



Board of Directors Meeting

Wednesday, October 17, 2018

6:00 pm

City of Hayward
Council Chambers
777 B Street,
Hayward, CA 94544

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 736-4981 or Scabrera@ebce.org.

If you have anything that you wish to be distributed to the Committee, please hand it to the clerk who will distribute the information to the Committee members and other staff. Please bring at least 15 copies.

1. Welcome & Roll Call

2. Pledge of Allegiance

3. Appoint Labor Negotiators (Action Items)

Appoint the following Board members as Labor Negotiators:

- A. Chair Haggerty;
- B. Vice-chair Kalb; and
- C. Director Martinez

4. Closed Session

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer
- B. CONFERENCE WITH LABOR NEGOTIATORS under California Government Code section 54957.6, EBCE Designated Representatives: Scott Haggerty, Dan Kalb, Diane Martinez, Unrepresented Employee: Chief Executive Officer
- C. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of California Government Code Section 54956.9 -- one case.

5. General Counsel report out of Closed session

6. Public Comment

This item is reserved for persons wishing to address the Committee on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to three minutes per speaker. The Committee Chair may increase or decrease the time allotted to each speaker.

CONSENT AGENDA

7. Approval of Minutes from September 26, 2018

8. Contracts entered into (Informational Item)

9. EBCE participation in the Special District Risk Management Agency Medical, Vision and Dental Insurance Program (Action Item)

Approve the following Recommendations:

- A. Adopt a resolution authorizing EBCE to participate in the Special District Risk Management Agency (SDRMA) health, vision and dental plans; and
- B. Approve a Memorandum of Understanding between SDRMA and EBCE regarding participation in the SDRMA medical, vision and dental insurance program.

REGULAR AGENDA

10. CEO REPORT

- A. Executive Committee Meeting;
- B. Marketing and Outreach update;
- C. Local Development Business Plan Update; and
- D. Update on Opt-out

11. Community Advisory Committee Report

12. CEO Employment Agreement (Action Item)

13. Risk Oversight Committee Formation (Informational Item)

Receive update on the Risk Oversight Committee process. EBCE staff is in the process of forming the Risk Oversight Committee to monitor power procurement activities and ensure they are consistent with EBCE's Energy Risk Management Policy

14. Regulatory Update - Power Charge Indifference Adjustment (Discussion item)

Receive update on the Power Charge Indifference Adjustment.

15. Community Advisory Committee (CAC) workplan (Action Item)

Review the CAC workplan and either approve it or return it to the CAC with its requested revisions.

- 16. Insured Cash Sweep Memo (Action Item)**
Authorize the CEO to execute the Insured Cash Sweep (ICS) Deposit Placement Agreement and related documents with River City Bank, to establish a mandatory interest-bearing account for excess cash balances.
- 17. Credit Card Policy (Action Item)**
Approve the EBCE credit card policy and authorize the CEO to enter into a credit card agreement with American Express for administrative, travel, and small budget expenses.
- 18. Carbon emission benchmarking and Accounting Methodology (Action Item)**
Approve a calendar year 2018 emissions factor benchmark at 142lbs of CO₂e/MWh for the Bright Choice product utilizing the Electric Power Sector Protocol by the Climate Registry.
- 19. Board Member and Staff Announcements including requests to place items on future Board Agendas**
- 20. Adjournment - to** Date: Wednesday, November 5, 2018
Location: City of Hayward,
Council Chambers
777 B Street
Hayward, CA 94541



Draft Minutes

Special Meeting

Board of Directors Meeting

Wednesday, September 26, 2018

6:00 pm

City of San Leandro

Council Chambers

835 E. 14th Street,

San Leandro, CA 94578

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 736-4981 or Scabrera@ebce.org.

If you have anything that you wish to be distributed to the Board, please hand it to the clerk who will distribute the information to the Board members and other staff. Please bring at least 25 copies.

1. Welcome & Roll Call

Present: Pilch (Albany), Arreguin (Berkeley), Martinez (Emeryville), Bacon (Fremont), Mendall (Hayward), Rood (Piedmont), Lee (San Leandro), Dutra-Vernaci (Union City), Eldred (Community Advisory), Vice -Chair Kalb (Oakland) and Chair Haggerty (Alameda County)

Excused: Hernandez (Dublin) and Spedowfski (Livermore)

2. Pledge of Allegiance

3. Public Comment

This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker. The Board Chair may increase or decrease the time allotted to each speaker.

CONSENT AGENDA

4. Contracts entered into (Informational Item)

5. **Agreement with Troutman Sanders for Power Procurement Legal Services (Action Item)**
Approve an agreement with Troutman Sanders in the amount of \$225,000 for the term commencing September 1, 2018 through August 31, 2019.

C-2018-102

6. **Printing and Mailing Services**
Approve an agreement with FinalOption Corp, dba Pacific Printers (Principal: Andrew Goett; Location: San Jose) for Printing and Mailing Services, for the period of 9/26/18 - 12/31/19, in an amount not to exceed \$925,000.

C-2018-104

Vice-chair Kalb motioned to approve the consent calendar with the exception of Item 4. Director Martinez seconded the motion which carried 9/0; Excused: Directors: Hernandez, Rood and Spedowski

The Board requested additional information on the SMUD contract amendment. The amendment pertains to a change in the Task order associated with the agreement.

Director Pilch motioned to approve item 4. Vice-chair Kalb seconded the motion which carried 9/0; Excused: Directors: Hernandez, Rood and Spedowski

REGULAR AGENDA

7. **Approval of Minutes from July 18, 2018**

Director Dutra-Vernaci motioned to approve the minutes from July 18, 2018. Director Arreguin seconded the motion which carried 9/0; Excused: Directors Hernandez, Rood and Spedowski

8. **CEO REPORT**

- A. Executive Committee Meeting;
- B. Marketing and Outreach update;
- C. Local Development Business Plan Update; and
- D. Update on Opt-out

Director Rood in at 6:22pm

Jessica Tovar - Spoke regarding East Bay Clean Power Alliance's request to provide input on the Director of Local Development job description. EBCPA is excited to hear the LDBP Director will be hired. Would like to weigh in on the job description. Interested in director to focus on equity and community partnerships, conduct reviews/evaluations and engage with community, work on distributed resources, with the public, engaging with the community

9. Community Advisory Committee Report

Director Eldred provided the Board with a report of CAC activities during the August recess:

- The CAC meet and worked with staff to develop a draft work plan. The workplan will be presented at the Friday, 9/28/18 Executive Committee meeting before being presented to the Board for approval. Met during recess and worked with staff to create a draft workplan.
- New alternate Ernie Pacheco was sworn in.
- The CAC will reopen the application for alternates on Friday, 9/28/18

10. Treasurer's Report

Receive report on EBCE Financials.

The Board requested additional information on cc use and asked staff to develop and present a CC use policy for discussion and Board approval.

Director Dutra-Vernaci motioned to accept the Treasure's report. Director Kalb seconded the motion which carried 10/0; Excused: Directors: Hernandez and Spedowski

11. Legislative and Regulatory Update (Informational Item)

Receive an update on the 2018 California Legislative session.

The Board discussed:

- Current senate bills and potential benefits/risks associated
- Accompanying Staff to visit local elected officials
- Including the CAC in advocacy efforts
- Seeking support from stakeholders

Dan Rainey - Thanked CEO, Nick Chaset for op-Ed in Utility guide regarding the Power Charge Indifference Adjustment (PCIA).

12. EBCE Co-Branding and Collaboration Policy (Action Item)

Review and approve a policy on EBCE co-branded marketing materials.

The Board discussed:

- Logo - Revisit design
- Trademark - Need to register current logo and potential new logo.

Director Martinez motioned to approve the Co-Branding and Collaboration policy as amended:

- A. Include language to require potential partners to request permission for each instance of Co-branding use.**

Director Mendall second the motion which carried 10/0; Excused: Directors Hernandez and Spedowski.

13. Rate Setting Protocol (Action Item)

Authorize EBCE staff to ministerially modify EBCE rate schedules as needed to be consistent with the rate objectives established by the Board in setting rates, and work with the billing services vendor to implement any rate adjustments so that all EBCE customers receive the published value proposition for the service level they receive. Staff will report to the Board in advance of, and at the Board meeting immediately following, any adjustments to the rate schedules.

The Board discussed:

- Fluctuation range - Staff able to adjust rates by 2 - 3% but must seek Board approval on higher adjustments
- Potential impacts to revenue
- PCIA and PG&E influence on rates
- Establishing a public process for rate adjustments
- CAC requested a rate setting policy with review of financial impacts
- Communicating rate changes to customers that have opted out

Director Mendall to authorize EBCE staff to modify Rates as needed to be consistent with EBCE rate objectives and directed staff to include the following language in the

A. "Implement rates to maintain EBCE's value proposition, or better..."

Director Arreguin seconded the motion which passed 10/0: Excused: Directors Hernandez and Spedowski

14. Carbon emission Benchmarking and Accounting Methodology (Informational Item)

Receive information regarding EBCE's Carbon emissions benchmarking and Accounting methodologies.

The Board discussed:

- Complexity of Carbon Accounting
- Carbon Accounting Methodologies - Which are most universally used? What are EBCE customers currently using
- Supporting as many methodologies as possible to provide information to customers
- Other CCAs accounting processes
- Universal/Standardized accounting methods

15. Auditor Appointment (Action Item)

Approve the following recommendations:

1. Adopt a resolution appointing Pisenti & Brinker LLP to complete the audit of EBCE's annual financial statements for the years ending June 30, 2017 and June 30, 2018.
2. Approve an agreement with Pisenti & Brinker, LLP for audit services in the amount of \$11,250, for a term ending 6/30/19.

R-2018-33

The Board discussed:

- Auditor selection process
- Creating an RFP process for future Auditing services
- Contract with multi-year option
- Creating an RFP selection committee - Made of staff and Board members

Director Mendall motioned to adopt a resolution appointing Pisenti and Brinker as the Auditor and directed staff to:

- A. Develop an RFP process for future audit services;
- B. Present qualifying bids to the full Board for approval; and
- C. Prepare an agreement with an option to extend the contract term for 3 - 5 years.

Director Dutra-Vernaci seconded the motion which carried 10/0; Excused: Directors: Hernandez and Spedowski

16. Amendments to the Joint Powers Agreement (Action Item)

Discuss proposed amendments to the East Bay Community Energy Joint Powers Agreement (JPA) and Direct staff to bring back proposed language relating to proposed JPA amendments.

Director Dutra-Vernaci motioned to accept staff's recommendation of no proposed changes to the Joint Powers Agreement. Director Martinez seconded the motion which carried 10/0; Excused: Directors: Hernandez and Spedowski.

17. Approve EBCE application for voluntary enrollment in the California State Disability Insurance Program (Action Item)

Adopt a resolution to allow East Bay Community Energy (EBCE) to submit an application to voluntarily enroll in the California State Disability Insurance program to provide EBCE employees' access to Paid Family Leave and State Disability Insurance coverage.

R-2018-34

Vice-Chair Kalb motioned to adopt a resolution to allow EBCE to submit an application for voluntary State Disability Insurance. Director Mendall seconded the motion which carried 10/0; Excused: Directors: Hernandez and Spedowski

18. Board Member and Staff Announcements including requests to place items on future Board Agendas

Director Thomas thanked EBCE for being a sponsor for the San Leandro Resilience event.

The Chief Executive Officer thanked the city of San Leandro (SL) for hosting the 9/26/18 Board meeting and announced that EBCE is also a sponsor of the SL Sausage and Suds event on Sunday, 10/7/18

Director Dutra-Vernaci thanked the CEO for his Op-ed on the PCIA stating that it provided a lot of information on CCAs and our program.

19. Adjourned

20.



Consent Item 8

TO: East Bay Community Energy Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: Contracts Entered into

DATE: October 17 , 2018

RECOMMENDATION

Accept the CEO's report on contracts entered into between 9/27/18 to 10/12/18

1. C-2018-105 Agreement and 2 task orders with Bentham Paulos (Location: Berkeley) for the purpose of providing strategic communication services to EBCE, for the term of 10/5/18 - 10/4/19, in the amount of \$19,200.
2. C-2018-106 Agreement with MRW & Associates (Principal: Mark Fulmer ; Location: Oakland) for the purpose of providing Technical Regulatory Analysis services, for the term of 10/9/18 - 10/8/19, in the amount of \$100,000.
3. C-2018-107 Energy and Environmental Economics, Inc.(Principal: Snuller Price; Location: San Francisco) for the purpose of providing consultant services to EBCE, for the term of 10/8/18 - 6/30/19, in the amount of \$20,000.
4. C-2018-108 Task Order One with FinalOption Corp., dba Pacific Printers (Principal: Andrew Goett; Location: San Jose) for the purpose of providing and mailing services, for the term of 9/26/18 - 12/31/18, in the amount of \$925,000. The Agreement was approved at the 9/26/18 Board of Directors meeting.
5. C-2018-109 Agreement with Clean Energy Regulatory Research (Principal: Luke Tougas; Location: San Francisco) for the purpose of providing consulting services, for the term of 10/4/18 - 6/30/19, in an amount not to exceed \$30,000.



Consent Item 9

TO: East Bay Community Energy Board of Directors

FROM: Nick Chaset, CEO

SUBJECT: EBCE participation in the Special District Risk Management Agency Medical, Vision and Dental Insurance Program (Action Item)

DATE: October 17, 2018

Recommendation

Approve a resolution authorizing EBCE to participate in the Special District Risk Management Agency (SDRMA) health, vision and dental plans; Approve a Memorandum of Understanding between SDRMA and EBCE regarding participation in the SDRMA medical, vision and dental insurance program.

Background

EBCE currently provides medical, vision and dental insurance through a set of plans offered through Paychex - EBCE's payroll vendor - that are designed for employers with fewer than 50 employees. In an effort to provide EBCE staff with more insurance options, EBCE management has been evaluating options for EBCE to participate in larger insurance pools. EBCE management specifically looked for offerings available to small and medium sized public agencies and found that CalPERS and the Special District Risk Management Agency were the two clearest fits for EBCE's needs. After reviewing the eligibility criteria, costs and underlying insurance options, EBCE management believes that participation in the Special District Risk Management Agency program provides the most flexible and cost-effective options for EBCE.

In this context, EBCE staff recommends that EBCE join the Special District Risk Management Agency health, vision and dental insurance program by approving both a resolution and a memorandum of understanding with the Special District Risk Management Agency in order to participate in their health, vision and dental insurance program.

