



Board of Directors Meeting

Wednesday, December 6, 2017

6:00 pm

City of Hayward Council Chambers

777 B Street, Hayward, CA

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) 670-5936 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

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.

CONSENT AGENDA

4. Approval of Minutes from November 15, 2017

REGULAR AGENDA

5. CEO Report

6. Update on Marketing and Phase 1/Municipal and Commercial Outreach Strategy (Informational item)

Recommendation:

Receive update and provide feedback on Marketing and Phase 1 outreach strategy.

7. Update on Local Development Business Plan (Informational item)

Receive informational update on Local Development Business Plan.

8. Overview of EBCE Policy Development (Discussion Item)

Recommendation:

Receive policy overview presentation and provide feedback as necessary.

9. Authorization to Submit California Public Utilities Commission Payment (Action Item)

Recommendation:

Authorize the Chief Executive Officer to issue payment to the California Public Utilities Commission (CPUC) in lieu of the performance bond, as mandated by the CPUC for launch of EBCE's CCA program, in the amount of \$100,000.

10. Authorize Execution of Wholesale Energy Services Agreement with Northern California Power Agency (Action Item)

Recommendation:

Adopt a Resolution authorizing the Chief Executive Officer to execute a letter of intent and negotiate a final contract with the Northern California Power Agency (NCPA) for Wholesale Energy Services for a term of two years that includes a one year option for extension that EBCE has sole discretion to exercise. Among the key terms to be included in this contract is a competitive annual base price. Additionally, the Chief Executive Officer, Chief Operating Officer and Director of Power Resources will work with NCPA to develop a set of task orders within the base proposal cost, to support EBCE's set up of its procurement desk in three core areas:

- **Task 1: Schedule Coordination Services.** NCPA working with EBCE will set up schedule coordination services for EBCE which will include all necessary CAISO and CPUC registrations to enable EBCE to procure all necessary power and renewable energy products.
- **Task 2: Portfolio & Risk Management Policies.** NCPA will work with EBCE in parallel to develop short-, mid- and long-term portfolio management strategies in accordance to defined risk management policies and regulations. After an EBCE Energy Procurement Strategy and EBCE Risk Policy manual is developed, NCPA and EBCE will present to the board for final review.
- **Task 3: Enabling Agreements.** NCPA will support EBCE in executing enabling agreements (EIs) with creditworthy energy suppliers to procure all necessary power resources.

11. Board Member and Staff Announcements

12. Adjournment – to Wednesday, January 17, 2017



Board of Directors Meeting

Wednesday, November 15, 2017

6:00 pm

City of Hayward Council Chambers

777 B Street, Hayward, CA

DRAFT

Summary Action Minutes

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1. Welcome & Roll Call

Present: Hahn (Berkeley), Rood (Piedmont), Pilch (Albany), Martinez (Emeryville), Thomas (San Leandro), Mendall (Hayward), Biddle (Dublin) Spedowski (Livermore); Eldred (Community Advisory Committee), and Chair Haggerty (Alameda County)

Excused: Directors: Bacon (Fremont), Ellis (Union City) and Vice-Chair Kalb (Oakland)

2. Pledge of Allegiance

3. Public Comment

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Jessica Tovar –Spoke regarding East Bay Clean Power Alliance (EBCPA) feedback on EBCE marketing focus group materials, requested that EBPCA be able to provide input on future proposals and job descriptions. Ms. Tovar also spoke regarding different funding options and reminded the Board of EBCPA 10th anniversary celebration on Thursday, 11/17/17.

CONSENT AGENDA

4. Approval of Minutes from November 1, 2017

Director Biddle motioned to approve the November 1, 2017 Minutes. Director Mendall seconded the motion which carried 7/0; Excused: Directors: Ellis, Hahn, Martinez, Pilch and Kalb

REGULAR AGENDA

5. CDA Staff Recognition - Bruce Jensen, Senior Planner, Community Development Agency Presented

Members of the public thanked Bruce for his work and efforts.

6. CEO Report

The CEO summarized the report and requested Director input regarding EBCE's intention to apply for a California Energy Commission grant for up to \$10 million.

7. Authorization to Negotiate Terms and Contracts with River City Bank and Barclays Bank PLC for EBCE Banking and Credit Services Recommendation:

Authorize the Chief Executive Officer to execute a letter of intent and enter into negotiations for final contracts with River City Bank for banking and deposit services which shall have no minimum term and with Barclays Bank PLC for a revolving line of credit of 2 - 3 years with option to extend up to five years at additional cost. If mutually agreeable terms cannot be met with these counterparties, EBCE will seek additional direction from the Board.

