



Board of Directors Meeting

Wednesday, November 20, 2019

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 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

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.

4. Closed Session

A. Conference with Legal Counsel - Existing Litigation (\$ 54956.9)

California Public Utilities Commission Proceeding 1909016: Order Instituting Investigation on the Commission's Own Motion to Consider the Ratemaking and Other Implications of a Proposed Plan for Resolution of Voluntary Case filed by Pacific Gas and Electric Company, pursuant to Chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Corporation and Pacific Gas and Electric Company, Case No.19-30088

- B. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer Nicolas Chaset
- C. **CONFERENCE WITH LABOR NEGOTIATORS** under California Government Code section 54957.6, EBCE Designated Representatives: Jesse Arreguin, Scott Haggerty, Dan Kalb, Diane Martinez, and Al Mendall Unrepresented Employee: Chief Executive Officer

5. General Counsel Report out of Closed Session

CONSENT AGENDA

- 6. **Approval of Minutes from September 18, 2019**
- 7. **Contracts entered into (Informational Item)**
- 8. **Changes to Amendment to Administrative Procurement Policy**
Adopt a Resolution to amend the Administrative Procurement Policy. The amendments are meant to clarify procurement requirements, provide additional signing authority to the CEO, permit contracts under \$5,000 to be paid by purchase order without being Approved As To Form by General Counsel, and permit the extension of agreements with existing vendors to be amended for no more than a total term of up to five (5) years while still being subject to applicable signing authority.
- 9. **Authorize the CEO to Execute a Consulting Services Agreement with Frontier Energy, Inc.**
Adopt a Resolution authorizing the CEO to execute a Consulting Services Agreement with Frontier Energy, Inc., retroactive to 11/1/19, to conduct services necessary to assist with the completion of municipal fleet electrification assessments and deployment plans on behalf of the cities of Albany, Berkeley, Dublin, and Oakland.
- 10. **East Bay Community Energy 2018 Emissions Factor (Informational Item)**
Receive report on East Bay Community Energy's 2018 Bright Choice emissions factor.

REGULAR AGENDA

- 11. **CEO REPORT**
 - A. Finance, Administrative and Procurement Sub-committee;
 - B. Marketing, Regulatory and Legislative Sub-Committee;
 - C. Executive Committee Meeting;
 - D. New Staff;
 - E. Distributed Solar and Storage for Resource Adequacy and Customer Resilience RFP; and
 - F. Marketing and Outreach Update
- 12. **Community Advisory Committee Report**
- 13. **Chief Executive Officer Employment Agreement (Action Item)**

14. Fiscal Year 2018-2019 Audited Financial Statements (Informational Item)

Acknowledge and file the Fiscal Year 2018-2019 audited financial statements.

15. Fiscal Year 2018-2019 Annual Results and Budget Comparison (Informational Item)

Receive report comparing EBCE's financial expectations for the July 1, 2018 to June 30, 2019 fiscal year as presented in the approved, revised budget to the resulting 2018-19 fiscal year annual audit.

16. Treasurer's Report (Informational Item)

Receive quarterly report on EBCE Cash position.

17. Delinquent Accounts and Collections Policy Review (Informational Item)

Receive an update from staff reviewing the existing Delinquent Accounts and Collections Policy.

18. Medical Baseline Customer Program Development Budget (Action Item)

Adopt a Resolution to add \$500,000 in funding to the Fiscal Year 2020 Local Development Program Budget to develop and fund a program to address medical baseline customer needs during Public Safety Power Shutoffs.

19. Inclusion of New Communities (Action Item)

Receive update and analysis on including new jurisdictions within EBCE's service area;

- A. Adopt a Resolution to include the Cities of Tracy, Pleasanton, and Newark within EBCE's Joint Powers Authority and service area, with customer enrollments to begin in 2021;
- B. Direct staff to update Exhibit A ("List of Parties") of EBCE's Joint Powers Agreement to reflect the inclusion of new member jurisdictions;
- C. Direct staff to update Exhibits B ("Annual Energy Use") and C ("Voting Shares Vote") of EBCE's Joint Powers Agreement with 2018 PG&E electric load data and to reflect the inclusion of new member jurisdictions; and
- D. Adopt a Resolution to authorize staff to update EBCE's Implementation Plan to reflect the inclusion of new member jurisdictions, and to direct staff to submit the updated Implementation Plan to the California Public Utilities Commission (CPUC) before the end of calendar year 2019.

20. Community Advisory Committee Guide (Action Item)

Approve the proposed Community Advisory Committee Guide providing guidance on Advisory Committee candidate qualifications, membership and appointment process.

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

22. Adjournment - to Date: Wednesday December 18, 2019

Location: City of Hayward
Council Chambers
777 B Street
Hayward CA 94544



Board of Directors Meeting
Draft Minutes

Wednesday, September 19, 2019

6:00 pm

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

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1. Welcome & Roll Call

Present: Haggerty (Alameda County), Pilch (Albany), Arreguin (Berkeley), Hernandez (Dublin), Bacon (Fremont), Mendall (Hayward), Munro (Livermore), Rood (Piedmont) Lopez (San Leandro), Vice-Chair Martinez (Emeryville), and Chair Kalb (Oakland)

Absent: Director Patino (Union City)

2. Pledge of Allegiance

3. Public Comment

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Jessica Tovar - Spoke regarding meeting transparency and venue accessibility, the importance of diversity in community in CAC member selection, and thanked Director Haggerty for his work and leadership in creating EBCE.

Barbara Stebbins - Thanked Director Haggerty for his work in championing EBCE and bringing it to fruition.

4. Appoint Labor Negotiators (Action Item)

Appoint the following Board members as Labor Negotiators:

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

No action taken

5. Closed Session

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer Nicolas Chaset
- B. CONFERENCE WITH LABOR NEGOTIATORS under California Government Code section 54957.6, EBCE Designated Representatives: Dan Kalb, Diane Martinez, and Al Mendall Unrepresented Employee: Chief Executive Officer

6. General Counsel Report out of Closed Session

There were no reportable actions in closed session

CONSENT AGENDA

7. Approval of Minutes from July 17, 2019

8. Contracts entered into (Informational Item)

9. Out of State Travel (Informational Item)

10. Grant to Center for Climate Protection to Support Consideration of new CCAs in Central Valley

Approve a grant to the Center for Climate Protection for \$30,000 to support their Central Valley CCA project and delegate to the CEO to negotiate and execute a grant agreement

11. EBCE Rate Modifications (Informational Item)

Receive an update from staff regarding EBCE rate modifications

Jessica Tovar - Spoke in favor of the Community Grant for the central valley

Director Mendall motioned to approve the Consent Agenda with the exception of Item 10. Director Pilch seconded the motion which carried 11/0; Excused: Director Patino

Director Mendall motioned to approve Item 10. Vice Chair Martinez seconded the motion which carried 11/0; Excused: Director Patino

REGULAR AGENDA

12. CEO REPORT

- A. Executive Committee Meeting;
- B. Marketing, Regulatory and Legislative Sub-committee; and
- C. Local Development Business Plan Update

Presented

The Board discussed:

- Thoughts on including nuclear energy in EBCE portfolio
- Accelerating the increase of renewable content
- Creating a guide for Agency direction
- Requested Load goals and workforce development be included in LDBP discussions

13. Community Advisory Committee Report

Chair Sutter reported on the 9/16/19 CAC meeting where the committee discussed the CAC guide and appointment process; highlighting comments given for communication for applicants, defining diversity as more than location. The committee also discussed Board Item 18 Raceway North, LLC and Edwards Solar II, LLC Contract Approvals.

14. Legislative Update (Informational Item)

Receive update from staff regarding Legislative matters.

The Board requested staff draft and share a sample letter to oppose SB 520 with member cities and provide materials for member cities to support future EBCE positions.

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

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

Presented

There were no amendment recommendations at this time.

16. Inclusion of New Communities (Informational Item)

Receive report on including new jurisdictions within EBCE's service area.

The Board discussed:

- What is "Local" to Alameda County
- Alameda County residents and workforce locations
- Thanked Board members who assisted with new community outreach

Barbara Stebbins - Spoke in support of Pleasanton joining EBCE and spoke regarding concerns with extending EBCE outside of Alameda county.

Anne Olivia - Spoke in support of new community inclusion and requested that remote

meeting participation be considered.

17. Approve Non-Standard Pricing Rate Agreement Policy and Adopt a Resolution Authorizing CEO to Negotiate and Execute Non-Standard Pricing Rate Agreements (Action Item)

Approve the Non-Standard Pricing Rate Agreement Policy and delegate to Chief Executive Officer (CEO) the authority to negotiate and execute long-term, non-standard pricing rate agreements with customers in EBCE's service area that have:

1. one or more accounts on Direct Access and place those accounts on EBCE service, and/or
2. have been granted new or additional Direct Access allocation and remain on EBCE service for those accounts

In order to retain significant foundational baseline load and avoid potential increases in greenhouse gas emissions associated with the electric service to large users within member communities.

The Board discussed:

- Potential customers
- Reporting negotiated agreements back to the Board in a timely manner
- CAC concerns with authority to negotiate agreements without

Director Mendall motioned to approve the Non-Standard Pricing Rate Agreement and adopt a Resolution Authorizing the CEO to negotiate and Execute Non-Standard Pricing Rate Agreements. Director Arreguin seconded the motion which carried 11/0; Excused: Director Patino.

R-2019-20
Policy 13

18. Raceway North, LLC and Edwards Solar II, LLC Contract Approvals (Action Item)

A. Adopt two Resolutions authorizing the Chief Executive Officer to execute agreements with CA renewables Energy RFP awardees Raceway North, LLC and Edwards Solar II, LLC. Each agreement is expected to be operational in December 2022 and deliver all associated output, which includes energy, RECs and RA with nnode settled pricing:

1. 20-year 125MWac solar PV + 80MW/160MWh battery storage project based in Kern County with Raceway North, LLC, developed by sPower ("sPower Contract"); and
2. 15-year 100MWac solar PV + virtual storage project in Kern County with Edwards Solar II, LLC, developed by Terra-Gen ("Terra-Gen Contract").

B. Discuss a memorandum of understanding (MOU) signed with Brookfield Renewable Partners to further discussions regarding an 80MW wind project located in Alameda County. The project was proposed into Southern California Public Power Authority's (SCPPA) recent 2019 RFP as a competitive solicitation.

The Board Discussed:

- Brookfield project - is it approved in Alco?
- Difference between nnode and dlap projects
- In County local generation progress
- Developing policy for community benefit funds in support of the LDBP
- Different portfolio Scenarios considering RFP Respondents

- Altamont corridor
- Term of remote contracts
- Creating balance with local and remote projects
- Commended staff on working quickly to include the Brookfield projects
- Process to enable entering into similar Memorandums of Understanding
- Having a rolling RFP to prevent contracting delays

Barbara Stebbins - Spoke regarding concerns with selecting remote projects and requested to see what projects were local and

Director Mendall motioned to approve Adopt two Resolutions authorizing the Chief Executive Officer to execute agreements with CA renewables Energy RFP awardees Raceway North, LLC and Edwards Solar II, LLC. Director Arreguin seconded the motion Which carried 11/0; Excused: Director Patino

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R-2019-29

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

Staff informed the Board of a schedule conflict with the October 16, 2019 Board meeting and League of Cities meeting in Southern California. If a quorum of Board members is unavailable the October meeting will be canceled.

20. Adjourned



Consent Item 7

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Contracts Entered into
DATE: November 20, 2019

RECOMMENDATION

Accept the CEO's report on contracts entered into September 11, 2019 to November 13, 2019;

1. C-2019-70, James Baak, (Martinez, CA) Consulting Services Agreement for services related to the development of a solicitation for Resource Adequacy from distributed solar and storage assets installed in Alameda County, through 12/1/19, NTE \$8,000.
2. C-2019-71, Optony, Inc, (Oakland, CA) Consulting Services Agreement for services related to the development of a solicitation for Resource Adequacy from distributed solar and storage assets installed in Alameda County, through 12/1/19, NTE \$15,00
3. C-2019-74, Community Impact LAB, (Santa Cruz, CA) Community Innovation Grant Agreement award of \$40,000 to support of operations of Innovation in Electric Vehicle for Affordable, DAC, and Market Rate Multi-Unit Dwellings (75% in Alameda County).
4. C-2019-75, Ecology Action, Community Innovation Grant Agreement (Santa Cruz, CA) award of \$40,000 to support of operations of Innovation in Electric Vehicle for Affordable, DAC, and Market Rate Multi-Unit Dwellings (75% in Alameda County).
5. C-2019-76, ReviewSnap, (Seattle) Customer Agreement, Subscription for Review Platform, \$3194 for one year.
6. C-2019-77, S&P Global (New York) Services Attachment to the Master Subscription Agreement Data Feed Services, Subscription for Market Intelligence Desktop, \$24,000 for one year.

7. C-2019-78, FinalOption Corp (San Leandro), Task Order 09 to print and fold around 450,000 postcards, including printing, sorting, postage & mailing by 9/25/19. Allocates \$170,000 of the budget authorized by the Consulting Services Agreement.
8. C-2019-79, Smart Building (Emeryville), Consulting Services Agreement Painting services for 1999 Harrison, NTE \$23,500 through October 31, 2019.
9. C-2019-80, Keyes & Fox (Oakland), Joint Representation Agreement. Amendment to C-2019-017 Consulting Services Agreement, for representation for Application 19-06-001.
10. C-2019-82, Obatala Mawusi (Oakland), First Amendment to CSA, adds an additional \$15,000 the NTE and to allow for additional video editing services through February 29, 2020.
11. C-2019-83, PC Professional (Oakland), First Amendment to CSA to main Agreement to allow for services related to the office move.
12. C-2019-84, People Power Solar Cooperative, Community Innovation Grant Agreement for \$40,000 awarded to an Oakland organization to support a program to build a community owned solar project in Alameda County.
13. C-2019-85, PFM (San Francisco), Engagement Letter outlining PFM's services to EBCE as financial advisor and to assist EBCE with RFP, through December 31, 2019.
14. C-2019-86, Ascend Analytics (Colorado), Consulting Services Agreement Hydro resource valuation services to EBCE, NTE \$24,500 through June 30, 2020.
15. C-2019-87, Sound of Hope (San Francisco) Online Marketing Services Agreement, NTE \$250 for Mandarin voiceover for a video.
16. C-2019-88, Peninsula Clean Energy, City of San Jose, Clean Power Alliance of Southern California, Cost Sharing and Reimbursement Agreement as parties are jointly retaining Siemens for Consultant services related to the Integrated Resource Planning through September 25, 2020.
17. C-2019-89, Peninsula Clean Energy, City of San Jose, Clean Power Alliance of Southern California, Addendum #1 to Cost Sharing Agreement, outlines cost allocation for services from Siemens, EBCE will pay 25% of the cost, NTE \$62,500 for EBCE's portion.
18. C-2019-90, RE-volv, Community Innovation Grant Agreement, award of \$40,000 to a San Francisco Organization to fund the "Empowering East Bay Communities through Solar" program that provides solar installations and necessary funding for non-profit organizations in EBCE's services territory.
19. C-2019-91, Arthur Haubenstock (Oakland), Consulting Services Agreement NTE \$7,500 for providing strategic analysis and advice to EBCE through December 31, 2019.

20. C-2019-92, Recurve Analytics (Mill Valley), Consulting Services Agreement for Recurve to develop a baseline for time-based energy efficiency and procurement opportunities within the EBCE service territory through September 30, 2020.

21. C-2019-93, The Regeneration Project, Community Outreach Grant Agreement, award of \$10,000 to an Oakland organization to assist in CARE & FERA Enrollment Through Faith Communities program for qualifying households

22. C-2019-94, Pure Palate (Manhattan Beach), Consulting Services Agreement to develop a concept design for a model electric kitchen through December 21, 2019.

23. C-2019-95, Spectrum Community Services, Grant Agreement, award of \$10,000 to Hayward organization to support outreach.

24. C-2019-96, Rising Sun Center for Opportunity, Community Innovation Grant Agreement, Award of \$40,000 to Oakland organization for the operation of the Climate Careers: Launching Green Jobs and Delivering Community Energy Savings Program for Fiscal year 2019-2020.



Consent Item 8

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer
SUBJECT: Changes to Amendment to Administrative Procurement Policy
DATE: November 20, 2019

Recommendation

Adopt a Resolution to amend the Administrative Procurement Policy. The amendments are meant to clarify procurement requirements, provide additional signing authority to the CEO, permit contracts under \$5,000 to be paid by purchase order without being Approved As To Form by General Counsel, and permit the extension of agreements with existing vendors to be amended for no more than a total term of up to five (5) years while still being subject to applicable signing authority.

Background and Discussion

On February 7, 2018, the Board of Directors approved a Resolution adopting an Administrative Procurement Policy. The policy was most recently amended and restated on March 20, 2019. Staff worked with General Counsel to make necessary and appropriate changes to the policy.

This Amendment clarifies the following:

1. procurement requirements for goods, non-professional services, and professional services
2. procurement requirements for Public Projects pursuant to the Uniform Public Construction Cost Accounting Act.

This Amendment allows the following:

1. CEO authorized to suspend procurement requirements for agreements with approval of the Chair and Vice Chair of the Board of Directors
2. Agreements under the total amount of \$5,000 per fiscal year to be paid via purchase order without approval as to form by General Counsel
3. Agreements with existing vendors may be amended to allow for a continuation of services for no more than a total term of up to five (5) years while still being subject to applicable signing authority.

Fiscal Impact

By allowing agreements under \$5,000 to be paid via purchase order, and no longer require these items to be approved as to form by General Counsel, EBCE will require less staff hours each month to be spent preparing and administering low risk contracts, and will also require less hours each month of their General Counsel, whose services are billed hourly.

Attachments

- A. Resolution to Amend the Administrative Procurement Policy
- B. Amended and Restated Procurement Policy

RESOLUTION NO. __

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO ADOPT A THIRD AMENDED AND RESTATED ADMINISTRATIVE PROCUREMENT POLICY

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all of the member jurisdictions.

Section 2. It is in the interest of East Bay Community Energy Authority (“EBCE”) to establish administrative procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.

Section 3. On February 7, 2018, the Board approved an Administrative Procurement Policy. On March 20, 2019 the Board approved the Second Amended and Restated Administrative Procurement Policy.

Section 4. EBCE has increased in size and focus, thus increasing the volume and variety of purchases that need to be made to support operations and maintain services to EBCE customers and business partners. Therefore, the Board hereby rescinds its authorization and approval of the Second Amended and Restated Administrative Procurement Policy adopted on March 20, 2019.

Section 5. The Board hereby adopts the Third Amended and Restated Administrative Procurement Policy as attached Exhibit A and as listed as Policy # 1.5. The policy shall 1) make distinctions in procurement requirements for professional and general services; 2) grant additional authority of the CEO; 4) permit contracts under \$5,000 to be paid by purchase order and no longer be required to be Approved as to Form by General Counsel; and 5) allow for a continuation of services for no more than a total term of up to five (5) years, for agreements with existing vendors, subject to the current applicable signing authority.

ADOPTED AND APPROVED this 20th day November 2019.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



THIRD AMENDED AND RESTATED ADMINISTRATIVE PROCUREMENT POLICY

Policy Number 1.5

November 20, 2019

Consent Item # 8

I. PURPOSE

It is in the interest of East Bay Community Energy ("EBCE") to establish administrative procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.

II. TYPES OF CONTRACTS

1. **Contracts for Goods and Non-Professional Services.** As used in this policy, "General Contractual Services" means:

- 1.1. Any and all supplies, articles, equipment, or personal property furnished to or used by an organizational unit of EBCE; and
- 1.2. Most types of services, excluding professional services as defined below, under which the contractor provides services which are required by EBCE, but not furnished by the EBCE's own employees.

2. **Professional Services.** As used in this policy, "Professional Services" means:

- 2.1. The services of attorneys, physicians, architects, engineers, consultants, auditors, or other individuals or organizations possessing a high degree of professional, unique specialized technical skill or expertise, not always adaptable to competitive bidding. Professional Services are not considered General Contractual Services for the purpose of these procurement procedures.

3. **Power Procurement.**

- 3.1. Contracts for energy (also known as Power Purchase Agreements or PPAs) or energy related products shall be subject to the requirements and signing authorities set out in Section IX of this Policy.

4. **All Contracts**

- 4.1. When procuring goods and services utilizing federal funds (e.g. grant funds), EBCE shall comply with all federal project requirements and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. (See 2 CFR § 200)

- 4.2. No EBCE employee, official, or director shall split purchases into more than one purchase in order to avoid the procurement requirements in this policy. Splitting purchases does not allow for a competitive marketplace, increases administrative workflow, and may create ethical issues.
- 4.3. No EBCE employee, officer, or Director shall accept, directly or indirectly, any gift, rebate, money or anything else of value from any person or entity if such gift, rebate, money or anything of value is intended to reward or be an inducement for conducting business, placing orders with, or otherwise using the employee's position to secure an agreement with EBCE.
- 4.4. Prior to signing any agreement for General Contractual Services or Professional Services, the individual signing shall ensure all of the following:
 - 4.4.1. The contract compensation has been budgeted for in the current EBCE budget;
 - 4.4.2. That adequate funds have been appropriated by the Board;
 - 4.4.3. That such funds are unexpended and unencumbered sufficient to pay the expense of the contract; and
 - 4.4.4. That any agreement for General Contractual Services or Professional Services for an amount of \$5,000 or more in one calendar year has been approved as to form and content by the General Counsel or his/her designee.
- 4.5. EBCE shall report on all new contracts, regardless of scope or contract value, at each Board meeting. Unless subject to the attorney client privilege or some other legal protection, as a public agency, EBCE shall release all public records, including contracts, as required by the Public Records Act.
- 4.6. Agreements with existing vendors may be amended and/or extended to allow for the continuation of services for no more than a total term of five (5) years. Such amendments/extensions are subject to the applicable signing authority identified in Tables 1-4 based on the total dollar amount of the agreement.
- 4.7. The CEO may suspend the requirements of Section III (General Contractual Services Procurement) or Section V (Professional Services Procurement) for any agreement, subject to the approval of the Chair and Vice Chair of the Board of Directors.

III. GENERAL CONTRACTUAL SERVICES PROCUREMENT**1. Procurement Method**

1.1. Table 1 indicates the appropriate procurement method for the purchase of General Contractual Services of certain dollar amounts.

1.2. Nothing in this section prohibits the use of a more stringent procurement method than the one indicated by Table 1. At his or her discretion, the CEO may direct that an agreement for General Contractual Services is awarded through the Formal Bidding Procedures described herein.

Table 1

| PROCUREMENT METHOD | DOLLAR AMOUNT per FISCAL YEAR | ADDITIONAL REQUIREMENTS |
|---|--------------------------------------|---|
| Formal Bidding Procedure | > \$100,000 | RFP/RFQ |
| Solicit 3 written quotes; may be in electronic format | \$50,000 - \$100,000 | Quotes must include provider's name, address, phone number, professional license number, if applicable |
| Solicit 3 verbal quotes | \$10,000 - \$49,999.99 | Staff shall note quotes by including the providers' name, address, phone number and amount of the verbal proposal in EBCE's records |
| No solicitation necessary | < \$10,000 | Seek the lowest price for the highest quality |
| Purchase Order Can Be Used | <\$5,000 | Contracts for goods or low-risk off-site services only |

2. Signing Authority

2.1. Table 2 indicates the appropriate signing authority for the purchase of General Contractual Services of certain dollar amounts.

2.2. Nothing in this section prohibits EBCE staff from seeking approval of a more senior signing authority than is permitted by this policy.

Table 2

| SIGNING AUTHORITY | DOLLAR AMOUNT | CONTRACT TYPE |
|--|----------------------|----------------------|
| Board Approval | > \$100,000 | All contracts |
| Chief Executive Officer, or his/her designee | \$0 - \$100,000 | All contracts |

| | | |
|-----------------------------------|--------------|---|
| General Counsel | \$0-\$50,000 | All contracts related to the activities or functions of the Office of the General Counsel |
| Chief Operating Officer | \$0-\$25,000 | All contracts related to the activities or functions of the Office of the COO |
| Senior Director or Vice President | \$0-\$10,000 | All contracts whose object or purpose is related to the activities or functions of that Senior Director or Vice President |
| Director | \$0-\$5,000 | All contracts whose object or purpose is related to the activities or functions of that Director |

IV. FORMAL BIDDING PROCEDURES

Except as otherwise specifically directed in writing by the CEO, agreements for the purchase of General Contractual Services for a total amount that exceeds \$100,000 per fiscal year shall be procured as follows:

1. **Formal Bid Invitations.** Invitations to participate in the Request for Proposal/Request for Qualifications process shall include a general description of the supplies or services sought by EBCE, and shall specify the time, place and date for opening bids.
2. **Evaluation.** Bids and proposals received through a competitive solicitation shall be subject to a set of criteria and a scoring system, reviewed and evaluated by relevant EBCE staff and an evaluation committee selected by the relevant staff, CEO, COO or General Counsel, or at the discretion of the Board, members of a designated Board subcommittee.
3. **Lowest Responsible Bidder.** "Lowest responsible bidder" as used in this policy shall mean that bidder who best responds in price, quality, service, fitness, or capacity to the particular requirements of EBCE. Price alone shall not be the determining factor but shall be considered along with other factors, including but not limited to the following:
 - 3.1. EBCE seeks to support companies and contractors that reflect its values, and has identified three vendor/contractor categories that shall be given special consideration during bid evaluation and selection. In competitive solicitations, these categories shall receive bonus percentages/points ranging from 2.5% - 5% for a maximum bonus total of 10% in a bid scoring process.

- 3.2. EBCE desires to support Alameda County businesses where possible. Businesses with office(s) located in Alameda County and include at least 25% Alameda County residents under their employment shall receive a bonus equal to 5% or 5 points out of a 100-point scoring system in competitive solicitations.
 - 3.3. EBCE desires to support the use of union labor where possible. EBCE shall make its best effort to work with unionized contractors and subcontractors in the provision of goods and services to EBCE. Businesses who use union labor and/or unionized contractors shall receive a bonus equal to 2.5% or 2.5 points out of a 100-point scoring system in competitive solicitations.
 - 3.4. EBCE desires to support diversity among its contractors and vendors by working with women, minority, disabled veteran, and lesbian, gay, bisexual, and transgender-owned businesses. Businesses owned and operated by a person representing one or more of these categories shall receive a bonus equal to 2.5% or 2.5 points out of a 100-point scoring system in competitive solicitations.
 - 3.5. EBCE is committed to the highest standards of responsible behavior and integrity in all of its business relationships. EBCE will consider a company’s business practices, environmental track record, and commitment to fair employment practices and compensation in its procurement decisions.
4. **Award of Contract.** EBCE shall award the contract to purchase goods or services to the lowest responsible bidder, unless such an award would be prohibited by California law.

V. PROFESSIONAL SERVICES PROCUREMENT

1. Procurement Method

- 1.1. Table 3 indicates the appropriate procurement method for the purchase of Professional Services of certain dollar amounts.
- 1.2. Nothing in this section prohibits the use of a more stringent procurement method than the one indicated by Table 3. At his or her discretion, the CEO may direct that an agreement for Professional Services is awarded through the Formal Bidding Procedures described herein.

Table 3

| PROCUREMENT METHOD | DOLLAR AMOUNT per FISCAL YEAR | ADDITIONAL REQUIREMENTS |
|--------------------|-------------------------------|-------------------------|
|--------------------|-------------------------------|-------------------------|

| | | |
|---|------------------------|---|
| Solicit 3 written quotes; may be in electronic format | \$50,000 and above | Proposal must include provider's name, address, phone number, professional license number, if applicable |
| Solicit 3 verbal quotes | \$10,000 - \$49,999.99 | Staff shall note quotes by including the providers' name, address, phone number and amount of the verbal proposal in EBCE's records |
| No solicitation is necessary | \$0 - \$10,000 | Seek the lowest price for the highest quality |

2. Signing Authority

2.1. Table 4 indicates the appropriate signing authority for an agreement for Professional Services of certain dollar amounts.

2.2. Nothing in this section prohibits EBCE staff from seeking approval of a more senior signing authority than is permitted by this policy.

Table 4

| SIGNING AUTHORITY | DOLLAR AMOUNT | CONTRACT TYPE |
|--|---------------------------------|---|
| Board Approval | > \$100,000 per fiscal year | All contracts |
| Chief Executive Officer, or his/her designee | \$0 - \$100,000 per fiscal year | All contracts |
| General Counsel | \$0-\$50,000 per fiscal year | All contracts related to the activities or functions of the Office of the General Counsel |
| Chief Operating Officer | \$0-\$25,000 per fiscal year | All contracts related to the activities or functions of the Office of the COO |
| Senior Director or Vice President | \$0-\$10,000 per fiscal year | All contracts whose object or purpose is related to the activities or functions of that Senior Director or Vice President |
| Director | \$0-\$5,000 per fiscal year | All contracts whose object or purpose is related to the activities or functions of that Director |

VI. SOLE SOURCE PROCURMENT

- Under some circumstances, EBCE competitive solicitation requirements may be dispensed with when the goods or services are only available from one source either because the brand or trade

name article, goods, or product or proprietary service is the only one which will properly meet the needs of the EBCE or the item or service is unique and available only from a sole source.