Attachments:

- A. Resolution for Health Benefits; and
- B. Special Districts Risk Management Health Benefits MOU

RESOLUTION NO. _____

A RESOLUTION OF THE (Board of Directors) OF EAST BAY COMMUNITY ENERGY APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

WHEREAS, East Bay Community Energy, Authority (EBCE), a public agency duly organized and existing under and by virtue of the laws of the State of California (the "EBCE"), has determined that it is in the best interest and to the advantage of the EBCE to participate in health benefits offered by the Special District Risk Management Authority (the "Authority"); and

WHEREAS, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

WHEREAS, participation in Authority programs requires the EBCE to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for health benefits; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and EBCE is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, THE EBCE BOARD OF DIRECTORS HEREBY RESOLVES AS FOLLOWS:

Section 1. Findings. The EBCE Board of Directors hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of EBCE.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, by and between the EBCE and the Authority, in the form presented at this meeting, is hereby approved. The CEO directed, for and in the name and on behalf of the EBCE, to deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The EBCE Board of Directors approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Other Actions. The CEO as his/her designee is hereby authorized and directed to execute and deliver any and all documents necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this ____ day of _____, 20 ____ by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Scott Haggerty

Chair, EBCE Board of Directors

EBCE Secretary
Stephanie Cabrera

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.

WHEREAS, on August 1, 2006, SDRMA was appointed administrator for the purpose of enrolling small public entities typically having 250 or less employees into the CSAC - Excess Insurance Authority Health's ("CSAC-EIA Health") Small Group Health Benefits Program (hereinafter "PROGRAM"); and

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by CSAC-EIA Health Committee for the PROGRAM (the "COMMITTEE") and not SDRMA; and.

WHEREAS, ENTITY desires to enroll and participate in the PROGRAM.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the express purpose of enrolling in the PROGRAM.
2. **ENTRY INTO PROGRAM.** ENTITY shall enroll in the PROGRAM by making application through SDRMA which shall be subject to approval by the PROGRAM's Underwriter and governing documents and in accordance with applicable eligibility guidelines.
3. **MAINTENANCE OF EFFORT.** PROGRAM is designed to provide an alternative health benefit solution to all participants of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional). ENTITY public officials may participate in the PROGRAM only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
4. **PREMIUMS.** ENTITY understands that premiums and rates for the PROGRAM are set by the COMMITTEE. ENTITY will remit monthly premiums based upon rates established for each category of participants and the census of covered employees, public officials, dependents and retirees.

Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates set by the COMMITTEE for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.

- a. SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties. Premiums are based on a full month and there are no partial months or prorated premiums.
- b. ENTITY must send notification of termination of benefits for a covered employee or dependent to SDRMA within 31 days of the date of termination. Benefits will be terminated the last day of the month in which the termination occurred. If the termination notice is received after 31 days of the date of termination, the request must be approved by the PROGRAM to terminate coverage. All requests may not be approved; therefore participants may need to wait for open enrollment to elect the change (termination). If the termination is due to an employee terminating employment, if not approved to retroactively terminate coverage, coverage will be terminated prospectively at the end of the month.

5. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the PROGRAM and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to PROGRAM underwriter for approval.
6. **COVERAGE DOCUMENTS.** Except as otherwise provided herein, CSAC-EIA Health documents outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM.
7. **PROGRAM FUNDING.** It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.
8. **ASSESSMENTS.** Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:
 - a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.
 - b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.
 - c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.
 - d. Fund equity will be evaluated on a total PROGRAM-wide basis as opposed to each year standing on its own.
9. **WITHDRAWAL.** ENTITY may withdraw subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY may rescind its notice of intent to withdraw. Once ENTITY withdraws from the PROGRAM, there is a 3-year waiting period to come back into the PROGRAM, and the ENTITY will be subject to underwriting approval again.
10. **LIAISON WITH SDRMA.** Each ENTITY shall maintain staff to act as liaison with the SDRMA and between the ENTITY and the SDRMA's designated PROGRAM representative.
11. **GOVERNING LAW.** This MEMORANDUM shall be governed in accordance with the laws of the State of California.
12. **VENUE.** Venue for any dispute or enforcement shall be in Sacramento, California.
13. **ATTORNEY FEES.** The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
14. **COMPLETE AGREEMENT.** This MEMORANDUM together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.
15. **SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
16. **AMENDMENT OF MEMORANDUM.** This MEMORANDUM may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's signatory to this MEMORANDUM.

Any ENTITY who fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.

- 17. EFFECTIVE DATE. This MEMORANDUM shall become effective upon the signing of this MEMORANDUM by the ENTITY and Chief Executive Officer or Board President of SDRMA.
- 18. EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: _____

By: _____

East Bay Community Energy



Staff Report Item 10

TO: East Bay Community Energy Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: CEO Report (Informational Item)

DATE: October 17, 2018

Recommendation

Accept Chief Executive Officer (CEO) report on update items below.

Executive Committee Meeting

On September 28, 2018, the Executive Committee of the East Bay Community Energy Board met. The agenda for the Executive Committee meeting covered general updates on marketing, regulatory and energy procurement and a discussion of updates to the CAC workplan.

Marketing and Outreach Update

East Bay Community Energy has started its Phase 2 marketing and outreach efforts. Attached to this report is a presentation outlining key marketing and outreach activities related to Phase 2.

Local Development Business Plan Update

No incremental update from Sept 26th, 2018 meeting.

Update on Opt-Outs

Opt-out report included as an attachment to this report.

Attachments:

- A. Marketing and Outreach Update

ENROLLMENT UPDATE

	Opt Up %	Opt Out %	Total Opt Up	Total Opt Out	Total Eligible
Total	9.85%	0.63%	54,986	3,498	557,748
Phase 1 (C&I)	18.89%	1.63%	10,542	912	55,818
Phase (Res)	8.85%	0.52%	44,444	2,586	501,930

Removed Albany, Hayward, and Piedmont Opt Ups

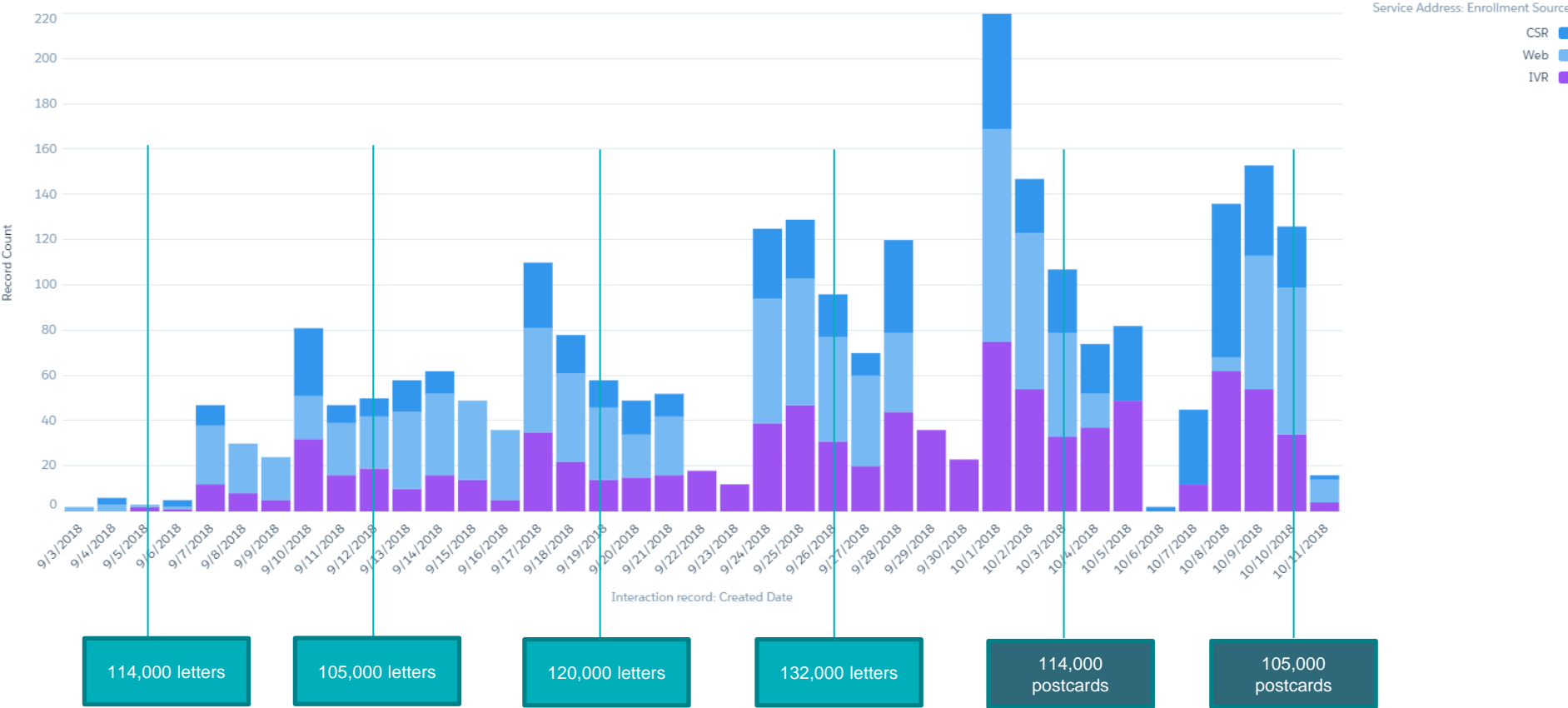
	Opt Up %	Total Opt Up	Total Eligible
Total	0.65%	3,619	557,748
Phase 1 (C&I)	5.27%	2,940	55,818
Phase (Res)	0.14%	679	501,930

Opt Up count includes Brilliant 100 and Renewable 100 Customers

ENROLLMENT BY PROGRAM

	Bright Choice	Brilliant 100	Renewable 100
TOTAL	499,229	50,557	3,784
Phase 1 (C&I)	44,341	9,897	0
Phase 2 (Res)	454,888	40,660	3,784

Daily Opt Out Summary - EBCE RES



Nextdoor: Basic Functionality

- **Personal Accounts** based on billing address of cell phone or credit card
 - View into surrounding neighborhoods only
- **Business Accounts** must be recommended by local personal account
 - Once recommended, business is visible to neighbors but account cannot view threads
- **Public Agency Accounts** can post to area but cannot monitor neighborhood discussions
 - Nextdoor limits these accounts to “local public safety agencies and city/county administrative departments”
- **Sponsored Posts** are paid advertisements
 - Nextdoor is in testing phase – not currently adding new Sponsors

EBCE Strategy

- Leverage existing City/County Public Agency accounts
- Track and monitor neighborhood activity through community supports
- Track and monitor opt outs by zip code
- Draft messaging for Public Agency posting in active neighborhoods or target zip codes
- Pursue paid advertising through “Sponsored Posts”



Staff Report Item 13

TO: East Bay Community Energy Board of Directors
FROM: Bill Her, Director of Power Resources
SUBJECT: Risk Oversight Committee Formation (Informational Item)
DATE: October 17, 2018

Recommendation

Receive update on the Risk Oversight Committee process. EBCE staff is in the process of forming the Risk Oversight Committee to monitor power procurement activities and ensure they are consistent with EBCE's Energy Risk Management Policy.

Background

EBCE's Risk Management Policy was approved by the Board back in February 2018. One of the risk control methods it identifies is implementing the role of a Risk Oversight Committee (ROC).

Function and Purpose:

The purpose of the ROC is to assist the Board of Directors and Chief Executive Officer in overseeing and making sure power procurement activities are carried out according to the guidelines set forth in the risk management policy. The ROC makes sure compliance failures and exceptions to the Energy Risk Management Policy are identified and properly reported with the appropriate steps taken for correction.

The ROC also helps to identify additional potential energy-related risks and make amendments to the control methods and procedures as necessary.

Proposed Structure and Membership:

As approved in the Energy Risk Management Policy, the ROC shall consist of EBCE Management from different functions, non-staff representatives, and legal counsel. Members of the ROC can be nominated by the committee and confirmed with approval by the Chief Executive Officer or directly appointed by the CEO.

Traditionally, a ROC for entities similar to EBCE consists of lead management from at least 3 core functions:

- Front Office which is responsible for planning and executing energy procurement activities
- Middle Office whose function is Finance and Administrative oriented
- Back Office which is in charge of recording transactions, settling bills, bookkeeping

Staff is intending on fulfilling these traditional standards with the Director of Power Resources as the Front Office representative, the Treasurer/COO as the Middle Office member, and the Scheduling Coordinator as the Back Office member.

In addition to standard business practices, Staff is also incorporating additional non-staff advisory members to provide perspective and maintain transparency.

Meetings:

Meetings will occur at least quarterly to review transactions, risk metrics, and policy revision. Meetings may occur more frequently in the earlier stages of the ROC.

As circumstances require, meetings outside of the regular schedule may be called by any member of the committee to address urgent matters. At least 3 members must be present to have quorum.

Duties and Authority:

The ROC enforces EBCE's policies on energy procurement and has the authority to direct procurement strategy to align with the approved Energy Risk Management Policy.

The ROC can also impose corrective actions for deviations from the Energy Risk Management Policy.

The ROC reports to the CEO and seeks approval from the Board of Directors for changes to the Energy Risk Management Policy that are outside of its delegation.

Attachment:

- A. EBCE Energy Risk Management Policy



Energy Risk Management Policy
Version 1.0

Approved
2.7.18

Table of Contents

1. Philosophy, Objectives and Scope	1
1.1. Risk Philosophy.....	1
1.2. Business Activities	1
1.3. Transacting Objectives	2
1.4. Scope of Policy	2
1.5. Applicability	3
1.6. Policy Review and Amendments.....	3
2. Risk Strategy & Parameters	3
2.1. Counterparty Risk Management	3
2.2. Balanced Load	3
2.3. Minimum Coverage Requirements	3
2.4. Diversification of Portfolio	4
2.5. Purchase to Cover Load Serving Obligations - No Speculation.....	4
2.6. Use of Derivatives and Financial Transactions.....	4
3. Risk Controls.....	4
3.1. Control Principles	4
3.2. Internal Controls	5
3.3. Segregation of Duties.....	5
3.4. Conflicts of Interest.....	5
4. Roles, Responsibilities, & Organization.....	6
4.1. EBCE Board of Directors	6
4.2. Executive Director	6
4.3. Risk Oversight Committee.....	6
4.4. Front Office (Planning and Procurement).....	7
4.5. Middle Office Controls and Reporting	8
4.6. Back Office (Settlements and Recording)	8
4.7. Auxiliary Functions	8
4.8. Authorities, Delegations, Limits and Prohibitions.....	8
5. Policy Compliance	8
5.1. Compliance Exceptions	9
5.2. Reporting of Exceptions	9
5.3. Audit	9
5.4. Reserves	9
5.5. Systems, Tools and Training.....	9

1. Philosophy, Objectives and Scope

This Energy Risk Management Policy (ERMP) outlines the philosophies and objectives of East Bay Community Energy (EBCE) Board of Directors (Board). The Energy Risk Management Regulations (ERMR) also adopted by EBCE expand on the roles, strategies, controls and authorities authorized in this policy to form a comprehensive energy risk management program. The ERMR shall be read in conjunction with this ERMP.

