Email received by publiccomment@ebce.org on Wednesday, June 5, 2019:

Thank you for providing the opportunity for interested stakeholders to comment on East Bay Community Energy's (EBCE) 2019-2020 Rate Setting process.

When the EBCE Board set the agency's first rate structure in February 2018, the Board spent a great deal of time discussing the program's energy mix for its default product and spent very little time on a discussion of rates. The Board directed that EBCE's default product (*Bright Choice*) be 85% carbon free* (38% renewable and 47% hydro) and be discounted 1.5% from PG&E's standard rates. The staff's original recommendation for *Bright Choice* was 70% carbon free (35% renewable and 35% hydro) at a 2% discount from PG&E. The Board increased the default's carbon free content in response to an announcement by PG&E that it had achieved a carbon free power mix of nearly 80% in 2017. EBCE's Implementation Plan (Plan) submitted to the California Public Utilities Commission (CPUC) in August 2017 stated that EBCE would offer "a default EBCE service option that at a minimum matches PG&E's renewable energy share and exceeds its share of GHG-free energy by 10%" (Community Choice Aggregation Implementation Plan and Statement of Intent, August 2017 at page 15).

The Board did not discuss the staff's recommendation for the power mix and pricing for the only other product available at the time (*Brilliant 100*). The staff recommendation for *Brilliant 100* was 40% renewable and 60% hydro-electric power at a price equal to PG&E's rates.

The issue of pricing is addressed in the agency's Joint Power Agreement which calls for a price that is "lower or competitive with PG&E for similar products" (East Bay Community Energy Authority, Joint Powers Agreement, Recitals, paragraph 6 (a)).

Since EBCE set its rates and power mix in February 2018, we have learned that PG&E's renewable content has increased and its carbon emissions have decreased significantly. This means that EBCE is obligated to review and adjust its power mix for its default product to be consistent with its commitments made in its Plan. Once the amount of renewable and carbon free content have been determined for its default product, rates can be set accordingly.

There is always uncertainty about the renewable and carbon free content of electricity sold in the previous year to retail customers. The California Energy Commission (CEC) audits the retail electric sales and publishes a Power Content Label (PCL) that generally reflects the power sources of each utility's or CCA's aggregated retail sales. The PCL, however, is not published until the Fall of the year following the year when the sales took place. For example, a PCL for electric sales in 2018 will not be available until October-November 2019. I have just learned, however, that the CEC does have some preliminary data on the 2018 retail electric sales that the Commission has shared with at least two other CCAs, namely Clean Power Alliance and CleanPowerSF. Attached is a comparison of CleanPowerSF's power content to PG&E's 2018 data. Please note that PG&E's renewable power (39%) is greater than EBCE's default product (38%).

We also know from documents filed with the CPUC by PG&E in its 2019 Energy Resource Recovery Account (ERRA) application that PG&E is forecasting that its aggregated carbon emissions for 2019 will be approximately 11 lbs. CO2e/MWh compared to EBCE's estimated forecast of 142 lbs. CO2e/MWh.

The solution to the fact that EBCE's default product has fallen behind PG&E on renewable content and greenhouse gas emissions is straight-forward. EBCE should eliminate *Bright Choice* entirely and make *Brilliant 100* the default. Ideally, the default could be 45%-50% renewable and 55%-50% hydro and offered at a discount of at least 2%. This would be a win for the elimination of carbon emissions, a price reduction for all customers, the elimination of the threat of *Bright Choice's* carbon content coming back to haunt EBCE, and it would give the program time to evolve into providing a 100% renewable product for all customers. The effect on EBCE's surplus (profit, reserve) would be minimal. EBCE staff should provide the Board with several scenarios like the one I've described to allow the Board to make an informed decision, rather that unilaterally determining that the power mix will not be considered at this time. Note, too, that at least 3 other Bay Area/regional CCAs offer a carbon free default product along with a discount on the rate.

*The 47% carbon free hydro approved by the Board in February 2018 has been changed to 24% hydro and 23% "unspecified power" delivered by an Asset Controlling Supplier (ACS). Although the majority of the ACS power comes from hydro, a percentage of the power comes from natural gas sources. This adds an additional 12 lbs. CO2e/MWh to the carbon emissions produced by *Bright Choice.* Per current CEC rules, the actual carbon free content of *Bright Choice* is 62%, not 85% as directed by the Board.

Sincerely,

Tom Kelly
KyotoUSA
Berkeley, CA

CleanPowerSF Rates and Renewable Content - Residential

	CleanPowerSF Green	CleanPowerSF SuperGreen	PG&E Default	PG&E Solar Choice
Renewable Energy Content	48%	100%	39%	100%
Electricity Generation	$21.56	$26.08	$33.69	$38.47
PG&E Electricity Delivery	$35.79	$35.79	$35.79	$35.79
Additional PG&E Fees*	$10.25	$10.25	N/A	$10.07
AVERAGE TOTAL COST PER MONTH	$67.59	$72.11	$69.48	$84.33

COMPARISON OF TYPICAL MONTHLY BILL—RESIDENTIAL

*Additional PG&E Fees refer to the Power Charge Indifference Amount (PCIA) and the Franchise Fee Surcharge (FFS). For more details, view Understanding Your Bill.

The bill above is based on average winter usage of 301 kWh. The E1 rate schedule was used for comparison, PG&E rates effective March 1, 2019 and current CleanPowerSF rates effective July 1, 2018.

Renewable energy content listed for each product identified above as reported in CleanPowerSF's Annual Report to the California Energy Commission Power Source Disclosure Program and PG&E's 10-k filing. Data is subject to an independent audit and verification that will not be completed until October 1, 2019.

June 3, 2019