	\$60,941,217	\$37,705,426	\$0	\$0	\$8,611,519	\$576,784,466
Reserve Outlays														
Start-Up Funding Payments	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
New Programs	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$100,000
Rate Stabilization Reserve Balance	\$5,301,815	\$28,522,286	\$52,238,154	\$89,812,657	\$155,541,598	\$312,957,299	\$392,703,406	\$469,426,305	\$530,367,522	\$568,072,947	568,072,947	568,072,947	\$576,684,466	\$576,684,466

* Reserve Additions corrected for all years

Expansion Addendum Appendices

- Appendix A** East Bay Community Energy Authority Resolution R. 2022-28, 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. 2022-29, 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