1.1. Risk Philosophy

The overall goal of this ERMP is to:

- Serve the participating jurisdictions' needs subject to Board approved risk tolerance limits;
- Provide as much energy supply (generation and capacity) cost certainty for EBCE's customers as possible while maintaining a least cost supply portfolio; and
- Enhance the value of EBCE's assets to meet the financial goals and requirements of the participating jurisdictions.

As a joint powers authority, EBCE is in the business of generation, transmission and procurement of energy for the benefit of its participating jurisdictions. EBCE's objective is to develop the least cost supply portfolio to meet load requirements of its customers, while maximizing revenues from sales of surplus energy, capacity and other wholesale energy and transmission services (e.g. resource optimization). However, unlike a private-sector entity, EBCE's primary purpose in the power supply business is to serve its customers. EBCE's goal is to be a cost hedger for its participating jurisdictions' load and, is therefore, precluded by this policy from engaging in speculative activities typical to many organizations orientated toward profit maximization.

EBCE management recognizes that certain risks are incidental to normal power supply operations and hedging activities. EBCE's goal is to avoid unnecessary risk and to limit, to the extent practicable, any risks associated with normal cost-hedging activities. This document serves as a vehicle to describe and define the limits for activities considered as appropriate for EBCE in a normal course of business.

1.2. Business Activities

A primary part of EBCE's main business is to procure or produce power supplies, capacity, and reserves to meet its customer load requirements. The resource (capacity/energy) supply portfolio may consist of physical assets, such as power plants and distributed energy resources, fixed and variable priced supply contracts of varying lengths, and agreements for other related supplies and services needed to ensure reliable delivery of electricity to EBCE's customers.

1.3. Transacting Objectives

EBCE's overall transacting objective is to meet the load requirements of its customers with an optimized resource supply portfolio. EBCE's objectives when transacting on behalf of its customers for the procurement of energy and energy related supplies and services are as follows:

- Meet customer load requirements including energy, capacity and reserves;
- Provide stable rates for the participating jurisdictions;
- Obtain the best available price for power supply while complying with the requirements of this policy and other objectives established by the Board (e.g. renewable energy policy goals);
- Manage EBCE's assets to optimize value;
- Act to limit exposure to extreme market system changes;
- Follow effective wholesale counterparty credit management procedures; and
- Develop and maintain EBCE's investment grade credit rating.

1.4. Scope of Policy

This ERMP addresses risks arising from EBCE's participation in the wholesale energy markets, and applies to all energy and energy related transactions made by EBCE. This ERMP does not address the following types of general property and casualty business risk: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other such typically insurable perils. The term "risk management," as used herein, is therefore understood to refer solely to risks related to participation in wholesale energy markets as herein defined.

EBCE is exposed to three quantifiable risks: load and resource variability (volumetric), cost variability (price), and counterparty credit risk. From the perspective of risk mitigation, EBCE's primary objective is to cover load and optimize the value of assets. Taking risks in order to arbitrage market opportunities, or risks unrelated to EBCE's normal power supply business activities, is not permitted.

EBCE is also exposed to regulatory and operational risks. However, these exposures are not quantifiable as they affect structural change. As a result, these risk categories are managed as separate enterprise risk exposures and are not directly governed by this ERMP.

This ERMP prescribes the management organization, authority and processes to monitor, measure and control the risks to which EBCE is exposed in the normal course of business. Specific methodologies used to measure, monitor and control these risks shall be established by the Executive Director's Risk Oversight Committee (ROC), in accordance with sound utility practices and included in the ERMR.

1.5. Applicability

This ERMP is effective immediately upon its adoption by the Board. It applies to EBCE's wholesale supply operations, long-term contracting for energy/capacity and services, acquisition of generation resources, credit risk management and other related ancillary activities undertaken by EBCE.

1.6. Policy Review and Amendments

Prudence is required in implementing any and all policies and procedures. Market and industry norms, technology and risk tolerances tend to change over time. Therefore, this policy should be reviewed as needed, in order to make adjustments in response to changes in business objectives and/or industry norms. Amendments to this ERMP shall be done only by approved Resolution of the Board.

2. Risk Strategy & Parameters

An important aspect of implementing an overall energy risk management policy is the development of related strategies to mitigate all of the related risks associated with energy transacting activities. The key strategies of EBCE are outlined below.

2.1. Counterparty Risk Management

Counterparty risk is defined as the exposure to economic loss resulting from default by a party to a contract (e.g., a *counterparty*). Counterparty risk affects both contracts requiring physical settlement and those specifying monetary settlement. For all fixed price energy transactions, the counterparty must possess at least a BBB- (or equivalent investment grade rating) by a nationally recognized statistical rating organization (NRSRO). EBCE staff may consider counterparties with a rating below investment grade, or a counterparty without a NRSRO rating on a case-by-case basis, with the approval of the ROC.

Effective wholesale counterparty management and credit analysis is essential to mitigate the counterparty risks associated with commodity transactions in the energy markets. The objective is to preserve EBCE's capital, liquidity, and supply reliability by limiting counterparty credit risk and supplier concentration to acceptable levels. Methodologies to achieve this objective are set forth in the ERMR.

2.2. Balanced Load

EBCE shall maintain an integrated and balanced portfolio of resources to cover its customer load within a dual volume and cost-at-risk framework.

2.3. Minimum Coverage Requirements

EBCE shall establish minimum coverage requirements, combined with defined cost-at-risk metrics, for capacity and energy as determined by the ROC and outlined in the ERM.

2.4. Diversification of Portfolio

EBCE shall strive to develop a resource portfolio that includes diversification in fuel type, contract duration, geographic location, counterparty, pricing terms, cash reserves and types of products.

2.5. Purchase to Cover Load Serving Obligations - No Speculation

As discussed in Section 1.3, EBCE's overall objective for energy procurement activities is to cover the load serving obligations of its customers. In the course of performing these activities, EBCE shall not engage in activities that expose its participating jurisdictions to speculative transactional risks, and shall only utilize approved transaction parameters as determined by the ROC and outlined in the ERM.

2.6. Use of Derivatives and Financial Transactions

Use of financial derivatives or transactions (as opposed to physical or "embedded" options) is allowed in limited circumstances by EBCE. These include transactions used to set price caps and floors, or hedge against load/price volatility. Examples include:

- Exchange traded Puts and Calls;
- Electric Futures;
- Electric Options; and
- Weather Derivatives.

Use of certain types of financial derivatives is necessary in order to mitigate various risks outlined in this policy while optimizing the resource portfolio. Such types of allowable financial derivatives or transactions (but not individual transactions) must be approved by the ROC as outlined in the ERM as developed by the ROC in accordance with this policy.

3. Risk Controls

3.1. Control Principles

EBCE will strive to conduct its energy risk management activities in accordance with best practices of the energy industry, but implementing such practices must be cost justified and balanced between costs and benefits. Processes and control systems must be in place that allow EBCE to identify, measure, monitor, control and track its risk exposures. These processes and control systems shall include the following risk management control principles:

- Appropriate segregation of duties and internal controls will be used;
- Appropriate systems to ensure accurate and effective management reporting;
- Necessary resources in place to achieve management objectives;
- Attract and retain skilled and trained personnel;
- Cross-train and provide cross coverage;
- Employees conducting energy transactions are free of conflicts of interest;
- Authority and approval delegation is commensurate with accountability and capability;
- Performance measurement and reporting incorporate risk and return measures; and
- Ongoing monitoring of control effectiveness.

3.2. Internal Controls

Internal controls shall be based on proven principles that meet the stringent requirements of generally accepted auditing standards (GAAS), financial institutions and credit rating agencies. The required controls shall include all customary and usual business practices designed to 1) prevent errors and improprieties, 2) ensure accurate and timely reporting of results of operations and other information pertinent to management, and 3) facilitate attainment of business objectives.

3.3. Segregation of Duties

Responsibilities related to energy transacting shall be segregated in a manner consistent with the control principles listed above by means of clearly defined roles and responsibilities for the Front Office, Middle Office and Back Office operations. Such roles and responsibilities can also be provided by a qualified third party services provider. Specific roles, responsibilities and organizational structure of these functions are outlined in Section 4 of the ERMP.

These controls shall be fully integrated into all business activities of EBCE, and there shall be active participation by senior management in risk management processes.

3.4. Conflicts of Interest

All EBCE employees who are engaged in energy supply resource transactions, counterparty credit evaluation, or oversight of the foregoing and are employed in any job classification listed in the EBCE Conflict of Interest Code are required to complete annual conflict of interest filings on FPPC Form 700 and disclose investments as required by that code.

In addition to the foregoing disclosure requirement, EBCE employees engaged in energy supply resource transactions, counterparty credit evaluation or oversight of the foregoing, are barred from investing in any company with whom EBCE has consummated energy or related purchases or sales within the last two years.

Such employees must divest existing direct holdings in energy counterparties prior to engaging in any negotiating, evaluating, transacting or oversight functions. The ban on investment and requirement for divestment applies regardless of whether or not the investment would be of sufficient size (\$2,000) to require disclosure on FPPC Form 700.

EBCE employees supervising staff who are subject to this policy are responsible for routinely reviewing Form 700 of each such staff member for the purpose of identifying potential financial conflicts of interest. General Counsel will assist in reviewing these forms and providing legal advice in connection with such reviews upon request.

4. Roles, Responsibilities, & Organization

This section of the ERMP defines the overall roles and responsibilities for implementation of this ERMP. The coordinated efforts of personnel across several divisions are required to successfully implement EBCE's risk management program. Section 4 of the ERMP outlines the basic roles and responsibilities of each organizational function. Specific details and the specific roles and responsibilities of the oversight and operational divisions within the energy risk management program structure at EBCE are outlined in the ERMR, as developed by the ROC and revised from time to time.

4.1. EBCE Board of Directors

The Board has the ultimate oversight over EBCE operations and is responsible for establishing an organizational-wide framework for risk management and ensuring that risk management results are achieved as planned. The Board shall approve and establish organizational policies for risk management and delegate to the Executive Director the responsibility for implementing the ERMP. With responsibility for the ultimate oversight over EBCE operations, the Board shall be responsible to insure the risk management results are achieved in accordance with the ERMP.

4.2. Executive Director

The Executive Director has overall responsibility for implementing the ERMP and for communicating risk management issues to the Board. The Executive Director shall be responsible for delegating specific duties for carrying out the policy and insuring compliance with it by all affected EBCE employees or contractors. The Board acknowledges that the Executive Director shall established the ROC as a member/staff function and may delegated certain functions to the ROC, which delegation is ratified by this ERMP.

4.3. Risk Oversight Committee

The Risk Oversight Committee (ROC) is responsible for overseeing compliance with risk management policies within EBCE. The ROC serves as the highest level of organizational risk management reporting to the Executive Director. The ROC shall consist of EBCE Management,

participating jurisdictional representatives and EBCE’s legal counsel, as designated by the Executive Director from time to time. A quorum for the ROC to do business shall be not less than three Committee members (including not less than one participating jurisdictional representative) or their designees.

The two participating jurisdictional representatives shall be appointed to the ROC by the Executive Director. These participating jurisdictional representatives shall reflect the diversity of EBCE’s customers (including larger and smaller jurisdictions). The participating jurisdictions may nominate potential ROC members. The Executive Director shall select ROC representatives based on those recommendations.

Each ROC member shall have one vote, and may appoint a voting alternate with the approval of the Executive Director. Participating jurisdictions not represented on the ROC may send representatives to attend ROC meetings and participate in ROC discussions; however, these non-ROC participants will have no voting rights.

The ROC will meet at least quarterly, to act on the responsibilities mentioned above. Individual participating jurisdictions may request the ROC to convene in a timely fashion if ROC approval is required for any transaction affecting EBCE. Minutes to each meeting will be maintained according to EBCE policy.

The ROC shall make regular reports to the Board regarding business transacted by the ROC at such intervals as the Board shall direct.

The ROC shall have the responsibility for ensuring that business is conducted in accordance with the ERMP. The ROC shall adopt and keep current “Energy Risk Management Regulations,” which shall define in detail the internal controls, strategies and processes for managing risks covered under the ERMP. Specific ROC responsibilities are outlined in detail in the ERMR.

4.4. Front Office (Planning and Procurement)

The Front Office is responsible for resource planning and procuring resources to meet the physical, financial and contractual requirements of EBCE, with load/resource balancing provisions and such other arrangements as may be approved by the Board in the future. The function includes contract administration, managing the risk assumptions for electricity transactions, including physical and financial needs analyses, energy purchases and sales, procurements of capacity, ancillary services and coordinating energy delivery scheduling. The Front Office is responsible to ensure that the procedures and processes needed to transact business within the ERMP are in place and they perform all duties related to actual transacting in the wholesale energy markets. The Front Office is the primary interface with potential wholesale transacting counterparties. The Executive Director and Director of Power Resources are responsible for managing the Front Office, and can be supported by qualified third party suppliers. Front Office activities and detailed responsibilities are outlined in the ERMR.

4.5. Middle Office Controls and Reporting

The duties of the Middle Office will be conducted by the Finance and Administrative Services Department, and/or are supported by a qualified third party supplier. Its primary purpose is to manage risk oversight and controls. The Middle Office provides independent oversight of the risks assumed by the Front Office in the course of transacting energy products and services. The Middle Office must be independent from the Front Office functions. The Director of Finance and Administrative Services is responsible for managing the Middle Office. Detailed responsibilities of the Middle Office are described in the ERMR.

4.6. Back Office (Settlements and Recording)

The Back Office is primarily responsible for settlement of bills, recording transactions, bookkeeping and accounting, and contract compliance. It is responsible for providing assurance of accurate transaction records and settlements. Back Office functions are conducted by personnel in the Finance and Administrative Services Department, and/or are supported by a qualified third party supplier. Detailed responsibilities of the Back Office are described in the ERMR.

4.7. Auxiliary Functions

Additional issues impacting the overall power supply and risk management program include establishment of financial reserve requirements, which are generated by auxiliary support functions in the Finance and Administrative Services Department.

The Finance and Administrative Services Department is responsible for preparation of the budget and the calculation of rates used to bill customers for their related power supply usage. In addition, the Finance and Administrative Department is responsible for establishment of necessary reserve levels for the various projects owned by EBCE, if any, and for the EBCE in general. The Finance and Administrative Services Department is also responsible for establishment of reserves necessary for credit risks related to counterparty credit as mentioned in the ERMP, but as more clearly defined in the ERMR.

4.8. Authorities, Delegations, Limits and Prohibitions

All executed transactions shall conform to the policies set forth herein. It shall be the responsibility of the ROC, with approval of the Executive Director, to establish appropriate individual transacting authority limits for the various personnel involved in the Front Office function. All staff with designated responsibility for Middle Office or Back Office functions are strictly prohibited from executing any wholesale transactions. The Middle Office shall be responsible for informing counterparties of such approved authorizations, including transacting authority and restrictions, along with product types and/or term and dollar limits.