Director Biddle motioned to approve staff recommendation. Director Rood seconded the motion which carried 9/0 Excused: Directors: Bacon, Ellis and Kalb

8. Update on Local Development Business Plan Presented

Kevin White – Spoke regarding his company SunWalker and the need to have a power purchase agreement with EBCE in place prior to June 2018.

Victor Uno – Spoke regarding the workforce development components of the LDBP, importance of local power purchase agreements and in support of Sunwalker

Al Weinrub - Spoke in favor of local projects and in support of completing the LDBP as soon as possible.

9. Board Member and Staff Announcements

There were no Board Member or Staff announcements.

10. Adjourned



Staff Report Item 5

TO: East Bay Community Energy Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: CEO Report - Informational Item

DATE: December 6, 2017

Staff Recommendation

Accept CEO report on update items below.

Discussion & Analysis

A. **EBCE Office Space**

On December 1, 2018, EBCE moved into its temporary office space at 1111 Broadway, in Oakland.

B. **Staffing Update**

We are pleased to announce one new staff member, Melissa Brandt, Director of Regulatory Affairs. Melissa joins EBCE from PG&E, where Melissa previously worked for ten years in regulatory affairs and long-term energy procurement. Melissa holds a J.D. from Columbia Law School and an M.A. from Harvard's Kennedy School of Government.

D. **Local Development**

Supporting the development of one or more Alameda County renewable energy projects in 2018 remains a high-priority for EBCE staff. Over the last several months, our focus has been on organizational development to support our launch, but we clearly understand the imperative to pursue one or more projects in 2018 to demonstrate EBCE's commitment to local development. In December, we will receive a thorough analysis of EBCE's expected 2018 and beyond energy costs as compared to PG&E's forecast rates. This is of critical importance because it will give us a much clearer sense of the cost implications of procuring local renewables that have higher price points - as a frame of reference, new large-scale solar built in Southern California sells for under

\$35/MWh while large scale projects in Alameda County have quoted prices 1.5x to 2x, with small projects even more expensive. With our selection of a WES, in December we will also begin to formalize a risk policy document for review with the Board and power procurement strategy to go out to market to further enhance our views on energy costs.

With this analysis in hand, the recommendation is for EBCE to consider commence a narrow procurement of Alameda county renewables sometime in January with the goal to identify and then contract with one or more Alameda County projects that meet criteria such as the following:

- 1) Project to come on-line in 2018 to first half 2019. Note: We'll want to see the cost implication of the timing.
- 2) Meet workforce development standards similar to those outlined in the draft of Task 4 in the Local Development Business Plan (http://ebce.org/wp-content/uploads/Task-4-EBCE-Workforce-Policy_with-appendices_DRAFT.pdf)
- 3) Have no meaningful cost impact on EBCE's default rate (as measured by EBCE's wholesale energy services provider and E3 (energy consultant) in the context of EBCE's expected 2018, 2019 and 2020 energy portfolios)

Prior to starting any procurement, we would benefit greatly from Board feedback on prioritization of where these projects might be located, specific selection criteria for projects (labor requirements, pricing, on-line dates etc.) and preferences for selection process (competitive procurement or bilateral negotiations).

E. **Legislative Engagement**

EBCE received 8 response to its RFP for legislative advocacy and strategy support. EBCE staff met with all 8 respondents. Vice-Chair Kalb is currently meeting with a shortlist of candidates. The intention is to make a final selection prior to January 1, 2018 so that EBCE has full engagement capabilities going into the 2018 legislative session.

H. **Workflow Priorities**

With EBCE starting to staff up, there are many priorities to accomplish to stay on track with the target launch in June. Below is a short summary of the various workflows in progress. The team is actively collaborating to ensure proper alignment of schedule and deliverables. December will be a critical month for each of our core functions to complete detailed project plans and we anticipate presenting these to the Board in January.

- **Data & Billing Management:** Actively negotiating master service agreement (MSA) and task order contracts with SMUD; Completed initial kick-off with PG&E relations team; Setting up EDI transfer protocols with SMUD and PG&E.
- **Banking and Credit services:** Barclays is seeking formal credit approval from their risk committee and we will begin document negotiations in early December; Reviewing lock box structure and documentation with River City Bank; Continuing review and refinement of EBCE proforma of forecasted revenue, expenses, and cash flow.
- **Wholesale Energy Services:** Completed multiple rounds of interviews and follow-up questions with the various providers and have reached a consensus on awarding these

services; Drafting risk policy document, which will require Board review; Developing a formal procurement strategy to ensure EBCE efficiently goes out to market for such a large scale of procurement; Initiated discussions with outside counsel to get EEI enabling agreements in place by end of January.

