



Executive Committee Meeting

Friday, May 22, 2020

12:00 pm

<https://us02web.zoom.us/j/998209098>

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)

Webinar ID: 998 209 098

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 cob@ebce.org.

If you have anything that you wish to be distributed to the Committee, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

2. 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 and must complete an electronic [speaker slip](#). The Board Chair may increase or decrease the time allotted to each speaker.

REGULAR AGENDA

3. Approval of Minutes from April 24, 2020

4. Contracts Entered into (Informational Item)

Receive update on contracts entered into since the April 22, 2020 Board meeting.

- 5. Legislative and Regulatory Update (Informational Item)**
Receive update on Legislative and Regulatory matters.
- 6. 2020-2021 Draft Budget Review (Informational Item)**
Review and provide feedback on the FY 2020-2021 Draft Budget.
- 7. Integrated Resource Plan Update (Informational Item)**
Receive an update on the Integrated Resource Plan.
- 8. Committee Member and Staff Announcements including requests to place items on future Board Agendas**
- 9. Adjournment - to Date: Wednesday Month Day, 2020**
Time: 12:00 pm



Draft Minutes

Executive Committee Meeting

Friday, April 24, 2020

12:00 pm

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1. Welcome & Roll Call

Present: Directors: Haggerty (Alameda County), Martinez (Emeryville, Kalb (Oakland), Arreguin (Berkeley), Chair Mendall (Hayward)

2. 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 and must complete an electronic [speaker slip](#). The Board Chair may increase or decrease the time allotted to each speaker.

Blair Beekman - A resident of San Jose Spoke regarding the April 22, 2020 Board meeting where the Board voted on the Carbon Free Allotment and Power Procurement Floor.

REGULAR AGENDA

EBCE is committed to protecting our environment and is proud to be a
[Certified California Green Business](#)

3. Approval of Minutes from March 27, 2020

Director Kalb motioned to approve the minutes from March 27, 2020. Director Martinez seconded the motion which passed 5/0

4. Contracts Entered into (Informational Item)

The Committee Discussed:

- Thanked Staff for their work on the COVID-19 grants
- Contract terms
- Including new communities in grant funds

5. PCIA UPDATE (Informational Item)

The Committee Discussed:

- Procurement Floor
- Budgetary Impacts
- EBCE Value Proposition
- Customer Retention
- COVID-19 effects
- Commercial Customers
- Efforts to reduce the PCIA
- CPUC Authority
- Engaging with the Governor's office
- PCIA Phase 2
- Power Content
- PG&E Rate Increase
- Customer Assistance Programs
- Load Reduction
- Procurement hedging

Blair Beekman - Spoke regarding power content and thanked the Board for choosing the Hydro option of the carbon-allotment, the value proposition and social planning.

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

Director Mendall requested the Budget discussion schedule.

Director Haggerty requested that the Board of Directors' page be updated to include the new member cities.

7. Adjourned



Item 4

TO: East Bay Community Energy Board of Directors Executive Committee
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Contracts Entered Into
DATE: May 18, 2020

RECOMMENDATION

Accept the CEO's report on contracts that EBCE has entered into. During the March 18th, 2020 Board Meeting, the Board of Directors requested that contracts be reported to both the Executive Committee and the Board of Directors.

Items executed between April 22 and through May 13, reported to the Board of Directors on May 20;

1. C-2020-42 NewGen Strategies and Solutions (Lapeer, MI) Second Amendment to CSA, amends CSA to require a task order for each project, increases total compensation not to exceed \$100,000 through June 30, 2021.
2. C-2020-43 NewGen Strategies and Solutions (Lapeer, MI) Task Order 1, allocates \$33,570 for services related to PG&E General Rate Case -review case, assess impacts, prepare testimony, and offer rate support.
3. C-2020-44 New Gen Strategies and Solutions (Lapeer, MI) Task Order 2, allocates \$25,000 for expert witness services the CPUC Application 19-11-019 - PG&E Phase II General Rate Case.
4. C-2020-45 NewGen Strategies and Solutions (Lapeer, MI) Task Order 3, allocates \$35,000 of the NTE for services related to PG&E upcoming ERRA proceedings including the 2019 ERRA Compliance A.20-02-009.
5. C-2020-46 Open Heart Kitchen (Livermore) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$27,000 to support additional labor for street outreach, hot meals, senior meals, emergency food distribution, staff leave, facility disinfection, support to local business, non-profits, and economically vulnerable residents, purchasing PPE for first responders, medical professionals, and residents, purchasing medical equipment, medicines or vaccinations to response to the COVID-19 pandemic.

6. C-2020-47 Tri-Valley Haven Shelter/Food Pantry (Livermore) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support additional food pantry staffing, telework equipment, supplies and groceries, support to local business, non-profits, and economically vulnerable residents, purchasing PPE for first responders, medical professionals, and residents, purchasing medical equipment, medicines or vaccinations in response to the COVID-19 pandemic.
7. C-2020-48 Los Angeles Cleantech Incubator (LACI) (Los Angeles), Commitment Letter, EBCE and LACI will enter into a Transportation Electrification Partnership where EBCE will provide \$25,000 to accelerate transportation electrification and zero emissions goods movement across Southern California.
8. C-2020-49 ARUP North America (San Francisco) Second Amendment to CSA, adds \$190,000 to the NTE for a total of \$340,000 NTE, extends termination date to January 31,2022, and updates the rates of hourly compensation for 2020.
9. C-2020-50 Sunflower Hill (Livermore) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support their relief efforts for low-income families and those experiencing food insecurity, providing person-centered life skill and vocational horticulture training to individuals with developmental disabilities, and to support online programs in response to the COVID-19 pandemic.
10. C-2020-51 Building Opportunities for Self-Sufficiency (BOSS) (Berkeley) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support the existing programs serving the homeless, people with disabilities, very low income, setting up isolation space at residential programs, pursuing partnerships with multiple properties and partners to fast-track housing in response to the COVID-19 pandemic.
11. C-2020-52 Center for Elders' Independence (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to provide for financial support to CEI's community members and supporting and expanding the Healthy Meals for Frail Seniors program in response to the COVID-19 pandemic.
12. C-2020-53 Fremont Family Resource Center Corporation (Fremont) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support to community members by assisting individuals and families in need with payment of electric and utility bills and other critical needs, including financial insecurity and homelessness in response to the COVID-19 pandemic.
13. C-2020-54 East Bay Asian Local Development Corporation (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support financial and workforce services with partners for LMI residents, increasing access to food, help with utilities, assistance with unemployment applications, rental assistance and expanding services to be available online in response to the COVID-19 pandemic.
14. C-2020-55 Adamika Village (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support curbside drop-offs of care packages, referrals to therapists and Frontline Healers, ongoing case management within Adamika Village's community in response to the COVID-19 pandemic.