5. Policy Compliance

5.1. Compliance Exceptions

Compliance exceptions are actions which violate the authority limits or directives set forth herein or in the ERMR as developed and adopted pursuant hereto by the ROC.

5.2. Reporting of Exceptions

The Executive Director shall notify the ROC of exceptions to mandated policies, procedures and regulations within 48 hours after they are identified, and ensure Front Office prepare a full report for review and discussion at the next ROC meeting.

5.3. Audit

Compliance with this ERMP and with the specific ERMR requirements instituted pursuant to this ERMP, shall be subject to examination by EBCE's independent auditors or by such other reviewers that EBCE or ROC may appoint to evaluate the effectiveness of mandated controls.

5.4. Reserves

The ROC and the Executive Director, or his/her designee, are responsible for ensuring adequate reserves for energy price exposure and credit losses are maintained by EBCE. The reserve estimate methodology, as established by the Finance and Administrative Services Department, shall be reviewed and approved as needed to ensure appropriate reserve levels are maintained and funded.

5.5. Systems, Tools and Training

EBCE employees who are authorized to perform energy risk management functions on behalf of EBCE shall be provided with the necessary systems and tools to support all risk management processes.

Provision shall be made in the budgets submitted for each division which performs market risk management functions on behalf of EBCE for the acquisition and maintenance of computer systems, software, communications equipment, data services and other analytical, measurement and reporting tools.

Provision shall also be made in the budgets submitted for each EBCE division/department which performs market risk management functions on behalf of EBCE for managers and staff to attend seminars and courses in risk management on a regular basis.



Staff Report Item14

TO: East Bay Community Energy Board of Directors
FROM: Melissa Brandt, Senior Director of Public Affairs
SUBJECT: Regulatory Update - Power Charge Indifference Adjustment (Discussion item)
DATE: October 17, 2018

Recommendation

Receive update on the Power Charge Indifference Adjustment.

Background

Attached presentation includes in-depth presentation on PCIA changes and initial assessment of impacts on EBCE.



Power Charge Indifference Adjustment (PCIA)

October 17, 2018



CPUC Power Charge Indifference Adjustment Decision

In general, the Decision is a mix of positive and negative results. The Decision aligns with the positions of CalCCA in numerous respects:

- ✓ Rejects the Joint Utilities' proposed Green Adder Mechanism and Portfolio Monetization Mechanism;
- ✓ Adopts a two-phased approach, with short-term modifications of the existing methodology as a bridge to a more reliable and permanent mechanism to allocate utility stranded costs;
- ✓ Endorses the option for prepayment of PCIA obligations by Direct Access and CCA customers and proposes to adopt in Phase 2 a more objective approach to calculating the prepayment amount;
- ✓ Defers to Phase 2 a true-up of the capacity and Renewable Portfolio Standard benchmarks until a reliable methodology can be developed;
- ✓ Rejects the Joint Utilities' proposal to eliminate vintaging for procurement of certain policy-driven resources mandated by the Commission and not required of other load-serving entities;
- ✓ Creates an opportunity to address portfolio optimization and forecasting in Phase 2;
- ✓ Directs development of a methodology to ensure that bundled customer bills make the PCIA transparent; and
- ✓ Adopts a cap (although insufficient and neutralized by the proposed PCIA rate trigger Mechanism).

CPUC Power Charge Indifference Adjustment Decision

On key economic issues, the Decision favors bundled ratepayer advocates and the Joint Utilities. The Decision:

- ✗ Adopts a capacity price benchmark based on short-run prices as reflected in a yet-unexplored RA Report published by the Energy Division;
- ✗ Rejects CalCCA's proposal for a GHG-free resource premium in the benchmark;
- ✗ Overlooks and thus rejects CalCCA's proposal for an ancillary services benchmark;
- ✗ Includes the costs of legacy (pre-2002) utility-owned generation in the PCIA charged to CCA departing load customers;
- ✗ Discontinues the 10-year limitation on recovery of post-2002 utility-owned generation and energy storage resources; and
- ✗ Rejects a cap on the change in the 2019 PCIA relative to the 2018 PCIA.

Finally, there are two issues for which the relative impact on CCA customers remains unclear. Given the adopted benchmarks and the recent trend in brown power and RA markets, a brown power true-up could be beneficial. Similarly, while CalCCA took no position on the allocation of generation among customer classes, the Decision conforms the PCIA allocation across rate classes to utility's General Rate Case methodology. It appears that this change will advantage residential customers, although other customer classes (e.g., small light and power, agriculture) will be disadvantaged.

CPUC Power Charge Indifference Adjustment Decision – Initial Impact Analysis

Rate Group	Current PCIA – 2017 Vintage	APD PCIA – 2017 Vintage	% change in the PCIA
Residential	0.0340	0.03541	104%
Small L&P	0.0253	0.04257	168%
Medium L&P	0.0257	0.02865	111%
E19	0.0217	0.02339	108%
Streetlights	0.0065	0.03680	566%
Agriculture	0.0252	0.04527	180%
E20 T	0.0179	0.02027	113%
E20 P	0.0194	0.02174	112%
E20 S	0.0283	0.02272	80%

The above table describes the estimated change in the PCIA as a result of the Commission's new methodology and is based on PG&E's June 2018 forecast, updated for forward brown power prices.

In order to maintain EBCE's current Bright Choice value proposition, EBCE's rates would need to be set at the level of 98.5% of PG&E's rates minus the PCIA and system fees, for each customer class.

At this time, it is too early to provide a full assessment of the impact of the new PCIA on EBCE in 2019. In November PG&E will submit an update to its 2019 rates, including an updated PCIA rate that accounts for the new methodology and market fundamentals. Once we have a clearer picture of PG&E's rates, we can better assess the impact on EBCE.



Staff Report Item 15

TO: East Bay Community Energy Board of Directors
FROM: Deidre Sanders, Director of Government and Community Affairs
SUBJECT: CAC Work Plan
DATE: October 17, 2018

Recommendation

Review the CAC workplan and either approve it or return it to the CAC with its requested revisions.

Background and Discussion

The CAC has proposed an update to its Work Plan as requested by the Board. It has been reviewed by the Executive Committee and is being forwarded to the Board for its approval. The Work Plan is to help shape CAC priorities and set Board expectations of areas of focus for the CAC that will guide its advice to the Board on issues of interest to EBCE's communities.

Fiscal Impact

None.

Attachments

- A. CAC Work Plan



Community Advisory Committee Work Plan

Draft:

Original Draft to Executive Committee dated August 21, 2018
Updated September 10, 2018 to reflect direction by EBCE
Executive Committee to add "regulatory" to Area 3.

*Wording added in Area 3 to reflect appropriate content, otherwise there is no
change to this document from the original August 21st draft approved by the CAC.*

EBCE COMMUNITY ADVISORY COMMITTEE WORK PLAN

Adopted April 12, 2017

The purpose of the East Bay Community Energy Authority ("EBCE") Community Advisory Committee ("CAC") is to advise the EBCE Board of Directors ("Board") on all subjects related to the operation of the Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 ("CCA Program") as provided in Section 4.9 of the EBCE Joint Powers Agreement and set forth in a work plan adopted by the Board of Directors from time to time¹. The Work Plan of the CAC includes but is not limited to the following²:

1. Work on defined objectives as directed by the Board, to produce materials that will assist the Board in decision-making.
2. Review and comment on EBCE budget and rates, policy and programs.
3. Help the Board to identify issues of concern and opportunities to educate community members about the EBCE.
4. Draft reports, in coordination with EBCE staff, to the Board with its findings and recommendations.
5. Serve as an information-channel back to their colleagues and communities.
6. Represent the views of their constituencies in their comments and recommendations.

¹ JPA language specific to the CAC included as Attachment 1.

² On April 12, 2017, the EBCE Board of Directors considered a CAC workplan created by EBCE staff. The video recording of their discussion and community input to the work plan is here: [Video of April 12, 2017 Board meeting](#) with the relevant CAC workplan discussion from 1:23 - 1:57 on the video.

Subsequent to the discussion and in Resolution EBCE R-2017-5, the EBCE Board of Directors approved the Community Advisory Committee Workplan above.

PROPOSED AMENDMENT TO CAC WORKPLAN

The CAC proposes to add to the existing workplan and specify three broad areas of focus for CAC actions: 1) Beneficial Pillars: Social, Economic, and Environmental, 2) Local Opportunities, and 3) Legislation and Public Policy. These areas of focus do not limit the existing workplan or the advice provided by the CAC, including those areas proactively identified by the CAC to bring to the Board's attention. This amendment to the work plan enables EBCE staff to understand when the CAC should be brought in early to discussions, acts as a guide to assist the CAC chair and members to focus CAC meetings, and informs the Board on some of the specific areas in which they may receive advice from the CAC.

The CAC will view efforts through the lens of the three beneficial pillars--social, economic, and environmental--described in the Local Development Business Plan (LDBP) to ensure that the Board receive community input in the areas that drive EBCE. Specifically, the CAC will provide advice that touches on maintaining positive economic, environmental, and social benefits for EBCE customers and our communities, calling out areas of potential threats and bringing forward areas where these benefits could be increased.

The CAC will seek to be timely in providing advice to the Board on issues being brought to the Board by staff and proactively bring issues forward as they arise in the community.

AREA 1: BENEFICIAL PILLARS

The CAC will provide advice on policy, programs, and projects touching on the three beneficial pillars in the LDBP (i.e., social, economic, and environmental benefits). The CAC expects to provide advice on the budgets, timing, and content of projects and programs, for example, net energy metering, that impact these beneficial pillars and to monitor their outcomes based on agreed metrics.

Social

EBCE seeks to promote social benefits and equity within the county. The CAC will advise on EBCE choices that affect lives within the community, especially regarding:

- **Jobs and job development, workforce training, Just Transition**
- **Community resiliency**
- **Social equity issues**

The CAC understands that improving the local workforce can have significant and long-lasting benefit for the communities within Alameda County. Further, EBCE committed to ensuring it will minimize adverse impacts to workers in existing jobs supporting our energy infrastructure to ensure a Just Transition to a clean energy economy.³ The CAC expects to pay close attention to the impacts of projects and programs on community resilience and social equity, particularly in low-income communities and communities of color. The CAC will delve into areas that touch on the bulleted points to provide the Board with advice directly from the community.

Economic

EBCE must be economically sound and make prudent choices to be a good steward of their ratepayer funds. The CAC will weigh in on areas to provide EBCE staff and the Board with information to ensure the long-term health of EBCE while being mindful of any adverse community impacts.

³ Reference Joint Powers Agreement, section 6 (j).

The areas where the CAC expects to spend a significant level of effort include:

- **Rates**
- **Budgets**

Rates for low income households will be of special interest to the CAC because of the impacts that energy rates can have on those already struggling to live in Alameda County. Budgets are generally set once per year; the CAC will work with staff to create a draft budget incorporating community input. In its analysis of the budget, the CAC shall focus on investment in local clean energy projects, as described further in the Environmental section below, and the resulting economic, social, and environmental benefits.

Environmental

EBCE strives to improve environmental and public health and address environmental and health justice impacts in the community. The CAC will advise on EBCE choices touching on the air, land, and water impacts and environmental resiliency.

The CAC believes that many of the environmental benefits discussed in the LDBP will derive from projects located within Alameda county. As described in the LDBP, these projects will include:

- **Distributed generation projects**
- **Energy Efficiency programs**
- **Demand Response programs**
- **Building Electrification projects / programs**
- **Electric Vehicle efforts**

As stated, the CAC expects to provide advice on the budgets, timing, and content of projects and programs, including those outlined in the LDBP, such as those described above (e.g., Social, Economic, and Environmental) and to monitor their outcomes based on agreed metrics.

AREA 2: LOCAL OPPORTUNITIES

The CAC has a broad and deep set of constituents who are involved in many different areas and are aware of opportunities for local development and positive local impacts related to EBCE as well as possible threats to these areas. This area is different from Area 1 because here, the CAC is focused **outward and forward looking**.

For example, the Bay Area Air Quality Management District may have an opportunity for new funding for clean air projects or a local organization may be receiving state or federal funds and seeking partners to provide workforce training. On the other side of the coin, the CAC or their constituents may hear of a local clean energy business development that provides substandard jobs or employs no local community members.

As part of the CAC efforts, we will continuously scan for opportunities and threats related to EBCE and bring them to the Board for consideration.

AREA 3: LEGISLATIVE / PUBLIC POLICY / REGULATORY

The CAC expects to advise the Board around legislative, public policy, and regulatory issues that affect CCAs.

Community members may be aware of legislation, other public policy, or regulatory issues that could affect the EBCE (positively or negatively) in areas not fully considered by staff. As such, the CAC is a positive and useful avenue to bring these types of issues to the attention of the Board for consideration. Additionally, the CAC is ready to support EBCE Directors and staff as needed as they interact with the state and federal legislators and legislative staff.

ATTACHMENT 1: EXCERPTS FROM JPA

The JPA in its entirety is located here: <https://ebce.org/resources/>

Below are the two excerpts relating directly to the CAC.

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.

4.9 Community Advisory Committee. The Board shall establish a Community Advisory Committee consisting of nine members, none of whom may be voting members of the Board. 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 to 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 appoint members of the Community Advisory Committee 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-year terms (the first term of three of the members shall be two years, four years thereafter), which may be renewed. A member 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 and/or be entitled to reimbursement for expense.



Staff Report Item 16

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, COO & Treasurer
SUBJECT: Insured Cash Sweep Memo (Action Item)
DATE: October 17, 2018

Recommendation

Authorize the CEO to execute the Insured Cash Sweep (ICS) Deposit Placement Agreement and related documents with River City Bank, to establish a mandatory interest-bearing account for excess cash balances.

Background

EBCE is mandated to place excess cash balances into interest bearing accounts and has researched two options for interest bearing accounts, a money market account or insured cash sweep account.

As a form of investment, EBCE seeks the following objectives:

1. To strictly comply with all Federal, State and Local laws.
2. All investments should be undertaken in a manner which seeks the preservation of principal.
3. To remain sufficiently liquid to meet all operating requirements.
4. To maximize yield consistent with risk limitations identified herein and prudent investment principles.

EBCE intends to manage funds in accordance with the Prudent Investor Standard pursuant to California Government Code 53600.3, as follows:

“Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs

of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

Through the ICS Deposit Placement Agreement with River City Bank, EBCE can place any excess cash balance (at least 25% of total bank deposits) into interest-bearing demand deposit accounts. The funds in the ICS account are 100% FDIC insured and are fully accessible for withdraw without limitation. The current annual percentage yield (APY) is 2.10%, which is approximately 0.40% points higher than a public funds money market account.

To illustrate the return of placing excess cash into this Insured Cash Sweep account, we’ll use an example maintaining a balance of \$10,000,000 in the account for one year. The interest income based on a \$10,000,000 deposit balance will be approximately \$210,000 ($\$10,000,000 \times 2.10\%$) for one year.