2. Sole source purchasing, whereby the procurement methods identified in Tables 1-4 are not required, is authorized when the goods or services contemplated are only able to be performed by a sole provider, such as the holder of an exclusive patent or franchise, for the purchase of unique or innovative goods or services including but not limited to computer software and technology, or for purchases of goods or services when there is a demonstrated need for compatibility with an existing item or service used by EBCE.
3. A sole source may be designated when it is apparent that a needed product or service is uniquely available from the source, or for all practical purposes, it is justifiably in the best interest of EBCE.
4. The following factors **are not sufficient** to justify a sole source procurement:
 - 4.1. Personal preference for product or vendor
 - 4.2. Cost
 - 4.3. Vendor performance
 - 4.4. Local service (this may be considered an award factor in competitive bidding)
 - 4.5. Features that exceed the minimum requirements for the goods or services
 - 4.6. Explanation for the actual need and basic use for the equipment, unless the information relates to a request for unique factors

VI. EMERGENCY PROCUREMENT

1. In the event of an emergency, the CEO may suspend the normal purchasing and procurement requirements for goods and services related to abatement of the impacts or effects of the emergency.
2. An emergency is deemed to exist in the following circumstances:
 - 2.1. There is an unexpected occurrence requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, including the provision of energy or power to EBCE customers; or
 - 2.2. There is immediate need to prepare for national or local defense; or
 - 2.3. There is a breakdown in infrastructure or an essential service which requires the immediate purchase of supplies or contractual services to protect the public health, or safety or property; or
 - 2.4. A local emergency or disaster has been declared.

VII. COOPERATIVE PURCHASING

1. The procurement methods identified in Table 1 -4 shall not be required when the contract for goods or services will be provided by another governmental agency.
2. EBCE may adopt another governmental agency's agreement with a contractor ("Piggyback Agreement") as its own without adhering to the procurement methods identified in Table 1-4 if that Piggyback Agreement is the product of the respective governmental agency's formal competitive solicitation process, provided that that agency's procurement is not in conflict with California law.

VIII. PUBLIC PROJECTS

1. **Uniform Public Construction Cost Accounting Act.** Upon adoption, EBCE will adhere to the alternative bidding procedures provided by the Uniform Public Construction Cost Accounting Act, California Public Contract Code section 22000 et seq. (UPCCAA) Public projects (as defined in Section 22002 of the California Public Contract Code) that do not exceed the dollar limits in Section 22032(b) of the Public Contract Code (as such limits currently exist or may subsequently be amended), may be let to contract by informal procedures as set forth in the UPCCAA.
2. At the time of the adoption of this Policy, the UPCCAA applied to the following types of projects:
 - 2.1. Public projects include construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility. This includes painting or repainting of any publicly owned, leased, or operated facility.
 - 2.2. Public projects up to \$60,000 may be performed by EBCE employees, by negotiated contract, or by purchase order pursuant to the UPCCAA.
 - 2.3. Public projects up to \$200,000 may be contracted using informal procedures as set forth in the UPCCAA.
3. **Pre-Qualified List.** A list of contractors may be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission (CUCCAC).
4. **Notice.**
 - 4.1. Where a public project is to be performed, a notice inviting informal bids shall be mailed, faxed, or emailed not less than ten (10) days before bids are due to all contractors for the category of work to be bid as shown on the Pre-Qualified list developed in accordance with this Section IV, and to all construction trade journals as specified by the CUCCAC in accordance with Section

22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department soliciting bids, provided, however; if there is no list of qualified contractors maintained by EBCE for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the CUCCAC.

- 4.2. The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project and state the time and place for the submission of bids.
5. **Award of Contract.** The CEO and his or her designee is authorized to award public project contracts let under these procedures.

IX. PROCUREMENT OF POWER

1. EBCE must secure sufficient power resources and energy attributes to serve its customers, comply with State law and meet EBCE's and its member agencies' goals. The Board shall approve the form of all master power purchase agreements. The signing authority in Section 4 shall not apply to power and energy attribute procurement. The following EBCE staff shall be authorized to enter into power purchase agreements and other agreements to secure power and energy attributes providing such agreements are in substantially the same form as the Board-approved master power purchase agreements, and that all transactions and agreements are in strict compliance with EBCE's Risk Management Policy:
 - 1.1. The CEO is authorized to enter into agreements in accordance to the approved Risk Management Policy.
 - 1.2. The COO is authorized to enter into agreements in accordance to the approved Risk Management Policy provided that transactions shall not be over two years in duration and \$10,000,000 in total compensation.
 - 1.3. The Director of Power Resources is authorized to enter into agreements in accordance to the approved Risk Management Policy provided that transactions shall not be over one year in duration and not be over \$2,000,000 in compensation.
 - 1.4. With dual signatures, the COO and Director of Power Resources are authorized to enter into agreements with equivalent authority as the CEO in accordance with the approved Risk Management Policy.

X. MISCELLANEOUS

1. The following signing authorities shall apply, after review and approval of the named agreements by the General Counsel, or his/her designee, except where in conflict with the Joint Powers Agreement, state or federal law:
 - 1.1. Non-Disclosure Agreements – Director level and above
 - 1.2. Banking and Treasury Administration – COO level and above
 - 1.3. Release of Liability and Indemnification – Director level and above



Consent Item 9

TO: East Bay Community Energy Board of Directors

FROM: JP Ross, Sr. Director of Local Development, Electrification and Innovation

SUBJECT: Adopt a resolution authorizing the CEO to execute a Consulting Services Agreement with Frontier Energy, Inc.

DATE: November 20, 2019

Recommendation

Adopt a Resolution authorizing the CEO to execute a Consulting Services Agreement with Frontier Energy, Inc., retroactive to 11/1/19, to conduct services necessary to assist with the completion of municipal fleet electrification assessments and deployment plans on behalf of the cities of Albany, Berkeley, Dublin, and Oakland.

Background and Discussion

Through its Local Development Business Plan (“LDBP”), EBCE is developing distributed energy resource (“DER”) solutions through strategic program planning that provide net benefits to customers, including EBCE’s local government partners. DER program initiatives include, but are not limited to, plug-in electric vehicle (“EV”) charging infrastructure support, and local renewable energy and battery energy storage programs that increase community resilience.

Signed January 2018, Executive Order B-48-18 reaffirmed California’s commitment to zero emission transportation and set a new goal of 5 million zero emission vehicles (“ZEV”) on roadways by 2030. It also set an interim goal of at least 1.5 million ZEVs on roadways by 2025 which will catalyze the momentum necessary to scale to 2030. The California Energy Commission (“CEC”) has estimated that to meet this interim goal, more than 80,000 ZEVs will need to be on Alameda County roads. Today there are approximately 27,000 registered ZEVs countywide.

To support the states targets, EBCE is prioritizing vehicle electrification initiatives through the LDBP. To that end, EBCE reached out to its local government partners earlier this year to inquire if there was interest in collaborating on a municipal fleet electrification studies and deployment plans (the “Project”).

Fleet electrification offers local government economic benefits including lower lifecycle costs than internal combustion engine vehicles, and reduced fuel price volatility risk. Deployment of EVs in municipal fleets also supports the local economy through the procurement of clean

electricity from EBCE, while eliminating criteria air pollutants and reducing greenhouse gas emissions.

The goal of the Project is to enable EBCE's local government partners to lead by example through vehicle electrification in the communities they serve. The local governments that committed to Project collaboration with EBCE included Albany, Berkeley, Dublin and Oakland. Other local government partners (cities and county) expressed interest in the Project's goals and objectives but did not have bandwidth to commit to participating at the time.

A key objective of the Project is to assist EBCE's partners in overcoming the perceived barriers to municipal fleet electrification listed below. Eliminating these hurdles will help meet the climate action, operational, and financial resiliency goals of EBCE and the cities participating in the Project;

- Concerns about the feasibility of EVs for municipal operations
- Prohibitive initial EV purchase price
- Clarification of the EV/EVSE value proposition (e.g., difficult to calculate total cost of ownership)
- Inadequate charging infrastructure/siting limitations (e.g., electric service panel and transformer upgrades; parking configurations, etc.);
- Inadequate product availability
- Vehicle maintenance costs and needs are unfamiliar to staff
- Concerns about reliability and resilience in the event of a grid outage
- Limited experience with EVs, EVSE and other DER project financing options
- Difficult to get buy-in and budget from top leadership

On September 17, 2019, EBCE issued a Request for Proposal ("RFP") seeking consultant services to assist with the assessment of fleet right sizing, retirement and vehicle electrification opportunities for each participating city. The Project will also assess the electric vehicle supply equipment ("EVSE") needed to scale fleet electrification, site upgrades required to accommodate fleet conversion to plug-in electric vehicles ("EV") and will explore the role of other DER solutions including onsite renewables paired with battery energy storage and managed charging systems.

The RFP also included EBCE's standard Consulting Services Agreement and insurance requirements and asked respondents to include any proposed changes they had to these contracting documents at time of proposal submission (See Attachment B). In total, six (6) proposals were received by the due date outlined in Attachment B. An evaluation committee made up of representatives from the participating cities, including fleet management, and EBCE staff, reviewed the proposals. The Frontier Energy, Inc. consultant team was selected, and reference checks were conducted.

EBCE is requesting the Board to retroactively approve the signing of the contract as of November 1, 2019 to meet important fleet electrification deadlines for participating cities. Deliverables from this project are critical to support staff in the participating cities in meeting fleet electrification targets and a delay until after the November Board meeting would have jeopardized this work. Staff had timed the Solicitation and selection to bring the item to the October Board meeting. With the cancellation of the October Board meeting staff initiated the work in order to provide the promised support.

EBCE will manage Frontier Energy, Inc. tasks and deliverables, coordination with the participating city staff, and the budget associated with the Project. It is recommended that the Board authorize the CEO to execute a Consulting Services Agreement in substantially the same form attached as Exhibit A with Frontier Energy, Inc. to conduct services necessary to assist with completion of municipal fleet electrification assessments and deployment plans for the cities of Albany, Berkeley, Dublin and Oakland.

Fiscal Impact

The total value of this contract is \$250,000.

Attachments

- A. Resolution to execute a consulting services agreement with Frontier Energy, Inc.
- B. EBCE Municipal Fleet Electrification Study Request for Proposals
- C. Consulting Services Agreement with Frontier Energy, Inc.

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO
EXECUTE A CONSULTING SERVICES AGREEMENT WITH FRONTIER ENERGY, INC. TO
CONDUCT SERVICES NECESSARY TO ASSIST WITH COMPLETION OF MUNICIPAL FLEET
ELECTRIFICATION ASSESSMENTS AND DEPLOYMENT PLANS

WHEREAS, The East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all of the member jurisdictions.

WHEREAS, On July 18, 2018, the Board approved the Local Development Business Plan (“LDBP”) and budget. The LDBP identifies a series of local development early actions, outlines a series of policy principles, and defines a set of metrics to measure the impact on Alameda County.

WHEREAS, EBCE has offered assistance to four (4) of its local government partners including the cities of Albany, Berkeley, Dublin and Oakland for the completion of municipal fleet electrification assessments and distributed energy resources (“DER”) deployment plans.

WHEREAS, EBCE issued a Request for Proposals (“RFP”) for consultant services to assist with task and deliverables associated with municipal fleet electrification assessments and DER deployment plans.

WHEREAS, the Frontier Energy, Inc. team was selected through the competitive RFP process for its experience conducting municipal fleet electrification assessments, financial analysis, and DER deployment plans (e.g., EV charging infrastructure, solar and battery energy storage).

WHEREAS, EBCE seeks to enter into a contract with Frontier Energy, Inc. to assist with the completion of municipal fleet electrification assessments and DER deployment plans, in order to enable its local government partners to transition from internal combustion engines vehicles to electric vehicles in a coordinated and fiscally responsible way.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The CEO or his or her designee is hereby authorized to negotiate and execute the Agreement between EBCE and Frontier Energy, Inc., in substantially the same form attached as Exhibit A, which shall be effective for a period of 12

months and shall not exceed \$250,000 in total compensation, to assist EBCE and its local government partners with completion municipal fleet electrification assessment and planning tasks and deliverables. The CEO is further authorized to execute any clarifying or clerical changes to the Agreement, which must be approved by General Counsel.

ADOPTED AND APPROVED this _____ day of _____, 2019.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

Consulting Services Agreement for Services by And Between East Bay Community Energy Authority and Frontier Energy, Inc

This Consulting Services Agreement (“Agreement”) is made this 1st day of November, 2019, (“Effective Date”) by and between East Bay Community Energy Authority, a joint powers authority formed under the laws of the State of California (“EBCE”) and Frontier Energy, Inc, a California Corporation (“Consultant”) for the purpose of providing electric vehicle charging infrastructure analysis services to EBCE.

Section 1. Recitals

1.1 The Authority is an independent joint powers authority duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) with the power to conduct its business and enter into agreements.

1.2 Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

NOW THEREFORE, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties to this Agreement, agree as follows:

Section 2. Term

The term of this Agreement is from the Effective Date of this Agreement through November 1, 2020, unless terminated earlier pursuant to Section 8. EBCE reserves the right to extend the terms of the Agreement for one additional year.

Section 3. Scope of Work/Compliance with Laws and Regulations

3.1 Consultant agrees to perform the scope of work (the “Work”) in Exhibit A in accordance with the compliance schedule in Exhibit B.

3.2 Consultant represents and warrants that it has the skill and expertise to perform the Work. Consultant agrees to obtain any and all necessary licenses, approvals or permits necessary to perform the Work.

3.3 Consultant and its Subconsultants must comply with all federal, state and local laws and regulations in performing the Work under this Agreement.

Section 4. Consultant Staffing

Exhibit C contains a list of Consultant's project manager and all team members. Consultant will not change or substitute the project manager or any team members or add additional team members without EBCE's advanced consent.

Section 5. Subconsultants

5.1 Consultant agrees to use only those Subconsultants listed on Exhibit D. Any changes to Exhibit D to add or remove a Subconsultant must be approved by EBCE in advance, in its sole and absolute discretion.

5.2 Consultant agrees to require all Subconsultants to comply with the terms of this Agreement, including without limitation, maintaining insurance in compliance with the insurance obligations under Section 9, the Confidentiality requirements under Section 11 and indemnifying EBCE under Section 12.

Section 6. Compensation and Payment

6.1 The maximum compensation under this Agreement is \$250,000.

6.2 If the Work under this Agreement is to be performed on a time and materials basis, Consultant must submit invoices to EBCE on a monthly basis, complete with the name of the individual that conducted the Work, the time spent, and a brief description of the tasks performed during that time. On all invoices, Consultant must include the contract number provided by EBCE and the total compensation left on the Agreement after deducting the amount of the invoice. Notification to EBCE is required once the contract budget has been used up by 80% (including invoiced work and work that may not have been invoiced yet), which is \$200,000 for this Agreement. Invoices must be submitted to EBCE by the 20th of the month following the month in which Consultant performed the Work.

6.3 If the Work under this Agreement is to be performed on a task or project basis, the Consultant will submit an invoice within thirty (30) days of completing the project to the satisfaction of EBCE for full payment, unless other arrangements have been made.

6.4 EBCE will not agree to pay any markups on Subconsultant Services or supplies unless such markups are included in Exhibit E, Compensation/Budget and such markups were included in Consultant's bid, if applicable.

6.5 The following are conditions on EBCE's obligation to process any payments under this Agreement:

6.5.1 If the Consultant is a U.S. based person or entity, the Consultant must provide to EBCE a properly completed Internal Revenue Service Form W-9 before EBCE will process payment. If the Consultant is a U.S. based person or entity but has neither a permanent place of business in California nor is registered with the California Secretary

of State to do business in California, the Consultant must provide EBCE with a properly completed California Franchise Tax Board form related to nonresident withholding of California source income before EBCE will process payment.

6.5.2 If the Consultant is not a U.S. based person or entity, the Consultant must provide EBCE with the applicable Internal Revenue Service form related to its foreign status and a California Franchise Tax Board form related to nonresident withholding before EBCE will process payment.

6.6 EBCE agrees to pay invoices within forty-five (45) days of receipt. Invoices may be sent to EBCE by U.S. mail or electronic mail to AP@EBCE.org. Invoices will be deemed received on the next business day following the date of transmission via electronic mail or three days after placement in the U.S. mail.

6.7 EBCE, as a Joint Powers Authority, is a separate public entity from its constituent members and will be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant acknowledges that it will have no rights and agrees not to make any claims, take any actions or assert any remedies against any of EBCE's constituent members in connection with this Agreement.

Section 7. Records Retention and Ownership of Work Product

7.1 The Consultant must retain all ledgers, books of accounts, invoices, vouchers, cancelled checks, background materials, or other records relating to its performance under this Agreement for a period of three years following termination of this Agreement.

7.2 EBCE owns all rights, including without limitation, all licenses, copyrights, service marks and patents, in and to all Work Product(s), whether written or electronic, without restriction or limitation upon their use and immediately when and as created by the Consultant, any Subconsultants, or any other person engaged directly or indirectly by the Consultant to perform under this Agreement. Work Product(s) includes, but is not limited to, all writings, reports, drawings, plans, data, video, media, photographs, renderings, plans, software, models, documents or other materials developed or discovered under this Agreement. All Work Product(s) will be considered "works made for hire." And all Work Product(s) and any and all intellectual property rights arising from their creation will be and remain the property of EBCE without restriction or limitation upon their use, duplication or dissemination by EBCE. Consultant agrees not to obtain or attempt to obtain copyright protection in its own name for any Work Product.

Section 8. Termination

8.1 EBCE may terminate this Agreement for any reason by giving Consultant written notice. The termination notice may set the date of termination, but if no such date is given, termination is effective seven (7) days following the date of the written notice.

8.2 EBCE may terminate this Agreement immediately upon written notice for any material breach of this Agreement by Consultant or any of its Subconsultants. If EBCE terminates this Agreement for cause and obtains the same services from another consultant at a greater cost, the Consultant is responsible for such excess costs in addition to any other remedies available to EBCE.

8.3 Upon termination for any reason, EBCE has the option of requiring the Consultant to complete work up to the date of termination or to cease work immediately. EBCE has the further option to require Consultant to provide EBCE any finished or unfinished Work or Work Product prepared by the Consultant up to the date of termination.

8.4 EBCE will pay Consultant the reasonable value of services satisfactorily rendered by the Consultant to EBCE up to the date of written Notice of Termination. If EBCE authorizes Consultant to continue performing the Work through the date of termination, EBCE will pay Consultant the reasonable value of services satisfactorily rendered up through the date of termination, providing such services are in compliance with the Compensation/Budget in Exhibit E.

8.5 Upon termination of this Agreement, and at no cost to EBCE, Consultant, its Subconsultants and anyone working for EBCE under control of Consultant must return all Work Product to EBCE. Consultant may only retain copies of the Work Product by express written permission of EBCE.

Section 9. Insurance

9.1 Consultant must procure, maintain and comply with the insurance requirements in Exhibit F throughout the full Term of this Agreement. Consultant must provide proof of insurance either in the form of a certificate of insurance or, if requested by EBCE, a copy of the insurance policy, prior to performing any work under this Agreement.

9.2 Consultant agrees not to terminate any of the required insurance coverage during the term of this Agreement. Consultant must give EBCE ten (10) days written notice and obtain EBCE's written approval prior to making any modifications in the insurance coverage.

9.3 Consultant must either include Subconsultants under its insurance policies or require each Subconsultant to comply with the insurance obligations in Exhibit F.

Section 10. No Discrimination or Conflict of Interest

10.1 Consultant represents and warrants, on behalf of itself and its Subconsultants, that it has not and will not discriminate against anyone based on his/her age, color religion, sex, sexual orientation, disability, race or national origin.

10.2 Consultant represents and warrants, on behalf of itself and its Subconsultants, that it is familiar with local, state and federal conflict of interest laws, that in entering into this Agreement it is not violating any of the conflict of interest laws, that it will avoid any conflicts of interest during the term of this Agreement, and that it will notify EBCE immediately if it identifies any conflicts of interest Consultant understands that violations of this Section 10 could result in immediate termination of this Agreement and disgorgement of compensation.

10.3 In accordance with the California Political Reform Act (Cal. Gov't Code section 81000 *et seq.*), Consultant will cause each of the following people performing services under this Agreement to file a Form 700 within 30 days after the person begins performing services under this Agreement and subsequently in conformance with the requirements of the Political Reform Act by filing the original with the EBCE Clerk to the Board of Directors. Each of the identified positions must disclose interests in accordance with the EBCE Resolution-2018-7, Conflict of Interest Code as may be amended from time to time.

| Name | Position or Assignment |
|------|------------------------|
| | |
| | |
| | |
| | |

Section 11. Confidentiality

11.1 Except as authorized by EBCE or as otherwise required by law, Consultant shall not disclose to any third party/ies any draft or final Work Product, discussions or written correspondence between Consultant and its Subconsultants or discussions or written correspondence between Consultant and EBCE staff. In the event Consultant receives a request from any third-party requesting disclosure of any Work Product, discussions, communications or any other information Consultant is prohibited from disclosing, Consultant will immediately notify EBCE and wait for direction from EBCE before disclosing the information.

11.2 For the purposes of this Section 11, "third parties" refers to any person or group other than EBCE staff and Board members. For example, "third parties" include community groups, Board advisory groups, other governmental agencies, other consultants or members of the community.

11.3 This Section 11 will survive the expiration or termination of this Agreement.

Section 12. Indemnity

12.1 Consultant agrees, at its sole cost and expense, to indemnify, defend, with counsel reasonably approved by EBCE, protect and hold harmless EBCE, its officers, directors, employees, agents, attorneys, designated volunteers, successors and assigns, and those EBCE agents serving as independent contractors in the role of EBCE staff (collectively “Indemnitees”) from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, penalties, judgements, liens and losses of whatever nature that arise, directly or indirectly, in whole or in part, out of or are in any way related to Consultant’s or Subconsultant’s performance or failure to perform the Work under this Agreement, regardless of whether the Consultant or its Subconsultants acted or failed to act intentionally, willfully, recklessly or negligently. Consultant agrees that its indemnity and defense obligations include all costs and expenses, including all attorney fees, expert fees, mediation, arbitration, or court costs in connection with the defense. Consultant further agrees to indemnify, defend, protect and hold harmless Indemnitees from and against any breach of this Agreement and any infringement of patent rights, trade secret, trade name, copyright, trademark, service mark or any other proprietary right of any person(s) caused by EBCE’s use of any services, Work Product or other items provided by Consultant or its Subconsultants under this Agreement.

12.2 Consultant’s obligations in Subsection 12.1 do not apply to the extent any claim, loss, damage, injury, expense or liability that results from the sole negligence or willful misconduct of Indemnitees.

12.3 Consultant’s obligation to defend EBCE applies to the maximum extent allowed by law and includes defending Indemnitees as set forth in California Civil Code sections 2778 and 2782.8.

12.4 The Consultant’s obligations under Section 12 applies regardless of the existence or amount of insurance the Consultant carries or has made available to EBCE.

12.5 The Parties agree that this Section 12 survives the expiration or earlier termination of the Agreement.

Section 13. Consultant is an Independent Contractor

13.1 Consultant and its Subconsultant(s) are and at all times will be independent contractors. Consultant has complete control over its operations and employees and is not an agent or employee of the EBCE and must not represent or act as the EBCE’s agent or employee. Consultant agrees, on behalf of itself and its employees and Subconsultants, that it does not have any rights to retirement benefits or other benefits accruing to EBCE employees, and expressly waives any claim it may have to any such rights.

13.2 As an independent contractor, Consultant has complete control over its Subconsultants, Sub, suppliers, affiliates agents and any other person or entity with whom the Consultant contracts in furtherance of this Agreement (collectively “Subconsultants”). Subject to the requirements of Section 5 of this Agreement, Consultant is solely responsible for selecting, managing and compensating its Subconsultants, and for ensuring they comply with this Agreement.

Section 14. Miscellaneous Terms and Conditions

14.1 EBCE Authority.

The Chief Executive Officer or his/her designee is authorized to take all actions under this Agreement, including without limitation, amendments that fall within the Chief Executive Officer’s signing authority, termination or modification of terms.

14.2 Waiver.

Waiver by either party of any one or more conditions, Sections, provisions or performance of this Agreement will not be a waiver of any other provision; nor will failure to enforce a provision or Section in one instance waive the right to enforce such provision or Section in the future. In no event will payment by EBCE to Consultant constitute or be construed as a waiver by EBCE of any breach or default of this Agreement, nor will such payment prejudice any of EBCE’s other rights or remedies.

14.3 Governing Law.

Consultant and EBCE agree that this Agreement will be interpreted under the laws of the State of California.

14.4 Venue.

Any litigation resulting from this Agreement will be filed and resolved by a state court in Alameda County, California, or if appropriate, the federal courts in the Northern District of California located in San Francisco.

14.5 Audit Rights.

All records or documents required to be kept pursuant to this Agreement must be made available for audit at no cost to EBCE, at any time during regular business hours, upon written request by EBCE. Copies of such records or documents shall be provided to EBCE at EBCE’s offices unless an alternative location is mutually agreed upon.

14.6 Recitals and Exhibits.

The Recitals in Section 1 above are intentionally made a part of this Agreement. All Exhibits and any other documents incorporated by reference are a part of this Agreement.

14.7 Notices.

Any notices required to be given under this Agreement must be made in writing and may be delivered a) personally, in which case they are effective upon receipt; b) by U.S. Mail, in which case they are effective three (3) days following deposit in the U.S. Mail, unless accompanied by a return receipt in which case, they are effective upon the date on the receipt; or c) by electronic mail, in which case they are effective upon confirmation of receipt, and if no confirmation of receipt, they are effective one day after transmission, providing that a hard copy is also sent via U.S. mail. All notices must be sent to the addresses below:

EBCE

Attn: Jessie Denver
 1999 Harrison Street
 Oakland, CA 94612
 Email: jdenver@ebce.org
 Phone: 510.827.2052

Consultant

Attn: Chris White
 Frontier Energy
 3300 Industrial Blvd, Suite 1000
 West Sacramento, CA 95691
 Email: cwhite@fronteirenergy.com
 Phone: 916.371.2899

14.8 Assignment.

Except to the extent this Agreement authorizes Consultant to use Subconsultants, Consultant will not assign any part of this Agreement without the EBCE's prior written consent. EBCE, at its sole discretion, may void this Agreement if a violation of this provision occurs.

14.9 Integrated Agreement.

The Recitals, this Agreement and the Exhibits attached to this Agreement contain the complete understanding between EBCE and Consultant and supersedes any prior or contemporaneous negotiations, representations, agreements, understandings and statements, written or oral respecting the Work up through the Effective Date of this Agreement.

14.10 Amendments.

Any and all amendments or modifications to this Agreement must be made in writing and signed by each Party before such amendment will be effective.

14.11 Government Claims Act.

Nothing in this Agreement waives the requirements to comply with the Governmental Claims Act, where applicable.

14.12 Severability.

If a court of competent jurisdiction holds any Section or part of this Agreement to be invalid or unenforceable for any reason and the Work can still be performed, the Parties agree to sever the invalid or unenforceable Section from this Agreement and that all remaining Sections or parts of this Agreement will continue to be enforceable.

14.13 Counterparts

This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument and each of which will be deemed an original.

14.14 No Party Deemed Drafter

This Agreement will be considered for all purposes as prepared through the joint efforts of the Parties and will not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof.

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed as of the date set forth above.


FRONTIER ENERGY
A California Corporation

By _____
Title President
Date 11/5/2019

By _____
Title _____
Date _____

EAST BAY COMMUNITY ENERGY
AUTHORITY
A Joint Powers Authority

By _____
Title _____
Date _____

APPROVED AS TO FORM:


EBCE Counsel

LIST OF EXHIBITS

EXHIBIT A: SCOPE OF WORK

EXHIBIT B: SCHEDULE

EXHIBIT C: CONSULTANT STAFFING

EXHIBIT D: SUBCONSULTANTS

EXHIBIT E: COMPENSATION/BUDGET

EXHIBIT F: INSURANCE REQUIREMENTS

Exhibit A

SCOPE OF WORK

The Consultant will work with EBCE and the cities of Albany, Berkeley, Dublin and Oakland (“Participating Cities”) to analyze the role of electric vehicles (“EV”), EV charging infrastructure technologies (“EVSE”) and supporting Distributed Energy Resources (“DER”) needed to accelerate municipal fleet electrification. The Consultant will a) conduct fleet assessments that identify right sizing, vehicle retirement and electrification options in line with each city’s commitments/goals, b) identify charging needs and barriers at sites where vehicles are domiciled, c) make vehicle and EVSE technology and site planning recommendations, and d) assess suitability of integrating other DER solutions to optimize EV adoption.

Phase I: City Fleet Assessments

Task 1.1: Assess and Report City’s Fleet of Vehicles

Consultant will complete a systematic evaluation of all city-operated fleet vehicles in the following order: Berkeley, Albany, Dublin and Oakland.

This evaluation will include on-road light, medium and heavy-duty vehicle inventories to be provided by each municipal department. To the maximum extent possible, data collected should include vehicle make, model, age; operation and maintenance costs; fuel type, annual consumption and associated procurement expense; vehicle procurement date and expected service life; owning/using department; parking assignment; and annual vehicle utilization.

This data may be supplemented by interviews with city staff to gain a comprehensive understanding of the cost and benefits of a transition from fossil fuel powered internal combustion engine fleet vehicles to plug-in EVs. Based on provided data, and supplemental information gained through coordination with the participating cities, the consultant will prepare a report that identifies fleet right sizing, retirement and specific electrification recommendations for each vehicle analyzed.

Deliverables:

1. Summarized vehicle data, and fleet management recommendations (e.g., right sizing, retirement).
2. Report documenting fleet assessment with detailed and specific vehicle electrification recommendations for each municipal fleet portfolio.

Task 1.2: Determine Vehicle Energy Requirements and Charging Needs

The Consultant will leverage the results of Task 1.1 to understand the charging requirements of each fleet EV and estimate electric load forecasts and charging

infrastructure requirements for each municipal facility where EVs will be deployed. The Consultant will also recommend grid integration and smart charging technologies that should be considered to eliminate barriers and optimize the benefits of fleet electrification. Where fleet vehicles are co-located with workplace and potentially publicly available charging options, the Consultant will assess opportunities for additional EVSE investments.

Deliverables:

1. Charging profile report documenting EV needs for each municipal fleet, forecasted electrical load profiles for each recommended EV based on specific departmental use case, and charging infrastructure needed at each municipal facility where vehicles will be domiciled and charged. The Consultant shall include in each city's report maps illustrating the locations of charging infrastructure by type and quantity to meet the use case of specific fleet vehicles.