15. C-2020-56 Abode Services (Fremont) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support payment of client utility bills, subsidize rent for Abode residents, provide food, shelter, transportation and referrals to medical care for clients who are sick and have tested positive for COVID-19 in response to the COVID-19 pandemic.
16. C-2020-57 Mandela Partners (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support the independent residential community for adults with developmental disabilities in their relief efforts in response to the COVID-19 pandemic.
17. C-2020-58 Pacific Center for Human Growth (Berkeley) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support transitioning existing programs and services to virtual, supporting clients experiencing financial hardships, increasing access to mental health services in response to the COVID-19 pandemic.
18. C-2020-59 Acta Non Verba & East Oakland Grocery Co-op (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support co-op members by increasing food and resource distribution, providing food sourcing and grocery delivery services, and supporting rental cost for food distribution in response to the COVID-19 pandemic.
19. C-2020-60 Covenant House CA (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support existing and new services like providing food and shelter for unhoused young people, providing mental health services and critical health needs like medical supplies and tests, and to support the Raid Rehousing programs in response to the COVID-19 pandemic.
20. C-2020-61 Daily Bowl (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support their local food pantry providers and covering transportation and equipment costs for food and services delivery in response to the COVID-19 pandemic.
21. C-2020-62 Street Level Health Projects (Oakland) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support increasing access to food, mental health services, herbalist services via telehealth, workers and immigrants' rights education, supporting the SLHP COVID-19 Day Laborers Emergency Relief Fund, and supporting hotline and staffing expenses in response to the COVID-19 pandemic.
22. C-2020-63 Eden Housing (Hayward) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support the emergency "Tenant Relief Fund" to offset the cost of rent and expanded services, and supporting efforts to notify residents of tenants' rights in response to the COVID-19 pandemic.
23. C-2020-64 Axis Community Health (Pleasanton) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support purchasing/distributing PPE to healthcare workers in the Tri-Valley and neighboring areas, and purchasing medical equipment, medication and/or vaccines in response to the COVID-19 pandemic.

24. C-2020-65 Tri-Valley Haven for Women (Livermore) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to provide financial support to community members, provide basic needs for those in economic need, and providing salary or financial assistance for staff in response to the COVID-19 pandemic.

25. C-2020-66 The Davis Street Community Center (San Leandro) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support providing food and supplies for the food bank, staff, volunteers, and supporting families, children, and seniors in need by providing emergency food in response to the COVID-19 pandemic.

26. C-2020-67 Cornerstone Community Development Corporation dba Building Futures with Women and Children (San Leandro) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support rent stabilization efforts, hotel and eviction prevention program expansion, support health and wellness efforts in coordination with other partners, including Sister Me Home, a 20 bed shelter in San Leandro, funding utility fees such as internet service for families who cannot afford them in response to the COVID-19 pandemic.

27. C-2020-68 Empowerment Works and NorCal Community Resilience Network (Berkeley) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support new programs like growing gardens for the community, supporting small farmers and CSA operations, providing supplies and materials to feed vulnerable populations, supporting overall operations in response to the COVID-19 pandemic.

28. C-2020-69 First Presbyterian Church of Hayward (Castro Valley) COVID-19 Community Relief Response Grant Agreement, Grant awarded in the amount of \$10,000 to support urgent medical needs amount the houseless community and increase health and safety precautions for overnight shelters, increasing staff to support medical services, providing new medical tolls and resources to address immediate needs in response to the COVID-19 pandemic.

Items executed after May 13 and before May 18;

C-2020-70 Abbott, Stringham and Lynch (San Jose) First Amendment to July 1, 2019 CSA to add Green-e Audit for reporting year 2019, extending the term to 12/31/2020, and adding \$2,200 to the total NTE.

C-2020-71 Eden I&R (Hayward) Grant awarded in the amount of \$10,000 to support staff salaries and overtime due to increased 211 calls, supporting staff with childcare and transitioning to remote work in response to the COVID-19 pandemic.

C-2020-72 Healthy Black Families (Berkeley) Grant awarded in the amount of \$10,000 to provide financial support to its members, including rent, groceries, utilities, health and wellness services for individuals and households in response to the COVID-19 pandemic.

C-2020-73 Tri-City Health Center (Fremont) Grant awarded in the amount of \$10,000 to support emergency rental assistance and financial support for basic needs, existing infrastructure and programs to provide payments for low-income clients and expanding programs and partnerships in response to the COVID-19 pandemic.

C-2020-74 Community Impact Lab (San Leandro) amends Community Innovation Grant Dated August 8, 2019 by extending the termination date to December 30, 2020 as the program may see delays related to COVID-19.

C-2020-75 Ecology Action (Berkeley) amends Community Innovation Grant Dated August 7, 2019 by extending the termination date to December 30, 2020 as the program may see delays related to COVID-19.

C-2020-76 People Power Solar Cooperative (Oakland) amends Community Innovation Grant Dated August 7, 2019 by extending the termination date to December 30, 2020 as the program may see delays related to COVID-19.

C-2020-77 PSMRC (Daly City) Consulting Services Agreement to provide ergonomic and workstation evaluation services to EBCE, not to exceed \$7,200 through June 30, 2020.

C-2020-78 M. Cubed (Oakland) First Amendment to July 1, 2019 CSA adds additional services related to PG&E 2019 ERRRA Compliance, updates the hourly rates of compensation, adds \$10,000 to the not to exceed and extends the termination date to June 30, 2021.

C-2020-79 SMUD (Sacramento) Amendment 9 to Exhibit A, EBCE has requested a non-standard rate for one customer, SMUD is tasked to develop a solution, configuration of the new rate, end to end testing, deployment and post deployment support, implementation by August 2020 for a one-time cost of \$22,000.



Legislative & Regulatory Update

May 22, 2020



Legislative Update

COVID-19 Changes Everything

Budget summary

- On 5/14, Gov Newsom released updated budget proposal for FY 20-21. Dept of Finance predicts deficit is ~\$54.3 billion
 - \$50 million general fund allocation to CalOES to support preparedness measures to bolster community resiliency incl critical services still vulnerable to power outage events
 - Greenhouse Gas Reduction Fund facing significant revenue uncertainty; lower auction revenues will reduce funds for programs. Administration intends on retaining \$51 million allocation to CEC for EV charging infrastructure.
- Next Steps:
 - Asm/Sen committees currently deliberating;
 - Full Budget committees to release their respective spend plans;
 - Final balanced budget to be voted on and sent to the Gov by 6/15

Legislative Update

- Legislative Calendar - Revised
 - 5/22 (Asm) & 5/29 (Sen) : Policy cmtes to move fiscal bills to fiscal cmtes (1st house)
 - 6/5 (Asm) & 6/19 (Sen): Fiscal cmtes must move bills to floor (1st house)
 - 6/15: Budget bill must be passed
 - 6/19 (Asm) & 6/26 (Sen): Each house to pass bills introduced in that house
 - 7/31: Policy cmtes to move fiscal bills to fiscal cmtes (2nd house)
 - 8/7: Policy cmtes to move nonfiscal bills to floor (2nd house)
 - 8/14: Fiscal cmtes to move bills to floor (2nd house)
 - 8/31: Last day for each house to pass bills
 - 9/30: Last day for Governor to sign/veto bills
- The bills EBCE was tracking and/or taking a position on are not getting a hearing, due to COVID-19