EBCE is seeking approval from the board to execute the ICS Deposit Placement Agreement with River City Bank. By doing so, EBCE can prudently invest any excess cash balance into 100% FDIC insured interest-bearing demand deposit accounts to maximize yield, while retaining sufficient liquidity to meet all operating requirements.

Attachment:

- A. Insured Cash Sweep Deposit Placement Agreement; and
- B. ICS Public Funds Info Sheet and Public Fund Money Market Overview

Deposit Placement Agreement

You, the undersigned, enter into this ICS Deposit Placement Agreement (this "*Agreement*") with ("*we*" or "*us*"). This Agreement states the terms and conditions on which we (as your "*Relationship Institution*") will endeavor to place funds into deposit accounts at receiving depository institutions (each a "*Destination Institution*") from a transaction account with us into which you (the "*Depositor*") have deposited funds for such placement (the "*Transaction Account*"). The Destination Institutions will be depository institutions at which deposit accounts are insured by the Federal Deposit Insurance Corporation ("*FDIC*") up to maximum deposit insurance amounts.

We will endeavor to place your funds at Destination Institutions using ICS®, the Insured Cash Sweep® service of Promontory Interfinancial Network, LLC ("*Promontory*"). The amount of your funds that we place in the deposit accounts that have been established for the placement of your funds at Destination Institutions (each a "*Deposit Account*") will not exceed the FDIC standard maximum deposit insurance amount ("*SMDIA*"), currently \$250,000, at any one Destination Institution.

We offer placement of funds through ICS to businesses, nonprofit entities, and, subject to applicable law, public entities. We may also choose to place funds through ICS for individuals with a demonstrated need to maintain large cash balances (e.g., \$500,000 or more) over a 12-month period. You must be capable of using, and you agree to use, the ICS Depositor Control Panel ("*DCP*"), an online tool described in this Agreement, to review proposed placements and for other purposes. You also agree to receive notices concerning ICS deposits that may be posted on the DCP or sent by email.

Funds in your Deposit Accounts will be "deposits," as defined by federal law, at the Destination Institutions. Each Deposit Account at a Destination Institution in which your funds will be placed will be a demand deposit account ("*DDA*").

1. Your Relationship With Us

1.1. *Agency and Custodial Relationship*

(a) We will act as your agent in placing your funds in Deposit Accounts through ICS and, under our separate custodial agreement with you (the "*Custodial Agreement*"), as your custodian for the Deposit Accounts. We will not act as your investment adviser, and we will have no obligation to advise you of alternative investments. The Bank of New York Mellon ("*BNY Mellon*") will act as our sub-custodian, settlement agent, reconciliation agent, and recordkeeper. BNY Mellon will also act as recordkeeper for Destination Institutions at which your Deposit Accounts are established, maintaining certain deposit account records for those Destination Institutions.

(b) Each Deposit Account (i) will be recorded on the records of the Destination Institution in the name of BNY Mellon, as our sub-custodian, (ii) will be recorded on the records of BNY Mellon in our name, as your custodian, and (iii) will be recorded on our records in your name, all in a manner that will permit the Deposit Account to be FDIC-insured to the same extent as if you held it directly with the Destination

Institution. For purposes of Article 8 of the Uniform Commercial Code, we will act as your securities intermediary for, and will treat as financial assets, your Deposit Accounts and all your security entitlements and other related interests and assets with respect to your Deposit Accounts, and we will treat you as entitled to exercise the rights that comprise your Deposit Accounts. All interests that we hold with respect to your Deposit Accounts are held by us solely as your securities intermediary and are not our property. You are and will remain the owner of all funds of yours that we place for you through the ICS service and any interest on those funds.

(c) As further described below, on each day that is not a Saturday, a Sunday, or another day on which banks in New York, New York, are authorized or required by law or regulation to close (a "*Business Day*"), our proposed allocation of your funds to Destination Institutions will be available to you in advance on the DCP to approve or reject. We have entered into an agreement with Promontory to use the ICS service in connection with such allocations. In using ICS, we will adhere to Promontory's policies and procedures. Promontory is not your agent or custodian, however, and it is not responsible for placement of your funds or custody of your Deposit Accounts.

1.2. *Termination of Custodial Relationship*

(a) Either you or we may terminate the custodial relationship between you and us at any time. You may not transfer your Deposit Accounts to another custodian, but you may dismiss us as your custodian for a Deposit Account and request that your ownership of the Deposit Account will be recorded in your name on the books of the Destination Institution. We will endeavor to cause any such request that we receive from you to be promptly forwarded to the Destination Institution. Each Destination Institution at which your funds may be placed has agreed that it will promptly fulfill any such requests, subject to its customer identification policies and other standard account opening terms and conditions.

(b) If a Deposit Account has been recorded in your name on the books of a Destination Institution pursuant to Section 1.2(a), (i) you will be able to enforce your rights in the Deposit Account directly against the Destination Institution, but we will no longer have any custodial responsibility with respect to the Deposit Account and you will no longer be able to enforce your rights in the Deposit Account against the Destination Institution through us, and (ii) the interest rate applicable to the Deposit Account will be the interest rate that the Destination Institution establishes, which may be lower than an interest rate that we might have established.

2. Your Deposits at Destination Institutions

2.1. *The Deposit Accounts and the Interest Rate*

(a) Each of your Deposit Accounts, including the principal balance and the accrued interest, will be a deposit obligation of the Destination Institution at which the Deposit Account has been established and will not be an obligation of Promontory, BNY Mellon, or us. We, as your custodian, will maintain on our books and records, either directly or with the assistance of BNY Mellon, a custodial account in which we will hold your interests with respect to the Deposit Accounts

(an “ICS Custodial Account”). We may permit you to have multiple ICS Custodial Accounts for your business purposes, and we may also permit you to have multiple Transaction Accounts associated with an ICS Custodial Account. Having multiple ICS Custodial Accounts or multiple Transaction Accounts will not expand the FDIC insurance coverage available to you in a single insurable capacity.

(b) The interest rate for your Deposit Accounts at Destination Institutions on any day will be the then-current rate we establish for them, which may be any rate (including zero) and which we may modify at any time (the “Interest Rate”). We do not offer or promise you any particular Interest Rate. In particular, we do not promise you that an Interest Rate will be any particular rate or that an Interest Rate that may be effective at a given time will be effective at a later time. Through your continued participation in ICS, you accept each applicable Interest Rate.

(c) The Destination Institutions have agreed that interest on your Deposit Accounts will accrue and compound daily at the applicable Interest Rate and will be credited to principal at least once each month. Payment of the full amount of all accrued interest with respect to a Deposit Account at a Destination Institution will be solely the responsibility of, and solely enforceable against, that Destination Institution. We will have no indebtedness to you for any such amount.

2.2. Balances and Statements

(a) On any day, you may confirm through the DCP the aggregate principal balance in your Deposit Accounts (your “Program Balance”) for each ICS Custodial Account, and your principal balance and accrued interest at each Destination Institution for each ICS Custodial Account, as of the settlement of payments to and from ICS participating institutions through BNY Mellon (“ICS Settlement”) for the preceding Business Day or, after completion of ICS Settlement on a Business Day, for that Business Day.

(b) For each ICS Custodial Account, we will provide you with periodic account statements that include your Program Balance as of the end of the statement period, the total interest you have earned on your Deposit Accounts during the period, the rate of return you have earned on the daily average closing principal balance in your Deposit Accounts for the period (which will be referred to as the “Statement Period Yield”), and your principal balance at each Destination Institution in which your funds are deposited as of the end of the period. You should retain these account statements.

(c) The account information available on the DCP as described in Section 2.2(a), and the periodic statements described in Section 2.2(b), will be your record of your Deposit Accounts.

3. Program Deposits and Program Withdrawals

3.1. Triggering Events

(a) Schedule 1 to this Agreement sets forth events that will trigger a transfer of funds at ICS Settlement from the Transaction Account to the Deposit Accounts (a “Program Deposit”) or a transfer of funds at ICS Settlement from the Deposit Accounts to the Transaction Account (a “Program Withdrawal”).

(b) Depending on the terms of Schedule 1, an event that triggers a Program Deposit or a Program Withdrawal (a “Triggering

Event”) may be a specified change in the Transaction Account balance, a request by you that we accept, or another event described in Schedule 1.

(c) If we permit you to have multiple Transaction Accounts associated with a single ICS Custodial Account, Schedule 1 may specify separate sets of Triggering Events for each Transaction Account or one set of Triggering Events for all Transaction Accounts.

3.2. Program Deposits

(a) The occurrence of a Triggering Event for a Program Deposit does not result in a transfer of funds to your Deposit Accounts until the applicable ICS Settlement occurs. Schedule 2 to this Agreement contains important information regarding the status of funds in the Transaction Account.

(b) Subject to the other terms and conditions of this Agreement, and except as provided in the next subsection, a Triggering Event for a Program Deposit under Schedule 1 will result in a transfer of funds to your Deposit Accounts at ICS Settlement the *next* Business Day (a “Regular Program Deposit”).

(c) Schedule 1 states whether a transfer of funds to your Deposit Accounts at ICS Settlement on the *same* Business Day (a “Same-Day Program Deposit”) is available and, if so, the cutoff time for you to request a Same-Day Program Deposit (the “Same-Day Deposit Cutoff Time”). To the extent Schedule 1 so provides, and subject to the other terms and conditions of this Agreement, a request that we receive and accept before the Same-Day Deposit Cutoff Time will be a Triggering Event that results in a Same-Day Program Deposit.

(d) We may impose a maximum Program Balance amount for your deposits placed through ICS and will inform you of any maximum Program Balance we impose. Even if a Triggering Event for a Program Deposit occurs, we may choose not to transfer the amount to your Deposit Accounts to the extent it would cause the Program Balance to exceed the maximum amount. In addition, we may choose not to transfer to the Deposit Accounts an amount that we have credited to the Transaction Account, but have not yet collected from a third party.

(e) There is no per-month limit on the number of permitted Program Deposits.

3.3. Program Withdrawals

(a) Subject to the other terms and conditions of this Agreement, a Triggering Event for a Program Withdrawal under Schedule 1 will result in a transfer of funds from your Deposit Accounts at ICS Settlement the *next* Business Day (a “Regular Program Withdrawal”).

(b) Schedule 1 states whether the transfer of funds from your Deposit Accounts at ICS Settlement on the *same* Business Day (a “Same-Day Program Withdrawal”) is available and, if so, the cutoff time for you to request a Same-Day Program Withdrawal (the “Same-Day Withdrawal Cutoff Time”). To the extent Schedule 1 so provides, and subject to the other terms and conditions of this Agreement, a request that we receive and accept before the Same-Day Withdrawal Cutoff Time will be a Triggering Event that results in a Same-Day Program Withdrawal.

(c) There is no per-month limit on the number of permitted Program Withdrawals.

3.4. *Program Withdrawal Advances; Security Interest*

(a) If Schedule 1 provides that we will advance funds to you in anticipation of a Program Withdrawal, or if we otherwise decide in our discretion to advance funds to you in anticipation of a Program Withdrawal, you will owe the amount of these funds to us and we will retain from the funds we receive at ICS Settlement the amount we have advanced to you.

(b) With respect to any amount that you owe to us pursuant to Section 3.4(a):

(i) you grant us, and acknowledge that we have, a security interest in, and a lien on, your Deposit Accounts, related security entitlements, and other related interests and assets that we may hold for you as custodian and securities intermediary pursuant to the Custodial Agreement for the amount you owe to us,

(ii) if a Destination Institution fails before a Program Withdrawal is completed, we may retain the amount of the Program Withdrawal from the proceeds of your FDIC insurance claim to satisfy the amount you owe to us, and

(iii) to the extent the amount you owe to us is not satisfied from the interests and assets we are holding for you pursuant to the Custodial Agreement, or from the proceeds of any FDIC insurance claim, the amount remains owed by you to us and is payable on demand.

(c) If, in a separate agreement, you have granted us a security interest in your Deposit Accounts or in any security entitlements or other interests or assets relating to your Deposit Accounts as collateral for a loan to you or otherwise, we may decline to honor a request for a Program Withdrawal, or decline to honor a debit transaction in the Transaction Account that would trigger a Program Withdrawal or be funded by a Program Withdrawal, to the extent the Program Withdrawal would cause your Program Balance to fall below the loan amount or other amount that you have agreed to maintain in your Deposit Accounts or to which the security interest applies. If, in a separate agreement, you have granted us a security interest in the Transaction Account, we also may decline to honor debit transactions in the Transaction Account in accordance with the separate agreement.

4. Daily Allocation and Depositor Control

4.1. *Daily Allocation; Review and Consent*

(a) In addition to allocating your funds to each Destination Institution in an amount that is under the FDIC insurance limit, the ICS process for allocating Program Deposits, Program Withdrawals, and funds already on deposit reflects various considerations, including the need for certain Destination Institutions to receive deposits in amounts they have placed for their own customers and possible limits on the amounts a Relationship Institution is authorized to place or a Destination Institution has agreed to receive. Applicable deposit amounts may change from day to day. Accordingly, the allocation of funds takes place each Business Day.

(b) As a result of the daily allocation of funds in ICS and the allocation objectives outlined in Section 4.1(a), the set of Destination Institutions to which your funds on deposit are allocated on a Business Day, and the amount allocated to each Destination Institution, may differ from a previous Business Day's allocation. A different allocation may involve the movement of funds from one Destination Institution to another Destination Institution, even though you do not have a Program Deposit or a Program Withdrawal. Such movements of funds will not affect any Interest Rate.

(c) You exercise control over the allocation of your funds through direct contact with us and through the DCP. You are responsible for reviewing the important information we provide you through the DCP, including information regarding proposed allocations that we provide each Business Day. In addition, on request at any time, we will provide you with a list of all Destination Institutions.

(d) Although we will not allocate your funds to Destination Institutions that you exclude or reject as set forth below, you authorize and consent to the allocation of your funds at Destination Institutions that you approve, or do not exclude or reject, as set forth below.

4.2. *Destination Institution Exclusions*

(a) We will not allocate your funds to any Destination Institution that is on your then-effective list of exclusions from eligibility to receive your funds through ICS (your "*List of Exclusions*").

(b) You may enter the name of any depository institution on your List of Exclusions in Schedule 4 to this Agreement. An exclusion in Schedule 4 is effective when we have signed the Agreement. You may later add exclusions to your List of Exclusions, or subtract exclusions from your List of Exclusions, by contacting us in a manner we specify. If you add an exclusion in this manner, the new exclusion will be effective within one Business Day after the first Business Day on which we have received the notice from you.