Phase 2: Site and Technology Evaluation

Task 2.1: Conduct DER Suitability Analysis

Consultant will leverage Task 1.2 (e.g., EVSE host site charging requirements) to assess potential integration of other DER solutions (e.g., solar photovoltaics, battery energy storage) at municipal facilities where concentrations of fleet EVs will be domiciled. The Consultant will work with EBCE and city staff to understand municipal facility electrical load data (e.g., building load, usage and electric rate) and specific site conditions (available space, roof condition and orientation, electrical panel capacity and switchgear location).

The Consultant shall conduct initial site surveys (on-site visits and use of remote using satellite imagery) to create an estimate of EVSE ports to be installed (leveraging Task 1.2) and preliminary PV design. High-level ESS capacities will be estimated based on electrical load data available through EBCE. This work will be completed at up to 20 sites across the participating cities.

Following the DER capacity screening, the Consultant will perform a final ranking adjustment by considering ease of permitting and construction.

Deliverables:

1. DER suitability report outlining screening of municipal sites. Report should include a detailed description of the factors analyzed, as well as a prioritized list of each site analyzed and technology recommendations to support fleet EVs.

Phase 3: Making the Business Case

Task 3.1: Conduct Financial Cost/Benefit Analysis

Consultant will use data from Tasks 1 and 2 to develop a total cost of ownership model for each municipal fleet under two scenarios: 1) business-as-usual, and 2) vehicle electrification. This financial analysis should include but is not limited to:

- Vehicle Purchase/Lease Cost
- Infrastructure Development Costs
- Lifetime Maintenance Cost and Savings
- Lifetime Fuel Cost and Savings
- Auction Proceed Estimates (e.g., sale of vehicles)

Consultant will also leverage the DER suitability analysis to estimate the financial costs and benefits to various integrated technology deployment approaches, and will recommend the best sites, technology configurations, and financial models. Finally, the Consultant will estimate the annual GHG impacts of a transition to EVs against business-as-usual (e.g., baseline). This estimate should include impacts for both plug-in hybrid EVs and battery electric vehicles, and the percentage of change.

- G-VMT
- E-VMT
- Gasoline/diesel (gallon)
- Electricity (GGE)
- MPEe
- GHG (MTCO₂e)
- GHG (g/mile)

Task 3.2: Prepare Fleet Transition Plans

Consultant will leverage Task 1-3 deliverables to develop a formalized EV deployment plans for each municipal fleet in line with each city's commitments/goals. Each plan should address upcoming and subsequent procurement cycles to ensure fiscally responsible EV acquisition and DER technology deployment.

Deliverables:

1. Financial and benefits analyses and determinations.
2. Reporting on vehicle, site, DER technology and financial model recommendations.
3. Scenarios to meet each fleet's electrification requirements with the greatest ease of implementation and integration.

Progress Reports

Monthly progress reports will be due to EBCE describing progress toward completion of the work outlined above until the end of the Project.

Additional Services:

Consultant will not provide additional services outside of the services identified in Exhibit A, unless it obtains advance written authorization from the project manager or lead EBCE representative prior to commencement of any additional services.

Exhibit B**SCHEDULE**

It is expected that the project duration is approximately 12 months for all phases of work starting November 4, 2019. EBCE reserves the right to extend the Service Agreement for one (1) additional year.

1st Quarter:

- Task 1.1 – initiated for Berkeley (and potentially smaller fleets)
- Task 1.2 – same as above
- Task 2.1 – same as above
- 15 days after end of Q1: Quarterly Report #1 Due

2nd Quarter:

- Task 1.1 – completed for Berkeley (and potentially smaller fleets); initiated for Oakland
- Task 1.2 – completed for Berkeley; same as above
- Task 2.1 – completed for Berkeley; same as above
- Task 3.1 – initiated and completed for Berkeley; initiated for all other participating cities
- Task 3.2 – initiated and completed for Berkeley; same as above
- 15 days after end of Q2: Quarterly Report #2 Due

3rd Quarter:

- Task 1.1 – ongoing
- Task 1.2 – ongoing
- Task 2.1 – ongoing
- Task 3.1 – ongoing
- Task 3.2 – ongoing
- 15 days after end of Q3: Quarterly Report #3 Due

4th Quarter:

- Task 1.1 – completed for all participating cities
- Task 1.2 – completed for all participating cities
- Task 2.1 – completed for all participating cities
- Task 3.1 – completed for all participating cities
- Task 3.2 – completed for all participating cities
- 15 days after end of Q4: Quarterly Report #4 Due

Exhibit C**CONSULTANT STAFFING**

| Name | Title | Hourly Rate | Summary of qualifications |
|---------------------------|---|-------------|--|
| David Park | Sr. Engineer/Program Manager (Frontier) | \$189 | 25 years of experience with air quality and transportation programs for government and industry |
| Adam Walburger | Vice President (Frontier) | \$280 | 20 years of experience in DER analysis for state agencies, utilities, and industrial clients |
| Rosie McGoldrick | Program Coordinator (Frontier) | \$91 | Four years of experience working with Bay Area cities on vehicle electrification and energy efficiency |
| Angel Garza | Sr. Program Coordinator (Frontier) | \$106 | Four years of experience in water and energy assessments |
| Dan Robb Carina Patton | Engineer (Frontier) | \$156 | Ten years of experience in DER analysis and evaluation |
| Nick Genzel | Program Consultant/ Analyst (Frontier) | \$124 | Three years of experience in DER systems analysis |
| Mike Usen | Sr. Planner (DKS) | \$210 | Leads DKS' company-wide electric vehicle charging infrastructure planning and design practice |
| Gurbir Antaal | Jr. Engineer (DKS) | \$135 | Four years of experience in designing electrical systems for transportation |
| Mahdi Pour Rouholamin | Engineer (DKS) | \$160 | Six years experience with data science and analytics |
| Chad Martinell | Sr. Engineer (DKS) | \$175 | 15 years of experience in transportation planning, including EVSE for fleets |
| Patrick Couch | Senior Vice President (GNA) | \$252 | 13 years of experience with feasibility studies for alternative fuel fleets |
| Jarrold Kohout | Project Director (GNA) | \$237 | Four years experience in project management for alt fuel initiatives |
| Jason Greenblatt | Program Manager (GNA) | \$162 | 10 years of experience with transportation electrification |
| Eleanor Johnstone | Senior Associate (GNA) | \$149 | Seven years of experience in data collection and analysis |

Exhibit D

SUBCONSULTANTS

The following subconsultants are authorized:

1. DKS Associates
2. Gladstein, Neandross Associates

Exhibit E**COMPENSATION/BUDGET**

Services under this Agreement are not to exceed \$250,000 and will be compensated based on the following hourly rates:

| Name | Title | Hourly Rate |
|---------------------------|---|-------------|
| David Park | Sr. Engineer/Program Manager (Frontier) | \$189 |
| Adam Walburger | Vice President (Frontier) | \$280 |
| Rosie McGoldrick | Program Coordinator (Frontier) | \$91 |
| Angel Garza | Sr. Program Coordinator (Frontier) | \$106 |
| Dan Robb Carina Patton | Engineer (Frontier) | \$156 |
| Nick Genzel | Program Consultant/ Analyst (Frontier) | \$124 |
| Mike Usen | Sr. Planner (DKS) | \$210 |
| Gurbir Antaal | Jr. Engineer (DKS) | \$135 |
| Mahdi Pour Rouholamin | Engineer (DKS) | \$160 |
| Chad Martinell | Sr. Engineer (DKS) | \$175 |
| Patrick Couch | Senior Vice President (GNA) | \$252 |
| Jarrold Kohout | Project Director (GNA) | \$237 |
| Jason Greenblatt | Program Manager (GNA) | \$162 |
| Eleanor Johnstone | Senior Associate (GNA) | \$149 |

Exhibit F

INSURANCE REQUIREMENTS

A. Minimum Scope and Limits of Insurance. Consultant must procure, and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000.00) per project or location. If Consultant is a limited liability company, the commercial general liability coverage must be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant must obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Exhibit F.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant must execute a declaration that it has no employees.

4) Professional Liability/Errors & Omissions Insurance with minimum limits of Two Million Dollars (\$2,000,000.00) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Exhibit F must be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide.

C. Additional Insured/Additional Named Insured. The automobile liability policies must contain an endorsement naming EBCE, its officers, employees, agents and volunteers as additional insureds. The commercial general liability policy must contain an endorsement naming EBCE, its officers, employees, agents and volunteers as additional named insureds.

D. Primary and Non-Contributing. The insurance policies required under this Agreement must apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to EBCE. Any insurance or self-insurance maintained by EBCE, its officers, employees, agents or volunteers, will be in excess of Consultant's insurance and will not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Agreement will not prohibit Consultant and Consultant's employees, agents or Subconsultants from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against EBCE.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by EBCE. At EBCE's option, Consultant must either reduce or eliminate the deductibles or self-insured retentions with respect to EBCE, or Consultant must procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant agrees not to cancel any insurance coverage during the Term. Consultant further agrees not to, reduce or otherwise modify the insurance policies required by this Agreement during the term of this Agreement, without the prior written approval of EBCE. The commercial general and automobile liability policies required under this Agreement must be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to EBCE. If any insurance policy required under Agreement is canceled or reduced in coverage or limits, Consultant must, within two business days of notice from the insurer, phone and notify EBCE via electronic mail and certified mail, return receipt requested, of the cancellation of or reductions to any policy.

H. EBCE Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Agreement in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements of this Exhibit F, EBCE may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, EBCE may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant must promptly reimburse EBCE for any premium paid by EBCE or EBCE, in its sole discretion, may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant must furnish EBCE with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Agreement. The endorsements are subject to EBCE's approval. EBCE may request, and Consultant must provide complete, certified copies of all required insurance policies to EBCE. Consultant must maintain current endorsements on file with EBCE. Consultant must provide proof to EBCE that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant must furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant will not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify EBCE under Section 12 of this Agreement.

K. Subconsultant Insurance Requirements. Consultant's insurance coverage must include its Subconsultants or Consultant must require each of its Subconsultants that perform Work under this Agreement to maintain insurance coverage that meets all the requirements of this Exhibit F.



Municipal Fleet Electrification Assessment and DER Deployment Plans: Consultant Services Approval

PRESENTED BY: Jessie Denver

DATE: November 20, 2019



SUMMARY

- EBCE issued a Request for Proposals seeking consultant services to assist municipal fleet electrification assessments and plans on behalf of:
 - Albany, Berkeley, Dublin and Oakland
- Project goals:
 - Enable cities to lead by example in the communities they serve
 - Work with cities to identify fleet right sizing, retirement and electrification opportunities
 - Identify electric vehicle charging infrastructure needs and barriers
 - Assess potential of solar + battery energy storage systems (e.g., distributed energy resources) to deliver solutions to barriers while enhancing fleet resilience
 - Complete financial analysis for each city fleet that enables decision makers to plan for the transition from internal combustion engine vehicles to electric

CONSULTANT SERVICES

- Six (6) proposals were received in response to the RFP and reviewed by an evaluation committee
 - The Frontier Energy Inc. team was selected
- Consultant services are needed to assist EBCE and its municipal stakeholders with project tasks and deliverables:
 - Conduct a systematic evaluation of all city-operated fleet vehicles
 - Deliver summarized vehicle data, and fleet management recommendations (e.g., right sizing, retirement)
 - Deliver a report documenting specific electrification recommendations for each fleet portfolio.
 - Assess vehicle energy requirements and charging needs
 - Deliver a charging profile report documenting needs for each fleet, forecasted electrical load profiles and maps illustrating the locations of charging infrastructure based on where EVs are domiciled.
 - Conduct DER Suitability Analysis
 - Deliver a report outlining opportunities for DER investment
 - Conduct financial cost/benefit analysis
 - Prepare and deliver fleet transition plans
- Project Term: 12 months
- Project Budget: \$250,000
- Recommendation: Approve CSA with Frontier Energy Inc.; \$250,000 (hourly; NTE)



Consent Item 10

TO: East Bay Community Energy Board of Directors
FROM: Jim Dorrance, Power Resources Associate
SUBJECT: East Bay Community Energy 2018 Emissions Factor (Informational Item)
DATE: November 20, 2019

Recommendation

Receive report on East Bay Community Energy’s 2018 Bright Choice emissions factor.

Background and Discussion

At the October 2018 Board meeting, the Board adopted a 2018 calendar year emissions factor target of 142 pounds of carbon-dioxide equivalent per mega-watt-hour (lb-CO₂e/MWh) for the Bright Choice energy product. Additionally, the Board directed East Bay Community Energy (EBCE) staff to use the Electric Power Sector Protocol (EPS) from The Climate Registry (TCR) as the device for reporting and verifying the 2018 emissions factor. EBCE’s 2018 Bright Choice emissions factor is 101 lb-CO₂e/MWh and is below the Board adopted target.

**EBCE 2018 Bright Choice Emissions Factor:
101 lb-CO₂e/MWh**

The 2018 Bright Choice emissions factor is derived using the power sources on the Power Content Label for the Bright Choice energy product. Unspecified power, Asset Controlling Supplier (ACS) power and other sources from Bright Choice’s content produce emissions. A relevant emissions factor is applied to the purchased energy for each source to quantify the emissions and derive an aggregate EBCE emissions factor. Both the Renewable 100 and the Brilliant100 energy products were also reported using the EPS. These products are both carbon-free and this was verified through TCR.

TCR is a non-profit organization that designs and operates a voluntary United States Green House Gas reporting program that is used by Pacific Gas & Electric and some California Community Choice Aggregators for reporting their emissions factors. The EPS protocol within TCR mandates standardized reporting guidelines and was used by EBCE to report emissions for power delivered in 2018. TCR requires an independent verification of the emissions data before publicly releasing the report. The emissions factors for EBCE’s three energy products

have been verified and will be publicly available on TCR's website with the EPS report included as an attachment (Attachment A).

Fiscal Impact

There are no fiscal impacts related to the release of EBCE's 2018 Bright Choice Emissions Factor.

Attachments

- A. EBCE's 2018 Electric Power Sector Report
- B. Emissions Factor Presentation

Electric Power Sector Report 1.2

Purpose

The following worksheets will aid you in reporting your power generation and deliveries metrics under The Climate Registry's Electric Power Sector (EPS) Protocol, Version 1.0.

Applicability

Electric utility companies with the root code 2211 in the North American Industry Classification System that choose to report in accordance with the EPS Protocol must report required utility-specific power generation metrics and optional power deliveries metrics as supplementary information using the metrics calculators in the following worksheets. Completed reports must be uploaded into CRIS before your entity's annual emissions inventory report can be verified.

Implementation

Starting with 2010 emissions data, electric utility companies are required to report to The Registry using the EPS Report.

Process

- Step 1:** Review all instructions.
- Step 2:** Enter the data requested in the yellow fields on the following worksheets.
- Step 3:** Review reported data for accuracy.
- Step 4:** Convert report to PDF.
- Step 5:** Upload PDF report to CRIS as a public document assigned to the entity level.

If you have questions, please call The Registry's Member Services Team at **866-523-0764 x3** or email **help@theclimateregistry.org**.

| Power Generation Metrics Worksheet - REQUIRED | | | | | | | | | | | |
|---|---|--------------------------------|--|--------------|--|---------------------------|---|----------------------------------|---|----------------|---|
| <p>Instructions: This worksheet must be used to report your required power generation metrics. Please refer to page 96-99 of the EPS Protocol for further guidance.</p> <p><i>Important things to keep in mind:</i></p> <ol style="list-style-type: none"> All emissions data needed to calculate the power generation metrics is already entered into CRIS as part of your inventory. All power generation metrics are based on CO₂ emissions per unit of output, rather than CO₂e. Emissions of gases other than CO₂ are not used in the metric calculations. Metrics rely only on CO₂ emissions directly related to power generation (anthropogenic and biogenic emissions treated separately). The only sources of emissions to be included are direct stationary combustion, geothermal process, acid gas scrubber and biogenic process emissions. For all these metrics, the emissions are taken directly from the direct emissions calculations in Chapters 12-16 of the EPS Protocol. You should fill in as many rows as necessary based on the number of owned or controlled generation sources (facility and/or units) in your company as well as facilities or units in which your company has equity. You only need to fill in the cells that are highlighted in yellow. All other cells are locked and will calculate automatically. | | | | | | | | | | | |
| <p>Power Generation Metrics: Entity Average Generation Metric</p> <p>The Entity Average Generation Metric represents the anthropogenic carbon intensity from all sources of power generated by your entity, i.e. the tonnes of direct anthropogenic CO₂ emissions for electricity generation per net megawatt-hour of electricity generated for all owned or controlled facilities combined. Your Entity Average Generation Metric will be calculated for you based on data you report in the table below. You are only required to fill in your company name in this section.</p> <p>Cell B17: Enter your company name.</p> <p>Cell B18: Total tonnes (t) of CO₂ is calculated automatically based on the equity share of anthropogenic CO₂ emissions from fossil fuel combustion, process emissions SO₂ scrubbers, geothermal fugitive emissions, and all other CO₂ emissions directly related to power generation from each facility/unit reported in the table below. Do not include biogenic CO₂ emissions from the combustion of biofuels or emissions not related to power generation.</p> <p>Cell B19: Total Net Generation Share is calculated automatically based on the equity portion of all power generated for all sources including coal, natural gas, distillate fuel, hydro, nuclear, biomass, renewables etc.</p> <p>Cell B20: The EPS Metric G-4 is calculated automatically and represents the anthropogenic carbon intensity for all owned or controlled facilities combined for your entity.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Entity Average EPS Metric G-4*</th> </tr> </thead> <tbody> <tr> <td style="width: 80%;">Company Name</td> <td style="width: 20%;"></td> </tr> <tr> <td>Total CO₂ (t)</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Total Net Generation Share (MWh)</td> <td style="text-align: right;">-</td> </tr> <tr> <td>EPS Metric G-4</td> <td style="text-align: right;">-</td> </tr> </tbody> </table> <p>*If you have added rows to the table below, please ensure that the ranges in cells C 18 and 19 include all of your facilities and units.</p> | | Entity Average EPS Metric G-4* | | Company Name | | Total CO ₂ (t) | - | Total Net Generation Share (MWh) | - | EPS Metric G-4 | - |
| Entity Average EPS Metric G-4* | | | | | | | | | | | |
| Company Name | | | | | | | | | | | |
| Total CO ₂ (t) | - | | | | | | | | | | |
| Total Net Generation Share (MWh) | - | | | | | | | | | | |
| EPS Metric G-4 | - | | | | | | | | | | |
| <p>Power Generation Metrics: Compiling Data For Power Generation Metrics</p> <p>Notes:</p> <ol style="list-style-type: none"> In this section of the report, disclose your indicator data for each generating facility in which you have an ownership interest as required by the EPS. Indicator data includes each facility's net generation, equity share in each facility/unit, equity share net generation, power exported to your entity's T&D system, and power exported to the grid (see page 97 in the EPS for more information). Emissions calculations (calculated offline according to the calculation methodologies in the EPS Protocol) are used in combination with the indicator data to develop sector-specific power generation metrics. Only those metrics applicable to your scope of operations need to be calculated. For example, a Member that operates three natural gas power plants will report EPS Metric G-1 for each facility and G-4 for all facilities combined (EPS Metric G-2 and G-3 would not apply). You must report power generation metrics for all generating facilities you own and for all shared units, including those with no emissions. This metrics calculator will then compile an entity average generation metric that includes all generation facilities and units. <p>Column A: Select "facility" or "unit" from the drop-down menu. If you have an ownership interest in a generating facility, choose "facility." If you only have an ownership interest in one or more specific units at a generating facility (rather than the entire facility), choose "unit."</p> <p>Column B: Type the name of your facility or unit. The name should match the name given to this facility or unit in CRIS.</p> <p>Column C: Report 100 percent of the net generation in MWh for the facility or unit regardless of your equity share or export destination.</p> <p>Column D: Report the equity share for the facility or unit. All power generation metrics are based on the equity share of emissions and corresponding power generation (MWh).</p> <p>Column E: The Net Generation Share is calculated automatically based on your input values in columns C and D.</p> <p>Column F: Report the net generation in MWh exported to your own transmission distribution system. This amount plus the amount exported for resale cannot exceed your total facility/unit net generation.</p> <p>Column G: Report the net generation in MWh corresponding to the portion of power exported to other users or the electric grid.</p> <p>Column H: Report 100 percent of the tonnes of direct fossil CO₂ emissions from stationary fossil fuel combustion for electricity generation facilities or units regardless of your equity share or export destination. If you have used a fuel-based calculation method to determine emissions, any CO₂ emissions from scrubbers will also need to be included. Do not include any purchased generation emissions, geothermal process emissions or biogenic CO₂ emissions from biogenic sources. For co-generation facilities, include only the CO₂ emissions allocated to electricity.</p> <p>Column I: Report 100 percent of the net generation in MWh of fossil-generated electricity regardless of your equity share or export destination. Do not include any purchased generation emissions, geothermal process emissions or biogenic CO₂ emissions from biogenic sources.</p> <p>Column J: The EPS Metric G-1 (Net Fossil CO₂/Net MWh Fossil Generation) is calculated automatically for each electric generating unit or facility. This metric is a measure of the carbon intensity of your electricity generation from stationary fossil fuel combustion sources.</p> <p>Column K: Report 100 percent of the metric tons of direct biogenic CO₂ emissions regardless of equity share or export destination. Direct biogenic emissions may come from stationary combustion, process emissions (CO₂ "pass-through" for landfill gas), or from fugitive emissions directly related to power generation. For co-generation facilities, include only the biogenic CO₂ emissions allocated to electricity.</p> <p>Column L: Report 100 percent of the MWh of electricity generated from biogenic sources regardless of your equity share or export destination. Only include the generation that is directly attributable to biogenic combustion. See page 98 of the EPS Protocol for examples of biogenic sources.</p> <p>Column M: The EPS Metric G-2 (Net Biogenic CO₂/Net MWh Biogenic Generation) is calculated automatically for each generating unit or facility that uses biogenic sources. This metric is a measure of the biogenic carbon intensity of your electricity generation from biogenic process and combustion sources.</p> <p>Column N: Report 100 percent of the tonnes of direct fossil CO₂ emissions from stationary fossil fuel combustion used exclusively for start-up of biogenic electricity generation facilities or units regardless of your equity share or export destination.</p> <p>Column O: The Fossil Metric (Start-up) for Biogenic Electricity Generation (Net Fossil Start-up CO₂/Net MWh Biogenic Generation) is calculated automatically for each biogenic generating unit or facility that uses fossil fuel for start-up only based on your input values in columns L and N. Co-fired facilities, that use both biogenic and fossil sources to generate electricity, must report fossil emissions and MWh in EPS Metric G-1.</p> <p>Column P: Report 100 percent of the tonnes of direct CO₂ emissions from geothermal sources regardless of your equity share or export destination. For co-generation facilities, include only the geothermal CO₂ emissions allocated to electricity.</p> <p>Column Q: Report 100 percent of the MWh of electricity generated from geothermal regardless of your equity share or export destination.</p> <p>Column R: The EPS Metric G-3 (Net Geothermal CO₂/Net MWh Geothermal) is calculated automatically for each geothermal generating unit or facility.</p> <p>Column S: The EPS Metric G-4 (Net Anthropogenic CO₂/Total Net Generation MWh) is calculated automatically for each unit or facility.</p> <p>Column T: The quality assurance check ensures that MWh exported to your T&D system and MWh exported to the electric grid do not exceed the total net generation of your unit or facility.</p> <p>Column U: Here you may optionally report any identification numbers associated with your facility or unit. Examples include your CRIS facility ID, U.S. Energy Administration information facility ID, etc.</p> | | | | | | | | | | | |

Power Deliveries Metrics Worksheet - OPTIONAL

Introduction: Consumers of electric power are becoming increasingly interested in the carbon intensity of the power they purchase. Reporting power deliveries metrics is a way to provide information to your customers and have credible data that adheres to The Registry's standards and third-party verification requirements. The metrics reported here will be a valuable source of emission factors for your customers to use when calculating their own indirect emissions.

Compiling Power Deliveries Data: Reporting power deliveries metrics is **optional** under the EPS Protocol for Members that deliver power to wholesale or retail customers. However, if you choose to report these metrics, you must follow the methodologies outlined in sections 19.1 - 19.5 of the EPS Protocol and have the reported metrics third-party verified. Please read Chapter 19 in the EPS Protocol for a more detailed explanation of the power deliveries metrics.

Developing Power Deliveries Metrics: You must disclose total MWh (Column D) and corresponding anthropogenic CO₂ (Column B) from all power generated and purchased for delivery to customers. Refer to page 100, Section 19.1 in the EPS Protocol for further guidance on establishing customer categories and assigning power generation and purchases to specific customer categories. You should not include any emissions from non-power generation sources (e.g. mobile combustion, fugitive emissions, etc). Report only CO₂ emissions (not CO₂e).

You must choose to either report according to Option A (Single System-Average) or Option B (by power product). If you choose to report according to Option B you must develop multiple metrics for the electricity delivered to distinct customer groups, e.g. "Green Pricing Program." You should aggregate the power and associated emissions for the power that flows to the customer groups you have defined and input the data in the table below to calculate the appropriate power deliveries metric.

If you purchase or sell "green power" certificates, e.g. RECs, TRCs, TRECs, etc., you may wish to report an adjusted emission metric for the power product to which the certificates are being applied. Accounting for RECs and special certificates will lower the GHG intensity of the electricity mix delivered to your customers. Making this adjustment to the metric is optional. Please reference Section 19.3 in the EPS Protocol for further guidance.

Optional power deliveries metrics can only be reported if you use the EPS IE-01: Energy Balance Method to calculate the indirect emissions associated with T&D losses. Please see Chapter 14 in the EPS Protocol for further guidance.

Power Deliveries Metrics: Reporting for a Single System-Average (Option A)

Row 21 :

Column B: *Input tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for all customers.*

Column C: *Input RECs and other special power certificates transactions delivered to all customers**

Column D: *Input net megawatt-hour of electricity delivered to all customers.*

Column E *The single system-average metric is calculated automatically based on the inputs from B:22-D:22.*

(OPTION A)

Report Single System-Average Metric

| | t CO ₂ | REC Adjustments* | MWh | Metric |
|---|-------------------|------------------|-----|--------|
| Single System-Average Metric (Option A) | | | | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

** All RECs and special power certificates claimed here must meet the eligibility requirements laid out in Step 1 on page 108 of the EPS Protocol.*

Power Deliveries Metrics: Reporting Separate Metrics for Wholesale, Special Power, and Retail (Option B)

Row 42 :

Column B: *Input tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the wholesale level.*

Column D: *Input net megawatt-hour of electricity delivered to wholesale customers.*

Column E: *The anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to wholesale customers will be calculated here.*

Row 43:

Column B: *Input tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity sold as a special product.*

Column D: *Input net megawatt-hour of electricity delivered to special power customers.*

Column E: *The anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to special power customers will be calculated here.*

Row 44 :

Column B: *Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity delivered to retail customers.*

Column D: *Net megawatt-hour of electricity delivered to retail customers.*

Column E: *The anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to retail customers.*

Rows 48-52 :

These rows are intended for Members to optionally report metrics for self-defined customer categories (if applicable). For example, you may wish to develop multiple metrics for the electricity delivered to distinct customer groups of your wholesale power transactions or for separate special power products. Be sure to name the customer category in Column A according to your company records.

(OPTION B)

Report Separate Metrics for your Wholesale Sales, Special Power Products, and/or Retail Sales

| | t CO ₂ | REC Adjustments* | MWh | Metric |
|--|-------------------|------------------|--------------|----------|
| EPS Metric D-1 (Wholesale Electric Deliveries) | | N/A | | N/A |
| EPS Metric D-2 (Special Power Electric Deliveries) | 85,504.38 | N/A | 2,286,979.91 | 3.74E-02 |
| EPS Metric D-3 (Retail Electric Deliveries) | | N/A | | N/A |

EPS Metric D-2 (Special Power Electric Deliveries) represents the total emissions for all electricity sold by East Bay Community Energy for 2018. These emissions are represented by three power products: Renewable 100, Brilliant 100, and Bright Choice. Further detail on the supply mix for each of the power products are shown on the worksheet for Additional Optional Information.

Report Additional Wholesale and Special Power Delivery Metrics

| Name | t CO ₂ | REC Adjustments* | MWh | Metric |
|---------------|-------------------|------------------|--------------|----------|
| Renewable 100 | - | N/A | 4,605.00 | 0 |
| Brilliant 100 | - | N/A | 412,703.00 | 0 |
| Bright Choice | 85,504.38 | N/A | 1,869,671.91 | 4.57E-02 |
| | | N/A | | N/A |
| | | N/A | | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

Power Deliveries Metrics: Reporting Certificate-Adjusted Metrics

Row 73:

Column B: Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the wholesale level (cell B50).

Column C: Input RECs and other special power certificates transactions delivered to wholesale customers.*

Column D: Net megawatt-hour of electricity delivered to wholesale customers (from cell D50).

Column E: The certificate-adjusted anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to wholesale customers.

Row 74:

Column B: Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the special power level (from cell B51).

Column C: Input RECs and other special power certificates transactions delivered to special power customers.*

Column D: Net megawatt-hour of electricity delivered to special power customers (from cell D50).

Column E: The certificate-adjusted anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to special power customers.

Row 75:

Column B: Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the retail level (from cell B52).

Column C: Input RECs and other special power certificates transactions delivered to retail customers.*

Column D: Net megawatt-hour of electricity delivered to retail customers (from cell D50).

Column E: The certificate-adjusted anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to retail customers.

