



Staff Report Item 14

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, VP Marketing and Account Services

SUBJECT: Enrollment of New Communities: Pleasanton, Newark, and Tracy
(Informational Item)

DATE: June 17, 2020

Recommendation

Receive information report from staff on proposed enrollment of customers within the new member communities of Pleasanton, Newark, and Tracy during the month of April 2021.

Background and Discussion

The cities of Pleasanton, Newark, and Tracy passed resolutions to join the East Bay Community Energy Joint Powers Authority during the Fall of 2019. The Board approved these jurisdictions for membership in the JPA and expansion of our service territory at the November 20, 2019 regular meeting. Staff prepared and submitted an addendum to the Implementation Plan to include new communities to the California Public Utilities Commission on December 20, 2019 and received approval through a certification letter from the CPUC on March 9, 2020. New board members were sworn in during the regular meeting on April 22, 2020.

The certification letter from the CPUC allows enrollment of customers within the new member jurisdictions beginning in 2021. A number of items were taken into account to develop a proposed timeline for enrollment during April 2021. These considerations included:

- Notifications
 - Timing of enrollment notifications
 - Other customer notifications (Joint Rate Mailer, Power Content Label, Time-of-Use transition)
- Time-of-Use rate default transition within Alameda County
 - Commercial: March 2021, Residential: May 2021
- Procurement Costs
 - Seasonal cost of power
 - Cost of resource adequacy
- Customer Experience and Rates
 - Cost to customers/ Seasonal rates

- Timing of first bill
- Assumptions on timing of PG&E rate changes (typically in January)
- EBCE Annual Rate Setting (typically in June)
- Agency Finances
 - Impacts to revenue and expenses
 - Impacts to margin

Based on analysis of these factors, staff recommends enrolling the new communities in April 2021. Customers are typically enrolled according to their individual meter-read dates and PG&E billing cycles. This means electric accounts within the new cities will transfer to EBCE service (unless they opt out) over the course of the month (as opposed to all at once). New customers will then receive their first bill with EBCE charges in May-June. Staff will present a marketing and outreach plan at a future Board meeting.

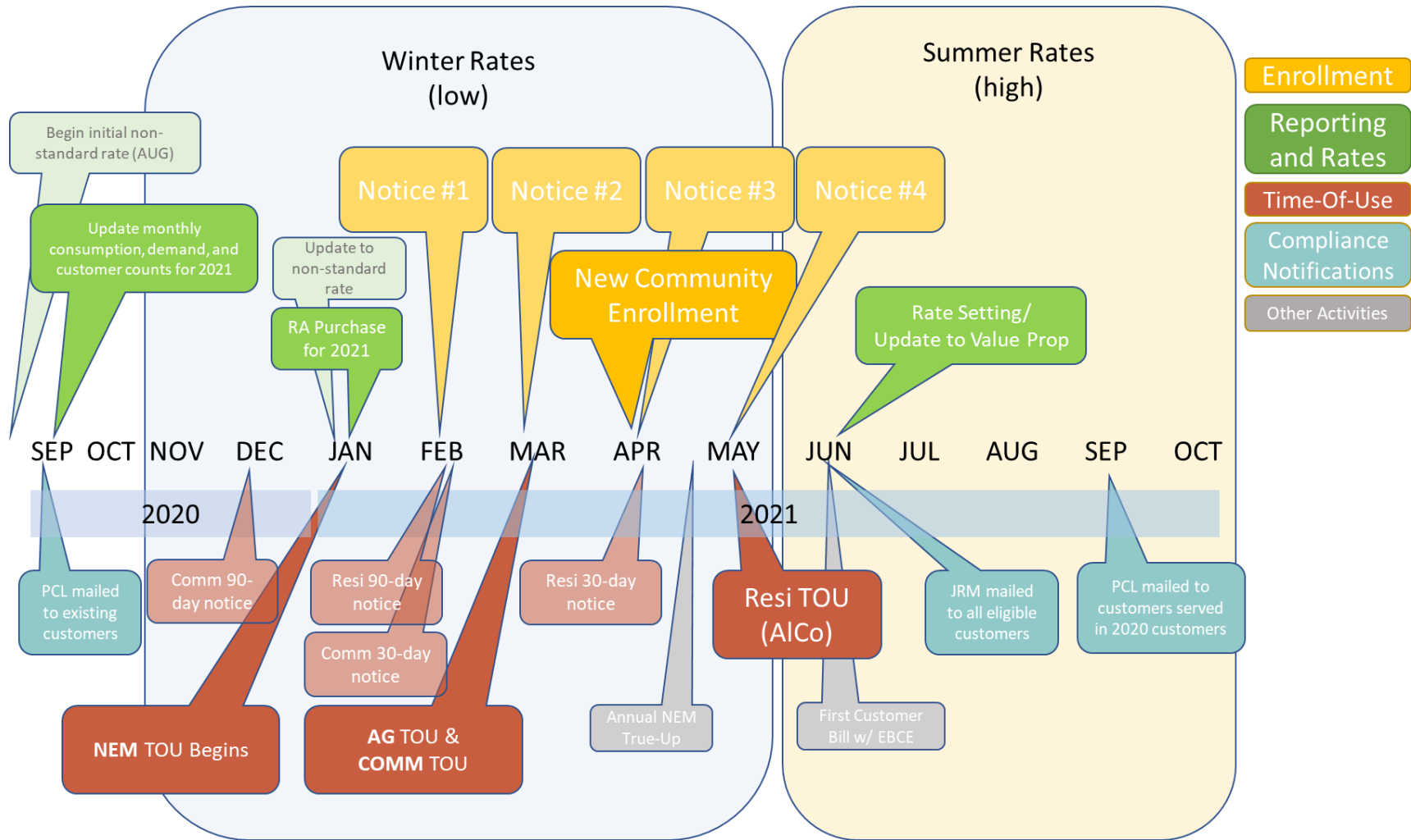
Fiscal Impact

The costs and projected revenue associated with the new communities was included in the budget report to the Board on May 24, 2020, as shown in Attachment B.

Attachments

- A. Timeline for Enrollment
- B. New Community Budget and Fiscal Impact

Attachment A



4. New Communities: Newark, Pleasanton, and Tracy

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

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