Bill Tracker - Updated

Bill #	Author	Description	Status	EBCE Position	Notes
AB 2788	Gloria	Prohibits public utilities from cooperating with immigration authorities without a court-ordered subpoena or judicial warrant	Asm U&E Cmte (1 st house) hearing set for 5/20	NONE	
SB 801	Glazer	Requires IOUs to deploy or provide financial assistance for backup electrical resources to medical baseline customers	Referred to Sen Approps Cmte (1 st house)	WATCH	
SB 862	Dodd	Adds PSPS events to definitions of “state of emergency” and “local emergency” and provides addl assistance to CARE customers	Referred to Sen Approps Cmte (1 st house)	WATCH	
SB 895	Archuleta	Requires the CEC to support development of zero-emission fuels/infrastructure/technology instead of petroleum diesel	Referred to Sen Approps Cmte (1 st house)	NONE	
SB 1117	Monning	Ensures that master-meter customer benefits from CCA cost savings flow to end-use tenants	Passed to Sen floor (1 st house)	WATCH	
SB 1215	Stern	Allows a microgrid to cross a public right-of-way without becoming an electrical corp; requires CPUC to develop methodology for accounting for RA value of distributed storage by 3/2021	Sen EU&C Cmte (1 st house) hearing set for 5/26	WATCH	
SB 1403	Hueso	Defines low-income customers for home weatherization eligibility in accordance with Dept of Housing & Community Development	Referred to Sen Approps Cmte (1 st house)	NONE	

Major Ongoing Regulatory Proceedings

Resource Adequacy (RA)

- Central Procurement Proposed Decision

PG&E Energy Resources Recovery Account (ERRA)

- 2020 ERRA Forecast
- 2021 ERRA Forecast
- 2019 ERRA Compliance

PG&E General Rate Case (GRC) Phase II

- Discovery under way

Resource Adequacy (RA)

- CPUC issued Proposed Decision (PD) on central buyer issue
 - PG&E would buy all local RA for EBCE customers beginning in 2023, recover costs in delivery charge
 - Eliminates an important part of value stack for local RA projects:
 - No value to EBCE's customers for avoiding local RA costs by investing in load-reducing distributed energy resources
 - Investments in projects that have local RA riskier/more costly
- We have been advocating for key changes to the PD
 - PD was "held" and not voted on 5/7 as scheduled
 - PD could be voted on as soon as 5/28
 - Expecting revised or alternate PD

PG&E ERRA Proceedings

- New PCIA rates from the 2020 Forecast are now in effect as of 5/1
 - Cap temporarily limits increase to 30%
 - "Trigger" for PG&E to file to increase rates likely to occur in August/September
 - Rates above cap could appear 60 days thereafter
- 2021 Forecast filing due from PG&E 6/1
 - Will give insight into 2021 PCIA rates
 - Nominally to go into effect 1/1/21
 - Subject to numerous revisions before effective
 - Delay possible (likely); not necessarily a good thing!
- 2019 Compliance proceeding
 - Prehearing Conference held 5/12
 - Set policy for costs relating to PSPS
 - Possible disallowances for failing to properly market RA in 2019

PG&E General Rate Case (GRC) Phase II Application

- Part of PG&E's triennial rate case
- Rate *design* part of the rate case
- CCAs are pushing for rates with:
 - Clear breakout between wires and generation charges, and
 - PCIA appearing as a separate element in tariffs for *all* customers
 - Distributed-resources friendly design (e.g., for fuel-switching programs, and vehicle charging)
- PG&E served updated testimony 5/15

Upcoming GRC Phase II Events

- Public participation hearings May — June 2020
- Public Advocates Office serves responsive testimony August 28, 2020
- Intervenors' prepared direct testimony served September 25, 2020
- Prepared rebuttal testimony served January 18, 2021
- Evidentiary hearings February 1-12, 2021



FY 2020-2021 Draft Budget

PRESENTED BY: Nick Chaset

DATE: May 24, 2019



FY 2020-21 Draft Budget (Informational)

Agenda:

- 1. Budget Overview**
- 2. Overview of Revenue**
- 3. Overview of Expenses**
 - a. Energy Operations
 - b. Personnel
 - c. Legal, Policy, & Regulatory Affairs
 - d. Marketing Services
 - e. General and Administration
 - f. Other Professional Services
 - g. Local Development
 - h. Interest
- 4. New Communities**
- 5. Overview of EBCE Net Position and Reserve Allocation**
- 6. Review of EBCE Value Proposition and Discount**
- 7. Risks and Mitigants**
- 8. Alternative Budget Scenarios**

1. FY 2020-21 Draft Budget

- Budget reflects staff's current projections for both electricity sales and energy costs. Actual results may change over the course of the year due to a wide variety of factors ranging from COVID impacts, weather, and commodity prices.
- The FY 2019-20 Budget presented is the budget approved by the Board in June of 2019
- Local Development will be represented as a Fund with a carry over balance of FY 2019-20 unspent dollars in addition to Overhead allocation
- New Communities Revenue and Expenses are not included in the table to the right, but are discussed separately in this presentation

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
REVENUE AND OTHER SOURCES			
Electricity Sales	487,014,000	391,499,000	(95,515,000)
Investment Income	578,000	1,231,000	653,000
Other Income	-	-	-
Uncollectables	(2,447,000)	(9,787,000)	(7,340,000)
Total Revenue and Other Sources	485,145,000	382,943,000	(102,202,000)
<i>Margin:</i>	<i>13.8%</i>	<i>0.3%</i>	
EXPENSES AND OTHER USES			
ENERGY OPERATIONS			
Cost of Energy	386,905,000	349,917,000	(36,988,000)
	<i>\$/MWh</i>	<i>55.28</i>	
Data Management/Customer Service	6,758,000	7,704,000	946,000
PG&E Service Fees (Billing/Metering)	2,253,000	2,396,000	143,000
Scheduling	653,000	660,000	7,000
Total Energy Operating Costs	396,569,000	360,677,000	(35,892,000)
OVERHEAD OPERATIONS			
Personnel	6,703,000	7,429,000	726,000
Marketing, Outreach, Communications	2,263,000	1,499,000	(764,000)
Legal, Policy, & Regulatory Affairs	1,586,000	1,297,000	(289,000)
Other Professional Services	1,214,000	1,345,000	131,000
General & Administrative	2,290,000	2,146,000	(144,000)
Local Development Funding	6,340,000	6,570,000	230,000
Depreciation	61,000	60,000	(1,000)
Total Overhead Operating Costs	20,457,000	20,346,000	(111,000)
TOTAL ENERGY & OPERATING EX	417,026,000	381,023,000	(36,003,000)
Earnings Before Interest & Capital	68,119,000	1,920,000	(66,199,000)
INTEREST PAYMENTS			
Borrowing Interest	1,229,000	804,000	(425,000)
Total Interest Payments	1,229,000	804,000	(425,000)
TOTAL EXPENSES & INTEREST DU	418,255,000	381,827,000	(36,428,000)
NET INCREASE (DECREASE) IN PO!	66,890,000	1,116,000	(65,774,000)

FY 2019-20 Budget to Actuals

- Actuals are unaudited results through Q3 (July, 2019 - March, 2020) plus Q4 projections
- Electricity sales are lower than expected due to reduced load based on weather conditions and PCIA increases, effective May 1, 2020
- Cost of energy is lower than expected due to reduced load and softer energy prices
- Overhead is lower than projected primarily due to some deferred allocation of local development spend into the next fiscal year, and general cost saving measures across functional areas