- **Marketing Campaign:** Finalizing marketing toolkit with CirclePoint; creating customer outreach plan and reviewing top C&I customer accounts; Finalizing branding materials and scheduling presentations throughout Q1 2018.
- **HR/Org:** Initiating 401A program; Selecting medical benefits plan to roll out in early 2018; Assessing HR platforms to deploy in early 2018; Assessing IT vendors for services; Assessing accounting vendors for services.
- **Hiring:** Interviewing candidates for C&I Account Manager role, Director of Technology & Analytics, and Director of Government & Community Affairs.
- **Additional Project Review:** Continuing review of Local Development Business Plan and public comments; Coordinating with PG&E on potential Oakland-based project solicitations; Drafting RFP criteria for local project solicitation.

I. Contracts Entered Into

At EBCE's August 3rd, 2017 Board meeting, the CEO was given delegated authority to enter into contracts up to \$100,000 without prior Board of Directors authorization. At this meeting, the Board of Directors additionally requested that the CEO report monthly updates on any contracts that were entered into under this authority at the next Board meeting.

Review of EBCE Contracts entered into since October/November 2017:

1. No New Contracts

Attachment(s):

B 1. Resume for Melissa Brandt

Melissa N. Brandt

People leader, business process manager, strategic analyst, relationship builder, regulatory expert, negotiator

EXPERIENCE:

PACIFIC GAS AND ELECTRIC CO.

San Francisco, CA

Regulatory Affairs Manager, Principal Case Manager

May 2013 – present

Leadership

Oversee team of direct and matrix reports managing complex regulatory proceedings focused on customer programs – energy efficiency, demand response, electric vehicles, and distributed generation – and rate design proceedings addressing residential rate changes, time-of-use period implementation, and revenue allocation. Focused team culture on process simplification, stakeholder engagement, and facilitation of strategy, resulting in improved effectiveness and higher client satisfaction.

Policy, Strategy, and Engagement

Liaise with regulatory staff and represent the company in regulatory proceedings. Advise officers and business directors on broader public policy and stakeholder implications of proposed business plans. Develop regulatory strategies that meet both business and policy goals, conduct outreach with regulators and other external stakeholders, and align senior management with case objectives for complex and high-visibility, high-impact electric, gas, and customer programs cases. Led development of a new case strategy process that increases internal alignment and identifies strategic risks early in a proceeding, to facilitate decision-making and encourage more intentional engagement.

Delivery

Negotiated regulatory successes have included a unique utility acquisition and settlements in the millions of dollars, including bridging a nearly \$100 million opening position gap through negotiations.

Planning, Compliance, and Innovation

Contributed to utility's strategic planning process, including aligning resources with risks and identifying ways to improve departmental efficiencies. Applied Lean Six Sigma Workout tools to identify key risks for case management including root causes, and led a cross-functional team to develop new regulatory case management processes to mitigate high-priority risks.

Energy Procurement Principal, Senior Structured Transactions Analyst

Jun. 2010 – May 2013

Structured Transactions

Led commercial negotiations for long-term electricity purchases. Investigated, negotiated, and resolved procurement issues such as operational constraints, analyzed counterparty financial pro-forma models, researched emerging regulatory issues, and assisted in regulatory filings. Presented proposed deal terms at Procurement Review Group meetings. Trained PG&E staff on negotiation strategy and tactics.

Greenhouse Gas Markets

Led a cross-functional team to launch PG&E's foray into the greenhouse gas (GHG) cap-and-trade compliance market. Successfully negotiated GHG contract amendments, led development and implementation of commercial strategy. Led efforts to obtain authority to transact in a cap-and-trade market, including securing internal and regulatory approvals to procure products necessary to meet PG&E's GHG compliance requirements.

Environmental Policy Senior Climate Policy Analyst

Nov. 2007 – Jun. 2010

Carbon Offset Contracts

Led Requests for Proposals and new contract negotiations for procurement of carbon offsets in support of PG&E's voluntary ClimateSmart program; managed existing contracts. Finalized deals for the

program's first livestock project and for the largest purchase of Climate Action Reserve forest project offsets in the state of California. Worked closely with external partners and customers, including delivering presentations to carbon market participants and stakeholders, to ensure that the program maintained a high level of environmental credibility.

