East Bay Clean Power Alliance
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Subject: EBCPA Local Development Business Plan 3nd Round Comments

April 20, 2018

Dear East Bay Community Energy,

Attached you will find our comments from the East Bay Clean Power Alliance. We look forward to seeing the finalization and implementation of the Local Development Business Plan. We are excited by the benefits this will bring to Alameda County residents.

Thank you,

Jessica Tovar, Coordinator of the East Bay Clean Power Alliance

East Bay Clean Power Alliance comments on 3rd Round of LDBP Work Products

Analysis of Risks and Mitigations

EBCPA Supports

- The observation that EBCE adopted Energy Risk Management policies that are consistent with successful integration of the Local Development Business Plan (LDBP) and the suggestion Energy Risk Management Policy should include the risk management services provided by Distributed Energy Resources.

- LDBP recommends that the value of dispatchable Distributed Energy Resources (DERs) such as Time Of Use rates, storage, virtual power plant, be included in determining volumetric risk mitigation.
- The proposal that inclusion of community involvement can mitigate operational, reputation and operational risks.
- Recommendation for proactive involvement by EBCE in regulatory affairs, and working closely with other CCAs and organizations such as CalCCA to intervene in regulatory proceedings that affect CCAs.

Would like to see

- Community involvement as important to mitigating regulatory risks. Often it is community involvement that staves off these risks.
- The inclusion of legislative risks, and mitigation strategies include educating legislators about what Community Choice is and does.
- Forming positive contractual relationships with customers can helps mitigate reputational risks, by inspiring customer loyalty.

Considerations for Local Approvals

EBCPA supports

- Adopting the *Rapid PV Permit Guide* and the tool kit developed by the East Bay Green Corridor Project guidelines and documents, to streamline permitting process for residential rooftop PV.
- Exceeding AB 2188 requirements for expedited eligibility review requirements to ensure quick turnaround for Residential PV permits.
- A working group made up of member representatives, building permit, inspection officials and solar industry representatives to work on tool kit adoption. We support that the convener could be a local non-profit.
- Transitioning from a value-based fee for large-scale solar projects to a cost of permitting fee for such projects.
- The effort to reopen the effort to amend the East County Area Plan to determine environmentally and economically suitable areas in East County for larger, ground-mounted solar projects.
- The identification of “renewable energy zones,” friendly to permitting for ground mounted permitting, by avoiding areas that are important for agricultural uses or include sensitive environments.
- Prioritization of rooftop solar installations to avoid negative environmental impacts and CEQA.
- Developing list of common mitigations to help solar developers.

Would like to see

- Community involved in working group to streamline residential solar permitting.
- Streamline permitting process for commercial rooftop PV.
- Resolution of the community conflicts with the first East County Area Plan, before continuing work on it.
- Develop policies and goals for sustainable siting to protect and avoid impacts to important habitat, land, and waters, including a preference for developing on the built environment.
- Inclusion of the East Alameda County Conservation Strategy.
- Consideration of barriers for personal ownership of rooftop solar for low-income customers that may or may not include the permitting process, and possible hardship waivers.

Integrating LDBP goals with Internal Resource Planning

EBCPA supports

- The discussion of how requirements for the Integrated Resource Plan (IRP) balance well with EBCE Goals
- EBCE appreciates that this work product includes the fact that community benefit adders can address a market failure to promote clean energy resource development in low income communities and communities of color.
- Pointing out how adders can help integrate EBCE and IRP goals by incenting clean energy development with minimal impact on customer rates.
- This work product points out how a phased-in Feed in Tariff (FiT) will help EBCE integrate local renewable resources with market purchases.
- Preference for local long term power contracts to meet SB 350 requirements
- This work product points out how local solar generation, demand response, and battery storage have the potential to meet Resource Adequacy (RA) requirements and avoid market purchases of RA.
- There is a recurring theme that implementing the Net Energy Metering (NEM), FiT, energy efficiency, demand response and storage energy programs as recommended in the LDBP will facilitate integration of these resources with market purchased resources.
- Emphasis on energy storage and virtual power plants as critical for load and resource adequacy management.
- The recommendation that EBCE adopt a Frist Source program, like the one currently used by Alameda County, to prioritize local vendors and the local workforce for projects. Likewise we support prioritizing local sources of both technology and funding.
- The recommendation several specific measures to ensure good communication between portfolio managers and
- Evaluation of the programs performance including impacts on the community through the development of key performance indicators.