	FY 2019-20 BUDGET	FY 2019-20 ACTUALS	Fiscal Year Difference
REVENUE AND OTHER SOURCES			
Electricity Sales	487,014,000	468,961,000	(18,053,000)
Uncollectables	(2,447,000)	(2,346,000)	101,000
Investment Income	578,000	1,141,000	563,000
Other Income	-	113,000	113,000
Total Revenue and Other Sources	485,145,000	467,869,000	(17,276,000)
EXPENSES AND OTHER USES			
ENERGY OPERATIONS			
Cost of Energy	386,905,000	377,424,000	(9,481,000)
Scheduling/Broker Fees	653,000	758,000	105,000
Data Management/Customer Service	6,758,000	7,057,000	299,000
PG&E Service Fees (Billing/Metering)	2,253,000	2,326,000	73,000
Total Energy Operating Costs	396,569,000	387,565,000	(9,004,000)
OVERHEAD OPERATIONS			
Personnel	6,703,000	5,871,000	(832,000)
Marketing, Outreach, Communications	2,263,000	1,410,000	(853,000)
Legal, Policy, & Regulatory Affairs	1,586,000	1,250,000	(336,000)
Local Development	6,340,000	5,002,000	(1,338,000)
Other Professional Services	1,214,000	685,000	(529,000)
General & Administrative	2,290,000	1,607,000	(683,000)
Depreciation	61,000	46,000	(15,000)
Total Overhead Operating Costs	20,457,000	15,871,000	(4,586,000)
TOTAL ENERGY & OPERATING EXPENSES	417,026,000	403,436,000	(13,590,000)
INTEREST PAYMENTS			
Borrowing Interest	1,229,000	743,000	(486,000)
Total Interest Payments	1,229,000	743,000	(486,000)
TOTAL EXPENSES & INTEREST DUE	418,255,000	404,179,000	(14,076,000)
NET INCREASE (DECREASE) IN POSITION	66,890,000	63,690,000	(3,200,000)

2. Overview of Revenue

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
REVENUE AND OTHER SOURCES			
Electricity Sales	487,014,000	391,499,000	(95,515,000)
Investment Income	578,000	1,231,000	653,000
Other Income	-	-	-
Uncollectables	(2,447,000)	(9,787,000)	(7,340,000)
Total Revenue and Other Sources	485,145,000	382,943,000	(102,202,000)

Revenue Assumptions and Statistics

- Reduction in revenues from Electricity Sales are due largely to increases in PCIA, effective May 1, 2020. Assumptions:
 - PUBA trigger occurs in December and PCIA increases in January to maintain 7% under-collection
 - 2021 PCIA rate changes occur after June 30, 2021—beyond the scope of this draft budget
 - Modest increase in general rates, effective May 1, 2020. Additional rate increase assumed to occur in Jan 2021, per GRC
- Electricity Sales also assume the following rate changes:
 - Bright Choice is at 1.0% discount to PG&E, and Brilliant 100 is at a 3% premium
 - This is estimated to increase revenue by approx. \$5.7MM (\$2.7MM from Bright Choice, and \$3MM from Brilliant 100)
- Increase in Investment Income is due to current, higher bank account balances in interest bearing accounts (reserves and ICS) than last year but projected at slightly lower interest rate of 1.5%. Current rate is 1.79%
- Uncollectables increased from 0.5% to 2.5% (in anticipation of COVID recessionary impacts)

3. Overview of Expenses: Energy Operations

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
ENERGY OPERATIONS			
Cost of Energy	386,905,000	349,917,000	(36,988,000)
Data Management/Customer Service	6,758,000	7,704,000	946,000
PG&E Service Fees (Billing/Metering)	2,253,000	2,396,000	143,000
Scheduling	653,000	660,000	7,000
Total Energy Operating Costs	396,569,000	360,677,000	(35,892,000)

Energy Costs are made up of four primary energy products—block or shaped energy, renewable energy, carbon free energy, resource adequacy—and CAISO fees

- Costs of Energy are estimated based on contracted energy costs and estimated open position costs
- Costs are lower due to softer energy market prices
- Additional reductions due to anticipated PG&E large hydro allocation and revised power content targets

Data Management, PG&E Service Fees, and Scheduling costs

- Data Management/Customer Service are paid to SMUD at \$1.05/meter/month through Dec of 2020. EBCE is currently reviewing options to extend the contract with SMUD and as a result, EBCE is preparing for potentially higher Data Management/Customer Service costs depending on outcome of action on SMUD contract. EBCE has input a placeholder cost of \$1.20/meter/month for the second half of the fiscal year to reflect the current uncertainty.
- PG&E Service Fees are paid to PG&E to use their billing and metering systems at \$0.35/customer/month
- Scheduling costs are paid to NCPA to manage EBCE’s energy purchases and market activity

3. Overview of Expenses: Personnel

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
Personnel	6,703,000	7,429,000	726,000

FY 2019-2020 budget was established with 37 FTE

- As of May, 2020 staff consists of 31 FTE and 2 interns

Current hiring plan for remainder of FY 2019-2020 and FY 2020-2021 is 6 FTE to remain flat to the FY 2019-2020 hiring plan

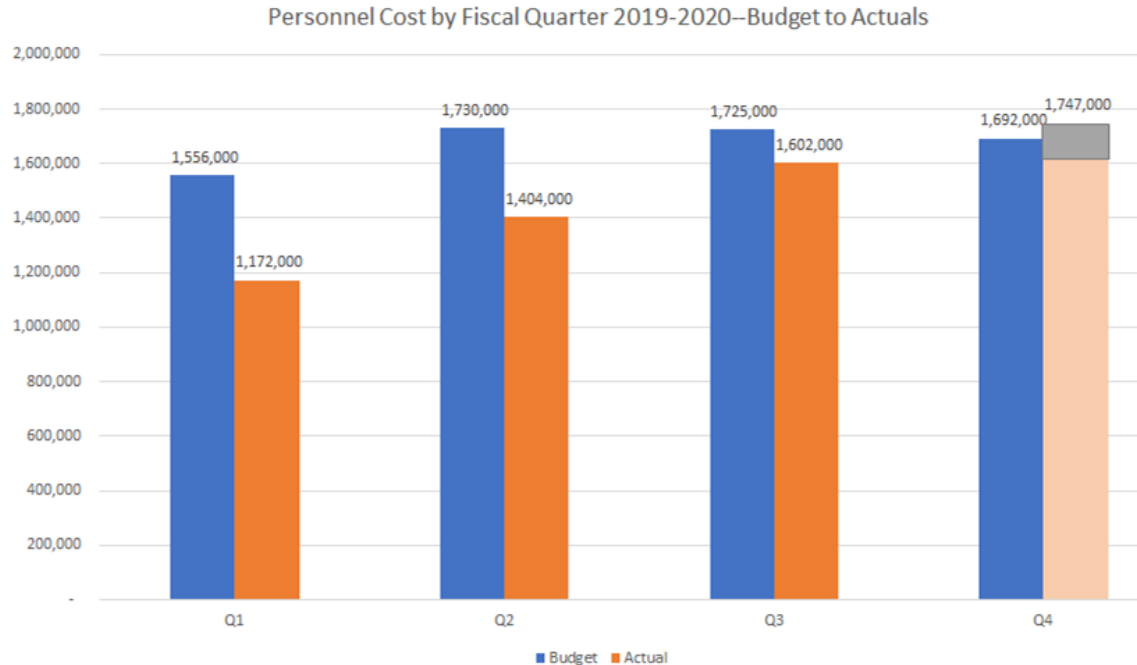
- 2 Outreach Fellows for Marketing
- Data Engineer for Technology
- CRM implementation Manager for Local Development/Technology
- Human Resources Business Partner for Operations
- Power Contracts Manager for Power Procurement

