



Staff Report Item 10

TO: East Bay Community Energy Board of Directors
FROM: Annie Henderson, VP Marketing and Account Services
SUBJECT: EBCE Value Proposition Update/Rate Setting Process (Action Item)
DATE: May 15, 2019

Recommendation

Approve a resolution adopting a process for updating the EBCE value proposition and rate setting for fiscal year 2019/2020

Initial EBCE Rate Setting and PG&E’s 2019 Rate Timeline

EBCE’s rates are currently set in relation to PG&E generation rates. Below is a summary timeline of how and when the value proposition and rates were established or modified:

Date	Action
February 7, 2018	Board approval for Bright Choice product at 1.5% discount to PG&E generation rate and Brilliant 100 product set at parity with PG&E generation rate
March 21, 2018	Rate sheets approved by Board to establish exact dollar amount per kWh for each rate schedule such as E1, A10 and E19
April 18, 2018	Board approves 100% renewable energy product at a premium to the PG&E generation rate for Phase 2 program launch
May 16, 2018	Board adopts Bright Choice and Brilliant 100 rates for Phase 2 and sets 100% renewable energy product at \$0.01 per kWh over Brilliant 100 rate
June 20, 2018	Board adopts updated rate sheets that include 100% renewable energy product, now called Renewable 100
September 26, 2018	Board approves a rate setting protocol that authorizes staff to modify EBCE rates to maintain the approved value proposition of each product
March 20, 2019	Staff reports to Board on modification of rates to maintain value proposition for each product due to changes in PG&E generation rate.
May 15, 2019	Staff reports to Board on second modification of rates to maintain value proposition for each product due to changes in PG&E generation rate.

The current rates are defined by the following value propositions:

- Bright Choice: 1.5% less than the PG&E generation rate
- Brilliant 100: Same price as PG&E generation rate
- Renewable 100: Additional one cent per kilowatt-hour (kWh) over PG&E generation rate

Typically, PG&E's rates are set for implementation on January 1 each year. However, the 2019 rate setting schedule has been delayed, and PG&E is still operating on slightly modified 2018 rates. At this time, it is anticipated that the final PG&E generation rates and final Power Charge Indifference Adjustment (PCIA) will be effective July 1, 2019.

Proposed Process for EBCE to Update Our Value Proposition/Set Rates

EBCE's Implementation Plan and Statement of Intent ([August 2017](#)) states that "EBCE will review its rates at a minimum once a year. EBCE will employ a robust and highly transparent rate setting process for all rate changes that will include both a public hearing and a written public comment period."

As part of the Rate Setting protocol approved by the Board in September 2018, any change to EBCE's value proposition shall be done with the input of stakeholders and approval by the Board. The following proposal provides a suggested approach to evaluating and implementing changes to EBCE's value propositions.

Staff recommends the following approach to this year's review and approval of EBCE's value proposition and rates.

1. **Executive Committee meeting.** Staff will provide a staff report containing analysis of PG&E rates and preliminary recommendations for changes to EBCE's value proposition, i.e. discount options.
2. **Community workshops.** Based on feedback received at the Executive Committee meeting, staff will revise analysis if needed, and solicit comments from the community. This will be achieved through up to three (3) community meetings in geographically diverse locations (e.g. north, east, and south county). Staff will consolidate feedback from these meetings into a supporting document that will be presented to the Board at their upcoming meeting. Written comments will be accepted in lieu of, or in addition to, verbal comments made during these workshops. A specific email address will be provided to the public to submit comments, along with a clear deadline for submittal.
3. **Community Advisory Committee meeting.** CAC will receive a presentation from staff and discuss the staff recommendation.
4. **Board meeting.** Staff will present analysis, findings, and recommendations derived from feedback from an Executive Committee meeting, Community Workshops and a Community Advisory Committee meeting. The Board will have the opportunity to vote on staff recommendations. If Board requests further analysis, the process will extend to the next Board meeting.

This process allows for robust public input, while not delaying what may be a time-sensitive process. The public will be welcome to participate in all meetings outlined above.

Proposed Process Timeline

Date	Item
May 15, 2019	Process Approval by Board of Directors
May 24, 2019	Discount Options presented to Executive Committee for initial feedback
May 28 - June 7, 2019	Up to three (3) public workshops held to review, discuss, and collect feedback on discount options
June 7, 2019	Written comments due from public on discount options
June 14, 2019	Staff proposal included in posted BOD packet
June 17, 2019	Staff presents proposal to CAC
June 19, 2019	BOD reviews and approves staff proposal on discount
July 1, 2019	Anticipated final PG&E Rates and PCIA
July 2, 2019	EBCE begins to update back-end systems per final PG&E Rates, PCIA, and approved discount
July 15, 2019 (estimated)	EBCE launches new rates with July 1 effective date
July 17, 2019	Staff provides update to board on status of new EBCE rates based on value proposition approved in June 2019 and presents rate sheets

Fiscal Impact

The proposed process has no direct fiscal impact. However, the fiscal impact of various discount options will be presented at the Executive Committee, public workshops, Community Advisory Committee, and Board meetings.

Attachments

None.

CEQA

Not a project.