Rows 81-85:

These rows are intended for Members that optionally reported self-defined customer categories above and want to calculate the certificate-adjusted metrics.

| Certificate-Adjusted Metrics | | | | |
|--|-------------------------|-------------------------|------------|------------------------------------|
| | t CO₂ | REC Adjustments* | MWh | Certificate-Adjusted Metric |
| EPS Metric D-1 (Wholesale Electric Deliveries) | - | | - | N/A |
| EPS Metric D-2 (Special Power Electric Deliveries) | 85,504 | | 2,286,980 | 3.74E-02 |
| EPS Metric D-3 (Retail Electric Deliveries) | - | | - | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

** All RECs and special power certificates claimed here must meet the eligibility requirements laid out in Step 1 on page 108 of the EPS Protocol.*

| Additional Certificate-Adjusted Metrics | | | | |
|--|-------------------------|------------------------|------------|------------------------------------|
| Name | t CO₂ | REC Reductions* | MWh | Certificate-Adjusted Metric |
| Renewable 100 | - | | 4,605 | 0 |
| Brilliant 100 | - | | 412,703 | 0 |
| Bright Choice | 85,504 | | 1,869,672 | 4.57E-02 |
| | - | | - | N/A |
| | - | | - | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

Additional Optional Information Worksheet - OPTIONAL

Introduction: On this worksheet, The Registry has provided a place for utilities to provide additional entity-level information about the power they purchase and generate.

Note: Information in this section is voluntarily provided by the participant for public information, but is not required and is not verified under the Climate Registry's protocols.

| GENERATION & PURCHASED POWER INFORMATION | Bright Choice | | Renewable 100 | | Brilliant 100 | |
|--|---------------|--------------------------|---------------|--------------------------|---------------|--------------------------|
| | Amount (MWh) | CO ₂ (tonnes) | Amount (MWh) | CO ₂ (tonnes) | Amount (MWh) | CO ₂ (tonnes) |
| Owned Generation Total (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fossil Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Biogenic Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Geothermal Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Renewable Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Zero Emission Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Co-generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased Power Total (Net) | 1,869,671.91 | 85,504.38 | 4,605.00 | 0.00 | 412,703.00 | 0.00 |
| Purchased Fossil Power (Net) | 32.00 | 3.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased Biogenic Power (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased Geothermal Power (Net) | 24,198.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased Large Hydro-Electric Power (Net) | 398,359.57 | 0.00 | 0.00 | 0.00 | 228,457.00 | 0.00 |
| Purchased Wind and Solar Power (Net) | 741,444.34 | 0.00 | 4,605.00 | 0.00 | 184,246.00 | 0.00 |
| Purchased Co-generation Power (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased Wholesale Power (Net) | 705,638.00 | 85,501.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL FOSSIL GENERATION/PURCHASES | 32.00 | 3.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL FROM BIOGENIC SOURCES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL FROM GEOTHERMAL SOURCES | 24,198.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OTHER GENERATION/PURCHASES | 1,845,441.91 | 85,501.19 | 4,605.00 | 0.00 | 412,703.00 | 0.00 |
| TOTAL FROM ALL GENERATION/PURCHASES | 1,869,671.91 | 85,504.38 | 4,605.00 | 0.00 | 412,703.00 | 0.00 |
| TOTAL FROM RETAIL SALES | 1,869,671.91 | 85,504.38 | 4,605.00 | 0.00 | 412,703.00 | 0.00 |

Comments:



2018 Emissions Factor

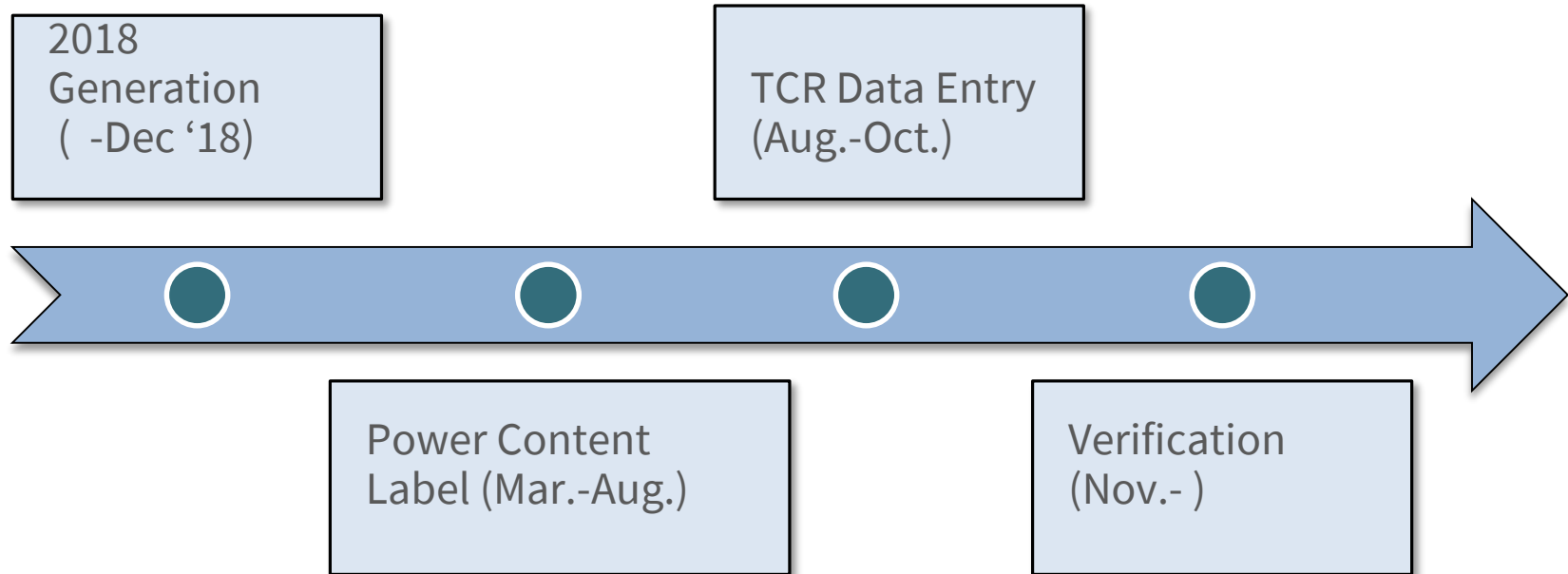
PRESENTED BY: Jim Dorrance

DATE: November 20, 2018



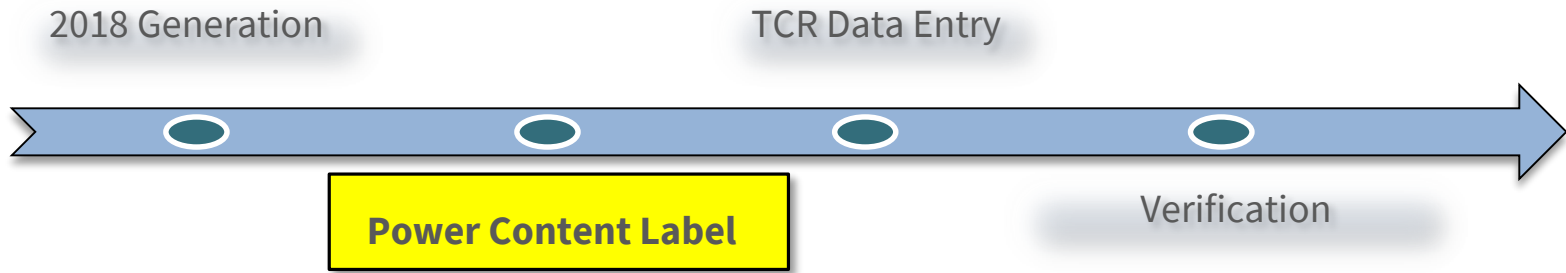
Purpose, Timeline

- To present EBCE's 2018 Emissions Factor



2018 Power Content Label

| East Bay Community Energy • 2018 Power Content Label • www.ebce.org | | | | |
|---|---------------|---------------|---------------|----------------------------------|
| Energy Resources | Bright Choice | Brilliant 100 | Renewable 100 | 2018 CA Power Mix ^{***} |
| Eligible Renewable | 41% | 45% | 100% | 31% |
| Biomass & Biowaste | 0% | 0% | 0% | 2% |
| Geothermal | 1% | 0% | 0% | 5% |
| Eligible Hydroelectric | 0% | 0% | 0% | 2% |
| Solar | 15% | 20% | 50% | 11% |
| Wind | 25% | 25% | 50% | 11% |
| Coal | 0% | 0% | 0% | 3% |
| Large Hydroelectric | 21% | 55% | 0% | 11% |
| Natural Gas | 0% | 0% | 0% | 35% |
| Nuclear | 0% | 0% | 0% | 9% |
| Other | 0% | 0% | 0% | <1% |
| Unspecified sources of power* | 38% | 0% | 0% | 11% |
| TOTAL | 100% | 100% | 100% | 100% |



- The public disclosure of EBCE customer’s power content which shows the percent of power delivered by resource type
- Includes all transacted power purchases and power sales
- Data is audited by the CEC and by an independent third-party auditor (Abbott, Stringham & Lynch)
- Audits include validation of all purchases, sales, and delivered RECs/carbon-free power
- Results are used in The Climate Registry for calculating emissions

The Climate Registry

- Operates a voluntary, national GHG reporting program that assists organization in measuring, reporting and verifying emissions
- Used by other California CCA's and PG&E
- A non-profit governed by US states and Canadian Provinces
- Contains specific protocol for the electric power sector

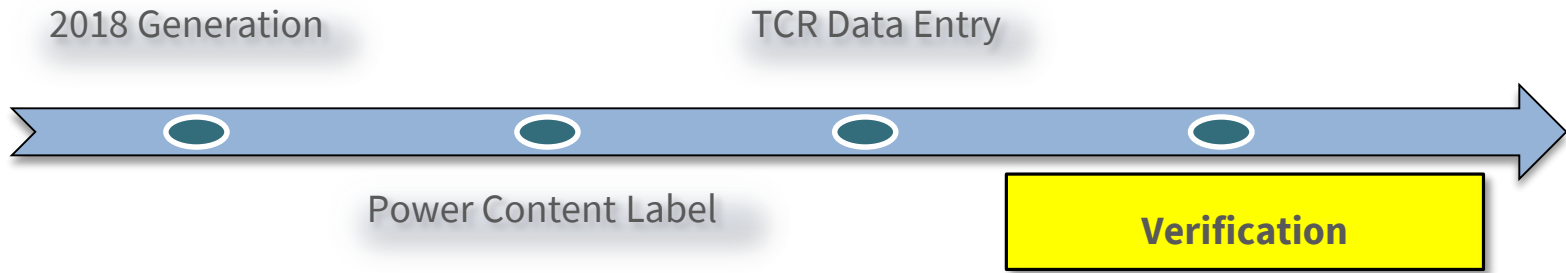
2018 Generation

TCR Data Entry

Power Content Label

Verification

- Transactional power data was validated by an independent third-party (SCS Global) including a review of invoices, sales confirmation, and billing
- Carbon free and RECs were verified with e-tags and through WREGIS (the accounting platform for REC's)
- SCS Global derived an aggregate quantity of CO₂e from the data and reported a emissions factor on TCR's platform on behalf of EBCE



- The reporting within the TCR platform is verified by a different auditor (Cameron-Cole)
- Cameron-Cole reviewed the calculations for the emissions factor, checked accuracy in reporting, and reviewed transactional data
- TCR conducts their own verification and when completed posts EBCE's emissions factor on their website

TCR reporting form

| Report Separate Metrics for your Wholesale Sales, Special Power Products, and/or Retail Sales | | | | |
|--|-------------------|------------------|--------------|----------|
| | t CO ₂ | REC Adjustments* | MWh | Metric |
| EPS Metric D-1 (Wholesale Electric Deliveries) | | N/A | | N/A |
| EPS Metric D-2 (Special Power Electric Deliveries) | 85,504.38 | N/A | 2,286,979.91 | 3.74E-02 |
| EPS Metric D-3 (Retail Electric Deliveries) | | N/A | | N/A |
| <i>EPS Metric D-2 (Special Power Electric Deliveries) represents the total emissions for all electricity sold by East Bay Community Energy for 2018. These emissions are represented by three power products: Renewable 100, Brilliant 100, and Bright Choice. Further detail on the supply mix for each of the power products are shown on the worksheet for Additional Optional Information.</i> | | | | |
| Report Additional Wholesale and Special Power Delivery Metrics | | | | |
| Name | t CO ₂ | REC Adjustments* | MWh | Metric |
| Renewable 100 | - | N/A | 4,605.00 | 0 |
| Brilliant 100 | - | N/A | 412,703.00 | 0 |
| Bright Choice | 85,504.38 | N/A | 1,869,671.91 | 4.57E-02 |
| | | N/A | | N/A |
| | | N/A | | N/A |

- Input form for emissions used with TCR
- Calculates CO₂e in MT-CO₂e/MWh
- Applying a conversion factor results in lb-CO₂e/MWh

2018 Emissions Factor

- Board-Adopted 2018 Bright Choice Emissions Factor Target:
 - ❑ **142 lb-CO₂e/MWh** (0.064 MT-CO₂e/MWh)
- Bright Choice 2018 Emissions Factor:
 - ✓ **101 lb-CO₂e/MWh** (0.046 MT-CO₂e/MWh)
- 2018 Emissions Factor for the aggregate of all three of EBCE's energy products:
 - ✓ **82 lb-CO₂e/MWh** (0.037 MT-CO₂e/MWh)

Next Steps

- Results will be publicly available on Registry by the end of November
- Ongoing evaluation of emissions accounting methodologies in light of AB110 Power Content Label changes and IRP emissions accounting process

Questions ?



Staff Report Item 11

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: CEO Report (Informational Item)
DATE: November 20, 2019

Recommendation

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

Finance, Administration and Procurement Sub-committee Meeting

The Finance, Administration and Procurement Sub-committee met on 10/11/19 where they received the Audit presentation and had the opportunity to discuss the proposed EBCE Financials reporting schedule. The Committee is currently short one member, Board members interested in joining this sub-committee should email their interest to the Clerk of the Board by 11/29/19.

Executive Committee Meeting

The Executive Committee met on 10/25/19 where they receive a presentation on New Community Inclusion and received updates on Regulatory and Legislative matters, Marketing and Account Services, and Power Procurement.

Marketing Regulatory and Legislative Sub-committee Meeting

The Marketing, Regulatory and Legislative Subcommittee meet on 10/30/19 where they received a presentation and discussed major ongoing Regulatory proceedings regarding PCIA, 2020 ERRR forecast, the Integrated Resources Plan and Resource Adequacy.

New Staff

Molly Gilmore, Legal Analyst

Molly joined EBCE's Public Policy team 10/1/19 as a Legal Analyst. She spent the last year working with EBCE as a Legal Consultant and manages the contracting process for all non-power Agreements, maintains the contracts database, manages the compliance workflow across teams, and works with General Counsel to coordinate legal assistance for staff.

Prior to joining EBCE Molly worked in nonprofits, public Healthcare, hospitality & for large Consulting firms. The majority of her experience relates to contract management and vendor management

Molly is an Alameda County native. She holds a B.A. in Sociology from UC Santa Barbara and a Master's in Public Policy with an emphasis in Public Policy Development from CSU East Bay.

Marie Fontenot, Sr. Director of Power Resources

Marie joined EBCE on 10/31/19 as the Sr. Director of Power Resources on the Power Resources team. Marie sets the procurement strategy for all wholesale power products and leads a team to execute this strategy, ensuring EBCE delivers upon its commitments to the Board of Directors and communities it serves to provide customers with clean, affordable electricity. She also ensures EBCE complies with California's renewable portfolio standard, resource adequacy and electric system reliability requirements.

Prior to joining EBCE, Marie served as Chief of Staff to PG&E's Executive Vice President and General Counsel; she also led PG&E's Competitive Solicitations team, negotiated long-term energy storage and renewable energy contracts, and stood up PG&E's renewable energy credit (REC) trading program. Marie began her career in energy at Xcel Energy as a NERC-certified Power Systems Trader responsible for bidding supply and demand into the MISO and SPP energy markets, performing generation control, dispatch and trading physical electricity.

Marie holds a B.S. in Journalism and MBA from the University of Colorado.

Juan Cortez, Outreach Intern

Juan Cortez joined EBCE on 10/26/19 as an Outreach Intern on the Marketing team. Juan was born and raised in Richmond where he currently resides. He is fluent in both English and Spanish and will be particularly helpful in reaching our Spanish speaking community.

Juan is set to graduate from Sonoma State University with a B.A. in Environmental Studies: City and Regional Planning in the Spring of 2020.

Doug Allen, Modeler- in- Chief

Doug joined EBCE on 11/12/19 as the Modeler-in-Chief on the Technology and Analytics team to develop and maintain EBCE's modeling capabilities to help teams across the organization understand the potential impact of a variety of regulatory, political, and technological changes on EBCE's operations and strategy. In addition, he is responsible for understanding the models and projections produced by other companies, organizations, and governmental agencies throughout California that are used to develop energy policy at the local, regional and statewide levels. Prior to joining EBCE, Doug spent over seven years at Energy and Environmental Economics, Inc. (E3) in San Francisco, providing energy and electricity sector analysis to clients across the public and private sectors.

In addition to his B.A. in Economics and M.S. in Management Science and Engineering from Stanford, where he focused on energy economics, Doug has earned a master's degree in Communication from the University of Pennsylvania, studying political communication and journalism.

Distributed Solar and Storage for Resource Adequacy and Customer Resilience

Receive presentation on recently issued Distributed Solar and Storage for Resource Adequacy and Customer Resilience RFP.

Marketing and Outreach Update

Receive update on Marketing and Outreach activities

Bay Area Distributed Resource Adequacy Capacity RFP



Participating Agencies



EBCE is a CCA that was formed in 2016 and began service in 2018. EBCE serves over 540,000 customer accounts representing a population of over 1.3 million people, 50,000 businesses, and approximately 6,000 gigawatt hours (“GWh”) of annual load.



PCE is a CCA that was formed in 2016 and began service in 2016. PCE serves approximately 300,000 customer accounts representing a population of over 700,000 people with 3,600 GWh of clean electricity annually.



SVCE is a CCA that was formed in 2016 and began service in 2017. SVCE serves approximately 270,000 residential and commercial customer accounts representing over 3,800 GWh of annual load.



SVP is a municipal utility founded in 1896. SVP serves the City of Santa Clara with a service area of approximately 19 square miles.

RFP Purpose: Resource Adequacy & Resilience

EBCE, PCE, SVCE and SVP are seeking proposals for a comprehensive offering to provide Resource Adequacy (RA) capacity and resilience to their residential and commercial customers through the development of customer-sited Distributed Energy Resources (DERs).

*Note: The cities of Alameda, San Jose, Palo Alto, Pleasanton, Newark and Tracy are outside of the service areas of the soliciting agencies.



RFP Purpose & Goals cont.

- The LSEs are seeking to expand the market for distributed RA capacity and accelerate the adoption of DERs in their service territories.
- The LSEs are looking to support the deployment of meaningful resilience projects for their customers to address Public Safety Power Shutoff (PSPS) impacts.
- The LSEs are seeking to procure economically viable and competitive RA capacity.



Mandatory Proposal Parameters

| Proposal Parameters | Highlights |
|---|--|
| 1. Proposed Capacity: Amount, Type, RA Mechanism | <ul style="list-style-type: none">• Total capacity, deployment date & contract term (entered in Capacity & Pricing Form).• Specific attributes of any local/flex RA proposed noted in the narrative• Specify RA mechanism. Proxy Demand Response (PDR) expected to be primary RA mechanism, not required |
| 2. Deployment Timeline | <ul style="list-style-type: none">• Deployment aligned with PSPS, IRP & RA filings• Sept. 2020 and June/Sept. 2021• Each LSE has deployment targets (RFP p. 11) |
| 3. Target Site Types & Priority Customer Categories | <ul style="list-style-type: none">• Across entire solicitation, each LSE has minimums for residential capacity, no minimums for commercial (RFP p. 15)• For each proposal, each LSE has requirements for capacity on DAC, low income, medical baseline (RFP p. 15)• RFP specific definitions provided for site types & customer categories |

Mandatory Proposal Parameters cont.

| Proposal Parameters | Highlights |
|--|--|
| 4. Eligible DER System Types | <ul style="list-style-type: none">• List of eligible DER system types provided including; new and existing BES, PV+BES and BES retrofits• All systems must meet CAISO requirements for given RA mechanism (PDR or other)• PV/BES are expected to make up bulk of capacity but DR & other creative solutions are encouraged |
| 5. Eligible Project Locations | <ul style="list-style-type: none">• Systems serving each LSE should be within communities served by that LSE. (RFP p. 17)• LSEs won't automatically exclude offers of RA from projects outside specified communities, but reserve the right to exclude them as non-conforming |
| 6. Go-to-Market & Customer Engagement Strategy | <ul style="list-style-type: none">• Covered in detail on upcoming slide.• Available Marketing Assets provided by all LSEs included on RFP p. 18 |

Mandatory Proposal Parameters cont.

| Proposal Parameters | Highlights |
|---------------------------------------|---|
| 7. Workforce Development Requirements | <ul style="list-style-type: none">• A workforce plan for project development, construction and maintenance must be included, pursuant to LSE requirements• Workforce requirements by LSE included on RFP p. 19-20. |
| 8. Safety & Fire Protection | <ul style="list-style-type: none">• A description of Proposer's approach to safety and fire prevention for all proposed projects must be included.• Discussion of compliance with NFPA 855 must be included. |
| 9. Certifications & Standards | <ul style="list-style-type: none">• Must confirm that all proposed equipment is compliant with relevant certifications and standards.• Example certifications & standards included on RFP p. 21-22. Proposers should only include certifications & standards relevant to their proposed technology |

Go-to-Market & Customer Engagement Strategy

- Strategy for driving deployment of the portfolio of aggregated DER systems
- **Go-to-Market Continuum:** Continue existing marketing activities v.s. create entirely new product offering (and anywhere in between)
- **Customer Engagement Strategy:** How will LSE marketing assets be leveraged to reach customers, particularly priority customers?
- **Line-item explanation:** Interaction between incentives, financing mechanisms, RA payment, and customer value proposition.
 - How will system operations be optimized between customer value streams and RA/wholesale market price exposure?

Overview of Pricing & Capacity Form

- Purpose: To solicit uniform pricing proposals that enable an apples to apples comparison during Proposal Evaluation.
- Any nuance in specific proposals should be captured in the proposal narrative (Mandatory Proposal Parameter 1).
- Proposers should submit a different pricing sheet for each LSE and each sector (Residential or Commercial).
- All numbers used in walkthrough are for illustrative purposes only.
- **Final pricing will be determined during contract negotiations.**



RFP Timeline (subject to revision)

| Event | Date |
|-----------------------------------|--|
| Issuance of RFP | November 5th, 2019 |
| Informational Webinar | November 12th, 2019, 1:30-3:00pm |
| Representative Data Available | November 15th, 2019 |
| Webinar Addendum Issuance | November 19th, 2019 |
| Deadline for Questions | 5pm PST, November 22nd, 2019 |
| Deadline for Data Requests | 5pm PST, December 4th, 2019 |
| Addendum Issuance | December 4th, 2019 |
| Final Proposals Due | 5pm PST, December 23rd, 2019 |
| Proposal Review | December 23rd, 2019 - January 17th, 2020 |
| Interviews | January 20th-24th, 2020 |
| Selection of Preferred Awardee(s) | February, 2020 |
| Contract Negotiation Period | February, 2020 |
| Notice of Intent to Award | March 2020 |
| Board Meeting for Approval | April 2020 |

Solicitation Process

- **Data Provision Process:** Interested parties should contact jross@ebce.com by December 4th to receive data sample.
- Proposals are submitted and reviewed by each LSE. *Note: Proposers can submit to any combination of LSEs and for any combination of Site Types (residential, commercial or both)*
- Proposals for each LSE should be submitted by email directly to the Authorized Contact for the relevant LSE.
- Each LSE conducts, interview and contract negotiations individually.



Evaluation of Proposals

- As previously stated, each LSE will review their received proposals individually.
- All LSEs will evaluate residential and commercial proposals separately and compared to equivalent proposals, even if they are submitted by the same Proposer.
- The LSEs reserve the right to discuss proposals internally in order to establish regional best practices.
- LSEs reserve the right to negotiate contracts with one or more Awardees



Evaluation Weighting Criteria

| Evaluation Category | EBCE | PCE | SVCE | SVP |
|---|-----------|-----------|------------------------------|------------------------------|
| Completeness of RFP Response | Pass/Fail | | | |
| Capacity Requirements & Deployment Timeline | Pass/Fail | | | |
| Technology Safety Certification & Standards | Pass/Fail | | | |
| Installed Storage projects have islanding capability and provide backup power | Pass/Fail | | | |
| Pricing | 40% | 40% | Weighting TBD | Considered |
| Experience Developing Similar Projects & Providing RA Capacity | 15% | 25% | Weighting TBD | Considered |
| Experience and Qualifications of Personnel | 10% | | Weighting TBD | Considered |
| Quality and Detail of Go-to-Market & Customer Engagement Plan | 15% | 25% | Weighting TBD | Considered |
| Proposed Fire Safety Measures | 10% | Pass/Fail | Weighting TBD | Considered |
| Local Hiring/Workforce Development | 10% | Pass/Fail | Considered but not mandatory | Considered but not mandatory |
| Innovation | N/A | 10% | Weighting TBD | Considered |



Marketing and Account Services Update

PRESENTED BY: ANNIE HENDERSON

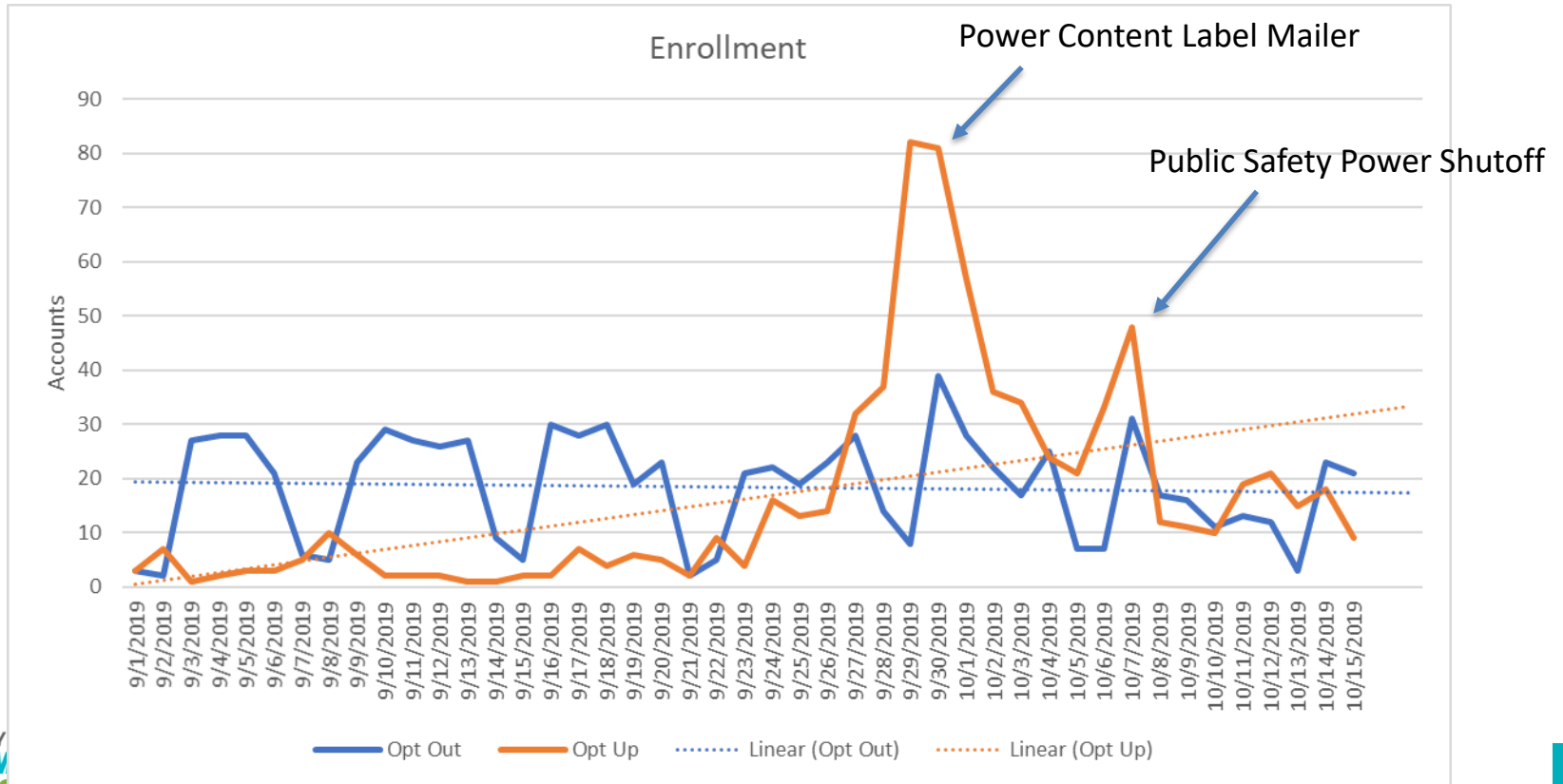
DATE: November 20, 2019



MARKETING UPDATES

- Mailed Power Content Label end of September
- Preparing for Joint Rate Mailer
- Began hosting the Marketing Subcommittee meeting
- Issuing monthly customer newsletters
- Entered contracts for print and digital ads
- Selected awardees for Community Outreach Pilot Program:
 - Interfaith Power and Light & Spectrum Community Services
- Local sponsorships applications open until November 30
- Business Customer Engagement Manager, Dawn Owens – started in early September
- Outreach Intern, Juan Cortez – started in early November

IMPACTS ON ENROLLMENT



JOINT RATE MAILER (PENDING)



East Bay Community Energy
1999 Harrison Street, Suite 800
Oakland, CA 94612

For information, visit: ebce.org
Para detalles de este programa en español, visite: es.ebce.org
參閱本計劃中文版本, 請上網: ch.ebce.org

We support your power to choose

As part of our mutual commitment to support your energy choice, East Bay Community Energy (EBCE) and Pacific Gas and Electric Company (PG&E) have partnered to provide you with a comparison of typical residential electric rates, average monthly charges, and generation portfolio contents.