Increase in FY 2020-21 budget is driven by:

- Staff salaries covering the full fiscal year (FY 2019-2020 budget assumed partial year hires)
- Enact a policy to allow staff to monetize PTO
- 2.5% merit-based adjustments (\$118,000)
- 3% discretionary promotions/retention-based compensation adjustments (\$169,000)

3. Overview of Expenses: Personnel Continued

- Actuals through Q3 with projections for Q4
- Reduction in current fiscal year personnel costs reflect hiring deferrals/delays
- Current Q4 personnel costs are forecasted at \$1,747,000, which includes the addition of 3 FTE in Q4



3. Overview of Expenses: Comparing EBCE Personnel Costs to Other CCAs

Monterey Bay	Low	High	MCE			Clean Power Alliance	Low	High	EBCE	Low	High
VP/Director (actual salary)	\$206,000	\$250,000	COO/GC	\$206,819	\$304,709	VP (equivalent) GC	\$206,000	\$250,000	Vice President	\$230,000	269,000
			Directors (includes equivalent to VP)	\$149,251	\$242,070	Directors	\$130,000	\$206,000	Director/Sr Director	\$177,000	\$231,000
Manager	\$136,000	\$187,000	Manager	\$100,211	\$198,764	Managers	\$80,000	\$175,000	Manager/Principle	\$135,000	\$177,000
Analyst	\$116,000	\$136,000	Analyst	\$91,682	\$134,475	Analyst/Other	\$65,000	\$115,000	Analyst/Associate	\$83,000	\$141,000
Coordinator/Specialist	\$99,000	\$110,000	Specialist/Coordinator	\$61,832	\$94,597				Fellow/Coordinator/Specialist	\$57,000	\$83,000
Associate	\$81,000	\$93,000									

3. Overview of Expenses: Marketing, Outreach, and Communications

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
Marketing, Outreach, Communications	2,263,000	1,499,000	(764,000)

	2019-2020	2020-2021
Advertising/Sponsorships/Events:	587,000	365,000
Communications:	223,000	370,000
Community Grants	190,000	24,000
Data manager:	300,000	300,000
Noticing:	133,000	120,000
Promotional Items:	55,000	20,000
Mailings:	775,000	300,000
Total	2,263,000	1,499,000

Examples of Marketing, Outreach, and Communications expenses

- Advertising/Sponsorships/Events: Active community presence activities in local jurisdictions and operating communities
- Communications: Public relations, media, newsletters, consultants
- Community Grants: Grants provided to local community organizations
- Data Manager: Data/Billing management system enhancements
- Noticing: New account noticing (cost shown does not include new communities)
- Promotional Items: Promotional items for outreach/marketing events
- Mailings: Joint Rate Mailer/Power Content Label

3. Overview of Expenses: Legal, Policy, and Regulatory Affairs

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
Legal, Policy, & Regulatory Affairs	1,586,000	1,297,000	(289,000)

	2019-2020	2020-2021
Legal Consultants	1,076,000	970,000
Legislative Consultants	132,000	132,000
Other Consultants	259,000	195,000
Sponsorships	50,000	-
Temp. Employee	69,000	-
Total	1,586,000	1,297,000

Examples of Legal, Policy, and Regulatory Affairs expenses

- Legal Consultants: Outside General Counsel and legal counsel for procurement, programs, finance, and regulatory activities
- Legislative Consultants: Funds towards legislative advocacy
- Other Consultants: Economic analysis in regulatory/legislative cases and communications consultant

3. Overview of Expenses: Other Professional Services

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
Other Professional Services	1,214,000	1,345,000	131,000

	2019-2020	2020-2021
Accounting	205,000	220,000
Human Resources Consulting	25,000	-
IT Consulting	36,000	45,000
Other Professional Services	948,000	730,000
Customer Relationship Management	-	350,000
Total	1,214,000	1,345,000

Examples of Other Professional Services

- Accounting and auditing for financial compliance
- Technical consultants related to power procurement, risks analysis, and planning
- Customer Relationship Management include licensing and implementation of a CRM system to be utilized by the Local Development and Marketing teams for program offerings

3. Overview of Expenses: General & Administrative

	FY 2019-20	FY 2020-21	Fiscal Year
	BUDGET	BUDGET	Difference
General & Administrative	2,290,000	2,146,000	(144,000)

	2019-2020	2020-2021
Small Equipment & Software	636,000	740,000
Dues & Memberships	556,000	400,000
Operational Expenses	491,000	496,000
Rent & Utilities	470,000	429,000
Conferences & Prof. Development	137,000	81,000
Total	2,290,000	2,146,000

Examples of General & Administrative Expenditures

- Small Equipment & Software includes professional software across all functional areas as well as equipment replacement as needed
- Dues & Memberships includes \$375,000 for CalCCA and other essential cooperative organizations
- Operational Expenses include Energy Prepay fees, benefits-related administrative fees, office supplies, and miscellaneous expenses
- Rent & Utilities covers all planned costs for office space
- Conferences & Professional Development includes travel and lodging

3. Proposed Local Development Budget

Program Areas	2021 Budget (\$000)	% of Budget
Demand Response	\$ 100	1.52%
Energy Efficiency	\$ 340	5.18%
Building Electrification	\$ 700	10.65%
Vehicle Electrification	\$ 4,630	70.47%
Collaborative Procurement	\$ 800	12.18%
Local Development Budget Sub-Total	\$ 6,570	
Staffing*		
Staff Costs	\$ 825	
Fellow	\$ 25	
Staffing Sub-Total	\$ 850	
Leveraged Funding		
CEC Electric Vehicle Incentive Program**	\$ 4,000	
Total Local Development Direct Investment	\$ 11,420	

*NB Staffing cost come from HR budget not Local Development

**Assumed based on CEC approval of EBCE EVIP Partner Application, final amount subject to change

3. LDBP Program Budgeting Process

- Process
 - LDBP Document continues to be the blueprint for program planning and budgeting
 - Staff will continue to update the CAC and Board on an ongoing basis as programs are planned and implemented
- Budgets Overview
 - FY'21 Budget remains flat to FY'20
 - Programs are focused on job creation and local investment
 - Team has successfully pursued external funding from Federal and State sources (EPA funds and CEC) to leverage EBCE funding

3. Transportation Electrification (\$4,630k)

- Electric Vehicle Incentive Program (\$4,000k)
- Center for Sustainability Incentive Administration and Support (\$254k)
- EViP Site Development Outreach and Development (\$126)
- Municipal Fleet Electrification Technical Support (\$125k)
- Medium/Heavy Duty Fleet Electrification (\$125k)

3. Building Electrification and DR (\$800k)

- Building Electrification (\$700k)
 - Heat Pump Hot Water heater incentives (\$250k)
 - Reach Code Implementation Support (\$50k)
 - Commercial Induction Grants (\$300k)
 - Electrification Consumer Awareness (\$100)
- Demand Response
 - Building Electrification Demand Response (\$100k)