UNITED STATES FEDERAL GOVERNMENT

Washington, DC

Executive Office of the President, Office of Management and Budget

Program Examiner

Sept. 2006 – Sept. 2007

- Oversaw the formulation and execution of the budget for \$2B in climate change science, weather, and satellite programs and the National Institute of Standards and Technology. Advised interagency groups on budget priorities.
- Performed agency program performance reviews and policy analyses.
- Briefed the White House's National Economic Council on policy issues. Reviewed agency legislative proposals, testimony, and reports to Congress.

U.S. Department of the Interior, Bureau of Land Management

Dispute Resolution Specialist – Presidential Management Fellow

Sept. 2004 – Sept. 2006

- Developed cost effectiveness and cost benefit analyses for the Alternative Dispute Resolution (ADR) and Conflict Prevention program.
- Designed a "how-to" field guide for managers detailing a spectrum of ADR and conflict prevention strategies to be used by the BLM, including guidance on how to choose a particular strategy to meet a specific goal.
- Drafted and published Federal Advisory Committee Act national policy guidance for field offices.

U.S. Department of State, Bureau of Oceans & International Environmental & Scientific Affairs

Presidential Management Fellow –rotation

Oct. 2005 – Apr. 2006

- Member of U.S. Delegation to the April 2006 meeting of the United Nation's Advisory Body of Experts on the Law of the Sea; drafted U.S. comments and engaged foreign delegations to identify their interests.
- Analyzed the interpretation of marine genetic resources in the UN Convention on the Law of the Sea; analyzed CA's proposed marine auxiliary diesel vessel regulations in light of Federal interests.

CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, Intern

Washington, DC, Summer 2003

BINGHAM MCCUTCHEM LLP, Summer Associate

San Francisco, CA, Summer 2002

CALIFORNIA DEPARTMENT OF JUSTICE, Summer Honors Intern

Oakland, CA, Summer 2001

EDUCATION:

Columbia University School of Law, New York, NY

Juris Doctor, May 2004; admitted to the State Bar of California, December 2004

Harvard University John F. Kennedy School of Government, Cambridge, MA

Master in Public Administration, June 2004

University of California at Berkeley, Berkeley, CA

Bachelor of Arts in Environmental Sciences with Honors, May 2000

PROFESSIONAL AWARDS/HONORS/LEADERSHIP/VOLUNTEER:

Women's Executive Leadership Program at UC Berkeley's Center for Executive Education – 12/2016

PG&E Reward & Recognition – 12/2016, 12/2015, 8/2014, 11/2013, 12/2012, 12/2011, 11/2011, 9/2011

Girl Scouts Volunteer – 2016-2017

Destination Imagination teacher, educating first-graders in STEM principles – 2015-2016

Co-Chair, Center for International Environmental Law Alumni Board – 2007-2010



Staff Report Item 6

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, Vice President of Marketing and Account Services

SUBJECT: **Update on Marketing and Phase 1/Municipal and Commercial Outreach Strategy**

DATE: December 6, 2017

Recommendation

Receive update and provide feedback on Marketing and Phase 1 outreach strategy.

Background

In April 2017, the EBCE Board of Directors approved a service contract with Circlepoint Inc. for marketing and communications services to support EBCE in the following key areas:

- Development of EBCE's initial communications plan -- goals, strategies, timeline and metrics
- Development and support for Phase 1/commercial outreach strategy
- Brand identification and style guidelines including sub-brand logos and core messaging
- Website redesign and expansion including translation in 5 languages
- Collateral development including brochures, banners, business toolkit, and animated video
- Scheduling and participation in various outreach activities and speaking engagements
- Development of a public marketing campaign using a combination of paid and earned, digital and print media
- Design and support of customer notification and enrollment process, including call center scripting and preparation
- On-going strategy and coordination meetings with EBCE staff, Board presentations, and reports

Since that time, Circlepoint, working with EBCE's CEO and the new Vice President of Marketing and Account Services, has completed several tasks focused on development of the overall communications and business outreach plans, core messaging, website redesign, product branding and ad campaign concepts, and development of the Phase 1 outreach strategy and business toolkit. To inform these efforts, Circlepoint has drawn on EBCE's existing collateral and branding; its previous experience in the CCA field; and it also hosted a series of meetings and focus group that included EBCE staff, members of the CAC and members of the EBCE Board of Directors.

Current Focus and Next Steps

Our focus now is preparing for Phase 1 customer engagement, which will focus on municipal and commercial accounts in our service territory. This includes identification of and meetings with our large load customers, informational presentations before city councils and myriad local business organizations, and a targeted advertising campaign focused on business customers. This will consume a large portion of our efforts through the first quarter of 2018 and will be followed by customer notifications beginning in early April in preparation for launch of service in June 2018.