If this comparison does not address your specific rate, please visit PG&E online at pge.com/cca or call 1-866-743-0335. For more information on EBCE's generation rate, please visit ebce.org/rates or call 1-833-699-EBCE (3223).

Understanding your energy choices

Residential Electric Rate Comparison, E1

| | PG&E | PG&E Solar Choice | EBCE Bright Choice | EBCE Brilliant 100 | EBCE Renewable 100 |
|----------------------------------|----------------|-------------------|--------------------|--------------------|--------------------|
| Generation Rate (\$/kWh) | \$0.11757 | \$0.09436 | \$0.08537 | \$0.08713 | \$0.09713 |
| PG&E Delivery (\$/kWh) | \$0.13094 | \$0.13094 | \$0.13094 | \$0.13094 | \$0.13094 |
| PG&E PCIA (\$/kWh) | N/A | \$0.02979 | \$0.03044 | \$0.03044 | \$0.03044 |
| Total Electricity Cost (\$/kWh) | \$0.24851 | \$0.25509 | \$0.24675 | \$0.24851 | \$0.25851 |
| Average Monthly Bill (\$) | \$89.21 | \$91.58 | \$88.58 | \$89.21 | \$92.80 |

Current rates as of July 1, 2019

This table compares electricity costs for an average residential customer in the EBCE/PG&E service area with an average monthly usage of 359 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on the E1 rate schedule for PG&E's and EBCE's published rates as of July 1, 2019.

Generation Rate is the cost of creating electricity to power your home. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home. The PG&E delivery rate depends on your electricity usage, but is charged equally to both EBCE and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to recover PG&E's above-market costs for generation resources acquired prior to a customer's switch to a third-party electric generation provider. The PCIA also applies to PG&E customers that elect to take service under PG&E's optional Solar Choice program. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by the California Public Utilities Commission on behalf of cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers.

If this comparison does not address your specific rate, please visit PG&E online at pge.com/cca or call 1-866-743-0335. For more information on EBCE's generation rate, please visit ebce.org/rates or call 1-833-699-EBCE (3223).

2018 Electric Power Generation Mix*

| Specific Purchases | Percent of Total Retail Sales (kWh) | | | | |
|--------------------------------|-------------------------------------|-------------------|--------------------|--------------------|--------------------|
| | PG&E | PG&E Solar Choice | EBCE Bright Choice | EBCE Brilliant 100 | EBCE Renewable 100 |
| Renewable | 39% | 100% | 41% | 45% | 100% |
| Biomass & Biowaste | 4% | 0% | 0% | 0% | 0% |
| Geothermal | 4% | 0% | 1% | 0% | 0% |
| Eligible Hydroelectric | 3% | 0% | 0% | 0% | 0% |
| Solar Electric | 18% | 100% | 15% | 20% | 50% |
| Wind | 10% | 0% | 25% | 25% | 50% |
| Coal | 0% | 0% | 0% | 0% | 0% |
| Large Hydroelectric | 13% | 0% | 21% | 55% | 0% |
| Natural Gas | 15% | 0% | 0% | 0% | 0% |
| Nuclear | 34% | 0% | 0% | 0% | 0% |
| Other | 0% | 0% | 0% | 0% | 0% |
| Unspecified Sources of Power** | 0% | 0% | 38% | 0% | 0% |
| TOTAL | 100% | 100% | 100% | 100% | 100% |

*As reported to the California Energy Commission's Power Source Disclosure Program. The figures above may not sum up to 100 percent due to rounding.

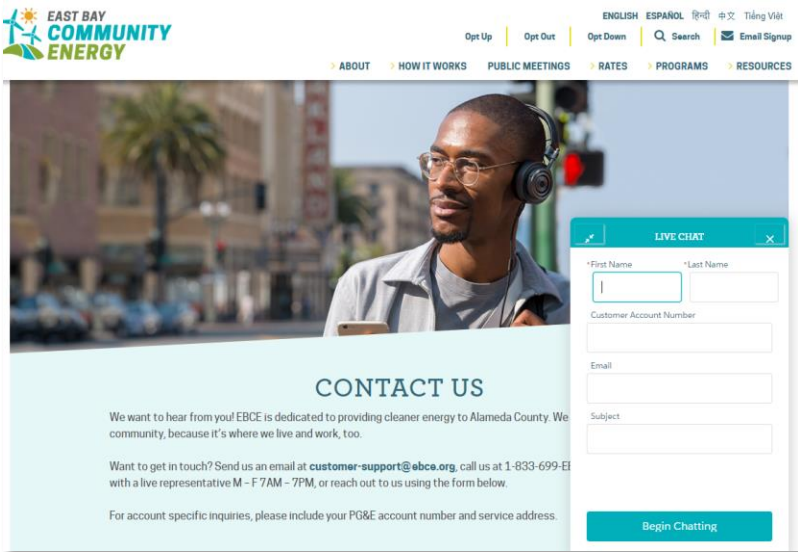
**Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

©2019 EBCE. All rights reserved.
©2019 Pacific Gas and Electric Company. All rights reserved.
*PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation, 11.18 CCR-0919-1545

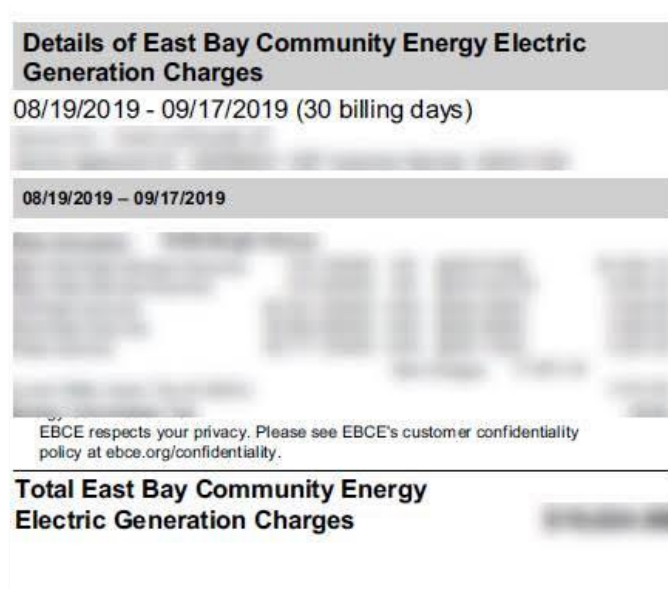


ACCOUNT SERVICES

- **Live Chat** – Launched in October on web forms and Contact Us pages
- **Updated Bill Message** – Compliance with requirement of annual customer notification of confidentiality policy



The screenshot shows the top navigation bar of the East Bay Community Energy website. It includes the logo, language options (English, Español, 中文, Tiếng Việt), and utility links (Opt Up, Opt Out, Opt Down, Search, Email Signup). Below the navigation is a menu with categories: ABOUT, HOW IT WORKS, PUBLIC MEETINGS, RATES, PROGRAMS, and RESOURCES. The main content area features a large image of a man wearing headphones, with a 'LIVE CHAT' window overlaid on the right. The chat window contains input fields for 'First Name', 'Last Name', 'Customer Account Number', 'Email', and 'Subject', along with a 'Begin Chatting' button. Below the image is a 'CONTACT US' section with text: 'We want to hear from you! EBCE is dedicated to providing cleaner energy to Alameda County. We community, because it's where we live and work, too.' and 'Want to get in touch? Send us an email at customer-support@ebce.org, call us at 1-833-699-EB with a live representative M - F 7AM - 7PM, or reach out to us using the form below.' A note at the bottom states: 'For account specific inquiries, please include your PG&E account number and service address.'



The screenshot shows a bill titled 'Details of East Bay Community Energy Electric Generation Charges'. The bill period is '08/19/2019 - 09/17/2019 (30 billing days)'. Below this, there is a section for '08/19/2019 - 09/17/2019' which is mostly blurred. At the bottom of the bill, there is a privacy notice: 'EBCE respects your privacy. Please see EBCE's customer confidentiality policy at ebce.org/confidentiality.' Below the privacy notice is the title 'Total East Bay Community Energy Electric Generation Charges'.

PSPS DEBRIEF

- Participated in 3x daily calls (7:30 AM, 12:30 PM, and 5:30 PM)
- Provided list of impacted customers to call center and data analytics for load forecast reductions
- Daily update of pop-up message on website with latest PG&E press release
- Monitored call volumes and customer inquiries which showed limited impact on EBCE call center; IVR broadcast message
- Piloted weekend call center support: <10 calls
- Joined Alameda County Emergency Managers Association (ALCO EMA) and attended meeting on 11/07
- Tracking usage data and bills for impacted customers to ensure no estimated usage during shutoff was calculated into billing



Staff Report Item 14

TO: East Bay Community Energy Board of Directors
FROM: Jason Bartlett, Finance Manager
SUBJECT: Fiscal Year 2018-2019 Audited Financial Statements
DATE: November 20, 2019

Recommendation

Acknowledge and file the Fiscal Year 2018-2019 audited financial statements.

Background and Discussion

EBCE hires an independent auditor to verify the annual financial statements each year. Earlier this year, EBCE selected Pisent & Brinker, LLP as the auditor through a formal RFP. They were EBCE's auditor for the previous audit and their familiarity with EBCE and CCA finance space made them the best choice.

This year's current audit focuses on EBCE's financial activities of the fiscal year dating from July 1, 2018 to June 30, 2019

P&B engaged with an ad-hoc committee of board members throughout the audit process and was assisted by EBCE staff. The audit was reviewed in full by the Finance Committee on Friday, October 11, 2019

The final audited financial statements provide an independently verified, accurate portrait of EBCE's financial position as of June 30, 2019. These financial statements include statements on the following EBCE financial activities:

- Net Position
- Revenues, Expenses, and Changes in Net Position
- Cash Flows
- Accompanying Notes

Highlights from the Statements for the fiscal year include:

- Total assets increased from \$33.1 million to \$151.3 million, which is comprised mostly of cash and equivalents, accounts receivable, and accrued revenue
- Total liabilities increased from about \$30 million to \$70 million, and is comprised mostly of accrued cost of electricity and debt outstanding to Barclays Bank
- Net position increased from \$3 million to \$81.4 million, approximately, with \$64.2 million unrestricted

- Operating revenues for the year was approximately \$387.3 million
- Operating and interest expenses were approximately \$309.2 million
- Outstanding debt decreased from \$18.8 million to about \$12.5 million

Fiscal Impact

This report has no fiscal impact.

Attachments

- A. EBCE's Audited Financial Statements June 30, 2019
- B. Presentation from the Auditor



Financial Statements

Years Ended June 30, 2019 and June 30, 2018
With Independent Auditor's Report

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| Notes to the Basic Financial Statements | 13 |



Independent Auditor's Report

To the Board of Directors
East Bay Community Energy
Authority
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of East Bay Community Energy Authority (EBCE), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise EBCE's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EBCE as of June 30, 2019 and 2018, and the changes in financial position and cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (continued)

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pesenti & Brink LLP

Santa Rosa, California

October 8, 2019

**EAST BAY COMMUNITY ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018**

The Management's Discussion and Analysis provides an overview of East Bay Community Energy Authority's (EBCE) financial activities as of and for the years June 30, 2019 and 2018. The information presented here should be considered in conjunction with the audited financial statements.

BACKGROUND

The formation of EBCE was made possible in 2002 by the passage of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation.

EBCE was created as a California Joint Powers Authority (JPA) effective December 1, 2016. EBCE was established to provide electric power at competitive costs as well as to provide other benefits within Alameda County, including reducing greenhouse gas emissions related to the use of power, procuring energy with a priority on the use and development of local renewable resources, stimulating local job creation through various programs and development, promote personal and community ownership of renewable resources, as well as promoting long-term electric rate stability and energy reliability for residents and businesses. Governed by a board of directors (Board) consisting of elected representatives from each jurisdiction, EBCE has the rights and powers to set rates for the services it furnishes, incur indebtedness, and issue bonds or other obligations. EBCE is responsible for the acquisition of electric power for its service area.

Prior to the creation of East Bay Community Energy as a JPA, Alameda County managed the financial and administrative activities related to the formation of this Community Choice Aggregation (CCA) program. Pursuant to a cooperation agreement with the County of Alameda, EBCE accepted an obligation to reimburse Alameda County for specified costs to initiate the entity and its programs which were incurred prior to the JPA agreement, as well as for costs incurred during the start-up phase of EBCE.

In June 2018, EBCE began providing service to its first approximately 55,000 customer accounts as part of its initial enrollment phase. This initial phase included municipal and business accounts. The final major enrollment of residential accounts began in November 2018, bringing the total customer count to approximately 545,000. Starting in April of 2019, EBCE began its final phase of enrollments to include net energy metering (NEM) customers on a rolling two-month basis for a full calendar year, depending on their annual true-up dates. NEM enrollments are about 4,000 per basis, thus adding approximately an additional 48,000 accounts.

**EAST BAY COMMUNITY ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018**

Financial Reporting

EBCE presents its financial statements as an enterprise fund under the economic resources measurement focus and accrual basis of accounting. These statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

Contents of this report

This report is divided into the following sections:

- Management discussion and analysis, which provides an overview of operations.
- The basic financial statements:
 - The *Statements of Net Position* includes all of EBCE's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.
 - The *Statements of Revenues, Expenses, and Changes in Net Position* report all of EBCE's revenue and expenses for the years shown.
 - The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital asset acquisitions and debt financing.
 - Notes to the Basic Financial Statements, which provide additional details and information related to the basic financial statements.

**EAST BAY COMMUNITY ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018**

FINANCIAL HIGHLIGHTS

The following table is a summary of EBCE's assets, liabilities, and net position as of June 30:

| | <u>2019</u> | <u>2018</u> |
|------------------------------------|----------------------|---------------------|
| Current assets | \$ 128,753,445 | \$26,884,073 |
| Noncurrent assets | | |
| Capital assets, net | 48,842 | 24,961 |
| Other noncurrent assets | <u>22,507,440</u> | <u>6,158,176</u> |
| Total noncurrent assets | <u>22,556,282</u> | <u>6,183,137</u> |
| Total assets | <u>151,309,727</u> | <u>33,067,210</u> |
| Current liabilities | 57,423,768 | 11,182,690 |
| Noncurrent liabilities | <u>12,512,500</u> | <u>18,800,000</u> |
| Total liabilities | <u>69,936,268</u> | <u>29,982,690</u> |
| Net position | | |
| Investment in capital assets | 48,842 | 24,961 |
| Restricted for security collateral | 17,100,000 | - |
| Unrestricted (deficit) | <u>64,224,617</u> | <u>3,059,559</u> |
| Total net position | <u>\$ 81,373,459</u> | <u>\$ 3,084,520</u> |

Current assets

Current assets reached \$128,753,000 by the end of fiscal year 2018-19 and are comprised of the following major categories: \$43,774,000 cash and restricted cash, \$71,676,000 in accounts receivable and accrued revenue, and \$13,303,000 in prepaid expenses and other deposits. Accounts receivable reflects invoices that have been delivered to customers that remain unpaid at the end of the period. Accrued revenue accounts for electricity use by EBCE customers before invoicing to those customers has occurred. Service to its initial customer base was phased in throughout the month of June 2018, resulting in very few billing-period end dates occurring by the end of fiscal year 2017-18. As a result, almost all the revenue for that month was invoiced after the year and is reported as accrued revenue in the current asset section of the Statement of Net Position. EBCE's second and largest customer enrollment occurred in November 2018. This resulted in large increases from 2017-18 to 2018-19 in cash, accounts receivable and accrued revenue. Prepaid expenses and deposits consist mostly of purchases of electricity and capacity for delivery after the fiscal year.

**EAST BAY COMMUNITY ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018**

Capital assets

Capital assets increased to \$49,000 in 2018-19 as a result of purchases of furniture and equipment. This amount is reported net of depreciation. EBCE does not own assets used for electricity generation or distribution.

Other noncurrent assets

Other noncurrent assets of \$22,507,000 consists of restricted cash for security collateral and various deposits for regulatory and other operating purposes. Included are deposit postings with the California Public Utilities Commission (CPUC) and EBCE's scheduling coordinator responsible for interacting directly with the electricity market through the California Independent System Operator.

Current liabilities

Current liabilities of \$57,424,000 at the end of 2018-19 mark an increase of \$46,241,000 from the prior year. For both years, this consists primarily of the cost of electricity delivered to customers that is not yet due to be paid by EBCE. At the end of 2017-18, current liabilities included \$4,637,000 in debt obligation to Alameda County that was repaid during 2018-19. Other components of current liabilities as of June 30, 2019, include trade accounts payable, and user taxes and surcharges due to other governments.

Noncurrent liabilities

During the fiscal year 2017-18, EBCE borrowed \$18,800,000 from Barclays Bank. Debt was incurred to cover working capital needs relating to the procurement of electricity, as payments and deposits to suppliers are often required in advance of collection of revenues from customers. At June 30, 2018, EBCE had a total of \$23,437,000 outstanding debt. During the fiscal year 2018-19 EBCE reduced its debt obligations by paying off its debt to Alameda County and by making payments on its bank debt. Shortly after the fiscal year 2018-19 EBCE repaid the remaining balance of its bank debt ahead of schedule, and is further discussed in Note 7.

**EAST BAY COMMUNITY ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018**

The following table is a summary of EBCE's results of operations.

| | <u>2019</u> | <u>2018</u> |
|-------------------------------|----------------------|---------------------|
| Operating revenues | \$ 387,251,933 | \$ 16,142,192 |
| Interest income | 248,702 | - |
| Total income | <u>387,500,635</u> | <u>16,142,192</u> |
| Operating expenses | (307,397,737) | (10,821,190) |
| Interest and related expenses | <u>(1,813,959)</u> | <u>(432,952)</u> |
| Total expenses | <u>(309,211,696)</u> | <u>(11,254,142)</u> |
| Change in net position | <u>\$ 78,288,939</u> | <u>\$ 4,888,050</u> |

Operating revenues

EBCE enrolled its first wave of municipal and commercial customer accounts in June 2018. Operating revenues for the fiscal year 2017-18 consist entirely of sales for that month. EBCE began providing service to residential accounts starting in November 2018, which increased its operating revenues for the remainder of the fiscal year. Throughout both customer enrollment periods, EBCE has been able to maintain favorable customer retention rates.

Operating expenses

EBCE's largest expense for fiscal years 2017-18 and 2018-19 is the purchase of electricity needed to provide for retail customer use. EBCE procures energy from a variety of sources and focuses on maintaining a balanced renewable power portfolio at competitive costs. Expenses for staff compensation, consulting, and other general and administrative expenses increased in 2018-19 from 2017-18 as the organization continued to grow with business demands.

**EAST BAY COMMUNITY ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018**

ECONOMIC OUTLOOK

California Independent System Operator (CAISO) system power prices through the year end June 2019 experienced some level of volatility. This level of volatility was generally consistent with year to year historical volatility that occurs due to seasonal weather changes. These weather changes included short periods of more extreme cold weather and hot weather. Regional natural gas infrastructure issues along with nationwide weather extremes also had an impact at certain times on natural gas prices and therefore on market energy prices. Outside of a few periods of extreme weather changes, market energy prices remained relatively stable.

EBCE has implemented a formal risk management policy that includes guidance on target hedge levels. The target hedge percentages depend on factors including time and the hedge pricing relative to historical energy costs. In general, EBCE targets hedging 60-100% of its exposure in energy products on a short-duration basis of under a year and aims to hedge greater than 80% of its exposure going into any particular month. EBCE has complied with its risk management policy and regulations.

Following its Phase I and Phase II customer enrollments EBCE has retained a strong customer and revenue base with low opt-out levels. EBCE is actively engaged on a number of ongoing regulatory proceedings and discussions on topics that can impact EBCE's energy procurement requirements and therefore energy related expenditures. During year end June 2019, the Power Charge Indifference Adjustment (PCIA), which acts as a PG&E exit fee to EBCE customers, completed Phase 2 which established a calculation methodology. This provides some level of additional certainty on EBCE revenues. Going forward there may be future changes and enhancements to the methodology and annually there will be an energy true-up to adjust the PCIA to reflect the latest mark to market conditions.

REQUEST FOR INFORMATION

This financial report is designed to provide EBCE's customers and creditors with a general overview of the organization's finances and to demonstrate EBCE's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 1999 Harrison Street, 8th Floor, Oakland, CA 94612.

Respectfully submitted,

Nick Chaset, Chief Executive Officer

BASIC FINANCIAL STATEMENTS

**EAST BAY COMMUNITY ENERGY AUTHORITY
STATEMENTS OF NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018**

| | 2019 | 2018 |
|---|---------------|--------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 38,773,514 | \$ 772,590 |
| Accounts receivable, net of allowance | 43,551,376 | 15,215 |
| Accrued revenue | 28,125,065 | 16,127,190 |
| Market settlements receivable | 6,724,942 | - |
| Prepaid expenses | 4,816,629 | 6,469,078 |
| Deposits | 1,761,919 | - |
| Restricted cash | 5,000,000 | 3,500,000 |
| Total current assets | 128,753,445 | 26,884,073 |
| Noncurrent assets | | |
| Capital assets, net of depreciation | 48,842 | 24,961 |
| Deposits | 5,407,440 | 6,158,176 |
| Restricted cash | 17,100,000 | - |
| Total noncurrent assets | 22,556,282 | 6,183,137 |
| Total assets | 151,309,727 | 33,067,210 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 2,228,690 | 904,109 |
| Accrued cost of electricity | 50,768,250 | 5,175,476 |
| Accrued interest payable | - | 318,060 |
| Accrued payroll and benefits | 319,263 | 148,389 |
| Deferred revenue | 23,258 | - |
| User taxes and energy surcharges due to other governments | 3,484,307 | - |
| Loans payable to Alameda County | - | 4,636,656 |
| Security deposits - energy suppliers | 600,000 | - |
| Total current liabilities | 57,423,768 | 11,182,690 |
| Noncurrent liabilities | | |
| Note payable to bank | 12,512,500 | 18,800,000 |
| Total liabilities | 69,936,268 | 29,982,690 |
| NET POSITION | | |
| Investment in capital assets | 48,842 | 24,961 |
| Restricted for security collateral | 17,100,000 | - |
| Unrestricted | 64,224,617 | 3,059,559 |
| Total net position | \$ 81,373,459 | \$ 3,084,520 |

**EAST BAY COMMUNITY ENERGY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018**

| | 2019 | 2018 |
|---|----------------|---------------|
| OPERATING REVENUES | | |
| Electricity sales, net | \$ 387,065,191 | \$ 16,142,192 |
| Other revenue | 186,742 | - |
| Total operating revenues | 387,251,933 | 16,142,192 |
| OPERATING EXPENSES | | |
| Cost of electricity | 293,176,788 | 7,116,223 |
| Contract services | 9,609,129 | 2,109,187 |
| Staff compensation | 3,830,701 | 1,268,342 |
| General and administration | 767,035 | 322,134 |
| Depreciation | 14,084 | 5,304 |
| Total operating expenses | 307,397,737 | 10,821,190 |
| Operating income | 79,854,196 | 5,321,002 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest income | 248,702 | - |
| Interest and related expense | (1,813,959) | (432,952) |
| Total nonoperating revenues (expenses) | (1,565,257) | (432,952) |
| CHANGE IN NET POSITION | 78,288,939 | 4,888,050 |
| Net position at beginning of year | 3,084,520 | (1,803,530) |
| Net position at end of year | \$ 81,373,459 | \$ 3,084,520 |

**EAST BAY COMMUNITY ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

| | 2019 | 2018 |
|---|----------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 347,919,861 | \$ 475 |
| Receipts from market settlements | 600,000 | - |
| Other operating receipts | 246,742 | - |
| Payments to suppliers for electricity | (253,588,690) | (14,568,001) |
| Payments to suppliers for other goods and services | (9,140,877) | (1,210,865) |
| Payments to employees for services | (3,678,693) | (1,119,953) |
| Other operating payments | (12,905,088) | - |
| Net cash provided (used) by operating activities | 69,453,255 | (16,898,344) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Note proceeds from bank | 9,500,000 | 18,800,000 |
| Loan proceeds from Alameda County | - | 2,393,800 |
| Principal payments on notes and loans | (20,424,156) | - |
| Interest and related expense payments | (2,155,196) | - |
| Net cash provided (used) by non-capital financing activities | (13,079,352) | 21,193,800 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Payments to acquire capital assets | (21,681) | (22,866) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 248,702 | - |
| Net change in cash and cash equivalents | 56,600,924 | 4,272,590 |
| Cash and cash equivalents at beginning of year | 4,272,590 | - |
| Cash and cash equivalents at end of year | \$ 60,873,514 | \$ 4,272,590 |
| Reconciliation to the Statement of Net Position | | |
| Cash and cash equivalents (unrestricted) | \$ 38,773,514 | \$ 772,590 |
| Restricted cash | 22,100,000 | 3,500,000 |
| Cash and cash equivalents | \$ 60,873,514 | \$ 4,272,590 |

Noncash Non-Capital Financing Activities:

Expenses of \$770,392 were financed directly from loan proceeds during the year ended June 30, 2018

**EAST BAY COMMUNITY ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2019 AND 2018**

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

| | 2019 | 2018 |
|---|---------------|-----------------|
| Operating income | \$ 79,854,196 | \$ 5,321,002 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | | |
| Depreciation expense | 14,084 | 5,304 |
| Expenses paid directly from loan proceeds | | 770,392 |
| Revenue adjusted for allowance for uncollectible accounts | 1,945,052 | 76,539 |
| (Increase) decrease in: | | |
| Accounts receivable | (45,557,750) | (15,215) |
| Market settlements receivable | (6,724,942) | - |
| Accrued revenue | (11,921,336) | (16,203,729) |
| Prepaid expenses | 1,652,449 | (6,469,078) |
| Noncurrent deposits | (1,011,183) | (6,158,176) |
| Increase (decrease) in: | | |
| Accounts payable | 1,332,160 | 450,752 |
| Accrued cost of electricity | 45,592,774 | 5,175,476 |
| Accrued payroll and benefits | 170,874 | 148,389 |
| Deferred revenue | 23,258 | - |
| User taxes due to other governments | 3,483,619 | - |
| Security deposits from energy suppliers | 600,000 | - |
| Net cash provided (used) by operating activities | \$ 69,453,255 | \$ (16,898,344) |

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

East Bay Community Energy Authority (EBCE) is a joint powers authority created on December 1, 2016. As of June 30, 2019, parties to its Joint Powers Agreement consist of the following local governments, plus one representative (non-voting) from the Community Advisory Committee (CAC).

| County | Cities | |
|---------------|---------------|-------------|
| Alameda | Albany | Livermore |
| | Berkeley | Oakland |
| | Dublin | Piedmont |
| | Emeryville | San Leandro |
| | Fremont | Union City |
| | Hayward | |

EBCE is separate from and derives no financial support from its members. EBCE is governed by a Board of Directors whose membership is composed of elected officials representing the member governments.

A core function of EBCE is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

EBCE began its energy delivery operations in June 2018. Electricity is acquired from electricity suppliers and delivered through existing physical infrastructure and equipment managed by Pacific Gas and Electric Company.

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

EBCE's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

EBCE's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

When both restricted and unrestricted resources are available for use, it is EBCE's policy to use restricted resources first, then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For purpose of the Statements of Cash Flows, EBCE has defined cash and cash equivalents to include cash on hand, demand deposits and short-term investments with an original maturity of three months or less. For the purpose of the Statements of Net Position, restricted cash balances are presented separately. Restricted cash reported on the Statements of Net Position includes collateral on a bank loan, as well as a required minimum balance to be maintained in one of its bank accounts.

DEPOSITS

Various energy contracts entered into by EBCE require EBCE to provide the supplier with a security deposit. The deposits are generally held for the term of the contract. Deposits are classified as current or noncurrent assets depending on the length of the time the deposits will be held. While these energy contract related deposits make up most of this item, other components of deposits include those for regulatory and other operating purposes.

CAPITAL ASSETS AND DEPRECIATION

EBCE's policy is to capitalize furniture and equipment valued over \$1,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment and seven years for furniture and leasehold improvements. EBCE does not own any electric generation assets.

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION

Net position is presented in the following components:

Investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding borrowings that are attributable to the acquisition, construction, or improvement of those assets. EBCE did not have any such outstanding borrowings as of June 30, 2019 and 2018.

Restricted: This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition of “investment in capital assets” or “restricted”.

OPERATING AND NON-OPERATING REVENUE

Operating revenues include revenue derived from the provision of energy to end-use retail customers, wholesale customers, and grant revenue earned from the delivery of program activities.

Interest income is considered “non-operating revenue”.

REVENUE RECOGNITION

EBCE recognizes revenue on the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ELECTRICAL POWER PURCHASED

During the normal course of business EBCE purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as generation credits, and load and other charges arising from EBCE's participation in the California Independent System Operator's centralized market. The cost to acquire electricity and capacity is recognized as "Cost of Electricity" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, EBCE acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). EBCE obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive. EBCE recognizes an expense for Certificates on a monthly basis that corresponds to the volume sold to its customers for its various renewable and carbon free products. This expense recognition increases accrued cost of electricity reported on the Statements of Net Position until the time the payment has been made to the supplier.

EBCE purchases capacity commitments from qualifying generators to comply with the California Energy Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the California Independent System Operator to ensure the safe and reliable operation of the grid in real time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

STAFFING COSTS

EBCE fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. EBCE is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. EBCE provides compensated absences, and the related liability is recorded in these financial statements.

INCOME TAXES

EBCE is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change in previously reported net position or change in net position.