Would like to see

- More emphasis on meeting community-benefit goals. Meeting those goals can provide huge monetary savings to local jurisdictions through avoided health, safety and environmental costs, not to mention the improved quality of life afforded communities, especially those that have been most negatively impacted by the current energy system.
- A discussion of why there is no workforce adder recommended for the FiT.
- A discussion of how pay for performance might discriminate against small, local businesses

- A discussion of how the IRP will integrate LDBP workforce policies

Integration of DER development with Procurement and Scheduling

EBCPA supports

- Developing a dispatchable network of distributed energy resources to meet EBCE's energy need and reduce risks associated with market purchase.
- Adding EBCE Control Clauses into incentive/ tariff contracts with customers for Net Energy Metering, Feed in Tariffs, Collaborative Procurement and energy storage.
- Ensuring customer trust and support for these clauses through the inclusion of well defined times and durations of EBCE control, limits and restrictions and opt-out mechanisms.
- Deployment of an integrated data platform that includes all the features specified by this LDBP work product.
- Utilizing this integrated data management platform to design time of use and Net Energy Metering rates that incentivize behind the meter energy resource use and availability when needed to flatten the duck curve.
- Transitioning to a Value of Distributed Energy Resources (VDER) for behind the meter solar, which includes valuation of the non-energy benefits of renewable energy.
- The establishment as early as [possible of a virtual power plant to facilitate efficient, cost-effective integration of local renewable resources with procurement and scheduling.
- EBCPA appreciates the step-by-step charting of the function of a virtual power plant.

Would like to see

- More discussion of the negative impact of long term market-based purchases on development and integration of local renewable/ clean energy resources, and strategies to avoid inhibiting local development because of market-based contracts.
- More discussion of displacing market-based power with local DER.

IRP Methodologies

EBCPA supports

- The notion that the LDBP sections of integrating local renewable resources into EBCE's integrated resource plan should support the current IRP process going on within EBCE's staff.
- The reassurance that it will be possible for EBCE to develop local in front of the meter renewable resources to contribute to the 50% renewable RPS mandate from SB 350.
- Roll out of a Feed in Tariff to contribute local resources to meet the SB 350 50% by 2030 mandate. If a 5MW/quarter fiT allotment was filled each quarter for 10 years it would result in 200 MW or 18% of EBCE's power requirement.
- The reminder that energy efficiency is one of the most cost-effective local clean energy resources.
- LDBP recommendations for programs to meet EBCE's storage requirements.
- The discussion of the various ways that local distributed energy resources will help to strengthen the grid, particularly demand response, dispatchability measure, and virtual power plant mechanisms.

Would like to see

- A reminder that while EBCE has to meet California' statutory requirements, it has the flexibility on how to do so.

LCOE for Behind the Meter Resources

EBCPA supports

- The use of the Levelized Cost of Energy (LCOE) tool for behind the meter resources, developed by the LDBP team. This tool will be useful for prioritizing most cost-effective program to incent local clean energy projects when making decisions about how to allocate surplus revenues.
- The recommendation that EBCE should prioritize cost-effective behind the meter resources such as energy efficiency in the first years after launch.

Would like to see

- Aggressive adoption of incentives for Thermal Storage by EBCE, especially in East County, where air conditioning costs and demand can be very pronounced.
- Cost analysis of heat pump technologies.
- Discussion of how frequently these LCOE analyses need to be repeated to keep up with advances that affect that metric.

New Generation

EBCPA supports

- The importance of a Feed in Tariff to the development of local renewable resources.
- The estimate that EBCE could develop 20% of the 771 MWs of the identified large-scale renewable generation in Alameda County within 5 years after launch.
- The inclusion of various financing option and the discussion of their relative merits and drawbacks.
- The inclusion of the Community ownership model in this work product, as EBCPA urges that EBCE give community solar programs that result in ownership opportunities for member of low income communities and communities of color priority, in recognition of the urgent need to address economic equity issues in these communities.

Would like to see

- More information on mechanisms for financing ownership models for community solar in most impacted communities.
- How an Enhanced Market Access Model can be designed to be accessible to low-income customers.

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Recommendations for Clear and Transparent Reporting

EBCPA supports

- Stressing the importance of transparency in reporting to build community trust.
- Stressing the importance of making reported information clear and understandable for the public on the EBCE web site.
- The inclusion of the methodology in reporting metrics, so people know where the numbers came from.
- The recommendation that EBCE join the Climate Registry in order to calculate GHG emissions, with third party verification.

- Voluntary reporting recommended in this sections including: third-party verified GHG emissions figures, description of EBCE's procurement strategy, strategic direction, where power comes from, community benefits EBCE has delivered.
- The use of charts, and other graphics to portray information easily and clearly.
- The development of an annual report to be made public.

Would like to see

- Community Advisory Committee review of all reporting, especially what is posted on the EBCE web site.
- Apply these same principles to marketing.

Stability and Reliability

<u>EBCPA supports</u>

- All recommended programs and strategies in this section. We particularly take note of and support the recommendation for developing standard operating practices to facilitate and expedite communication and cooperation between EBCE Staff, EBCE's portfolio manager, local distributed energy resource owners and PG&E.