(c) If, on a Business Day, you have outstanding deposits that we have placed for you using Promontory's CDARS® service, and you have provided the same taxpayer identification number to us for purposes of CDARS and ICS, our allocation of your funds at Destination Institutions for that Business Day in ICS:

(i) will not include allocation to a Destination Institution that is the subject of a then-effective designation by you as ineligible to receive your funds through CDARS, and

(ii) will not cause the balance in your Deposit Accounts at a Destination Institution, together with the outstanding deposits, if any, that we have placed for you at that Destination Institution through CDARS, to exceed the SMDIA.

4.3. *Depositor Control Panel*

(a) Promontory will assist us in providing the DCP to you. Schedule 3 to this Agreement provides access information for the DCP. When you first log in to the DCP using the login credentials described in Schedule 3, you will be required to change your DCP user name and password.

(b) You represent that you have a computer with Internet access, an e-mail address, the ability to download and print information

from the DCP for your records, and the knowledge and experience to use an online tool for the DCP functionality. In addition, you acknowledge that you will be required to obtain and maintain all equipment and services necessary for access to the DCP.

4.4. *Depositor Placement Review*

(a) Each Business Day, your aggregate principal balance that will be in Deposit Accounts at Destination Institutions after that day's ICS Settlement will be provisionally allocated to Destination Institutions. The amount allocated will reflect your Program Balance as of the last ICS Settlement, plus any Program Deposit that will occur at the day's ICS Settlement, minus any Program Withdrawal that will occur at the day's ICS Settlement. The allocation may provide that previously-deposited funds will be removed from one or more Destination Institutions and deposited in one or more other Destination Institutions.

(b) After the provisional allocation occurs on a Business Day, but before it becomes final at the day's ICS Settlement, Depositor Placement Review ("*DPR*") will occur through the DCP. Even if a Destination Institution is not on your List of Exclusions, the final allocation that day will not allocate your funds to a Destination Institution at ICS Settlement if you reject it during DPR through the DCP. The initial DPR time period is set forth in Schedule 3. We may change the DPR period by posting advance notice of the change on the DCP. Your rejection of a Destination Institution will be effective only if you submit it, as specified in the DCP, before DPR ends.

(c) In DPR, you will see a list of Destination Institutions to which your funds are proposed to be allocated at ICS Settlement later that day (the "*Proposed Placement List*"), reflecting the provisional allocation of all your funds, including funds that will be moved from one Destination Institution to another Destination Institution. The Proposed Placement List will include the principal balance allocated to each Destination Institution. If you review the Proposed Placement List, and you click the approval button or you do not reject any of the Destination Institutions on the list, you will be approving the proposed allocation and your funds will be allocated in accordance with the list.

(d) If you reject any of the Destination Institutions on the Proposed Placement List, you will be approving allocation to Destination Institutions on the list that you do not reject. After entering rejections, if sufficient time remains in DPR, you will have the opportunity to review a list of other Destination Institutions to which your funds could be allocated (the "*Alternate Placement List*"). If you click the approval button for the Alternate Placement List, or you do not reject any of the Destination Institutions on it, you will be approving the allocation of your funds to any of the listed Destination Institutions. If you reject any of the Destination Institutions on the Alternate Placement List, you will be approving allocation to listed Destination Institutions that you do not reject. Your funds may be allocated to any combination of Destination Institutions on the Proposed Placement List and the Alternate Placement List that you do not reject.

(e) If the provisional allocation on a Business Day would result in funds of yours currently at one Destination Institution being moved to another Destination Institution and you reject the other Destination Institution in DPR that Business Day, the funds will not necessarily remain at the first Destination Institution. The funds will be allocated to a Destination Institution that you do not reject or returned to the Transaction Account.

(f) A Destination Institution that you reject in DPR will also be added to your List of Exclusions, for purposes of future allocations, within one Business Day after the Business Day on which you submit the rejection.

(g) We do not guarantee that all your funds will be allocated to Destination Institutions on any particular day, even if they were allocated to Destination Institutions on a previous day. Exclusions of Destination Institutions, and rejections of Destination Institutions in DPR, may increase the chance that funds will not be allocated. If funds not yet transferred to your Deposit Accounts are not allocated to a Destination Institution on a Business Day, the funds will remain in the Transaction Account. If funds previously transferred to the Deposit Accounts are not allocated to a Destination Institution on a Business Day, the funds will be returned to the Transaction Account.

5. FDIC Insurance Considerations

5.1. *Deposit Insurance Coverage*

(a) You may obtain information about FDIC deposit insurance coverage by visiting the FDIC website at www.fdic.gov or by contacting the FDIC by letter, email, or telephone. All your deposits at a Destination Institution in the same insurable capacity (whether you are acting directly or through an intermediary) will be aggregated for purposes of the SMDIA. You should add to your List of Exclusions any FDIC-insured depository institution at which you have other deposits in the same insurable capacity. Insurable capacities include individual accounts, joint accounts, and individual retirement accounts. Separate divisions within a corporate entity are not eligible for separate insurance coverage, and a separate taxpayer identification number ("*TIN*") does not necessarily evidence or establish a separate insurable capacity. It is your obligation to determine whether funds we are placing for you through ICS are maintained in separate insurable capacities. We may use your TIN to identify you, and we place your funds on the understanding that you are not depositing funds for placement under more than one TIN in the same insurable capacity.

(b) Your deposits in the Transaction Account, alone or when aggregated with your other deposits with us in the same insurable capacity, may exceed the SMDIA. Schedule 2 describes measures you should take if you cannot accept risks associated with uninsured deposits in the Transaction Account.

(c) The requirements for FDIC deposit insurance coverage of the deposits of the United States government, state, county, and municipal governments and their political subdivisions, the District of Columbia, and the Commonwealth of Puerto Rico are set forth in FDIC regulations. If you are a governmental unit, you are responsible for determining whether the requirements for deposit insurance have been met. We are not responsible for uninsured losses resulting from the placement of deposits that are not eligible for deposit insurance.

(d) The records maintained for us by BNY Mellon regarding ownership of your Deposit Accounts will be used to establish your eligibility for deposit insurance coverage. Accordingly, you must immediately report to us any changes in ownership information. We will inform BNY Mellon of any such changes so that it will have accurate information to provide to the FDIC if a Destination Institution fails. The FDIC could also require you to provide additional documentation.

5.2. *Deposit Insurance Payments*

(a) If deposit insurance payments become necessary for one of your Deposit Accounts, the FDIC is required to pay the principal amount plus accrued interest to the date of the closing of the Destination Institution, as prescribed by law, subject to the SMDIA. No interest is earned on deposits from the time a Destination Institution closes until insurance payments are received. As an alternative to making a direct insurance payment, the FDIC may transfer the deposits of an insolvent institution to a solvent institution. The solvent institution may change the interest rate on a deposit, subject to your right to withdraw the funds.

(b) We will notify you if we receive a deposit insurance payment from the FDIC with respect to your Deposit Account at a failed Destination Institution. Should we receive a deposit insurance payment with respect to your Deposit Account at a failed Destination Institution, we will place the amount of the payment in one or more Deposit Accounts at Destination Institutions pursuant to the deposit placement procedures set forth in this Agreement, subject to the other terms and conditions of this Agreement, including Section 3.4.

(c) In general, if an insured depository institution is closed, the FDIC is required by law to pay the insured deposits "as soon as possible," either by cash or by transferring the deposit to a new insured depository institution. It is possible, however, that an insurance payment could be delayed. We will not be obligated to make any payment to you in satisfaction of a loss you might incur as a result of a delay in an insurance payment, and we will not be obligated to advance funds with respect to any such payment.

5.3. *Responsibility to Monitor Deposits; Publicly Available Information*

(a) You are responsible for monitoring the total amount of funds in your Deposit Accounts at each Destination Institution in each insurable capacity to determine the extent of FDIC deposit insurance coverage available to you for deposits at that Destination Institution. You should confirm that each allocation of your funds to Destination Institutions is consistent with your exclusions and rejections by visiting the DCP and viewing the allocation, recognizing that the funds could be allocated to different Destination Institutions on any Business Day.

(b) Publicly available financial information concerning the Destination Institutions can be obtained by you at the website of the National Information Center of the Federal Reserve System at www.ffiec.gov/nicpubweb/nicweb/nichome.aspx.

6. Additional Considerations

6.1. *Reciprocal and One-Way*

(a) We may participate in the ICS service through one or both of two different forms of the service. When we place your funds using ICS® ReciprocalSM, we will receive matching funds placed by other participating institutions for their customers and pay a fee to Promontory. When we place your funds using ICS® One-WaySM, we will not receive matching funds placed by other participating institutions for their customers or pay a fee to Promontory, but we and Promontory may receive fees from Destination Institutions in connection with funds placed. The fees may be different for different Destination Institutions.

(b) The interest you receive on your Deposit Accounts will be earned at the applicable Interest Rate, whether we use ICS Reciprocal or ICS One-Way in placing your funds. The Interest Rate may be different depending on which form of ICS we use. In ICS Reciprocal, the fee we pay to Promontory may affect the applicable Interest Rate. In ICS One-Way, fees paid by Destination Institutions to us or to Promontory, or cost-of-funds rates at which Destination Institutions may request funds, may affect the Interest Rate. We will not collect a fee from you for the placement of your funds through ICS.

(c) Schedule 4 includes two boxes relating to which form of the ICS service we may use in connection with the placement of your funds. If you check the first of these two boxes, we may use ICS Reciprocal, ICS One-Way, or both. We will not be obligated to inform you of the Interest Rate that might be available using the other form, and we may select a form of ICS that provides greater benefits to us. If you check the second of these two boxes, we may use only ICS Reciprocal in connection with the placement of your funds.

(d) If you are subject to restrictions on the placement of your funds at depository institutions, you are responsible for determining whether the placement of your funds through ICS, in accordance with Schedule 4, satisfies the restrictions.

6.2. *Compare Rates*

(a) We are not advising you regarding alternative investments, and you are responsible for comparing the rates of return and other features of your Deposit Accounts to other available deposit accounts, and other kinds of investments, before deciding to have us place your funds using ICS.

(b) An applicable Interest Rate for your Deposit Accounts may be higher or lower than interest rates on comparable deposits available directly from us, from the Destination Institutions that establish your Deposit Accounts, from other Destination Institutions, or from insured depository institutions that are not Destination Institutions. Without limiting the foregoing, an Interest Rate may be lower than an interest rate established for another customer for which funds are being placed or a cost-of-funds rate for a Destination Institution.

(c) Promontory may offer us and our employees non-cash incentives of insignificant monetary value, such as plaques, in connection with our placement of funds.

6.3. *Allocation Considerations and Compensatory Payments*

(a) The ICS allocation process is subject to applicable law and may be affected by our objectives, Promontory's objectives, or both, including administrative convenience, reduction of costs, and enhancement of profits.

(b) Participating institutions in the ICS service may make compensatory payments resulting in payments to other participating institutions, or receive compensatory payments resulting from payments by other participating institutions, reflecting the difference between an interest rate for a placing institution's customers and a rate at which the receiving institution would otherwise pay interest.

(c) If we were to become insolvent, the FDIC could transfer custody of your Deposit Accounts to a new custodian that participates in ICS. Alternatively, you could elect to establish your Deposit Accounts

directly with the Destination Institutions or you could elect to have the funds in your Deposit Accounts returned to you.

6.4. *Mutual Institution Voting and Subscription Rights*

(a) Your funds may be placed in a Deposit Account at a Destination Institution that is in the mutual form of organization. Such a Deposit Account will be identified on the books of the mutual institution in the name of the sub-custodian and not in your name. The sub-custodian will not attend or vote at any meeting of the depositor members of a mutual institution, or exercise any subscription rights in a mutual institution's mutual-to-stock conversion, either on its own behalf or on your behalf. You hereby waive any right you may have to attend or vote at any meeting of the depositor members, or to receive or exercise any subscription rights you may have in the event that the mutual institution converts from mutual to stock form, even if you held a Deposit Account as of an applicable record date.

(b) If we receive from the sub-custodian notice of a meeting of depositor members of a mutual institution or other materials or information relating to a mutual institution's mutual-to-stock conversion, we may forward such notice, materials, or information to you. If you wish to receive such notice, materials, or information directly from the mutual institution, attend or vote at any meeting of the depositor members of the mutual institution, or receive subscription rights in the event the mutual institution converts from mutual to stock form, you must dismiss us as custodian before the applicable record date (a date that is usually at least one year in advance of the date the mutual institution's board of directors adopts a plan of conversion) and have your ownership of the Deposit Account recorded in your name directly on the books of the mutual institution.

7. Other Provisions

7.1. *Release and Use of Identifying Information*

(a) You consent to our providing your name, TIN or other alphanumeric identifier, and other identifying information ("*Identifying Information*") to BNY Mellon, Promontory, and other parties providing services in connection with ICS (each a "*Service Provider*"). A Service Provider may use the Identifying Information only in connection with its provision of services relating to ICS. We or a Service Provider may also provide Identifying Information to a Destination Institution, but will do so only to the extent necessary to comply with a request by you or your agent or to comply with applicable law. In addition, we or a Service Provider may provide Identifying Information to the FDIC in connection with a deposit insurance claim.

(b) We will not provide Identifying Information to any other party unless we determine that (i) we are required by applicable law to do so or (ii) we are permitted by applicable law to do so and have reasonable grounds to do so to protect our own legal or business interests or the legal or business interests of Promontory or BNY Mellon. Promontory may use and disclose information regarding aggregated activity of ICS depositors, provided it does not use or disclose any Identifying Information in a manner contrary to this Section 7.1.

7.2. *Liability and Dispute Resolution*

(a) We are responsible for maintaining, directly or through a Service Provider, appropriate records of our placements for you. We are also responsible for not placing your funds through ICS at any

Destination Institution that is the subject of a then-effective exclusion on your List of Exclusions, at any Destination Institution that is the subject of an effective rejection by you at the time of the applicable ICS Settlement, in an ICS placement at a Destination Institution under a single TIN in an amount that exceeds the SMDIA, or in a manner that violates Section 4.2(c). IF ALL OR PART OF YOUR DEPOSIT AT A DESTINATION INSTITUTION IS UNINSURED BECAUSE OF OUR FAILURE TO FULFILL THESE RESPONSIBILITIES, AND IF THE DESTINATION INSTITUTION FAILS AND YOU DO NOT OTHERWISE RECOVER THE UNINSURED PORTION, WE WILL REIMBURSE YOU FOR YOUR DOCUMENTED LOSS OF THE UNINSURED PORTION.