2. CASH AND CASH EQUIVALENTS

EBCE maintains its cash in both interest-bearing and non-interest-bearing accounts at River City Bank of Sacramento, California. EBCE's deposits with River City Bank are subject to California Government Code Section 16521 which requires that River City Bank collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. EBCE has no deposit or investment policy that addresses a specific type of risk that would impose restrictions beyond this code. Accordingly, the amount of risk is not disclosed. EBCE monitors its risk exposure to River City Bank on an ongoing basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable were as follows at June 30:

| | <u>2019</u> | <u>2018</u> |
|--------------------------------------|---------------------|------------------|
| Accounts receivable from customers | \$45,572,967 | \$ 15,215 |
| Allowance for uncollectible accounts | <u>(2,021,591)</u> | <u>-</u> |
| Net accounts receivable | <u>\$43,551,376</u> | <u>\$ 15,215</u> |

The majority of account collections occur within the first few months following customer invoicing. EBCE estimates that a portion of the billed accounts will not be collected. EBCE continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, EBCE continues to have success collecting older accounts. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years.

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

4. MARKET SETTLEMENTS RECEIVABLE

EBCE receives generation scheduling and other services from a registered, California Independent System Operator (CAISO) scheduling coordinator. Market settlements due from the scheduling coordinator were approximately \$6,725,000 and \$0 as of June 30, 2019 and 2018, respectively.

5. DEPOSITS

Deposits are comprised of security deposits paid by EBCE for general and energy supply collateral, as well as collateral held by CAISO for EBCE's market participation.

6. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2018 and 2019, was as follows:

| | <u>Furniture & Equipment</u> | <u>Leasehold Improvements</u> | <u>Accumulated Depreciation</u> | <u>Total</u> |
|---------------------------|---|--|--|---------------------|
| Balances at June 30, 2017 | \$ - | \$ - | \$ - | \$ - |
| Additions | 30,265 | | (5,304) | 24,961 |
| Balances at June 30, 2018 | 30,265 | - | (5,304) | 24,961 |
| Additions | 27,596 | 10,369 | (14,084) | 23,881 |
| Balances at June 30, 2019 | <u>\$ 57,861</u> | <u>\$ 10,369</u> | <u>\$ (19,388)</u> | <u>\$ 48,842</u> |

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

7. DEBT

Loans payable to Alameda County

In April 2017, EBCE entered into a cooperative agreement with Alameda County. The purpose of the agreement was to reimburse the County for services, costs, and expenses incurred to investigate the feasibility of implementing a community choice aggregation program as well as to provide for other working capital needs. The agreement allowed for the repayment of advanced costs to be in the form of a loan not to exceed \$5,500,000, with interest accrued based on the Alameda County Pooled Investment Fund earnings rate plus two percent per annum. As of June 30, 2018, EBCE had drawn funds or become liable for expenses incurred of approximately \$4,637,000. Principal and interest payments dates are not specified in the agreement. The loan was repaid in February 2019.

Note payable to bank

In March 2018, EBCE arranged to borrow up to \$50 million through a revolving credit agreement from Barclays Bank to provide cash to pay for working capital before sufficient revenue is to be collected from customers. The loan is secured by assigning first priority security interest in pledged revenues as well as interest in certain bank accounts held by EBCE. Principal can be drawn as needed and interest is accrued on the outstanding balance. The stated maturity date is March 15, 2021, with interest payable each month commencing on November 1, 2018. The interest rate at June 30, 2019 is computed at LIBOR plus a rate of 5.25%, for a total rate of 7.69%. In the event of default, the note will become immediately due and payable.

In August 2019 EBCE paid off the balance of its revolving credit agreement. In addition, EBCE renegotiated the borrowing rate on the credit facility to LIBOR plus 1.75% and reduced the reserve requirement to \$7.0 million from \$17.1 million.

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

7. DEBT (continued)

Loan principal activity and balances were as follows for the following direct borrowings:

| | <u>Beginning</u> | <u>Additions</u> | <u>Payments</u> | <u>Ending</u> |
|-----------------------------|----------------------|----------------------|------------------------|----------------------|
| Year ended June 30, 2018 | | | | |
| Alameda County | \$ 1,472,464 | \$ 3,164,192 | \$ - | \$ 4,636,656 |
| Bank | - | 18,800,000 | - | 18,800,000 |
| Total | <u>\$ 1,472,464</u> | <u>\$ 21,964,192</u> | <u>\$ -</u> | <u>23,436,656</u> |
| Amounts due within one year | | | | 4,636,656 |
| Amounts due after one year | | | | <u>\$ 18,800,000</u> |
| Year ended June 30, 2019 | | | | |
| Alameda County | \$ 4,636,656 | \$ - | \$ (4,636,656) | \$ - |
| Bank | 18,800,000 | 9,500,000 | (15,787,500) | 12,512,500 |
| Total | <u>\$ 23,436,656</u> | <u>\$ 9,500,000</u> | <u>\$ (20,424,156)</u> | <u>12,512,500</u> |
| Amounts due within one year | | | | - |
| Amounts due after one year | | | | <u>\$ 12,512,500</u> |

8. DEFINED CONTRIBUTION RETIREMENT PLAN

The East Bay Energy Authority Plan 401(a) (Plan) is a defined contribution retirement plan administered by LT Trust. As of June 30, 2019, there were 23 plan members. EBCE is required to contribute a match up to 6% of annual covered payroll to the Plan and contributed \$277,000 and \$18,000 during the years ended June 30, 2019 and 2018, respectively. EBCE has elected out of the Social Security system for employees eligible for the 401(a) Plan. As part of this election, EBCE makes required “replacement” contributions to the Plan. Plan provisions are established and may be amended by the Board of Directors.

9. RISK MANAGEMENT

EBCE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year ended June 30, 2019, EBCE purchased liability and property insurance from a commercial carrier. Coverage for property, general liability, errors and omissions and non-owned automobile was \$3,000,000.

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

10. PURCHASE COMMITMENTS

EBCE had outstanding non-cancelable power purchase-related commitments of approximately \$689 million that have not yet been provided under power purchase agreements that continue to December 2022.

The following table details the obligations on existing energy, renewable contracts, and resource adequacy (RA) as of June 30, 2019:

| Year ended June 30, | |
|---------------------|-----------------------|
| 2020 | \$ 285,000,000 |
| 2021 | 124,000,000 |
| 2022 | 22,000,000 |
| 2023 | 21,000,000 |
| 2024 | 14,000,000 |
| 2025-2042 | 223,000,000 |
| Total | <u>\$ 689,000,000</u> |

As of June 30, 2019, EBCE had outstanding non-cancelable commitments to professional service providers for services to be performed of approximately \$8.9 million from July 2019 through October 2020.

11. OPERATING LEASE

Rental expense for EBCE's office space was \$214,000 and \$99,000 for the years ended June 30, 2019 and 2018, respectively. In February 2019, EBCE entered into a 39-month non-cancelable lease for its office premise from August 1, 2019 through October 31, 2022.

Future minimum lease payments under this lease is as follows:

| Year ended June 30, | |
|---------------------|---------------------|
| 2020 | \$ 382,000 |
| 2021 | 429,000 |
| 2022 | 442,000 |
| 2023 | 149,000 |
| Total | <u>\$ 1,402,000</u> |

**EAST BAY COMMUNITY ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

12. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statement are effective for years ending after June 30, 2019:

GASB Statement No. 87, Leases, is effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about the government's leasing activities.

13. PG&E BANKRUPTCY

PG&E provides transmission and distribution services to EBCE customers and serves as billing agent for EBCE. PG&E is also responsible for collecting payments on behalf of EBCE. In January 2019, PG&E filed for Chapter 11 bankruptcy protection. EBCE expects the utility will continue to operate in a business-as-usual fashion and that EBCE's revenues collected by PG&E will continue to flow through to EBCE with no material interruption.

PG&E has taken actions in its bankruptcy motions and subsequent court motions that specify they will continue to serve as a billing agent on behalf of EBCE and does not intend to cease or disrupt those services. To date there have been no disruptions to these services.

14. POWER CHARGE INDIFFERENCE ADJUSTMENT

The CPUC and EBCE, along with other CCAs, are in proceedings to determine the Power Charge Indifference Adjustment (PCIA), which is a rate PG&E charges CCA customers to account for the net costs for energy PG&E procured prior to those customers joining a CCA's service. While the outcome of this decision is unknown at this time, an increase or decrease in the rate changes the spread between what a customer pays as an EBCE customer compared to what they would pay as a PG&E customer.

East Bay Community Energy

*Report to the
Board of Directors
by Piseni & Brinker LLP
November 20, 2019*



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

An independently owned member
RSM US Alliance



Introduction...

- Brett Bradford, CPA
 - Audit Partner
 - 16 years in public accounting and performing audits of governmental entities
 - Currently working with several CCA's through the state

Audits of the periods ended June 30, 2019 and 2018 Financial Statements

Relative Roles & Responsibilities

- **Management** is responsible for preparing the Financial Statements and establishing a system of internal control
- **Auditor** is responsible for auditing the Financial Statements
 - Considering risks of material misstatement in the Financial Statements – Inherent risk
 - Considering internal controls relevant to the Financial Statements – Control risk
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures

Audits of the periods ended June 30, 2019 & 2018 Financial Statements

- Audit is complete. We have reported:
 - Unqualified opinion – Based on our audit, the financial statements are materially accurate.
 - No significant deficiencies in internal control have been identified.

Risk Assessment for the periods ended June 30, 2019 & 2018

- Significant areas of focus
 - Review policies and procedures for various types of financial transactions
 - Revenue recognition
 - Accounts receivable and accrued revenue
 - Test a sample of customer billings
 - Relate total cash received subsequent to year-end to revenue (accrued revenue)
 - Cut-off
 - Review revenue recognition through year-end and method for determining (accrued revenue)

Risk Assessment for the periods ended June 30, 2019 & 2018

- Cash – Existence
 - Confirmation sent to financial institutions
- Accrued cost of electricity and accounts receivable
 - Review subsequent bills from electricity providers and cash payments and analyze margin
- Notes payable
 - Confirmations sent directly
- Financial Statement Note Disclosures – Complete and without bias

Required Board Communications

- The significant accounting policies adopted by EBCE throughout the periods audited appeared appropriate and consistently applied.
- No alternative treatments of accounting principles for material items in the financial statements were discussed with management.

Required Board Communications

Other Required Communications with those charged with governance:

- We did not propose any adjustments to the financial statements.
- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.

Required Board Communications

- There were no disagreements with management concerning the scope of our audits, the application of accounting principles, or the basis for management's judgments on any significant matters.

Required Board Communications

- We did not encounter any difficulties in dealing with management during the performance of our audits.

Questions?

- Brett Bradford: 707-577-1582



Staff Report Item 15

TO: East Bay Community Energy Board of Directors

FROM: Howard Chang, COO

SUBJECT: Fiscal Year 2018 - 2019 Annual Results and Budget Comparison
(Informational Item)

DATE: November 20, 2019

Recommendation

Receive report comparing EBCE's financial budget for the July 1, 2018 to June 30, 2019 fiscal year as presented in the approved, revised budget to the resulting 2018-19 fiscal year annual audit.

Background and Discussion

This report compares EBCE's financial expectations for the July 1, 2018 to June 30, 2019 fiscal year as presented in the approved, revised budget to the resulting 2018-19 fiscal year annual audit. Attachment A provides the summaries and comparisons.

This comparison shows the approved June budget along with the budget revision approved in January of 2019 as compared to audited actuals. The difference for each category shown is relative to the January revision, as is the percent difference shown.

Highlights from this comparison show:

- Revenues and sources are 2.1% (\$7.9m) above budgeted amounts, due to an increase in PG&E rates in the second half of the year
- Energy costs are 1.4% (\$4.1m) below budgeted amounts, due to lower than budgeted energy expenses
- Overhead was 29.1% (\$3.2m) under budgeted costs, due to lower costs in local development spending and lower operating costs (marketing sponsorships, technical consultants, and delayed rent increase)
- Interest costs were 4.5% (\$85k) below budget due to slightly lowered borrowings
- Overall spending was 2.4% (\$7.6m) less than budget, the combination of lower energy and lower overhead costs
- The Net Position was 24.6% (\$15.4m) above budget, driven by an increase in rates and below budget energy and overhead costs
- Total operating margin increased by 3.6% points to 20.2% from 16.6% as a result of the above factors

Fiscal Impact

This report has no fiscal impact

Attachments

- A. 2019 Budget Comparison to Actuals Report Table

Attachment A

Table to the 2018-19 Annual Results to Budget Comparison

| | FY 2018-19 Jun BUDGET | FY 2018-19 Jan Revised BUDGET | FY 2018-19 ACTUALS | Difference | % Difference |
|--|-----------------------------|-------------------------------------|-----------------------|--------------------|---------------|
| REVENUE AND OTHER SOURCES | | | | | |
| Electricity Sales | 318,091,347 | 379,611,000 | 387,065,191 | 7,454,191 | 2.0% |
| Investment Income | - | - | 248,702 | 248,702 | |
| Other Income | - | - | 186,742 | 186,742 | - |
| Total Revenue and Other Sources | 318,091,347 | 379,611,000 | 387,500,636 | 7,889,636 | 2.1% |
| <i>Margin:</i> | 18.7% | 16.6% | 20.2% | | |
| EXPENDITURES AND OTHER USES | | | | | |
| ENERGY OPERATIONS | | | | | |
| Cost of Energy | 235,499,029 | 296,641,000 | 292,523,406 | (4,117,594) | -1.4% |
| Scheduling | 660,000 | 660,000 | 653,382 | (6,618) | -1.0% |
| Data Management/Billing'Customer Service | 4,855,406 | 4,937,000 | 4,850,161 | (86,839) | -1.8% |
| PG&E Service Fees | 963,311 | 1,476,000 | 1,460,342 | (15,658) | -1.1% |
| Total Energy Operating Costs | 241,977,746 | 303,714,000 | 299,487,290 | (4,226,710) | -1.4% |
| OVERHEAD OPERATIONS | | | | | |
| Personnel | 5,499,424 | 3,957,000 | 3,830,699 | (126,301) | -3.2% |
| Marketing, Outreach, Communications | 1,871,500 | 1,671,000 | 1,336,416 | (334,584) | -20.0% |
| Local Development | 2,000,000 | 2,000,000 | 94,929 | (1,905,071) | -95.3% |
| Other Professional Services | 3,508,500 | 2,381,000 | 1,866,618 | (514,382) | -21.6% |
| General & Administrative | 1,708,545 | 1,146,000 | 761,784 | (384,216) | -33.5% |
| Total Overhead Operating Costs | 14,587,969 | 11,155,000 | 7,890,446 | (3,264,554) | -29.3% |
| TOTAL ENERGY & OPERATING EXPENSES | 256,565,715 | 314,869,000 | 307,377,736 | (7,491,264) | -2.4% |
| Earnings Before Interest | 61,525,633 | 64,742,000 | 80,122,900 | 15,380,900 | 23.8% |
| INTEREST PAYMENTS | | | | | |
| Borrowing Interest | 1,899,343 | 1,899,343 | 1,813,959 | (85,384) | -4.5% |
| Total Interest Payments | 1,899,343 | 1,899,343 | 1,813,959 | (85,384) | -4.5% |
| TOTAL OPERATIONS & INTEREST DUE | 258,465,057 | 316,768,343 | 309,191,695 | (7,576,648) | -2.4% |
| NET INCREASE (DECREASE) IN POSITION | 59,626,290 | 62,842,657 | 78,308,941 | 15,466,284 | 24.6% |

*Difference and %Difference are relative to the January Revised Budget



Staff Report Item 16

TO: East Bay Community Energy Board of Directors
FROM: Howard Chang, Chief Operating Officer & Treasurer
SUBJECT: Treasurer’s Report (Informational Item)
DATE: November 20, 2019

Recommendation:

Receive quarterly report on EBCE Cash position.

Treasurer’s Report

For quarter end September 30, 2019, EBCE has maintained a positive cash balance on all EBCE bank accounts. Below is a summary of Account balances, cash received, and outstanding loan balances as of 9/30/19.

Account Balances as of 9/30/19

| Ending In | Account | Amount |
|-----------|--|----------------------|
| *0045 | Internal Operating | \$ 557,485 |
| *2886 | Operating Fund | \$ 36,980,269 |
| *3199 | Lockbox (Includes \$5,000,000 reserve) | \$ 16,654,375 |
| *6189 | Operating Reserve Fund | \$ 17,334,308 |
| *6705 | Barclays Collateral--Closed on 9/1/19 | \$ - |
| *8900 | Money Market | \$ 14 |
| *9364 | Insured Cash Sweep | \$ 27,265,269 |
| | Total | \$ 98,791,720 |

Cash Received by month into Lockbox Account

| | | |
|--------------|------|----------------------|
| July | 2019 | \$ 27,823,364 |
| August | 2019 | \$ 37,328,233 |
| September | 2019 | \$ 27,402,367 |
| Total | | \$ 92,553,964 |

Outstanding Loan Balances:

Barclays Credit Facility: \$0.00

Collateral/Customer Pre-payments:

\$600,000 currently held

Customer Delinquency:

As of September 30, 2019

30 - 60 Days: \$2,248,960

60 - 90 Days: \$ 232,516

90+ Days: \$1,443,647

Other Highlights

- EBCE has repaid all outstanding balances with the Barclays facility as of August 1, 2019.
- EBCE renegotiated with Barclays to reduce cash borrowing rates from 5.75% plus LIBOR to 1.75% plus LIBOR, as well as allocate \$30 million of the \$50 million facility for letters of credit. This is expected to reduce financing costs substantially by replacing cash collateral with letters of credit.
- As part of the renegotiation, the Barclays Collateral Account is closed and EBCE is returned the \$2.0 million from this account.
- As part of the renegotiation, Barclays has reduced EBCE's reserve holding obligation from \$17.1 million to \$7 million. The \$10.1 million difference is still held within the Operating Reserve Fund account



Staff Report Item 17

TO: East Bay Community Energy Board of Directors

FROM: Kelly Birdwell Brezovec, Customer Care Manager

SUBJECT: Delinquent Accounts and Collections Policy Review (Informational Item)

DATE: November 20, 2019

Recommendation

Receive an update from staff reviewing the existing Delinquent Accounts and Collections Policy.

Background and Discussion

The existing policy regarding Delinquent Accounts and Collections was adopted as part of the February 7, 2018 staff report covering Administrative and Operational Policies. As East Bay Community Energy enters our second year of service, staff will begin to implement this policy.

The policy may be found on our website at this [link¹](#); it includes a plan for both delinquent accounts and collections.

Delinquent Account Policy

The current Delinquent Accounts and Collections policy sets the following guidelines for sending late payment notifications to customers:

Table 1: Delinquent account policy guidelines

| Customer Class | Overdue Amount Threshold | Overdue Time Period | Days to Pay/Payment Plan Before EBCE may return to PG&E |
|-----------------|--------------------------|---------------------|---|
| Residential | \$250 | >90 days | 60 days |
| Non-residential | \$500 | >60 days | 30 days |

Once a customer reaches the prescribed overdue amount at the time period indicated, the policy states that EBCE will send a reminder, or late payment notification, to the customer.

¹ Web address: https://ebce.org/wp-content/uploads/Item-7-EBCE-staff-report.-Admin-Policies_FINAL_Complete-3.pdf

The customer then has 30 or 60 days to pay in-full or set-up a payment plan with PG&E. After that date if the customer has not taken action to pay on their past-due account, EBCE may return the customer to PG&E’s bundled service.

Today, EBCE does not send out notifications; staff is drafting language for the mailings and establishing operations to manage the process. Mailings for residential customers will contain information about enrolling in income-based payment assistance programs. EBCE staff understands that the mailing will need very clear instructions and direct the customer to contact PG&E to both pay in-full and to establish a payment plan, as EBCE does not collect payments or develop payment plans. Upon sending the first set of notifications, staff will track the change in call and email volumes to our call center, customer walk-ins, and customer feedback. If the mailers result in a poor customer experience because the customer is sent from EBCE to PG&E without a measurable change in our delinquency figures, EBCE will revise the notifications and reconsider this aspect of our policy.

The policy states that EBCE may return customers to PG&E if they remain in arrears. Thus far, all opt-out requests have been initiated by the customer. EBCE would prefer to continue to serve our eligible customers, but per this policy, EBCE may take action for egregious failures to pay.

Current Delinquencies

Staff reviewed the aging report for September 1, 2019 to September 30, 2019 to estimate how many notifications would be required to follow the policy as stated, as well as highlight customer characteristics.

Using the older than 60 days, greater than \$500 for non-residential and older than 90 days, greater than \$250 for residential intervals as prescribed in the policy, the total delinquencies are as shown in Table 2.

Table 2: Summary of Metrics

| | # Accounts over Delinquency Threshold | Total Amount Delinquent | Average Amount | # on Payment Plan | # on CARE/FERA | Average Amount for CARE/FERA |
|------------------------|---------------------------------------|-------------------------|----------------|-------------------|----------------|------------------------------|
| Non-residential | 120 | \$859,600 | \$7,160 | 40 | N/A | N/A |
| Residential | 130 | \$59,450 | \$460 | 105 | 70 | \$355 |
| TOTAL | 250 | \$918,850 | | 145 | | |

The outsized non-residential delinquent amount is due, in large part, to two accounts that owe well over \$100,000. We are in communication with these accounts.

Almost 60 percent of these customers already have an active payment plan with PG&E; staff may remove those customers from a notification plan if we are able to identify incoming payments that indicate that the customer is making progress towards paying off their past-due amount.

EBCE may choose to notify customers via electronic mail. About a quarter of the customers identified as requiring a late payment notification currently receive their PG&E bills electronically. These customers may be more likely to respond to an e-mail rather than physical mail.

Of the residential customers that would receive a notification from EBCE, just over half, or 70 customers, are currently enrolled in CARE or FERA, income-qualified programs that provide energy bill discounts. Almost all CARE/FERA customers with a qualified past-due balance also have an active payment plan with PG&E.

The average past-due amount for both groups of residential customers is similar, with low-income identified customers having slightly lower balances, on average.

Staff is not able to quantify the result of sending past-due payment reminders to these customers. PG&E already sends notifications, but perhaps our notices will provide extra encouragement that customers need to contact PG&E or could potentially increase opt outs.

Collections Policy

EBCE's current policy states that closed EBCE accounts with overdue amounts greater than \$100 may be referred to a collection agency. Amounts \$100 or less may be written off.

The collections process may begin after a customer has terminated (closed) service within PG&E's territory. PG&E continues to collect unpaid balances on behalf of EBCE for up to 60 days after the closing bill is rendered, then reverses the unpaid balance to the EBCE.

Staff is interviewing collections agencies located in Alameda County to begin collection on these unpaid balances that have been reversed back to EBCE. Collections agencies report average recovery rates around 15-25% of reported debts and are self-funded contracts. Since EBCE does not hold personally identifiable information such as social security numbers and does not typically receive forwarding address information, agencies anticipate that EBCE would receive an amount towards the lower end of this range. The agency will keep 20-40% of the recovered funds.

Current Collectable Debt

PG&E sends a monthly list of reversed accounts to EBCE. The September list represents \$117,250 and 1,200 customers. The current list of accounts that would be sent to collections - those with a debt exceeding \$100 is split between residential and non-residential as shown in Table 3.

Table 3: Current collectable debt by customer count, September 2019

| Reversals | Customer Count | Sum of Collectable Debt | Average per Account |
|--------------------------|----------------|-------------------------|---------------------|
| Residential, Unspecified | 85 | \$24,980 | \$295 |
| Residential, Low-Income | 90 | \$18,190 | \$200 |
| Residential, All | 175 | \$43,170 | \$250 |
| Non-Residential | 40 | \$48,900 | \$1200 |
| Total | 215 | \$91,470 | \$425 |

Based on the estimates detailed above, with a 15% recovery rate and 25% agency fee, EBCE would receive approximately \$10,300 on the outstanding \$91,470 September balance.

Note that since these numbers are relatively small, a few high balances inflate the averages. For example, there are just four residential and 15 non-residential accounts with collectable debt greater than \$900.

If EBCE lowered the collections threshold from \$100 to \$50, that would capture an additional 190 accounts and \$13,700 available for collections in September. Applying the same recovery rate and agency fees, EBCE could receive an additional \$1,500 in payments. EBCE does not intend to change the threshold at this time but will revisit this based on experience with the process and agency.

Fiscal Impact

Sending a reminder mailer, such as a postcard, would incur costs to design, print, and mail the postcard. An estimated 250 notices per month would require approximately \$6,000 a year of the Marketing and Account Services budget. There is budget for these mailings in the current approved budget under Required Mailings.

Engaging with a collections agency could result in as much as an additional \$13,700 per month in customer payments.

Managing the operations of this process will require resources from the Analytics and Customer Care teams, as well as the Finance Manager.

Recommendation

Staff recommends that the described collections process be executed by the appropriate staff and the customer experience and fiscal impacts of this policy are reviewed after six months of implementation at the Marketing, Regulatory, and Legislative Subcommittee meeting. The subcommittee members can provide direction to staff or recommend that the policy be revisited by the executive committee or full board.

DELINQUENCY POLICY AND SUMMARY

| Customer Class | Overdue Amount Threshold | Overdue Time Period | Days to Pay/Payment Plan Before EBCE may return to PG&E |
|-----------------|--------------------------|---------------------|---|
| Residential | \$250 | >90 days | 60 days |
| Non-residential | \$500 | >60 days | 30 days |

DELINQUENCY POLICY AND SUMMARY

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|-----------------|--------------------------|---------------------|---|
| Residential | \$250 | >90 days | 60 days |
| Non-residential | \$500 | >60 days | 30 days |

| | # Accounts over Delinquency Threshold | Total Amount Delinquent | Average Amount | # on Payment Plan | # on CARE/ FERA | Average Am out for CARE/FERA |
|-----------------|---------------------------------------|-------------------------|----------------|-------------------|-----------------|------------------------------|
| Non-residential | 120 | \$859,600 | \$7,160 | 40 | n/a | |
| Residential | 130 | \$59,450 | \$460 | 105 | 70 | \$355 |
| TOTAL | 250 | \$918,850 | | 145 | | |

COLLECTIONS POLICY AND SUMMARY

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|---------------------------------|----------------|-------------------------|---------------------|
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| <i>Residential, Low-Income</i> | 90 | \$18,190 | \$200 |
| Residential, All | 175 | \$43,170 | \$250 |
| Non-Residential | 40 | \$48,900 | \$1,200 |
| Total | 215 | \$91,470 | \$425 |



Staff Report Item 18

TO: East Bay Community Energy Board of Directors

FROM: JP Ross, Sr. Director of Local Development, Electrification and Innovation

SUBJECT: Medical Baseline Customer Program Development Budget (Action Item)

DATE: November 20, 2019

Recommendation

Adopt a Resolution to add \$500,000 in funding to the Fiscal Year 2020 Local Development Program budget to develop and fund a program to address Medical Baseline / electricity dependent customer needs during Public Safety Power Shutoffs (PSPS).

Background

In early 2019, PG&E announced that it would expand its PSPS program in order to prevent wildfires across the state. These events increase Greenhouse Gas (GHG) emissions, threaten our customer's safety, and disrupt operations throughout the County. PG&E initiated multiple PSPS events in October 2019, cutting power to almost 1 million accounts and 3 million people across California. Economic losses from these events are still being calculated and could total billions of dollars.

October's PSPS event was the largest to date and the first to impact EBCE's customers. However, it was not PG&E's first PSPS event and will not be the last to impact EBCE customers. This may be the new normal during California's expanding fire season.

In total 50,000 EBCE customers were affected by the second October PSPS event. More than 1,000 of those customers were on PG&E's Medical Baseline program, which is for people with special energy needs because of a medical condition. EBCE has 10,000 customers on a Medical Baseline rate, which indicates they require special notification when power shut offs may occur and provides them special privileges if they are at risk for being disconnected for lack of payment. It is important to note however that Medical Baseline enrollments may not accurately capture all of EBCE's vulnerable, electricity dependent customers as they do not all have the same needs and risks.

Unfortunately, PG&E has offered few solutions to customers affected by PSPS events. EBCE now has the opportunity to lead by offering solutions to those customers who will be most at risk in future PSPS events, especially those who are reliant on electricity for their medical needs.

EBCE is currently developing solar and battery energy storage solutions for municipal critical facilities in our services area, as well as municipal facilities in Peninsula Clean Energy's service area. Funded by a Bay Area Air Quality Management District (BAAQMD) grant, this project has identified sites designated to serve the community in time of emergency and will size solar and battery energy storage systems to serve critical loads and enhance resilience during power outages. The grant will conclude Spring 2020 at which point EBCE will move to the procurement stage in collaboration with its participating municipal partners to deploy solar and battery energy storage systems across our service territory.

The scope of this grant funding does not enable EBCE to assess the need of individual Medical Baseline residents who are medically dependent on electricity service. In turn, staff recommends that EBCE's Board of Directors (Board) allocate an additional \$500,000 to our FY2020 budget to initiate a program that enables EBCE to better understand its Medical Baseline / electricity dependent customers, assesses their individual needs and develop a set of solutions to mitigate critical impacts to this customer segment as a result of PSPS events.

Staff will develop a set of recommendations and pilot projects with this funding, which will inform a comprehensive plan for Medical Baseline customers that we will bring to the Board during the FY'21 planning cycle for approval.

Discussion

Currently, the most common electricity back-up option in the event of a power outage is a diesel or gasoline fueled generator. In the days leading up to this PSPS event, and during the event, there was an increase in generator sales, with some stores even selling out.

Fossil fuel powered generators are a fire hazard and produce significant air quality impacts including GHG emissions and nitrogen oxide, which can combine with other compounds to form ozone. Generators also emit particulate matter resulting in serious human health impacts. The proliferation of back-up generators significantly impacts EBCE's mission to reduce GHG emissions in Alameda County and impacts statewide goals to improve air quality.

Generators are costly, and aside from providing power during PSPS events do not provide any economic or environmental benefits for customers or the grid. Solar and battery energy storage systems are a cleaner, more economical alternative to back-up generators for energy resiliency. These systems are capable of disconnecting from the grid during an outage to serve critical loads.