3. EE and Local Procurement (\$990k)

- Collaborative Procurement (\$800k)
 - Solar+Storage Resilience Program (\$400k)
 - Connected Communities, reducing customer disconnections (\$50k)
 - EBCE Asset development and ownership (\$200k)
 - Municipal Renewable Electrification (\$150k)
- Energy Efficiency (\$340k)
 - Continue data sharing to increase efficacy of EE program
 - Phase II Pay for Performance EE Procurement (\$240k)
 - Technical/legal consultant to pursue public Energy Efficiency funding (\$100k)

3. Overview of Expenses: Interest Due

	FY 2019-20 BUDGET	FY 2020-21 BUDGET	Fiscal Year Difference
Borrowing Interest	1,229,000	804,000	(425,000)

EBCE currently has an active credit facility with Barclays Bank with no outstanding debt

The Barclays Credit Facility is sized at \$80,000,000

- EBCE can draw up to \$60MM in cash and use up to \$35MM in letters of credit (LC's)
- EBCE pays 1% on the undrawn facility balance as a commitment fee, and 1-month LIBOR + 2.50% on any cash drawn facility balance up to \$25MM and LIBOR + 2.65% on any amount above \$25MM
- EBCE has outstanding LC's and pays 1.75% on this balance
- The interest on outstanding LC's and the commitment fee is the budgeted interest payments for FY 2020-2021—no cash borrowing is expected for this fiscal year

4. New Communities: Newark, Pleasanton, and Tracy

- Inclusion of new communities is expected to have a positive lift on margins based on an April enrollment timeframe estimated at \$3.5MM in net margin based on current market conditions.
 - April-June timeframe represents higher margin months. Full calendar year net margin is lower.
- Positive margin is driven by a modest increase in operating overhead related to serving these customers and softer energy prices.
- Additional analysis is underway to determine the optimal timing based on different customer rates and procurement risks/opportunities

	FY 2020-21 BUDGET	New Communities	Fiscal Year Adjusted
REVENUE AND OTHER SOURCES			
Electricity Sales	391,499,000	13,409,000	404,908,000
Uncollectables	(9,787,000)	(201,000)	(9,988,000)
Total Revenue and Other Sources	382,943,000	13,208,000	396,151,000
EXPENSES AND OTHER USES			
ENERGY OPERATIONS			
Cost of Energy	349,917,000	9,065,000	358,982,000
Data Management/ Customer Service	7,704,000	299,000	8,003,000
PG&E Service Fees (Billing/Metering)	2,396,000	87,000	2,483,000
Total Energy Operating Costs	360,677,000	9,451,000	370,128,000
OVERHEAD OPERATIONS			
Marketing, Outreach, Communications	1,499,000	274,000	1,773,000
Total Overhead Operating Costs	20,346,000	274,000	20,620,000
NET INCREASE (DECREASE) IN POSITION	1,116,000	3,483,000	4,599,000

5. Review of Net Position and Reserve Policy

EBCE Estimated Net Position 2019-2020 \$ 63,690,000

Reserve Fund	2018-19	2019-20*	Total 2019-20	Target	Remaining
Operating/Credit	32,768,648	23,393,450	56,162,098	200,646,000	144,483,902
Rate Stabilization	1,936,260	2,339,345	4,275,605	7,018,035	2,742,430
Collateral	1,936,260	2,339,345	4,275,605	37,742,400	33,466,795
Local Development	3,872,519	4,678,690	8,551,209	46,786,900	38,235,691
Total	40,513,687	32,750,830	73,264,517	292,193,335	218,928,818

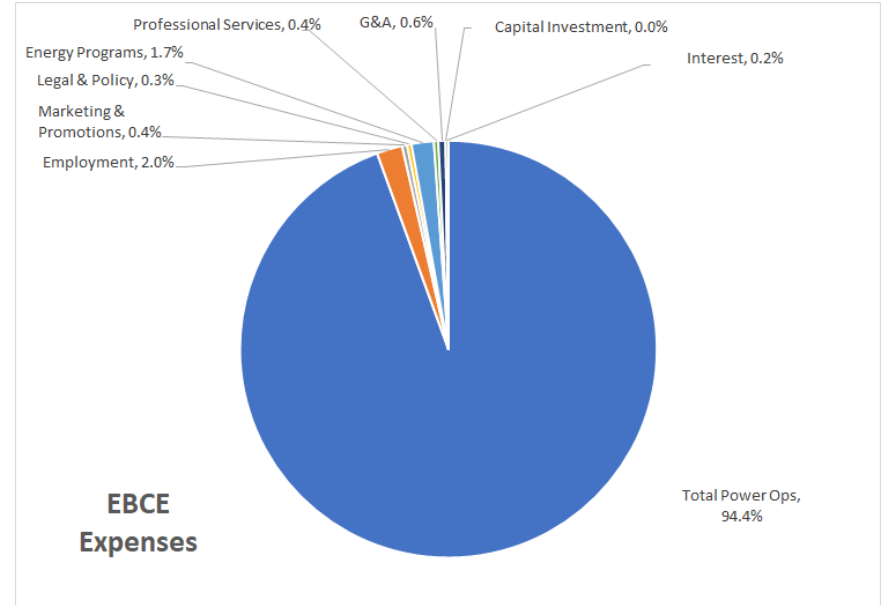
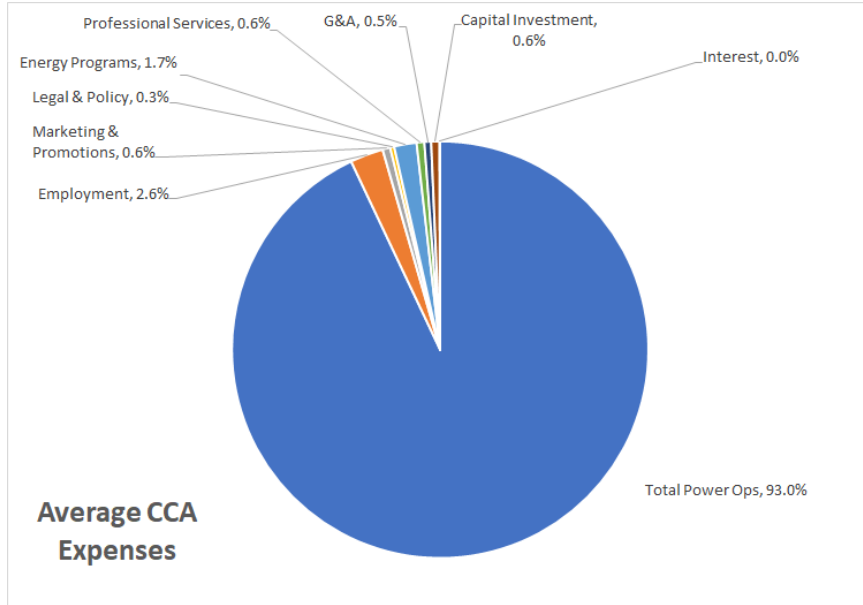
* Expected contributions set to minimum amount

EBCE anticipates funding reserves with the minimum allocation from 2019-2020 net revenues for the following reasons:

1. Narrow 2020-21 margins
2. Uncertainty with COVID load demand
3. Uncertainty with 2021 PCIA adjustments
4. Retain a minimum 1 month liquidity of operating expenses (~\$30MM) under discretionary cash