While outreach efforts in the first several months of 2018 will target municipal and commercial customers, EBCE and Circlepoint will also be developing the broader community/residential outreach strategy and ad campaign. Components of this effort will include public presentations, tabling at local events, sponsorship of high-visibility organizations and events, and a robust paid and earned media plan. The broader public campaign will kick off in late Spring anticipating a Fall 2018 enrollment of EBCE's Phase 2/residential customers.

Rae Quigley, Communications Director at Circlepoint, will be on-hand to provide a detailed update on recent marketing activities, outline future plans, and address Board member questions.

EBCE Board Participation

There are several ways that Board members and their jurisdictions can support EBCE's outreach efforts. These include serving as a communications channel to your residents and businesses, including EBCE content on your city website and newsletters, drafting op-eds, help promote public workshops and events, and provide in-kind advertising opportunities where possible.

EBCE is committed to implementing a robust public awareness campaign and we appreciate the support and ideas of Board members, members of the CAC, and the public in helping us get the word out with accuracy and timeliness.

Attachment

- A. Marketing and Phase 1 Outreach Slide Presentation



Communications Update

December 2017

Communications Update



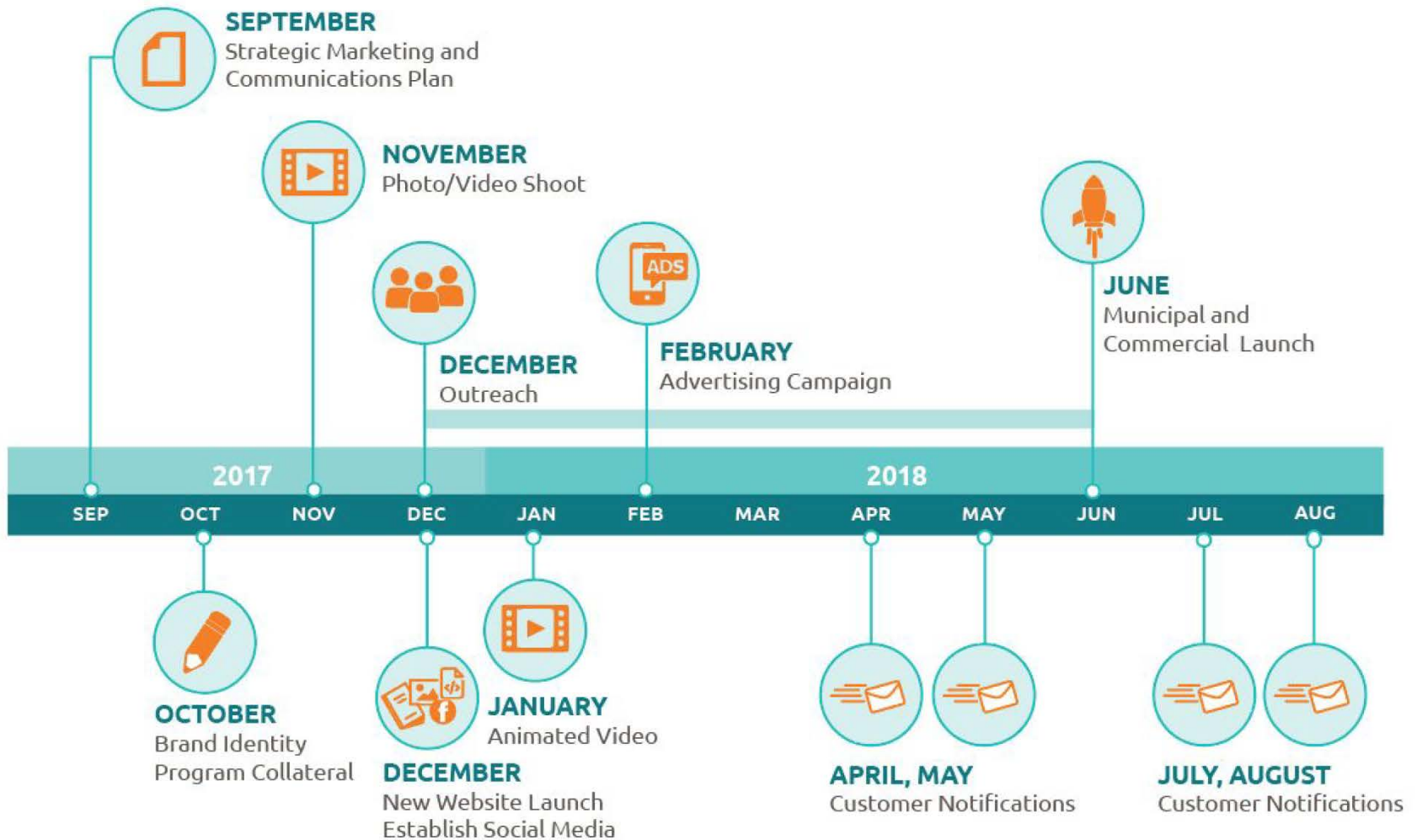
Completed Activities

- Communications & Outreach Plan
- Branding Guidelines
- Draft messaging framework and product branding
- Website content and design enhancements
- Advertising campaign concept development