When not being utilized for backup power, these systems can save customers money on their electricity bills through mitigation of demand charges. Additionally, these distributed systems have the ability to aggregate together for use in the wholesale energy market. This in turn can help EBCE hedge against peak energy prices in the summer and winter months.

A real time example of how EBCE is pursuing this type of distributed energy resource programming includes the recently released Request for Proposal that will procure Resource Adequacy from customer sited solar and storage systems. This RFP was issued in partnership with three (3) additional Load Serving Entities to achieve economies of scale while delivering comprehensive resilience solutions throughout the Bay Area.

Grid outages are inconvenient and expensive for residents and businesses. However, for Medical Baseline customers dependent on equipment like ventilators or oxygen concentrators,

a grid outage can be life threatening. These residents need back-up power and/or an alternate risk mitigation plan in place prior to a prolonged power outage.

In total EBCE has approximately 10,000 known Medical Baseline customers. During the most recent PSPS event, approximately 1,000 of EBCE's 50,000 accounts affected by the grid outage were Medical Baseline customers. This total however may not accurately capture all of EBCE's vulnerable, electricity dependent customers as they do not all have the same needs and risks.

The requested funding will support completion of three activities during FY20:

- 1) EBCE will partner with local public health institutions such as hospitals and municipal emergency services agencies to identify customers with critical, electricity dependent medical needs in our service territory. EBCE will work with community partners to identify these customers, assess their individual needs, and develop the appropriate PSPS solutions.
- 2) EBCE will partner with other CCAs and the private sector to deploy solar and battery energy storage systems on homes of at least 30 Medical Baseline / electricity dependent customers to deliver immediate relief and test the approach and pricing for this solution. These back-up power systems will allow customers that are unable to leave their homes to safely stay at home during a power outage. It could also reduce power outage-related calls that these customers place to emergency services.
- 3) EBCE will take the learnings from the first two activities and contract with a consultant to develop a comprehensive solution for all types of Medical Baseline / electricity dependent customers.

The output of these efforts will be a suite of solutions for Medical Baseline / electricity dependent customers EBCE will implement going forward. EBCE will provide the Board with a comprehensive plan and the associated budget required to fund and deliver support this customer segment. The cost of these programs will be included in future Local Development Program Budget budgets.

Fiscal Impact

The total value of this request is \$500,000 of additional funds to be allocated to Local Development budget for 2020.

Attachments

- A. Resolution Authorizing the addition \$500,000 in funding to the Fiscal Year 2020 Local Development Program budget; and
- B. Medical Baseline Resilience Program Presentation



Medical Baseline Program

PRESENTED BY: JP ROSS
Senior Director of Local Development, Electrification
and Innovation

NOVEMBER 18, 2019

MEDICAL BASELINE BACKGROUND & PSPS

Medical Baseline Allotment

- Program to provide medically dependent customers with an extra allotment of 500kWh/month at tier 1, lower cost, electricity
- Provides extra protections before customers can be shut-off for non-payment
- Provides extra notification before PSPS events

PSPS impacts to EBCE Medical Baseline Customers

- 2 Public Safety Power Shutoffs (PSPS) events in October
- 10/10 impacted 30,185 customers, with 816 medical baseline without power
- 10/26 impacted 49,119 customers, with 1038 medical baseline without power
- 18,972 customers and 570 medical baseline were without power for both events – so these events may not always be concentrated on the same customers



PSPS Outage
PSPS Non-Outage
Possible-Outage

MEDICAL BASELINE PROGRAM REQUEST

Requesting additional \$500k for FY '20 LDBP budget to develop Medical Baseline resilience program to:

- Partner with local public health institutions such as hospitals and municipal emergency services agencies to identify customers with critical medical needs in our Service Territory.
- Identify medically dependent patients where the installation of a solar+storage system can provide immediate relief from PSPS events. EBCE will partner with other CCAs and private solar companies to install solar + storage systems on at least 30 of these homes to test the approach and pricing for this solution.
- Contract with a consultant to develop a comprehensive solution for all types of medically dependent customers.



Staff Report Item 19

TO: East Bay Community Energy Board of Directors

FROM: Alex DiGiorgio, Public Engagement Manager

SUBJECT: Inclusion of New Communities (Action Item)

DATE: November 20, 2019

Recommendations

Receive update and analysis on including new jurisdictions within EBCE's service area;

- A) Adopt a Resolution to include the Cities of Tracy, Pleasanton, and Newark within EBCE's Joint Powers Authority and service area, with customer enrollments to begin in 2021;
- B) Direct staff to update Exhibit A ("List of Parties") of EBCE's Joint Powers Agreement to reflect the inclusion of new member jurisdictions;
- C) Direct staff to update Exhibits B ("Annual Energy Use") and C ("Voting Shares Vote") of EBCE's Joint Powers Agreement with 2018 PG&E electric load data and to reflect the inclusion of new member jurisdictions; and
- D) Adopt a Resolution to authorize staff to update EBCE's Implementation Plan to reflect the inclusion of new member jurisdictions, and to submit the updated Implementation Plan to the California Public Utilities Commission (CPUC) before the end of calendar year 2019.

Background and Discussion

As a mission-driven public agency, EBCE strives to reduce energy-related greenhouse gas (GHG) emissions by providing more renewable energy at competitive rates while pioneering innovative programs and policies. To the extent EBCE retains and expands its customer base, it can accelerate the achievement of this mission. Moreover, by including new communities within its service area, EBCE can more generally advance sustainable development, environmental justice, and energy democracy throughout neighboring communities in California.

New Community Inclusion: Requirements, Timing, Process

Section 3.1 of EBCE's Joint Powers Authority (JPA) Agreement refers to the "Addition of Parties," and provides for the possibility of including new cities and/or counties within the JPA and its corresponding service area.

Requirements: New community inclusion process and conditions of membership

In order to join EBCE, the following legal and procedural requirements must be met: **1)** the governing body of the prospective jurisdiction (i.e., the City Council or County Board of Supervisors) must pass a resolution requesting to join EBCE and an ordinance to implement a community choice aggregation program by joining EBCE's JPA, pursuant to Public Utilities Code Section 366.2; **2)** EBCE's Board must pass a resolution authorizing the membership of the prospective jurisdiction; **3)** the prospective jurisdiction must execute the EBCE Joint Powers Agreement; and **4)** EBCE must update its Joint Powers Agreement and submit an updated Implementation Plan to the California Public Utilities Commission (CPUC) reflecting the membership of the new jurisdiction(s) within EBCE's JPA.

The city councils of the cities of Tracy, Pleasanton, and Newark have already adopted the required resolutions requesting join EBCE and ordinances pursuant to Public Utilities Code Section 366.2. The next step towards Tracy, Pleasanton, and Newark becoming member cities of EBCE is for the Board of Directors to adopt the proposed Resolution authorizing the cities to join EBCE, with customer enrollments to begin in 2021.

Section 3.1 of the Joint Power Agreement also provides for the satisfaction of other "conditions" for JPA membership (e.g. "membership payments" or "membership fees"), which are subject to the discretion of EBCE's Board. To date, the EBCE Board has not imposed such conditions on membership.

One potential condition a Board member asked to consider is the extent to which, if any, new member jurisdictions would be eligible to participate in a ‘Voting Shares’ vote of the Board of Directors, if such a vote is requested before the new customer enrollments are completed. According to *Section 4.12.2* of EBCE’s Joint Powers Agreement, a ‘Voting Shares’ vote may be requested following an affirmative ‘Percentage Vote’ (a simple majority of the Directors, typically) when three or more Directors request it, or when there is a tied vote. Voting Shares votes are assigned to each jurisdiction according to its electric load data. Please refer to JPA Exhibits B and C (attached).

To date, no *Section 4.12.2* Voting Shares votes have occurred. Nevertheless, since new member jurisdictions would be entitled to a seat on EBCE’s Board in 2020 (following CPUC certification of EBCE’s updated Implementation Plan) but would not begin service until 2021, the Board could decide to limit the Voting Shares votes of new parties to “0%” until new community enrollments are completed. If the Board determines that this or other conditions are appropriate to impose on EBCE membership, those conditions should be added to the Resolution.

Requirements: Update JPA Exhibits A, B, & C

As a separate but related item, the Board should consider updating JPA Exhibits A (“List of Parties”); B (“Annual Energy Use”); and C (“Voting Shares”). Section 1.3 of the JPA Agreement provides that Exhibits A, B, and C may be revised upon the approval of the Board, without such revision constituting an amendment to the Agreement.

Exhibit A: “List of Parties”

Exhibit A lists the names of all jurisdictions which are members of EBCE’s Joint Powers Authority. Updating this list is straightforward; it simply involves adding the names of new member jurisdictions, pending the passage of a Board Resolution authorizing their JPA membership.

If the Board authorizes the membership of the Cities of Tracy, Pleasanton, and Newark, the names of these cities must be added to Exhibit A listed in alphabetical order (draft Attached).

Recommendation: Pending Board authorization to include the Cities of Tracy, Pleasanton, and Newark, approve a motion to update Exhibit A to include these jurisdictions among the “List of Parties.”

Exhibits B & C: “Annual Energy Use” & “Voting Shares Vote”

Exhibits B and C list the annual energy use and the voting shares percentage of each member jurisdiction.

The Board voting procedures are set forth in *Section 4.12* of the JPA Agreement. According to *Section 4.12.1*, most Board decisions require a simple majority vote of all the Directors, with each jurisdiction having one equal vote.¹ This procedure is referred to as a “Percentage Vote.” Additionally, *Section 4.12.2* creates a “Voting Shares Vote” procedure, which may immediately follow an affirmative or a tied Percentage Vote if requested by three or more Directors. Under a Voting Shares Vote, each jurisdiction’s vote is essentially ‘weighted’ according to the size of its annual energy usage as compared to EBCE’s total annual energy (i.e., the collective, community-wide electricity demand within its borders). To date, the Voting Shares Vote provision of the JPA has never been invoked.

Exhibit B sets forth the Annual Energy Use for each member jurisdiction and EBCE’s Total Annual Energy use, for purposes of calculating members’ voting shares.

According to *Section 1.1.23* of the JPA Agreement, “Annual Energy Use” for the first two years after EBCE’s launch date (December 1, 2016) is based on the annual electricity usage within each member’s respective jurisdiction. After two years, the JPA Agreement provides that Annual Energy Use is to be based on the annual electricity usage of accounts served by EBCE within the member’s jurisdiction. The Total Annual Energy is the sum of all the member jurisdictions’ Annual Energy Use. The numbers in Exhibit B, together with the corresponding voting shares in Exhibit C, are supposed to be “adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 each year subject to the approval of the Board.” Since EBCE’s formation, Exhibit B has relied on 2014 PG&E load data.

December 1, 2019 marks the three-year anniversary of EBCE’s initial launch date. As articulated in *Section 1.2.23*, the load data used to calculate Exhibits B and C is to transition from PG&E’s 2014 load data to EBCE’s most current, post-enrollment load data. However, due to the phased implementation of EBCE’s initial customer enrollments, a full calendar year of post-enrollment EBCE load data is not yet available—which means transitioning away from PG&E load data at this time would skew each jurisdiction’s “Annual Energy Use” as set forth in Exhibit B (as well as the corresponding Voting Shares in Exhibit C).

¹ *Section 8.4* (“Amendment of this Agreement”) requires a two-thirds majority vote to amend the JPA itself; and a three-quarters vote to amend the voting provisions of *Section 4.12*.

For this reason, EBCE staff recommends the Board consider updating Exhibit B using the most recent PG&E load data available (i.e., from calendar year 2018).² This provides an ‘apples-to-apples’ comparison for each member jurisdiction and does not preclude the Board from transitioning to EBCE’s post-enrollment load data once a full calendar year of EBCE usage becomes available (perhaps by March 2020, based on EBCE’s 2019 load data). To better understand the reasoning behind this recommendation, the table below outlines the ‘pros’ and ‘cons’ using different years and energy providers (i.e., PG&E vs. EBCE) to update Exhibit B:

Load Year and Energy Provider options for update to Exhibit B

| Year | Energy Provider | Pro | Con |
|-------------|-----------------|---|--|
| 2014 | PG&E | Currently in use, per the JPA | Data is five years old / out of date |
| 2017 | PG&E | EBCE has data for all members + Tracy, Pleasanton, Newark | Data is two years old / out of date; Doesn’t account for opt outs |
| 2018 | PG&E | EBCE has data for all members + Tracy, Pleasanton | EBCE doesn’t have data for Newark; Doesn’t account for opt outs |
| 2018 | EBCE | EBCE has data for all original members | Data only accounts for <ul style="list-style-type: none"> • 6 months commercial load • <2 months residential load |
| 2019 | EBCE | Most accurate load data for original members | Will not have full year of data until March 2020, multiple updates |

Exhibit C sets forth the Voting Shares for EBCE member jurisdictions based on the corresponding Annual Energy Use and Total Annual Energy numbers provided in Exhibit B. If the Board decides to follow staff’s recommendation and provides direction to update Exhibit B using 2018 PG&E load data, Exhibit C will be adjusted accordingly to reflect the Voting Shares percentage of each member jurisdiction.

Absent any additional Board action, new member jurisdictions would likewise have a Voting Share based on their 2018 PG&E load data. This would result in the new members having greater Voting Shares than some current members, despite there being no enrolled accounts within their jurisdictions. As noted earlier, however, JPA *Section 3.1* authorizes current member jurisdictions to set “conditions” for new membership. To preserve what we believe was the intent behind the Voting Shares

² The most recent PG&E load data available to EBCE is from calendar year 2018 for all jurisdictions, except the City of Newark. Currently, the most recent PG&E load data available to EBCE for Newark is from calendar year 2017.

Vote described in *Sections 1.1.23* and *4.12.2*, the Board could consider assigning new members a Voting Share of 0% until their EBCE enrollments are complete. This would mean new member jurisdictions would be entitled to a seat on EBCE's Board beginning in 2020, following the CPUC's certification of EBCE's updated Implementation Plan, and each have one vote in standard Board decisions; but if *Section 4.12.2* is invoked, these jurisdictions would not have a Voting Share above 0% until their EBCE enrollments are complete.

Post enrollment, the Board should consider whether new members to the JPA would be assigned a Voting Shares vote based on updated city-wide PG&E load data; or whether new members would continue to have a Voting Share of 0% until there is a full year of EBCE enrollment data for their usage (presumably 2022 or 2023).

By approximately March of 2020, a full calendar year of post-enrollment EBCE load data will be available for 2019. At that time, EBCE's Board could consider updating Exhibits B and C to reflect EBCE-only data (i.e. the load would not include customers who have opted out of EBCE service). In this scenario, new member jurisdictions would continue to have a Voting Share of 0%, since their communities will not yet be enrolled. Once Tracy, Pleasanton, and Newark complete their EBCE enrollments and have a full calendar year's-worth of usage data, their Voting Shares percentages will be quantifiable, and Exhibits B and C can be updated accordingly.

Lastly, it is worth noting potential drawbacks to conditioning EBCE membership in this way (i.e., by temporarily assigning new JPA members a Voting Shares Vote of 0%). New Board members and/or the communities they represent could perceive they are being "sidelined" or excluded from certain aspects of Board decision-making, even if a Voting Shares Vote is never called. This could create doubt and/or undermine a sense of cohesion among the Board. Hypothetically, it could lead some Councils to reconsider their decision to join EBCE. This seems unlikely, however, since a Voting Shares Vote has never been called before and potential new members are not currently required to pay any fee to join EBCE, which could become a future condition of membership. For these reasons, the Board is encouraged to proceed cautiously when considering conditions on new membership.

Recommendation: Update Exhibit B using 2018 PG&E load data for "Annual Energy Use" and "Total Energy Use," excepting for the City of Newark which will use 2017 PG&E load data (unless 2018 load data becomes available in time for EBCE to meet CPUC deadlines). Update Exhibit C's Voting Shares to correspond to updated numbers in Exhibit B. Consider updating Exhibits B and C again in 2020 using either 2019 EBCE load data, or 2019 PG&E load data, when such data becomes available.

Timing of new enrollments

In February of 2018, the CPUC passed [Resolution E-4907](#), which delays the timeline by which California cities and counties may begin service with Community Choice Aggregation (CCA) agencies, like EBCE. In effect, cities and counties must wait a full calendar year between the time they form or join a CCA and when electricity customers within their borders may be enrolled in the CCA's service. As a result, any jurisdiction that requests to begin service with EBCE by 2021, must complete the process of joining EBCE's JPA by the end of 2019. Otherwise, enrollment with EBCE will not be possible until 2022 or later.

Process

Given the requirements and timing articulated above, EBCE staff has drafted a document outlining the process to join EBCE in time to enroll customers in 2021. Please see attached: "Steps to Joining East Bay Community Energy (EBCE)."

| Date | Event |
|----------------------|---|
| Aug-Sept 2019 | City completes PG&E load data request forms/non-disclosure agreements. |
| Sept-Oct 2019 | City passes Resolution, Ordinance to join EBCE. |
| Sept-Oct 2019 | EBCE conducts quantitative analysis to evaluate inclusion request(s). |
| Oct-Nov 2019 | Earliest opportunities for EBCE Executive Committee (Exec Com), Board of Directors (BoD) and Community Advisory Committee (CAC) to consider quantitative analysis, inclusion request(s), and updates to JPA Agreement Exhibits A, B and C. |
| Nov-Dec 2019 | Latest opportunities for EBCE Exec Com, BoD and CAC to consider quantitative analysis, inclusion request(s), and updates to JPA Agreement Exhibits A, B and C. Pending affirmative Board vote, staff updates Exhibits, and files updated Implementation Plan with CPUC. |
| 2020 | New communities entitled to Board seat(s); community outreach within new jurisdictions begins. |
| 2021 | Enrollment begins in new jurisdiction(s). |

New Community Inclusion: Eligible Communities

The City Councils of the following jurisdictions have approved Resolutions requesting to join EBCE and Ordinances to implement the CCA program:

- 1) City of Tracy (San Joaquin County);
- 2) City of Pleasanton (Alameda County); and
- 3) City of Newark (Alameda County)

Fiscal Impact

The prospect of including three new cities within EBCE’s Joint Powers Authority and service area presents considerable financial implications for the Agency. For this reason, EBCE staff conducted a Quantitative Analysis (QA) to evaluate the cost of service to the prospective new member jurisdictions.

Based on the QA, the combined additional electric load of Tracy, Pleasanton, and Newark is estimated to yield annual net revenues of approximately \$15.3 million to EBCE, or 17.4% above the cost of service to these jurisdictions. This would have a positive fiscal impact on EBCE and its existing communities and customer base, potentially increasing EBCE’s overall net position by more than half a percentage point (i.e., from 14% to 14.6%). These additional net revenues could be used to supplement EBCE reserves, reduce retail rates, and/or expand funding for local renewable energy project development and energy-related programs (e.g., rebates for energy storage, electric vehicles and EV charging infrastructure).

The table below summarizes the findings of the QA:

| | Tracy | Pleasanton | Newark | <i>T+P+N Combined</i> | EBCE 2019 | EBCE w/T+P+N 2022 |
|----------------------|---------|------------|---------|---------------------------|--------------|-------------------------|
| Accounts | 29,300 | 30,700 | 15,700 | 75,700 | 552,400 | 628,100 |
| Load (MWh/yr) | 399,000 | 450,000 | 263,000 | 1,113,000 | 6,104,000 | 7,217,000 |
| Net Rev % | +16.5% | +18% | +17.6% | +17.4% | +14% | +14.6% |
| Net Rev \$ | \$5.2M | \$6.5M | \$3.6M | \$15.3M | \$68.1M | \$83.5M |

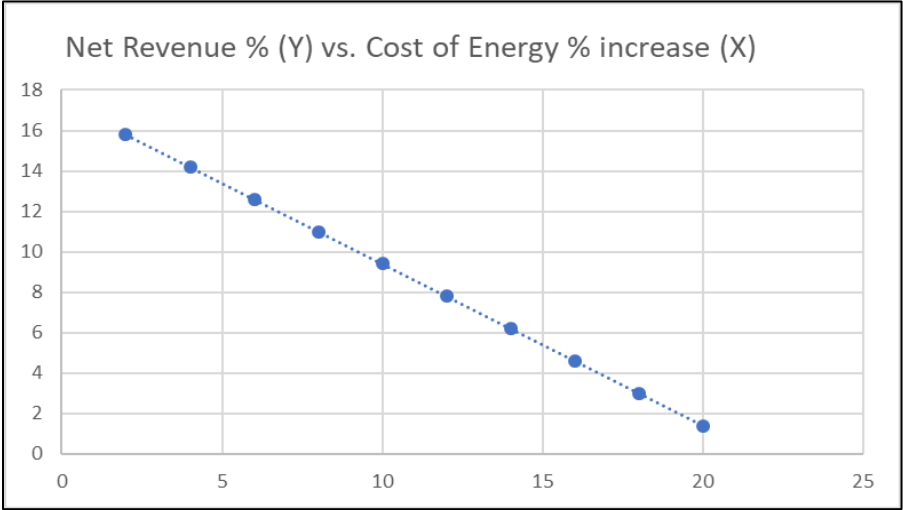
NOTES:

- *Assumes 5% opt out rate (slightly above current EBCE opt out rate for load);
- *Applies EBCE’s 2019 rates from 2019-20 budget development;
- *Data excludes ineligible loads (e.g. BART, Direct Access, Standby);
- *2018 PG&E load data for Tracy & Pleasanton; 2017 data for Newark;
- *PG&E data had 148 Pleasanton accounts ‘unclassified’ (~85,000 MWh)

Financial Stress Test: 20% Increase to Cost of Energy; or 20% Opt-Out of Load

To help the Board evaluate the financial risk associated with including the prospective new member jurisdictions, the QA included a “20/20 Financial Stress Test.” This test measured the impact of **1)** a 20% increase in wholesale energy costs; and (separately) **2)** a 20% opt out rate by load on the prospective new communities’ combined net position.

1) The graph below represents the financial impact of a 20% increase in wholesale energy costs on the combined net position of the prospective new communities:

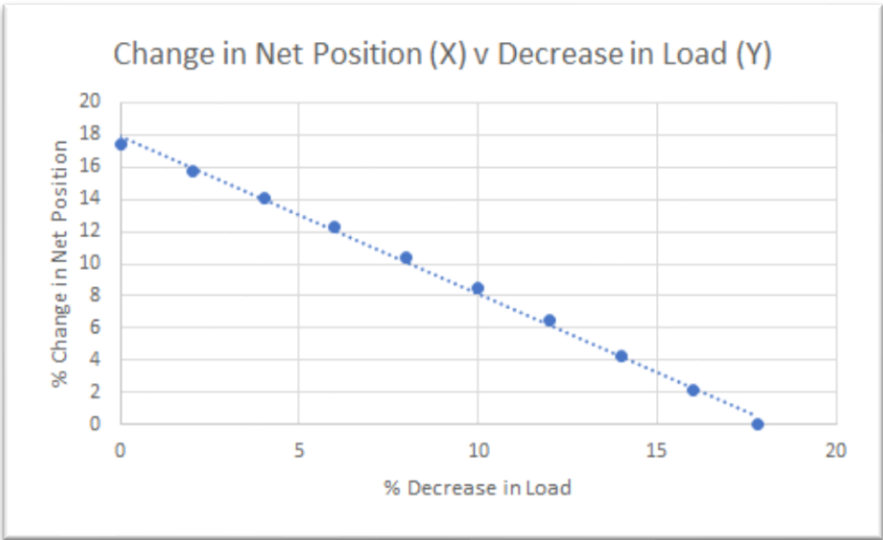


Assumptions:

- Cost of energy estimated to be the percentage of additional load multiplied by 2019-20 budgeted energy expenses;
- Does not include initial customer notification costs (e.g., four mailed enrollment notices, staff time, event fees, travel, etc.);
- Cost increase persists for an entire year;

According to the QA, for every 1% increase in the cost of energy, there is a 0.8% reduction in net position for the inclusion of the prospective new communities. In other words, for each percent increase in energy costs, the net position reduces by \$709,000. Correspondingly, at a 4% energy cost increase the net position reduces from \$15.3M/year to \$12.5M/year; and a 20% energy cost increase would reduce the net position to \$1.2M/year.

2) The graph below represents the financial impact of a 20% opt out of load on the combined net position of the prospective new communities:



As the graph indicates, for each 1% opt out in load, there is approximately 1% decrease in net position (i.e., approximately \$153,000). As such, a 22.8% total opt out of load represents the ‘break-even point’ for the cost of including the combined load of the prospective new jurisdictions. *This appears as 17.8% on the graph because the QA already assumed a 5% opt out rate to generate the net position.* At a 25% opt out rate, the net loss to EBCE is estimated to be less than \$1M. It is worth noting that EBCE’s current opt out rate of load is less than 5%.

Anticipated Additional Greenhouse Gas (GHG) Emissions Reductions

Among the most compelling reasons to include new jurisdictions within EBCE’s service area is the prospect of further reducing energy-related greenhouse gas (GHG) emissions as quickly as possible.

A central facet of EBCE’s mission is to provide less carbon-intensive electricity to consumers at competitive rates. By procuring electricity from more renewable sources and developing innovative customer programs to accelerate the deployment of distributed energy resources, electric vehicles, battery storage, etc., EBCE can further advance this objective.

The 2018 emissions factor for EBCE’s aggregated energy service options (i.e., Bright Choice, Brilliant 100 and Renewable 100) is 82 lb-CO2e/MWh, pending verification from third parties (e.g., [The Climate Registry](#)). To date, PG&E has not yet published the 2018 emissions factor for its energy supply. As such, it is not currently possible to make an ‘apples-to-apples’ comparison between EBCE and PG&E’s respective emissions factors. Nevertheless, if one were to compare EBCE’s 2018 emissions factor to PG&E’s 2017 emissions factor (reported at 210 lb-CO2e/MWh), and apply this to the

combined load of the prospective new jurisdictions, it would yield a net GHG reduction of approximately 64,000 metric tons of CO₂e/year.

It should be noted that PG&E's 2018 emissions factor is expected to be substantially lower than that of 2017. This may be largely due to 1) the growing CCA market share in PG&E service area and 2) PG&E's reliance on nuclear power.

Since the first CCA in California launched service in 2010, the market share of CCA programs in PG&E's service area have grown exponentially. In effect, this reduces the overall load PG&E serves; which allows the percentage of renewable and/or carbon free resources within PG&E's supply portfolio to increase – even if PG&E does not enter into new contracts for renewable energy. Indeed, the transition of load from PG&E to CCAs within its service area complicates and confounds comparisons between their respective emissions factors.

Similarly, the percentage of PG&E's energy supply that is generated by nuclear power increases relative to its overall, diminishing load. While nuclear power may arguably be characterized as 'carbon free,' it will not likely be powering the electricity needs of future Californians, since the State's last nuclear power plant (PG&E's Diablo Canyon facility) is scheduled to close by 2025.

Staff Recommendation

1. Receive update and analysis on including new jurisdictions within EBCE's service area;
2. Adopt a Resolution to include the Cities of Tracy, Pleasanton and Newark within EBCE's Joint Powers Authority and service area, with customer enrollments to begin in 2021;
3. Approve a motion to direct staff to update Exhibit A ("List of Parties") of EBCE's Joint Powers Agreement to reflect the inclusion of new member-jurisdictions.
4. Approve a motion to direct staff to update Exhibits B ("Annual Energy Use") and C ("Voting Shares Vote") of EBCE's Joint Powers Agreement with 2018 PG&E electric load data, and to reflect the inclusion of new member jurisdictions;
5. Adopt a Resolution to authorize staff to update the Implementation Plan to reflect the inclusion of new member jurisdictions, and to submit the updated Implementation Plan to the California Public Utilities Commission (CPUC) before the end of calendar year 2019.

Attachments

- A. Steps to Joining East Bay Community Energy;
- B. Presentation: New Community Inclusion and Quantitative Analysis;
- C. City of Tracy signed Ordinance and Resolution to join EBCE;
- D. City of Pleasanton signed Ordinance and Resolution to join EBCE;
- E. City of Newark signed Ordinance and Resolution to join EBCE;
- F. Resolution to include the cities of Tracy, Pleasanton and Newark;
- G. Current EBCE Joint Powers Agreement Exhibits A, B and C;
- H. Proposed Updates to Exhibits A, B and C - including Tracy, Pleasanton and Newark; and
- I. Resolution authorizing EBCE staff to update EBCE's Implementation Plan and submit it to the CPUC by the end of calendar year 2019.



Steps to joining East Bay Community Energy (EBCE)

- 1) In-person meeting(s) with City staff and local elected officials;
 - Request PG&E data release forms (Forms 79-1030 & 79-1031);
 - i. May take up to eight weeks to receive accurate data from PG&E;
 - Expedited timeline due to CPUC Res. E-4907;
- 2) Two or three presentations to Council:
 - Discussion item;
 - Vote #1 on Ordinance & Resolution to join EBCE's Joint Powers Authority (JPA) Agreement;
 - Vote #2 on Ordinance – *Best if completed by Oct 2019 for 2021 enrollment*;
- 3) EBCE staff conducts quantitative analysis;
 - Evaluates cost of service to prospective new community (e.g., impact on EBCE's revenues/net revenues and GHG emissions reductions);
- 4) EBCE Board and Community Advisory Committee review quantitative analysis corresponding membership request(s); Board considers Resolution to include prospective new community;
- 5) Pending Board approval, EBCE updates Joint Powers Agreement and files amended Implementation Plan with CPUC before 12/31/19;

2020: Community outreach in new community;

- Elected official of new community entitled to seat on EBCE Board of Directors;

2021: EBCE enrollment of electricity accounts begins in new community



New Community Inclusion

Presenter: Alex DiGiorgio

Date: 11/20/19



Inclusion Process: Order of Operations

Prospective new communities must complete JPA inclusion process by 12/31/19 to enroll by 2021 (per CPUC Res. E-4907)

1) Communicate w/City staff and/or local elected officials;

- Request PG&E load data forms (Forms 79-1030 & 79-1031)
- Emphasize time-sensitivity due to CPUC Res. E-4907

2) Two or three presentations to Council;

- Discussion item
- Vote #1 on Ordinance + Resolution to join EBCE
- Vote #2 on Ordinance

3) EBCE conducts Quantitative Analysis using PG&E load data;

- Evaluates EBCE's cost of service to prospective new communities;

Inclusion Process: Order of Operations

- 4) **Oct. 25:** Executive Committee receives inclusion update and preliminary findings of Quantitative Analysis;
- 5) **Nov. 18:** CAC receives inclusion update;
- 6) **Nov. 20:** Board considers Resolution to include new communities;
→ Pending approval, Board provides direction to update:
 - 1) JPA Exhibits A, B, & C; and
 - 2) EBCE's Implementation Plan
- 7) EBCE submits updated Imp. Plan to CPUC before **12/31/19**;
→ New communities receive Board seat: **2020** (pending CPUC confirmation)
→ EBCE conducts community outreach: **2020/2021** (depending on enrollment month)
→ EBCE enrollments begin: **2021**

Recommendations:

- 1) Receive the Inclusion Update & Quantitative Analysis;
- 2) Consider Resolution to include new member jurisdictions;
- 3) Pending approval, update JPA Exhibit A ('List of Parties');
- 4) Update JPA Exhibits B & C ('Annual Energy Use' & 'Voting Shares');
- 5) Provide direction to update EBCE Implementation Plan.