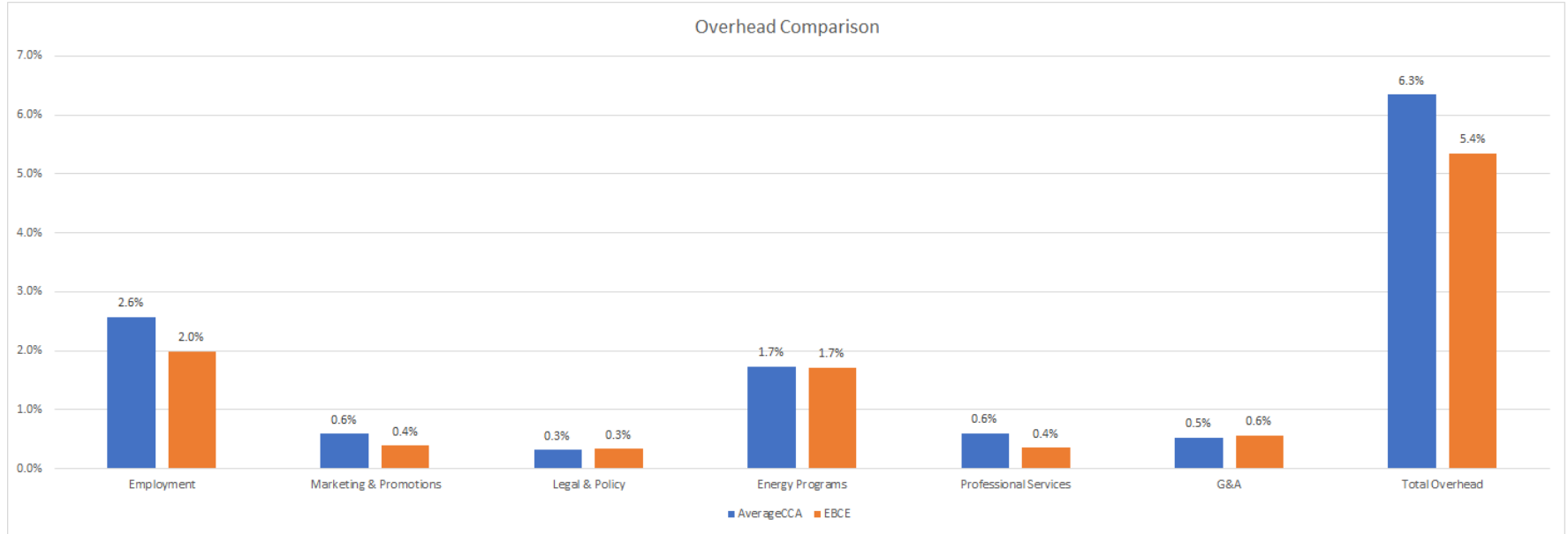
The allocation for fiscal year 2019-20 is pending completion of a formal audit and expected to occur in Nov/Dec 2020

5. Comparison of EBCE Budget to CCA Space



As percentage of expenses

5. Comparison of EBCE Budget to CCA Space



As percentage of expenses

5. Comparison of CCA Products & Value

	Basic Product	% Renewable	% Carbon-Free	Discount to PG&E (denotes a premium)	Upgrade 2	% Renewable	Premium to PG&E
EBCE	Bright Choice	39.5%	10%-15%	1.00% (proposed)	Renewable 100	100% RE	+\$0.01/kWh
SVCE	Green Start	100%		4.00%	Green Prime	100% RE	+\$0.008/kWh
MCE	Light Green	61%	N/A	0%-2%	Deep Green	100% RE	+11%
SCP	Clean Start	49%	42%	(2%-4)	Evergreen	100% RE	+\$0.025/kWh
SJCE	Green Source	45%	41%	1.00%	Total Green	100% RE	+\$0.005 - \$0.01/kWh
MBCP	MB Choice	30%	N/A	2%-7%	MB Prime	100% RE	+\$0.01/kWh
PCE	Eco Plus	51%	35%	5.00%	Eco 100	100% RE	+\$0.01/kWh
CPSF	Green	48%	40%		SuperGreen	100% RE	

*Yellow cells denote discounts/premiums relative to last year; not yet confirmed if these CCAs have made adjustments to these values/

6. Review of EBCE Value Proposition and Staff Recommendation

- EBCE currently offers three products:
 - Bright Choice: 1.5% below PG&E rates
 - Brilliant 100: Parity with PG&E rates
 - Renewable 100: \$0.01/kWh more expensive than PG&E rates
 - For 2019/2020, EBCE expects to deliver over \$7MM in bill savings to customers
- Staff is recommending an adjustment to the value proposition for 2020/2021
 - Bright Choice: 1% below PG&E rates
 - Brilliant 100: 3% premium to PG&E rates to reflect the projected procurement costs to Bright Choice
 - Renewable 100: unchanged at \$0.01/kWh more expensive than PG&E rates
 - For 2020/2021 EBCE expects to deliver approximately \$5.4MM in bill savings to customers
- Every 0.5% discount for Bright Choice equals \$2.7MM in incremental revenue
- Every 1% in Brilliant 100 premium equals \$1MM (assuming no change to enrolled load)

7. Risks and Mitigations

EBCE is exposed to a variety of risks in this coming fiscal year. The following discussion is a representative list of key risks, though it is not comprehensive in reflecting all risks.

1. COVID/Load Risk
2. Energy Market Risk
3. Uncollectables/Write-off Risk
4. Opt-out Risk
5. Regulatory Risk

7. Risks and Mitigants: COVID/Load

COVID impacts on load, collections, and energy market prices are being closely monitored and to date the Shelter in Place policy has been in effect for approximately two months. While this has provided meaningful data it is very difficult to extrapolate the insights to accurately forecast impacts on the next fiscal year.

1. Status quo: Quick reversion to a pre-COVID load. Electricity usage based on businesses partial reopening and moderately increased residential use that results in load that closely reflects EBCE load pre-COVID. This is the basis for the current budget.
2. Moderate COVID load decrease: Volumetric load is down 6-8% in the near-term months with a peak reduction of 10-15% and there is a gradual reversion to about 1-3% volumetric load reduction and 4-6% peak reduction, which is maintained starting in 2021.
3. Moderate COVID load increase: With the partial reopening of small businesses and large commercial space, we could see commercial load revert close to normal levels and residential load remain high based on partial families working from home. This could result in a moderate increase in volumetric load of 2-4% and a peak load similar to normal levels
4. Significant and sustained macro recession where volumetric load continues to be depressed. Volumetric load is down 6-10% and peak load is down 10-15% for next 12-24 months

7. Risks and Mitigants: COVID/Load continued

Independent of which scenario EBCE experiences, there are some constant risk conditions to consider.

- Changes in volumetric load due to ongoing COVID conditions are expected to decrease costs proportional with the projected net decline in demand. Thus, any decline in revenue due to decline in demand should be reasonably offset with a decline in costs. EBCE is projecting a margin of 8.5% of revenues over electricity costs. This means for each dollar decrease in revenue from reduced demand, EBCE can expect an approximate \$0.915 reduction in costs. To date, EBCE has generally experienced a positive impact to load shape that has reduced the more expensive peak hours that help to mute this margin impact.
- Load changes can have material implications to EBCE as it relates to planning, procurement, and scheduling. Less certainty when it comes to load forecasting can increase risk. Generally speaking, an overall industry reduction in load directionally leads to softer energy prices. However, the uncertainty also leads to more significant day to day volatility, which can increase or decrease energy costs where EBCE is not hedged.