(b) SUBJECT TO OUR REIMBURSEMENT OBLIGATION IN THE PRECEDING SUBSECTION, AND EXCEPT AS MAY BE OTHERWISE REQUIRED BY APPLICABLE LAW, WE WILL NOT BE LIABLE, AND IN NO EVENT WILL PROMONTORY OR BNY MELLON BE LIABLE, TO YOU OR TO ANY THIRD PARTY FOR ANY LOSS OR DAMAGES INCURRED OR ALLEGEDLY INCURRED IN CONNECTION WITH THIS AGREEMENT. WITHOUT LIMITING THE FOREGOING, WE, PROMONTORY, AND BNY MELLON WILL NOT HAVE ANY LIABILITY TO YOU OR ANY THIRD PARTY FOR: (I) ANY LOSS ARISING OUT OF OR RELATING TO A CAUSE OVER WHICH WE DO NOT HAVE DIRECT CONTROL, INCLUDING THE FAILURE OF ELECTRONIC OR MECHANICAL EQUIPMENT OR COMMUNICATION LINES, TELEPHONE OR OTHER INTERCONNECT PROBLEMS, UNAUTHORIZED ACCESS, THEFT, OPERATOR ERRORS, GOVERNMENT RESTRICTIONS, OR FORCE MAJEURE (E.G., EARTHQUAKE, FLOOD, SEVERE OR EXTRAORDINARY WEATHER CONDITIONS, NATURAL DISASTERS OR OTHER ACT OF GOD, FIRE, ACTS OF WAR, TERRORIST ATTACKS, INSURRECTION, RIOT, STRIKES, LABOR DISPUTES OR SIMILAR PROBLEMS, ACCIDENT, ACTION OF GOVERNMENT, COMMUNICATIONS, SYSTEM OR POWER FAILURES, OR EQUIPMENT OR SOFTWARE MALFUNCTION), (II) DELAY IN ANY FDIC INSURANCE PAYMENT, (III) THE FINANCIAL CONDITION OF ANY DESTINATION INSTITUTION OR THE ACCURACY OF ANY FINANCIAL INFORMATION ABOUT ANY DESTINATION INSTITUTION, OR (IV) ANY SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS).

(c) ANY DISPUTES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT WILL BE GOVERNED BY THE DISPUTE RESOLUTION, ARBITRATION, CHOICE OF LAW, VENUE, WAIVER OF JURY TRIAL, AND COSTS RELATED TO DISPUTES PROVISIONS, IF ANY, CONTAINED IN YOUR CUSTODIAL AGREEMENT.

7.3. *Miscellaneous*

(a) This Agreement constitutes the entire agreement between you and us relating to the placement of deposits through ICS and any other matter herein, supersedes prior agreements, understandings, negotiations, representations, and proposals, written or oral, relating to any matter herein, and may not be amended by any oral representation made or oral agreement reached after the execution of this Agreement.

(b) Either party may terminate this Agreement on written notice to the other, but the obligations of both parties will survive with respect to any funds deposited at the time of termination. In addition, the provisions of this Section 7 will survive termination.

(c) Schedules 1, 2, 3, and 4 (each a "*Schedule*") are incorporated into and made part of this Agreement. We may amend this Agreement, including any Schedule, prospectively by giving you written notice of the amendment at least fourteen (14) days before the effective date of the amendment, which will be specified in the amendment. We may provide written notice of the amendment by

means of a posting on the DCP, an entry on your account statement, an email message, or a printed letter.

(d) This Agreement may not be assigned, in whole or in part, by either party except by operation of law or as required by applicable law, and any purported assignment in violation hereof is void.

The headings in this Agreement are not intended to describe, interpret, define, or limit the scope or intent of this Agreement or any clause hereof. The term "applicable law" refers to all applicable statutes, rules, regulations, and judicial orders, whether federal, state, or local. The term "including" does not imply exclusion. The term "month" refers to the calendar month.

By signing below, you (as Depositor) and we (as Relationship Institution) agree to be legally bound by this ICS Deposit Placement Agreement, effective when you and we have signed it. If the Transaction Account is a joint account, each owner of the Transaction Account must sign this Agreement, and funds in your Deposit Accounts will be held in the same joint ownership capacity.

RELATIONSHIP INSTITUTION

Institution name: _____

Signature: _____

Name and title of authorized signatory:

Date signed: _____

SOLE OR PRIMARY DEPOSITOR

Depositor name: _____

Signature: _____

Name and title of authorized signatory (if not individual):

Depositor TIN or other alphanumeric identifier (and type):

Email address: _____@_____

Date signed: _____

ADDITIONAL DEPOSITOR IF JOINT ACCOUNT

Depositor name: _____

Signature: _____

Depositor TIN or other alphanumeric identifier (and type):

Email address: _____@_____

Date signed: _____

ADDITIONAL DEPOSITOR IF JOINT ACCOUNT

Depositor name: _____

Signature: _____

Depositor TIN or other alphanumeric identifier (and type):

Email address: _____@_____

Date signed: _____

(Add signature lines as needed.)

SCHEDULE 1 TO ICS DEPOSIT PLACEMENT AGREEMENT

Program Deposits and Program Withdrawals1. Specified Terms

(a) The Target Balance, Minimum Sweep Amount, and Minimum Return Amount for the Transaction Account are as follows:

Target Balance	Minimum Sweep Amount	Minimum Return Amount
\$	\$	\$

(b) The Same-Day Deposit Cutoff Time is as follows:

: A.M. Eastern Central Mountain Pacific (check one)

2. Program Deposits

(a) The Triggering Event for a Regular Program Deposit is a net change in the Transaction Account balance that causes its balance to exceed the Target Balance by more than the Minimum Sweep Amount. After posting all your Transaction Account activity for a Business Day, we will determine whether the Transaction Account balance exceeds the Target Balance by more than the Minimum Sweep Amount. Subject to the other terms and conditions of this Agreement, if such a Triggering Event occurs, we will transfer the amount by which the Transaction Account balance exceeds the Target Balance to Deposit Accounts at ICS Settlement on the next Business Day.

(b) The Triggering Event for a Same-Day Program Deposit is a Same-Day Program Deposit request by you that we receive and accept before the Same-Day Deposit Cutoff Time on a Business Day. Subject to the other terms and conditions of this Agreement, if such a Triggering Event occurs, we will transfer the requested amount to Deposit Accounts at ICS Settlement later on the same Business Day.

(c) If a Triggering Event for a Program Deposit occurs, we may debit the Transaction Account and credit a holding account before the transfer of funds to Deposit Accounts occurs at ICS Settlement.

3. Program Withdrawals

(a) All Program Withdrawals will be Regular Program Withdrawals, which occur on the Business Day after the Triggering Event. The Triggering Event for a Program Withdrawal is a net change in the Transaction Account balance, after the posting of all your Transaction Account activity for a Business Day, that causes its balance (exclusive of any amounts that we credit as advances in anticipation of a Program Deposit) to be less than the Target Balance by more than the Minimum Return Amount. Subject to the other terms and conditions of this Agreement, if such a Triggering Event occurs, we will transfer an amount from your Deposit Accounts at ICS Settlement the next Business Day, up to the available amount in your Deposit Accounts, sufficient to restore the Transaction Account balance to the Target Balance.

(b) Subject to the other terms and conditions of this Agreement, including Section 3.4, and subject to the rules and cutoff times that otherwise apply to transaction accounts with us, we will honor your debit transactions in the Transaction Account if the sum of your funds in the Transaction Account and your funds in your Deposit Accounts, after taking into account any pending Program Deposits and any pending Program Withdrawals, is not less than zero. We will do so even if the amount of the debit transaction exceeds the Transaction Account balance. As set forth in Section 3.4, you will owe us any amounts that we credit as advances in anticipation of a Program Deposit and we will retain those amounts from the funds we receive at ICS Settlement.

(c) If a Triggering Event for a Program Withdrawal occurs, we may credit the Transaction Account and debit a holding account before the transfer of funds from your Deposit Accounts occurs at ICS Settlement.

SCHEDULE 2 TO ICS DEPOSIT PLACEMENT AGREEMENT

Transaction Account

Although we will not place your funds through ICS at any one Destination Institution in an amount that exceeds the FDIC standard maximum deposit insurance amount ("SMDIA") of \$250,000, balances in your Transaction Account, separately or together with your other balances with us in the same insurable capacity, may exceed the SMDIA. For example, your balances may exceed the SMDIA until ICS Settlement for a pending large Program Deposit or if all funds in your Deposit Accounts are returned to your Transaction Account for the remainder of a month as a result of the application of the Program Withdrawal limit. If you cannot accept the risk associated with uninsured deposits in these or other circumstances, it will be your responsibility to make arrangements with us to have such funds collateralized, protected by a properly-executed repo sweep arrangement, or otherwise adequately protected, in a manner consistent with applicable law. You should consult your legal advisor to determine whether a particular collateralization arrangement is consistent with applicable law.

SCHEDULE 3 TO ICS DEPOSIT PLACEMENT AGREEMENT

Depositor Control Panel and Depositor Placement Review

1. Depositor Control Panel

The address of the Depositor Control Panel is <https://www.depositorcontrol.com>.

Your initial login credentials for the Depositor Control Panel will be as follows:

User name:	The account number for the Transaction Account
Password:	The last four characters of the TIN or other alphanumeric identifier entered for the sole or primary Depositor on the signature page of this Agreement

You will also be required to enter the email address you have provided to us.

We will separately advise you of any additional steps required of you by additional security controls.

2. Depositor Placement Review

The DPR period each Business Day will be as follows:

3:00 P.M. to 3:15 P.M. Eastern time

We may change the DPR period by posting notice on the DCP in advance of the change.

SCHEDULE 4 TO ICS DEPOSIT PLACEMENT AGREEMENT

Service Form and Exclusions

1. Reciprocal and One-Way

If you check this box, we may use ICS Reciprocal, ICS One-Way, or both in connection with our placement of your funds.

If you check this box, we will use only ICS Reciprocal in connection with our placement of your funds.

2. List of Exclusions

Each depository institution entered on your List of Exclusions below will be ineligible, as of the date you and we have signed the Agreement, to receive your funds through ICS as a Destination Institution. You may subsequently change your List of Exclusions as provided in the Agreement.

The List of Exclusions should include the city and state of the institution’s main office (rather than the city and state of a branch location). The List of Exclusions may also include the institution’s FDIC certificate number or transit routing number. Attach additional pages as necessary. If you do not list any exclusions, you should enter “none” under Name of Institution on the first line (but your signature after a blank list will constitute your acknowledgment that you have not listed any exclusions whether or not you enter “none”).

Name of Institution	City and State	FDIC Certificate Number or Routing Number (optional)

Signature of sole or primary Depositor: _____

Custodial Agreement

You, the undersigned, enter into this Custodial Agreement (this "Agreement") with _____ ("we" or "us").

1. Pursuant to this Agreement, you authorize us (as your "Relationship Institution") to hold and act as your custodian with respect to all deposit accounts, including all time deposits, money market deposit accounts, and demand deposit accounts, issued or established at other participating institutions pursuant to the CDARS Deposit Placement Agreement or the ICS Deposit Placement Agreement for funds of yours placed through CDARS®, the Certificate of Deposit Account Registry Service®, or ICS®, the Insured Cash Sweep® service (collectively, the "Deposit Accounts") and all your security entitlements and other related interests and assets with respect to your Deposit Accounts (collectively, the "Related Entitlements"). The custodial account in which we will hold your Deposit Accounts and Related Entitlements (the "Custodial Account") comprises all the CDARS and ICS custodial accounts that we maintain for you.

2. As your custodian, we may (i) cause your Deposit Accounts to be titled in our name or in the name of our sub-custodian, (ii) collect for your account all interest and other payments of income or principal pertaining to your Deposit Accounts, (iii) endorse on your behalf any check or other instrument received for your account that requires endorsement, (iv) deposit your funds in, or withdraw your funds from, your Deposit Accounts in accordance with your instructions, (v) deliver or transfer funds from another account with us to your Deposit Accounts or deliver or transfer funds from your Deposit Accounts to another account with us in accordance with your instructions, (vi) for Deposit Accounts that are time deposits, surrender for payment for your account maturing Deposit Accounts and those for which early withdrawal is requested, (vii) execute and deliver or file on your behalf all appropriate receipts and releases and other instruments, including whatever certificates may be required from custodians or may be necessary to obtain exemption from taxes and to name you when required for the purpose of the instrument, and (viii) take such other actions as are customary or necessary to effectuate the purposes of this Agreement.

3. For purposes of Article 8 of the Uniform Commercial Code as adopted in _____ (the "UCC"), we will act as your securities intermediary for, and will treat as financial assets, any Deposit Accounts and Related Entitlements that we hold for you pursuant to this Agreement. The Custodial Account will constitute a securities account, as defined in the UCC.

4. We may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant, or other legal process that we believe (correctly or otherwise) to be valid. We may notify you of such process by telephone, electronically, or in writing. If we are not fully reimbursed for records research, imaging, photocopying, and handling costs by the party that served the process, we may charge such costs to your account, in addition to any minimum fee we charge for complying with legal processes.

5. We may honor any legal process that is served personally, by mail, or by electronic mail or facsimile transmission at any of our offices or an office of our agent (including locations other than where the funds, records, or property sought is held), even if the law requires personal delivery at the office where your account or records are maintained.

6. We will have no liability to you for any good-faith act or omission by us in connection with this Agreement. You agree to indemnify us and our sub-custodian, and to hold us and our sub-custodian harmless from, all expenses (including counsel fees), liabilities, and claims arising out of any good-faith act or omission by us in connection with this Agreement or compliance with any legal process relating to the Custodial Account that we believe (correctly or otherwise) to be valid. You agree to pay any service charges that we impose on the Custodial Account.

7. You may be an individual in an individual capacity, more than one individual in a joint capacity, or a trust, partnership, corporation, or other legal entity. We may accept instructions on your behalf from any individual who signs this Agreement as or on behalf of a Depositor and from any of the following individuals:

Name	Title or Legal Capacity

By signing below, you and we agree to be legally bound by this Custodial Agreement.

RELATIONSHIP INSTITUTION

Institution name: _____

Signature: _____

Name and title of authorized signatory:

Date signed: _____

SOLE OR PRIMARY DEPOSITOR

Depositor name: _____

Signature: _____

Name and title of authorized signatory (if not individual):

Depositor TIN or other alphanumeric identifier (and type):

Email address: _____@_____

Date signed: _____

ADDITIONAL DEPOSITOR IF JOINT ACCOUNT

Depositor name: _____

Signature: _____

Depositor TIN or other alphanumeric identifier (and type):

Email address: _____@_____

Date signed: _____

ADDITIONAL DEPOSITOR IF JOINT ACCOUNT

Depositor name: _____

Signature: _____

Depositor TIN or other alphanumeric identifier (and type):

Email address: _____@_____

Date signed: _____

(Add signature lines as needed.)



Safety. Return. Freedom.

Through ICS[®], the Insured Cash Sweep[®] service, many public depositors can access multi-million-dollar FDIC insurance on funds placed into demand deposit accounts.