Current Activities

- Website and collateral development
- Media planning
- Outreach
- Customer notification planning

Communications Update



Product Branding



Ad Campaign Concepts



**Cleaner energy.
Lower cost.**

EBCE is brilliant for business.

FIND OUT MORE AT ebce.org

**Green your business.
Support local jobs.**

EBCE is brilliant for business.

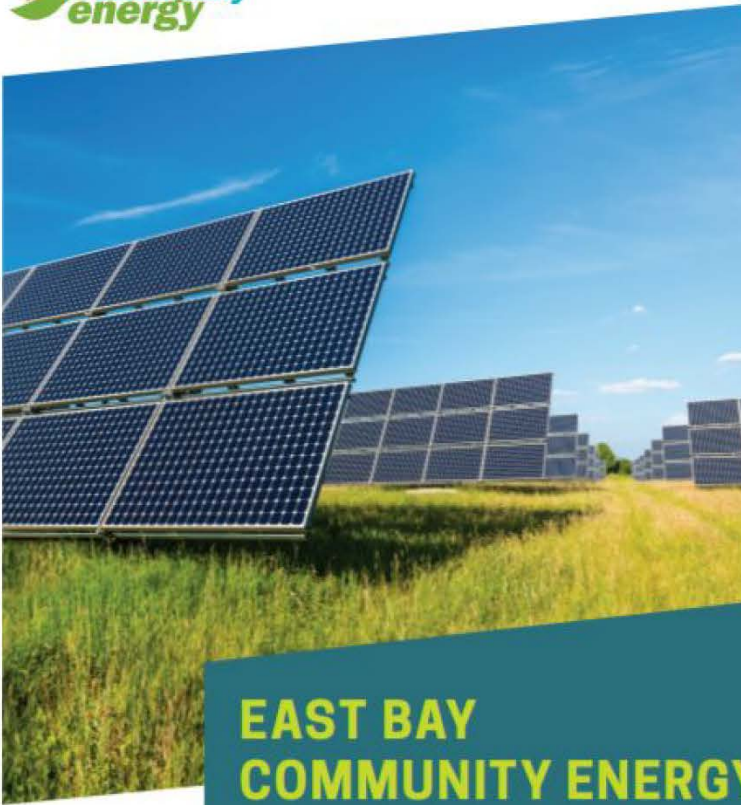
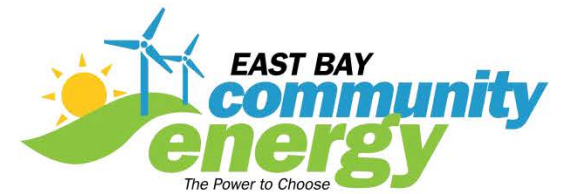
FIND OUT MORE AT ebce.org

**Save money.
Help the environment.**

EBCE is brilliant for business.

FIND OUT MORE AT ebce.org

Business Toolkit



EAST BAY COMMUNITY ENERGY BUSINESS TOOLKIT



East Bay Community Energy (EBCE) is Alameda County's community-governed provider of cleaner, greener electricity at lower rates. As a locally-controlled non-profit public agency, EBCE is accountable to customers, not shareholders. EBCE reinvests earnings into the community to create local green energy jobs, projects and programs.

At EBCE, we understand the importance of Alameda County's thriving business community to our economy, local policy decisions, and way of life. It's our goal to ensure that businesses and decision-makers are well informed about all aspects of East Bay Community Energy and how this change benefits your business. With the support of business leaders like you, EBCE is working to make Alameda County a better place for businesses to thrive.

WHAT'S INSIDE

We encourage you to use this guide to see why East Bay Community Energy is the smart and sustainable choice for your business.