7. Risks and Mitigants: Energy Market Risk

EBCE currently has an estimated unhedged energy portfolio of approximately \$80 million which is exposed to the market. Short term energy prices can see volatility of 10-20% on a regular basis based on typical supply/demand dynamics that are heavily influenced by weather and electricity infrastructure.

The volatility may be exacerbated by COVID due to general uncertainty of load and the impacts from the macro oil industry on gas prices. We estimate that energy costs could increase reasonably as much as \$16-20MM, though this could also result in a similar reduction in energy costs.

EBCE could consider hedging more load to reduce this risk. However in an environment of softer energy prices, there are follow-on repercussions of an increasing PCIA the following year.

7. Risks and Mitigants: Uncollectables

While EBCE has increased our expected exposure from 0.5% to 2.5% of uncollectable accounts, the current data is limited in measuring the extent of this impact. This forecast of 2.5% is at the higher end of the range compared to other CCAs based on our regional income demographics. In researching other load serving entity uncollectables through prior recessions, we have seen data ranging from non-material impacts up to 6% write-offs.

Based on the recessionary impacts of COVID and suspension of disconnects, we do anticipate an increase in uncollectables that would lead to write-offs. There is a potential for the uncollectables to exceed our current forecast based on a more severe and extended recession. To mitigate this risk, we have launched an active campaign to increase CARE enrollments as a way to lower customers bills and are continuing to create a plan to enroll customers onto longer term payment plans as necessary. While enrollment in payment plans should reduce write-offs, it would reduce near term cash inflows. EBCE has a strong cash and reserve position to support payments deferrals.

7. Risks and Mitigants: Opt-out Risk

Customer opt-outs are generally an ongoing risk to EBCE. However, we do not anticipate an increased risk of opt-outs for the fiscal year, depending on adjustments to the value propositions. There is currently no active discussion of DA expansion that would take effect in 2021 beyond what has already been in process.

7. Risks and Mitigants: Regulatory Risk

- The current budget assumes a deferral of approximately \$16MM in costs, which is based on maintaining an undercollection (PUBA) of 7%. The most significant regulatory risk to revenues in the near term is the management of this PUBA cap. The CPUC could rule to fully collect on the undercollection, which would decrease fiscal year revenues or potentially elect for a larger undercollection, which could increase revenues.
- AB110 Power Content reporting is anticipated to be finalized in mid 2020. These regulations will include potential updates to the reporting treatment of PCC3 unbundled RECs and Asset Controlling Supply (ACS) procurement. Currently procurement of PCC3 RECs is limited and serves as a flexible tool to balance the portfolio. ACS is also currently procured largely as a source of clean large hydro energy, a cost-effective energy hedging tool, and a source of import RA from the pacific northwest. The new reporting regulation may require disclosure of all underlying energy as source specified, which could limit future procurements of this product depending on board direction.
- PCIA Working Group 3, which is focused on the disposition of PG&E's current long portfolio may benefit EBCE's energy procurement related costs. Though those benefits are not expected to be material for the fiscal year.

7. Risk and Mitigants: Mitigants

Considering the previous discussion, EBCE has the following options to further mitigate these economic risks.

- Additional changes to EBCE's value proposition:
 - Further reduction to Bright choice discount to 0.5% = \$2.7MM, or 0% = \$5.4MM
 - Further increase to Brilliant 100 premium to 4% = \$1MM, or 5% = \$2MM
- With the Board approval of the PG&E allocation and PCL restructuring, EBCE holds excess large hydro related carbon free attributes which can be resold. This is estimated to generate anywhere from \$1 to \$2 million, depending upon quantity sold and market conditions.
- EBCE has the opportunity to accept and resell PG&E's nuclear allocation. This could generate up to \$2 million based on market demand, which is uncertain. This could present some risk to EBCE's power content label, but we can likely structure an arrangement to largely mitigate this risk.

8. Alternative Budget Scenarios

- Alternative 1: Reduce Local Development budget by \$2.7MM, maintain the Bright Choice discount of 1.5%, resulting in the current projected margin in the presented budget
- Alternative 2: Increase Local Development budget by \$2.7MM, further decrease Bright Choice discount to 0.5%, resulting in the current projected margin in the presented budget
- Alternative 3: Reduce Bright Choice discount further to 0.5% and increase net margin by \$2.7MM to mitigate risk related to energy markets, COVID, and PUBA undercollection and built increased reserves



Integrated Resource Plan Update

PRESENTED BY: Marie Fontenot

DATE: May 22, 2020



Deliverables

Phase 1: CPUC IRP Compliance Filing

- Analysis based on prescriptive assumptions
- Narrative – analysis, process, results, lessons learned
- Resource Data – conforming & “preferred” portfolios
- Clean System Power Calculator

Phase 2: Establish EBCE Organizational Goals

- Additional analysis
- Identify reliability needs
- Define trade-offs between organizational objectives
- Inform procurement recommendations
- Develop path to expedited GHG reduction

Revised CPUC Requirements

- 46 MMT *and* 38 MMT scenarios

LSE	2030 Load (GWh)	Share of 2030 load in <u>IOU territory</u>	2030 GHG emissions benchmark – 46 MMT scenario	2030 GHG emissions benchmark – 38 MMT scenario
PG&E Bundled	26,777	35.2%	5.479	4.526
EBCE	6,910 ¹	9.08%	1.414 (or ~900,000MT) ²	1.168 (or ~668,000MT) ²
SCE Bundled	54,393	63.49%	9.687	8.003
SDG&E Bundled	5,366	29.46	1.198	0.990

¹ Load represents CPUC approved load forecast as of 4/15/20; subject to revision in final IRP analyses and filing.

² GHG emissions benchmark includes EBCE's proportional share of behind-the-meter CHP emissions. This value equals approximately 500,000 MT/year.

- Specific Input Requirements
- Filing date: September 1, 2020

Context / Comparison

Assumption: use of April's Board-approved PCL methodology: RPS+5%

2020 Load Forecast (GWh)	Estimated 2020 GHG emissions for 39.5% RPS ¹	Estimated 2024 GHG emissions for 49% RPS ²	2030 Load (GWh)	2030 GHG emissions benchmark – 46 MMT scenario	2030 GHG emissions benchmark – 38 MMT scenario
Total: 5,900	Total: n/a	Total: n/a			
Bright Choice: 4,889	Bright Choice: 970 MT + CHP	Bright Choice: 872 MT + CHP	6,910	1.414 (or ~900,000MT)	1.168 (or ~668,000MT)

¹ 39.5% represents 5% above PG&E's 2019 renewable energy power content forecast (per 2019 Bundled RPS Energy Sale Solicitation Advice Letter filing)

² 49% is an estimate. It represents 5% above the 2024 RPS compliance target of 44%

Scenario Analysis Will Evaluate...

Key Evaluation Metrics	Scenario 1: 46 MMT / i.e. 1.414 MMT	Scenario 2: 38 MMT / i.e. 1.168 MMT	Scenario 3: EBCE aggressive i.e. 90.5% CO2- free by 2024
Carbon Free			
Reliability			
Affordability (Cost)			
Resource Mix (incl. New build vs existing)			
Spot Market vs Short-Term vs Long- Term Contracts			
Risk Mgmt			