Through the ICS service, you can:

- **Enjoy peace of mind**
ICS funds are eligible for multi-million-dollar FDIC insurance that's backed by the full faith and credit of the United States government.
- **Earn interest**
Put excess cash balances to work.
- **Save time**
By providing access to FDIC insurance through a single bank relationship, ICS can help your public unit comply with investment policy mandates.
- **Access funds**
Enjoy unlimited program withdrawals from demand deposit accounts.
- **Support your community**
Feel good knowing that the full amount of your funds placed through ICS can stay local to support lending opportunities that build a stronger community.¹

Simply put, with ICS, you can have it all.



River City Bank

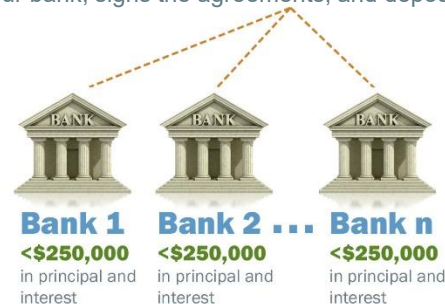
Member
FDIC

How does ICS work?

Work directly with just us—an institution you already know and trust—to access coverage from many, receive one regular statement, and know that your confidential information remains protected.



Your public unit has or sets up a transaction account with our bank, signs the agreements, and deposits funds.



Deposits are sent to demand deposit accounts at other member institutions in amounts under the standard FDIC insurance maximum of \$250,000.²

Contact us today!

(Insert contact information here.)

[1] When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the ICS Network, the relationship institution can use the full amount of a deposit placed through ICS for local lending, satisfying some depositors' local investment goals or mandates. In certain states, and with a depositor's consent, the relationship institution may choose to receive fee income instead of deposits from other Network members. Under these circumstances, deposited funds would not be available for local lending.

[2] Based on triggering events as set forth in the ICS Deposit Placement Agreement the depositor enters into with the relationship institution.

Placement of funds through the ICS service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits and customer eligibility criteria apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS settlement for a deposit or after ICS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of ICS satisfies those restrictions. ICS and Insured Cash Sweep are registered service marks of Promontory Interfinancial Network, LLC.

Using ICS[®] for Public Funds

In the State of California



CALIFORNIA GOVERNMENT CODE

Title 5. Local Agencies

Division 2. Cities, Counties, and Other Agencies

Part 1. Powers and Duties Common to Cities, Counties, and Other Agencies Chapter 4. Financial Affairs

Article 1. Investment of Surplus

53600. As used in this article, "local agency" means **county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.**

[SECTION 53635.8 is similar to Section 53601.8]

53601.8. Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

- (a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.
- (b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.
- (c) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring both of the following:
 - (1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.
 - (2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.
- (d) The selected depository institution shall serve as a custodian for each such deposit.
- (e) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).
- (f) Notwithstanding subdivisions (a) to (e), inclusive, no credit union may act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:
 - (1) The credit union offers federal depository insurance through the National Credit Union Administration.
 - (2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.
- (g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.
- (h) The deposits placed pursuant to this section and Section 53635.8 shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.
- (i) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.



Staff Report Item 17

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, COO & Treasurer
SUBJECT: Credit Card Policy (Action Item)
DATE: October 17, 2018

Recommendation

Approve the EBCE credit card policy and authorize the CEO to enter into a credit card agreement with American Express for administrative, travel, and small budget expenses.

Background

EBCE currently incurs administrative, travel, and small budget expenses on a regular basis. These expenses include expenses related to cell phones and cell phone service, office supplies, travel, conference registration, work-related meals and refreshments, and other miscellaneous expenses.

EBCE is currently undergoing the credit review and underwriting process by American Express Business for approval of a credit card. This process is anticipated to take 60-90 days to complete. Other CCAs have undergone this process and required a similar timeframe given that the CCA industry is a relatively new sector.

EBCE would initially issue credit cards only to the CEO and COO/Treasurer for approved expenses. In 2019, EBCE would intend to revisit the credit card policy to potentially issue credit cards as necessary to personnel at the Director level and above. All personnel would be required to seek approval from direct supervisors prior to incurring expenses on credit cards. Following this, personnel would need to retain and submit clear receipts to all expenses for review, approval, and issuing payment to the credit card company.

Personnel would first seek an invoice and a direct bank payment. In cases where an expedited payment is necessary, or credit card payment is the primary method for payment, would credit card be approved for use.

EBE staff is recommending the attached credit card policy and guidelines, which are consistent with other CCA policies. Staff seeks board approval of the policy and authorization for the CEO or designee to enter into a credit card agreement.

Attachment:

A. EBCE Credit Card Policy

EBCE Credit Card Policy

1.0 PURPOSE:

The purpose of this policy is to set guidelines for the usage and payment of business expenditures from the Corporate Credit Cards (Cards). This credit card policy is not intended to override the administrative procurement policies and use of the Cards shall be in accordance with these policies.

1. RESPONSIBLE PARTIES:

The Treasurer is responsible for ensuring uniform policies and procedures are followed for EBCE's credit card policy.

2. SCOPE

The policy applies to all the Corporate Credit Cardholders of East Bay Community Energy (EBCE).

3. CONTROLS OVER CARD

1. Cards will be issued only to the CEO and the COO/Treasurer.
2. The CEO and COO/Treasurer will review and approve the monthly statements before the card is paid irrespective of the card balance.
3. The use of the card shall only be used for business-related expenditures and shall not be used for personal expenses or cash withdrawals.
4. Each card will have a standard monthly credit limit of \$10,000.
5. A lost or stolen card must be reported as soon as it is discovered.

4. CARD USAGE

The proper name of the cardholder will be embossed on the card along with "East Bay Community Energy". The card is issued by American Express (Amex). The card is valuable property which requires proper treatment by the cardholder to protect it from misuse by unauthorized parties. The cardholder is required to activate (as per instructions received with the card) and sign the card immediately upon receipt. The card may be used upon activation. When a new card is issued to the cardholder, it is the cardholder's responsibility to destroy the previous card (cut it in pieces) and discard. If the cardholder's employment is terminated for any reason, the cardholder shall immediately give the card to the CEO or COO/Treasurer.

Eligible uses of the card include:

1. Refreshments and meals for outreach events and meetings

2. Conference registration
3. Travel arrangements (ex: airfare, car rental, train fare and hotels)
4. Certain marketing and social media expenses
5. Recurring payment of data or industry news subscriptions
6. Urgent office supplies and maintenance
7. Cell phone purchases and monthly cell phones service

All expenses must be in accordance to the board approved expenses established in the approved budget.

The card may not be transferred to, assigned to, or used by anyone other than the designated cardholder. Amex or EBCE may, at any time, suspend or cancel the cardholder's privileges for any reason and the cardholder will surrender the credit card to the CEO or COO/Treasurer upon request. The cardholders should attempt to keep the use of the card to a minimum.

Employees are NOT permitted to use the card for personal expenses. Any miles or points earned on card will belong to the company.

5. SAFEGUARD OF CARD

1. The cardholder is required to ensure proper safeguard of the card by: Securely keeping the card in his/her possession, signing the back of the card, and destroying an expired or replaced card
2. The cardholder is required to ensure proper safeguard of the card by: Securely keeping the card in his/her possession, signing the back of the card, and destroying an expired or replaced card.
3. Ensuring that only the last four digits of the card number appear on any printed document

6. EXPENSES ACCOUNTING, REPORTING AND PAYMENT

1. The cardholder is required to obtain and submit the original invoices/receipts for card expenditures of \$10 or more; however, employees are encouraged to provide all receipts. In addition to receipts, the employee incurring the expense shall provide:
 - i. A description of the business purpose.
 - ii. In the case of meals or conferences, who was in attendance.
 - iii. In the case of travel, travel dates.
 - iv. Any transaction with missing documentation requires a written explanation for the missing documentation. Include the vendor name, date, description of purchase, and reason for the missing documentation.
2. The cardholder is responsible for submitting the invoices/receipts of all transactions to COO/Treasurer and the Finance Manager within 5 business days of incurring the transaction.

3. The Finance Manager is responsible for downloading the monthly statement for all the cards, matching the invoices/receipts to the charges in the statement, ensuring the accounting of every charge in the appropriate period, and the making payment by the statement due date.
4. The Finance Manager will review monthly statements and documentation for completeness and process payment approval from direct supervisor and Treasurer. In the case of the Treasurer's expenses, the CEO will review and sign off on such expenses. In the case of the CEO expenses, the expenses will be provided to the Chair of the Board for review, but do not require sign off.

7. POLICY ENFORCEMENT

1. Employees are NOT permitted to use the card for personal expenses for any reason. Failure to abide by this provision could result in disciplinary actions, up to and including termination of employment.
2. Any willful intent to disregard the policy will result in revocation of the card and could result in disciplinary actions, up to and including termination of employment.



Staff Report Item 18

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, COO
SUBJECT: Carbon emission benchmarking and Accounting Methodology (Action Item)
DATE: October 17, 2018

Recommendation

Approve a calendar year 2018 emissions factor benchmark at 142lbs of CO₂e/MWh for the Bright Choice product utilizing the Electric Power Sector Protocol by the Climate Registry.

Background

Carbon Accounting:

EBCE staff has evaluated carbon accounting methodologies to measure and disclose EBCE's actual emissions on a backwards looking basis. Staff has engaged with city sustainability staff and informally with independent consultants to research these methodologies. A review of the following methodologies and platforms has been completed.

Accounting methodologies:

- The Climate Registry (TCR) (Voluntary)
 - Includes an electric sector protocol relevant for EBCE electricity supply
 - Certain key commercial customers have requested this platform that aligns with their disclosure methodology
 - Currently utilized by PG&E for annual disclosures and a number of existing CCAs, including MCE, SCP, and SVCE.
 - TCR is a non-profit organization governed by U.S. states and Canadian provinces and territories. TCR designs and operates voluntary and compliance GHG reporting programs globally, and assists organizations in measuring, reporting and verifying the carbon in their operations in order to manage and reduce it.
- Global Protocol for Communities (GPC) (Voluntary)
 - A methodology developed by WRI, ICLEAI, and C40 as part of the Greenhouse Gas Protocol
 - The Global Covenant of Mayors utilizes this protocol
 - There are limitations on scope 2 electricity related emissions with this platform, which is more focused on corporate and city disclosures, limiting the applicability of this for CCAs.

- The Carbon Disclosure Project and Carbons are two distinct disclosure platforms that are utilized for information disclosure
- The GPC currently mandates that member cities utilize a broad regional grid average emission. The protocol was recently updated to allow for dual reporting, which can allow cities to disclose emissions based on a grid average emission and a CCA-specific emission. The reporting platform to allow for this dual reporting functionality is not yet established.
- Currently Berkeley, Emeryville, Fremont, Hayward, Oakland, Piedmont, and San Leandro are part of the Global Covenant of Mayors
- Power Content Label (PCL) (Mandatory)
 - Power Content Label currently does not incorporate any emissions factors and only shows a % breakdown of the portfolio power content.
 - AB1110 is an active proceeding that will incorporate changes to require emissions intensities and certain treatment of PCC2 and PCC3 products.
 - AB1110 is expected to come into effect in 2020 for 2019 supply and the exact details of the disclosure changes and accounting methodology are pending
 - It is anticipated that the PCL scope will look only at California-specific emissions
- Clean Net Short GHG calculator used under the IRP (Mandatory)
 - The Clean Net Short methodology was released for the first time as part of this initial IRP requirements for all LSEs.
 - Changes may occur to the current IRP requirements because this was the initial year and CPUC staff is currently soliciting feedback and information

Given pending regulatory changes, staff advises that we select an accounting methodology at this time to provide some level of transparency and certainty with which staff should operate. Furthermore, the accounting methodology enables a clear measurement protocol related to adhering to an emissions benchmark. Multiple third-party consultants have informally advised EBCE to utilize the Climate Registry Platform because it is most applicable to the electricity sector and is widely recognized and used within the utility sector. It is understood that based on future regulatory requirements and changes to industry norms, EBCE staff may advise to the board changing, adding to, or eliminating the use of the Climate Registry in the future.

Emissions Benchmarking:

Utilizing the Climate Registry's Electric Sector Protocol as the carbon accounting methodology, EBCE staff is recommending we establish an emissions factor benchmark based on the board approved power content for Bright Choice, Brilliant 100, and Renewable 100. Given a variable energy load relative to a forecast, the emissions benchmark is best provided as a per MWh metric. Bright Choice is a board approved product set at 85% carbon free. Different energy sources have varying carbon emissions that are important to take into consideration when making procurement decisions. The emissions factor for CAISO unspecified system power is 0.428MT of CO₂e/MWh. Applying this emissions factor to 15% of the Bright Choice product equates to an emissions factor of 0.0642 MT of CO₂e/MWh on the Bright Choice Product. This equates to 142lbs of CO₂e/MWh. Brilliant 100 and Renewable 100 both have a 0 emissions factor. For subsequent years EBCE staff will establish new benchmarks with approval from the Board to continue to reach its carbon reduction goals. This benchmark of 142 lbs of CO₂e/MWh is set using the carbon accounting methodology under The Climate Registry. Pending changes with the Power Content Label, the Clean Net Short Methodology, or other unanticipated regulatory changes could materially deviate from

this emissions benchmarking process methodology based on different emissions credits for products, such as PCC2 and PCC3 RECs. Unfortunately, those changes are uncertain at this time and difficult to forecast. As a comparison, the latest PG&E published emissions factor, which utilizes the Climate Registry, was for 2016 power content and was 294 lbs of CO₂e /MWh¹. This reflects a 25% reduction from 2015. It is expected that PG&E’s emissions factor will continue to decrease, but it is uncertain where future years will come out.

By establishing a carbon emissions benchmark, the goal would be to minimize costs while adhering to a cap on the emissions factor. EBCE staff can make objective decisions to procure from various energy sources, which include renewables, large hydro, and from Asset Controlling Suppliers (ACS). In the case of renewable energy certain generation sources, such as geothermal and biomass, may contribute carbon emissions compared to zero emissions from solar and wind. In the case of large hydro, power from ACS may provide a low carbon and cost-effective substitute for source specific large hydro. There are currently three approved Asset Controlling Suppliers that may deliver power from a portfolio into CAISO. All three entities reside in the Pacific Northwest and are estimated to be 85-90% large hydro. In the table below, an estimate of emissions factors is provided across several energy sources.

	Carbon Emission lbs CO ₂ e/MWh		
Solar	0		
Wind	0		
Large Hydro	0		
ACS			
Bonneville Power Authority	26		
Powerex	56		
Tacoma Power	34		
	Low Estimate	High Estimate	Avg
Geothermal*	135	240	185
Biomass (wood and landfill gas) *	25	5400	385

*Note emissions are taken from specific units provided in CARB’s Import Energy Reporting Data and EPA’s egrid data.

Staff is seeking approval on setting this emissions benchmark factor and the adoption of the Climate Registry’s carbon accounting methodology.

ⁱ <http://www.pgecurrents.com/2018/03/26/independent-registry-confirms-record-low-carbon-emissions-for-pge/>