- | | |
|---|-------------------------------|
| 01 General East Bay Community Energy Information | 06 Energy Options |
| 02 How We'll Do It | 07 Cost And Rates |
| 03 East Bay Community Energy Benefits | 08 FAQ |
| 04 Enrollment Information | 09 Contact Information |
| 05 Key Dates | 10 Resources |

Commercial Outreach Strategy



Collateral Development

- Business Toolkit
- Interactive Rate Calculator
- Window Cling and Web Badges

Stakeholder Group Engagement

- In-person Presentations
- Materials Distribution
- Lunchtime Webinar and Breakfast Forums

Key Account Outreach

Media Plan (Draft)



Media Type

Channels

Social

- Facebook
- Twitter
- LinkedIn

Digital

- Mobile Banners
- Pre-roll Video
- Display & Retargeting
- Site wraps

Print

- Business Journals
- Local/community print

Other

- Chamber Sponsorships

How you can help



Partner Toolkit

- Collateral
- Social media posts and graphics
- Website blurb/graphic
- E-blast content
- Video

Local newsletters

Op-eds

In-kind Advertising

Support with local presentations



Thank You



Staff Report Item 7

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Update on Local Development Business Plan
DATE: December 6, 2017

Recommendation

Receive informational update on Local Development Business Plan.

Discussion

EBCE's LDBP team held two sets of webinars to introduce five draft chapters of the Local Development Business Plan that were issued for public comment on November 3rd, 2017. The webinars took place on **Thursday, November 30th from 1:00 – 3:00 pm** (Solar Siting Survey, Wind Siting Survey, Task 1 LCOE, Feed-in Tariff, and Agency as Developer) and **Monday, December 4th from 1:00 – 1:30 pm** (Workforce Development Policy).

In light of the timing of these webinars and in an effort to ensure that anyone seeking to submit public comment can do so after having participated/reviewed the webinars proceedings, **EBCE will extend the comment period for these documents from Sunday, 12/3/17 to Friday, 12/8/17 at 5:00 pm.**

The LDBP team will have another set of documents ready for public review and comment in early January 2018.



Staff Report Item 8

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: **Overview of EBCE Policy Development**
DATE: December 6, 2017

Recommendation

Receive policy overview presentation and provide feedback as necessary.

Background & Discussion

There are a number of Agency policies that will come before the EBCE Board throughout the first and second quarters of 2018. This report and attached policy matrix is intended to provide a summary preview of the various policies that EBCE may wish to consider as it moves toward service delivery and operations in June 2018. The policies summarized in the matrix are drawn from several operational CCAs including Sonoma Clean Power, Clean Power SF, MCE and Peninsula Clean Energy. While not required by law, these examples provide helpful insight and can serve as best practices for further discussion by the CAC, Executive Committee and, ultimately the Board of Directors.

It should be noted that the policies included in the attached matrix do not include employment and human resource policies nor a comprehensive set of Energy Risk Management policies. These policy packages will be developed in cooperation with EBCE's human resource and wholesale energy services vendors. Additional policies not included in the matrix or yet contemplated may be considered as requested or warranted to support Agency operations.

Policy Framework:

Like other operational CCAs it is anticipated that EBCE's policies will fall into the following topical categories:

1. Administrative and Operational

- Including Agency procurement processes, HR/employment, workforce and general administrative policies

2. Customer Related Policies

- Including customer privacy and program terms and conditions

3. Financial/Fiduciary

- Including revenue surplus, reserve, auditing and debt policies

4. Power Supply/Procurement

- Including guidelines for power content and energy contract authorization

5. Energy Risk Management

- Including reserves, procurement and risk mitigation policies developed as part of contract with WES provider

Timing and Next Steps:

Policies will be developed by EBCE's management team with input from the CAC and vetted through the Executive Committee throughout the first six months of 2018. It is anticipated that policies will be brought to the Board in batches starting with employment policies, customer related policies, power content and energy risk management policies. The attached matrix includes some indicative timing for various policies starting with those that are time sensitive or mission critical to initial program startup. Others will be layered in as required to support Agency operations and elements of its CCA program.

Attachment:

- A. Summary CCA Policy Matrix

CCA Policy Matrix

Recommendations for EBCE Consideration

Notes:

1. Policies listed below are drawn from MCE, Sonoma Clean Power, Peninsula Clean Energy, and Clean Power SF; current as of November 2017.
2. This list does not include Employment and HR-related policies or Energy Risk Management policies, which will be developed in concert with HR consultants and wholesale energy services provider.
3. These policies are intended to guide Agency operations and procedures, rather than set future or aspirational goals.
4. EBCE may wish to consider other policies not included here as its program develops and operational needs warrant.