Inclusion Update & Quantitative Analysis

Prospective Member Jurisdictions

- **City of Tracy (San Joaquin)**

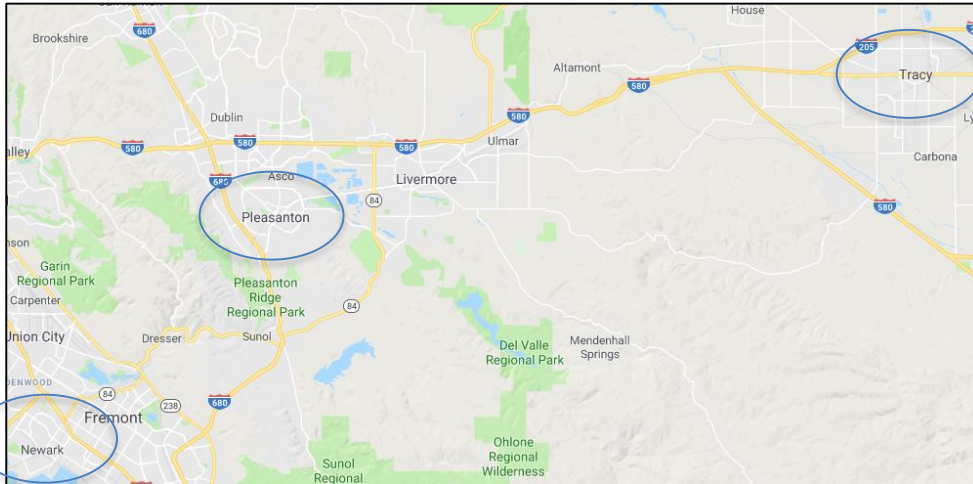
- **Aug. 20:** Unanimous City Council vote to pursue EBCE membership;
- **Sept. 17:** Approved 1st reading of Ordinance & Resolution to join EBCE by unanimous vote;
- **Oct. 1:** Approved 2nd reading of Ordinance by unanimous vote

- **City of Pleasanton (Alameda)**

- **Sept. 17:** Unanimous City Council vote to pursue EBCE membership;
- **Oct. 1:** Approved 1st reading of Ordinance & Resolution to join EBCE by unanimous vote;
- **Oct. 15:** Approved 2nd reading of Ordinance by unanimous vote

- **City of Newark (Alameda)**

- **Oct. 24:** Council unanimously approved 1st reading of Ordinance & Resolution to join EBCE
- **Nov. 14:** Approved 2nd reading of Ordinance by unanimous vote



Quantitative Analysis

Evaluates EBCE's cost of service to prospective new member jurisdictions:

- Forecast additional electric load;
 - New/combined retail demand & cost of corresponding wholesale power procurement needs;
- Maintain EBCE's value proposition: 1.5% Bright Choice rate savings;
- Impact on 1) Net revenues and 2) GHG emissions

Quantitative Analysis

| | Tracy | Pleasanton | Newark | <i>T+P+N Combined</i> | EBCE 2019 | EBCE w/T+P+N 2022 |
|----------------------|---------|------------|---------|---------------------------|--------------|-------------------------|
| Accounts | 29,300 | 30,700 | 15,700 | 75,700 | 552,400 | 628,100 |
| Load (MWh/yr) | 399,000 | 450,000 | 263,000 | 1,113,000 | 6,104,000 | 7,217,000 |
| Net Rev % | +16.5% | +18% | +17.6% | +17.4% | +14% | +14.6% |
| Net Rev \$ | \$5.2M | \$6.5M | \$3.6M | \$15.3M | \$68.1M | \$83.5M |

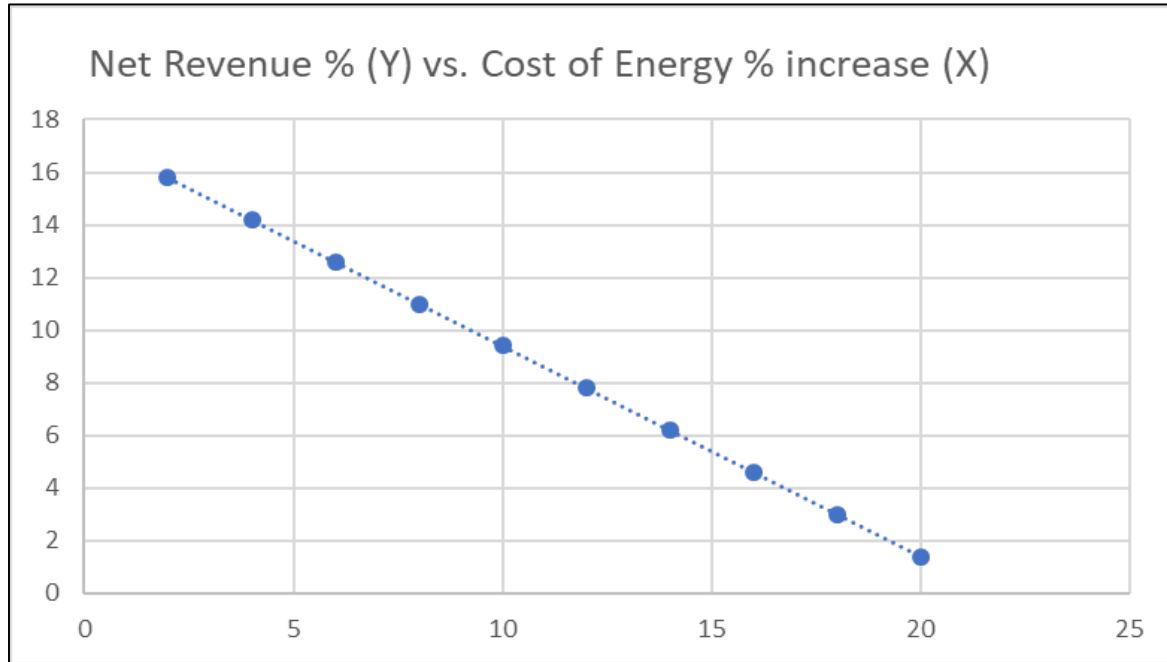
- *Assumes 5% opt out rate (slightly above current EBCE opt out rate for load);
- *Applies EBCE's 2019 rates from 2019-20 budget development;
- *Data excludes ineligible loads (e.g. BART, Direct Access, Standby);
- *2018 PG&E load data for Tracy & Pleasanton; 2017 data for Newark;
- *PG&E data had 148 Pleasanton accounts 'unclassified' (~85,000 MWh)

20/20 Stress Test

- A. 20% increase to the cost of electricity
- B. 20% opt out in new communities



Energy Costs Increase ~20%



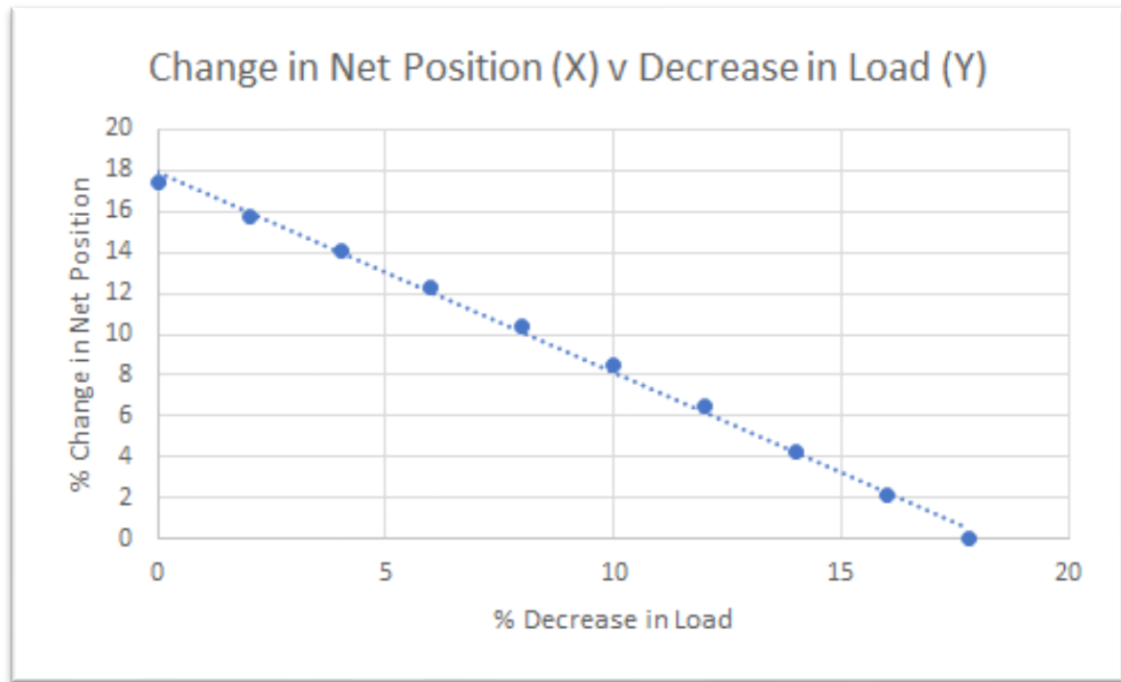
Assumptions:

- Cost of energy is estimated as % additional load multiplied by 2019-20 budgeted energy expenses;
- Does not include initial customer notification costs (e.g., four enrollment notices);
- Cost increase persists for an entire year;

Every **1%** increase in cost of energy = **0.8%** reduction net position (**\$709,000**)

From **\$15.3M** to **\$12.5M** @ **4%** energy cost increase; & to **\$1.2M** @ **20%** cost increase;

Opt-Outs reach ~20% of incoming load



- Assumes 20% opt out rate is average for Tracy, Pleasanton and Newark enrollments;
→ Current EBCE opt out rate is less than 5%

- For each 1% opt out in load, there is approximately 1% decrease in net position (\$153,000);
- 22.8% total opt out is the 'break-even' point
 - 17.8 on the graph b/c analysis assumed a 5% opt out rate;
- At 25% opt out, net loss is less than \$1M to EBCE;
- SMUD and PG&E services are charged per account (i.e., opt outs present no service cost risk beyond initial, pre-enrollment power purchases);
- Initial enrollment is likely the period of highest risk, due to expected energy pre-purchases;

Anticipated GHG reductions

- EBCE emissions factor (2018) = **82 lb-CO₂e/MWh** (pending; aggregate of all EBCE products);
- PG&E emissions factor (2017) = **210 lb-CO₂e/MWh** (most recently reported)

Tracy + Pleasanton + Newark = **1,113,000 MWh/year**

~64,000 MTs of CO₂e/year



Update to JPA Exhibits

A: 'List of Parties'

B: 'Annual Energy Use';

C: 'Voting Share' (JPA Sec. 4.12.2)

JPA Updates: Exhibits A, B, & C

Pending Board Approval, JPA Exhibits updated to reflect membership of new member jurisdictions:

A: List of Parties -- EBCE member jurisdictions

B: Annual Energy Usage -- Each jurisdiction's load (currently 2014)

C: Voting Shares -- Each jurisdiction's voting % (Sec. 4.12.2)

Recommended updates to Exhibits B & C:

- *Use 2018 PG&E county/city-wide load data*
- *Consider Sec. 4.12.2 'Voting Shares' vote for new jurisdictions*

Exhibit B Load Year & Provider options

| Year | Energy Provider | Pro | Con |
|------|-----------------|---|--|
| 2014 | PG&E | Currently in use, per the JPA | Data is five years old / out of date |
| 2017 | PG&E | EBCE has data for all members + Tracy, Pleasanton, Newark | Data is two years old / out of date; Doesn't account for opt outs |
| 2018 | PG&E | EBCE has data for all members + Tracy, Pleasanton | EBCE does not yet have Newark data; Doesn't account for opt outs |
| 2018 | EBCE | EBCE has data for all members | Data only accounts for - 6 months commercial load - <2 months residential load |
| 2019 | EBCE | Most accurate load data for original members | Will not have full year of data until March 2020, multiple updates |

Exhibit C: Voting Shares (Prospective)

Jurisdictions:

2018 PG&E load data
(2017 load data for Newark)

A

- ALBANY - 0.7%
- BERKELEY - 5.5%
- DUBLIN - 3.2%
- EMERYVILLE - 2.1%
- FREMONT - 18.1%
- HAYWARD - 10.7%
- LIVERMORE - 5.5%
- **NEWARK - 4.6%**
- OAKLAND - 21.3%
- PIEDMONT - 0.3%
- **PLEASANTON - 5.7%**
- SAN LEANDRO - 6.0%
- **TRACY - 5.7%**
- UNINCORPORATED - 6.1%
- UNION CITY - 4.2%

Total - 100%

B

- ALBANY - 0.8%
- BERKELEY - 6.6%
- DUBLIN - 3.8%
- EMERYVILLE - 2.6%
- FREMONT - 21.6%
- HAYWARD - 12.7%
- LIVERMORE - 6.6%
- **NEWARK - 0%**
- OAKLAND - 25.4%
- PIEDMONT - 0.4%
- **PLEASANTON - 0%**
- SAN LEANDRO - 7.2%
- **TRACY - 0%**
- UNINCORPORATED - 7.3%
- UNION CITY - 5.0%

Total - 100%

Additional Slides

Additional Electricity Load

| Customer Class | Tracy + Pleasanton + Newark | | Existing EBCE | | All Combined | |
|------------------------|-----------------------------|---------------|------------------|----------------|------------------|----------------|
| | MWh | Accounts | MWh | Accounts | MWh | Accounts |
| Small Commercial (A1) | 138,641 | 6,862 | 892,984 | 45,525 | 1,031,625 | 52,387 |
| Large Commercial (A10) | 193,757 | 732 | 930,324 | 4,493 | 1,124,082 | 5,224 |
| Agricultural | 490 | 19 | 25,741 | 137 | 26,231 | 156 |
| Residential | 418,989 | 67,335 | 2,210,914 | 497,736 | 2,629,903 | 565,071 |
| E19 | 150,853 | 256 | 1,248,304 | 2,761 | 1,399,157 | 3,016 |
| E20 | 109,498 | 22 | 723,402 | 86 | 832,900 | 108 |
| Street Lights | 4,781 | 346 | 38,216 | 1,858 | 42,997 | 2,204 |
| Unclassified | 94,020 | 148 | 1 | 4 | 94,021 | 152 |
| Total | 1,111,029 | 75,719 | 6,069,886 | 552,600 | 7,180,916 | 628,319 |

Source: 2017/2018 PG&E Data

Assumptions:

1. Source of Data is PG&E Item 16 reports for Tracy (2018), Pleasanton (2018) and Newark (2017).
2. Load Figures exclude ineligible load (standby, BART) as well as Direct Access Load.
3. Unclassified load appears to be an artifact of the Pleasanton Item 16 file - to be reviewed by PG&E.
4. Assumes a 5% opt out rate across all jurisdictions (by load and by count)

New Community Inclusion

Value Proposition:

Advance EBCE's mission by including new customers & communities;

- Reduce GHGs & supply more renewable energy to more electricity accounts;
- Expand public access to competitively-priced renewable energy options and innovative policies & programs;
- Enhance EBCE's financial strength (i.e., net revenues & reserves);
- Empower local communities w/more democratic representation within CA's energy economy (i.e., before the CPUC & CA Legislature);
 - Gain more representative leverage in Sacramento (i.e., via new Assembly & Senate members);

New Community Inclusion*

Value Proposition:

Advance EBCE's mission by including new customers & communities;

- Diversify EBCE's service area (i.e., link urban/rural; affluent/low-income);
 - Account demographics (e.g., include more Ag customers);
 - Local development opportunities via local resources
- Balance EBCE's load profile (potentially);
- Inspire neighboring communities to explore CCA;
- Validate CCA movement generally; EBCE specifically

**JPA Sec. 3.1 "Addition of Parties"*

Inclusion Process: Required Documents

- City Manager:
 - PG&E load data request docs & non-disclosure agreement (Forms 79-1030 & 79-1031)
- City Council:
 - Ordinance, Resolution, JPA signature page
- EBCE:
 - Quantitative Analysis; Board Resolution; updated JPA & Implementation Plan
 - Analysis evaluates cost of service to new community (e.g., impact on net position & GHGs emissions)

ORDINANCE 1272

AN ORDINANCE OF THE CITY OF TRACY ELECTING TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM BY AND THROUGH THE EAST BAY COMMUNITY ENERGY AUTHORITY

WHEREAS, The City of Tracy has an interest in achieving greater local involvement over the provision of electricity supply services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, Assembly Bill 117 codified as Public Utilities Code Section 366.2 (the "Act"), authorizes any California city or county whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA"); and

WHEREAS, The Act allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have capacity to implement a CCA program individually. The joint power agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants. To this end, since 2014, Alameda County completed a feasibility study and evaluated a potential CCA program for the County and the cities within Alameda County; and

WHEREAS, The Alameda County feasibility study and evaluation showed that implementing the program was likely to provide multiple benefits to the residents, including the following:

1. Providing customers a choice of power providers;
2. Increasing local control over energy rates and other energy-related matters;
3. Providing electric rates that are competitive with those provided by the incumbent utility;
4. Reducing greenhouse gas emissions arising from electricity use;
5. Increasing local and regional renewable generation capacity
6. Increasing energy conservation and efficiency projects and programs;
7. Increasing regional energy self-sufficient; and
8. Encouraging local economic and employment benefits through energy conservation and efficiency projects.

WHEREAS, Representatives from the Alameda County and Alameda County cities have developed the East Bay Community Energy Authority Joint Powers Agreement ("Joint Powers Agreement"), attached hereto as Exhibit A. The Joint Powers Agreement creates the East Bay Community Energy Authority ("Authority") which will govern and operate the CCA program. The County and a majority of major Alameda County cities have elected to participate in the CCA program by executing the Joint Powers Agreement and adopting an ordinance electing to implement a CCA program, as required by Public Utilities Code Section 366.2(c)(12), and

WHEREAS, The Authority has entered into agreements with electric power suppliers and other service providers and, based upon those agreements, the Authority has provided electrical power to residents and businesses at rates that are competitive with those of the incumbent

Ordinance 1272
Page 2

utility. Upon the California Public Utilities Commission certification of the implementation plan prepared by the Authority, the Authority has provided service to customers within its member jurisdictions. Under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to request do so at any time, and

WHEREAS, The Authority made a presentation to City Council at its August 20, 2019 meeting and showed interest in exploring potential services to the City of Tracy. The City Council authorized staff to pursue participation in the CCA program with the Authority, and

WHEREAS, Concurrent with the introduction of this ordinance, the City Council considered a resolution approving the East Bay Community Energy Authority Joint Powers Agreement;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1: Findings. Based upon the findings set forth hereinabove, the City Council elects to participate in, and approves the implementation of a Community Choice Aggregation program within the City of Tracy’s jurisdiction by and through the East Bay Community Energy Authority.

SECTION 2: California Environmental Quality Act. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines sections 15061(b)(3) because it is not a project which has the potential for causing a significant effect on the environment.

SECTION 3: Severability. If any part of this ordinance is declared invalid by a court, such validity shall not affect any of the remaining parts.

SECTION 4. Publication. This Ordinance shall either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk’s office at least five days before the Ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the Ordinance. (Govt. Code § 36933).

SECTION 5. Effective Date. This ordinance shall take effect 30 days after its adoption.

* * * * *

Ordinance 1272
Page 3


The foregoing Ordinance 1272 was introduced at a regular meeting of the Tracy City Council on the 17th day of September 2019, and finally adopted on the 1st day of October 2019, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: NONE


MAYOR


ATTEST:

CITY CLERK

EXHIBIT A
LIST OF THE PARTIES

This Exhibit A is effective as of [Month] [Day], 2019.

County of Alameda

City of Albany

City of Berkeley

City of Dublin

City of Emeryville

City of Fremont

City of Hayward

City of Livermore

City of Newark

City of Oakland

City of Piedmont

City of Pleasanton

City of San Leandro

City of Tracy

City of Union City

EXHIBIT B
ANNUAL ENERGY USE

This Exhibit B is effective as of [Month] [Day], 2019.

| Party | kWh (2018) |
|----------------|-------------------|
| Albany | 63,772,461 |
| Berkeley | 508,448,567 |
| Dublin | 297,210,239 |
| Emeryville | 197,077,013 |
| Fremont | 1,665,481,673 |
| Hayward | 984,424,723 |
| Livermore | 509,943,277 |
| Newark* | 419,357,962 |
| Oakland | 1,962,783,117 |
| Piedmont | 30,163,670 |
| Pleasanton | 520,214,314 |
| San Leandro | 556,074,739 |
| Tracy | 527,997,761 |
| Unincorporated | 564,393,280 |
| Union City | 387,369,206 |
| Total | 9,194,712,002 |

All data provided by PG&E
 *2017

EXHIBIT C
VOTING SHARES

This Exhibit C is effective as of [Month] [Day], 2019.

| Party | kWh (2018) | Option A Voting Shares Section 4.12.2 | Option B Voting Shares Section 4.12.2 |
|----------------|----------------------|--|--|
| Albany | 63,772,461 | 0.7% | 0.8% |
| Berkeley | 508,448,567 | 5.5% | 6.6% |
| Dublin | 297,210,239 | 3.2% | 3.8% |
| Emeryville | 197,077,013 | 2.1% | 2.6% |
| Fremont | 1,665,481,673 | 18.1% | 21.6% |
| Hayward | 984,424,723 | 10.7% | 12.7% |
| Livermore | 509,943,277 | 5.5% | 6.6% |
| Newark* | 419,357,962 | 4.6% | 0.0% |
| Oakland | 1,962,783,117 | 21.3% | 25.4% |
| Piedmont | 30,163,670 | 0.3% | 0.4% |
| Pleasanton | 520,214,314 | 5.7% | 0.0% |
| San Leandro | 556,074,739 | 6.0% | 7.2% |
| Tracy | 527,997,761 | 5.7% | 0.0% |
| Unincorporated | 564,393,280 | 6.1% | 7.3% |
| Union City | 387,369,206 | 4.2% | 5.0% |
| Total | 9,194,712,002 | 100% | 100% |

All data provided by PG&E
*2017

RESOLUTION NO. __

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING EBCE STAFF TO UPDATE EBCE'S IMPLEMENTATION PLAN TO REFLECT THE INCLUSION OF NEW MEMBER JURISDICTIONS AND SUBMIT THE UPDATED PLAN TO THE CPUC

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

WHEREAS, The East Bay Community Energy Authority ("EBCE") was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all of the member jurisdictions.

WHEREAS, the Board of Directors has approved Resolution **XX** to authorize the Cities of Tracy, Pleasanton, and Newark to become members of EBCE, with enrollments expected to begin in 2021;

WHEREAS, on February 8, 2018, the California Public Utilities Commission ("CPUC") passed Resolution E-4907, which requires a one year waiting period for jurisdictions intending to form or join a community choice aggregation ("CCA") program, like EBCE;

WHEREAS, in order to begin enrolling electricity customers in Tracy, Pleasanton and Newark by 2021, EBCE must submit to the CPUC an updated Implementation Plan and Statement of Intent ("Implementation Plan") reflecting the inclusion of these new member jurisdictions before the end of the 2019 calendar year.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board hereby authorizes EBCE staff to update EBCE's Implementation Plan, reflecting the membership of the Cities of Tracy, Pleasanton, and Newark.

Section 2. The Board hereby directs staff to submit the updated Implementation Plan to the CPUC for certification as soon as reasonably feasible, before December 31, 2019.

ADOPTED AND APPROVED this 20th day of November 2019.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



Staff Report Item 20

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Community Advisory Committee Guide (Action Item)
DATE: November 20, 2019

Recommendation

Approve the proposed Community Advisory Committee (CAC) Guide providing guidance on Advisory Committee candidate qualifications, membership and appointment process.

Background and Discussion

In May 2019 the Board delegated the creation of a Community Advisory Committee appointment process to the Executive Committee, to facilitate the appointment of future members in the event of a vacancy and to provide a guide for the management of the Community Advisory Committee membership.

The Executive Committee worked with staff to develop a guide outlining the CAC purpose, membership requirements, and appointment process for future vacancies caused by resignation and term end. The draft process was presented to the CAC at their September meeting to receive feedback from the committee and the general public. Staff was able to incorporate recommendations from the CAC and East Bay Clean Power Alliance which included language to broaden the diversity, communications and membership of the committee. Staff did not incorporate the following recommendations: No term limits for members, including a current CAC member on the new member interview panel, and retaining applications for future vacancies. Staff did not include these items in order to encourage committee diversity and transparency of the application and selection process.

Staff recommends the approval of this guide and would like to implement the process immediately in order to prepare for the recruitment of new members. The CAC currently has 2 Alternate position vacancies. With the addition of new member cities EBCE, staff would like to begin the application period on Monday, 1/6/20 in order to allow outreach to the new communities.

Fiscal Impact

This report has no fiscal impact.

Attachments

- A. Community Advisory Guide

Community Advisory Committee Guide

Purpose

Advise the Board of Directors on all subjects related to the operations of the CCA program as set forth in the work plan adopted on October 18, 2019

Authority

Established by the Board of Directors. See JPA section 4.9

Agency

East Bay Community Energy (EBCE)

Qualifications

EBCE service area resident or shall have owned or actively operated a business in EBCE's service area for a period of at least 5 years prior to appointment and shall do so for the entire period of appointment. Applicants will be considered with an interest in maintaining diversity of representation by geography, population, work experience and community.

Staff person

Stephanie Cabrera 510-736-4981

Composition

The Advisory Committee consists of nine (9) active and two (2) alternate members for a total of 11 seats.

Application process

Any person residing or operating a business in the EBCE service area interested in serving on the Advisory Committee should complete the Advisory Committee application during the specified application period. EBCE will announce the start of the application window via meeting announcements, EBCE email distribution list and the Community Advisory Committee site: <https://ebce.org/community-advisory-committee/> . The application period will be for 30 days from the first announcement of the vacancy.

Applicants will receive an automated email response to their application submission with the appointment target date. EBCE staff will review applications for completeness and qualifications. Once the applications have been reviewed, applicants will be notified via email if they will or will not advance to be interviewed.

The Executive Committee and/or an Ad hoc committee of the Board will interview enough candidates for the number of available seats and recommend the appointment of members to the full Board for approval. Once selected applicants have completed the interview process, interviewees will be notified of appointment status.

If a selected applicant declines the appointment invitation, another candidate may be selected from the same pool of interviewees. Applications will be retained for 30 days after appointments are made. In the event a vacancy is created during these 30 days, EBCE may use the same pool of applicants.

No applications will be retained for future application periods. Applicants not selected may resubmit an application when the next application period opens.

Appointment

The committee is appointed by the Board of Directors based on qualifications outlined above.

Term

Appointments shall be for four (4) year terms. With the exception of the initial committee which will have 3 members serving a 2-year term to stagger the term end dates. Members may serve up to two (2) full terms or combination thereof for a total of eight (8) years, or at the pleasure of the Board, from the date of appointment. No appointee shall serve more than a total of eight (8) years.

Chair and Vice-Chair

The committee shall elect a new Chair and Vice-Chair yearly at their June meeting. Members may serve as Chair or Vice-Chair for one year and no more than two consecutive years.

Ex Officio Board Member

The committee Chair will serve as a non-voting member of the Board of Directors as described in the Joint Powers Authority agreement section 4.2.2. The Ex Officio Board member may not serve on the Executive Committee or participate in Closed Session Meetings of the Board.

Stipends

Committee members are eligible to receive a \$50 stipend per meeting with a maximum of \$100 per month. As the Ex Officio Member of the Board, the Chair will receive a \$100 stipend with a maximum of \$200 per month, in line with the Board's stipend.

To be eligible for a stipend the CAC must have a quorum and members must arrive no later than 30 minutes after the meeting start time. Please see Board of Directors' Resolution R-2018-17 for additional information.

Attendance

Members are expected to attend up to two (2) meetings per month. Members must inform the Clerk of the Board of a planned absence.

Absences may not be communicated through the Chair, although the member should include the Chair in any attendance communications with the Clerk. Members with excessive absences may potentially be dismissed from the committee. The decision to dismiss a member will be made by the Board of Directors.

Vacancies

When a vacancy is created on the committee, EBCE will announce the vacancy and the start of the application window via meeting announcements, EBCE email distribution list and the Community Advisory Committee site: <https://ebce.org/community-advisory-committee/> closest to the date the vacancy was created.

Vacancies will be filled no later than 90 days of the vacancy announcement. If the seat vacated is a regular seat, an alternate may be appointed immediately following the vacancy announcement to fill the seat and complete the remaining term.

Removal from Committee

A member of the Community Advisory Committee may be removed by the Board of Directors for any reason by majority vote. See JPA section 4.9