POLICY TITLE	DESCRIPTION	TIMING	NOTES
ADMINISTRATIVE/OPERATIONS			
1. Board Member Conflict of Interest	Standard C of I policy for seated Board members	Completed; amendments forthcoming in January	This policy will be amended to include management staff and CAC members
2. CEO Spending Authority	Outlines spending cap authorized by CEO without prior Board or committee approvals.	Completed	CEO has \$100,000 spending authority; required to report out at next Board meeting
3. Delegation of Authority to CEO for Regulatory and Legislative Matters	Authorizes CEO to respond to requests for regulatory and legislative action that directly impact EBCE and its operations	January 2018	Draft policy similar to Peninsula Clean Energy
4. Prohibition Against Dissemination of Untrue or Misleading Information	Prohibits EBCE-related dissemination of rates or terms and conditions of service that are untrue or misleading.	January 2018	
5. Agency Procurement Practices	Describes procurement/vendor contracting guidelines including but not limited to: issuance of RFPs and bid evaluation, local hire preferences, union and woman owned business preferences, signing authorities, etc.	Q1 2018	
6. Program Performance Reporting	Requires annual report to the Board on the following metrics: renewable/carbon free energy, local energy production and other environmental benefits, rate savings, economic and social benefits, financial metrics (reserves and debt coverage ratio)	Q2 2018	
7. Records Retention	The length of time records of various types will be retained and/or discarded.	Q1 2018	Usually 2 years; check other CCA examples

8. Information Technology Security	Policies and standards developed by IT security team to manage regulatory compliance, staff training, customer satisfaction and minimize legal and criminal risk related to data and information.	Q1 2018	Include data security breach protocols
9. Social Media	Describes purpose of using these channels and defines rights/reasons for comment or post removals.	Q2 2018	
10. New Members/Program Expansion	Considerations when exploring program expansion to areas outside original/Alameda County service area.	TBD	If needed; may be adequately covered in JPA Agreement
11. Process for Amending/Adopting Policies and JPA Agreement	Procedures to review new or amend policies and JPA Amendments.	Q1 2018	
CUSTOMER RELATED			
12. Customer Confidentiality	Personal information of customers will not be shared unless necessary to conduct specific EBCE business.	January 2018	Recommend SCP's updated language
13. Terms and Conditions of Service 14. Terms and Conditions of Service for Early Adopters	Publicly posted customer service policy that provides information on rates, billing, enrollment process, opting out, opting in and failure to pay.	Q1 2018	This is needed prior to first mailing and must be posted on website; early adopter policy may be separate or included in overall T&Cs
15. Delinquent Accounts and Collections	Procedure for handling customer accounts that are overdue.	Q1 2018	Consider blending with or cross-referencing Bad Debt Policy (see financial policies)
FINANCIAL POLICIES			
16. Rate Setting Procedures	Describes rate setting principals, goals and general process	TBD	May be adequately covered in the Imp Plan
17. Bad Debt	A set percentage revenue reserve to cover bad debt; usually reviewed annually.	Q1 or Q2	
18. Surplus Income, Operating Reserve, Debt and Programs	Budgeting policy to allow for long-term financial stability, debt reduction and/or new programs and projects.	Q 1 or Q2	May be stand-alone policy and/or integrated into energy risk management policies to be co-developed with WES provider
19. Accounts Receivable Reserves	Estimation procedure for reporting accounts receivables, net assets and earnings using historical data.	TBD	Could be part of overall financial procedure and/or reserve policy

POWER SUPPLY / ENERGY RISK MANAGEMENT			
20. Power Content Guidelines	Provides description of renewable and carbon free content targets as well as types of power that may or may not be procured by EBCE	January 2018	Cross reference Implementation Plan and JPA recitals
21. Supply Management Policy	Provides general overview of EBCE procurement approach, criteria and practices including signing authorities	Q1 2018	Partially covered in I-Plan. Will also be covered in energy risk management policies co-developed with WES provider
22. Risk Management Policies/ Procedures and Controls for Transactions in CAISO Markets	Processes to regularly monitor, report and manage risk such as credit, liquidity and market risk. Outlines participation in CAISO markets and monitoring transactions.	Q1 2018	Very important; each CCA handles this a bit differently, either as a bundled policy or set of policies; To discuss with WES provider



Staff Report Item 9

TO: East Bay Community Energy Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: Authorization to Submit CPUC Payment

DATE: December 6, 2017

Recommendation

Authorize the Chief Executive Officer to issue payment to the California Public Utilities Commission (CPUC) in lieu of the performance bond, as mandated by the CPUC for launch of EBCE's CCA program, in the amount of \$100,000.

Background & Discussion

In order to become a registered retail electricity provider under the CCA model, EBCE is required to complete three steps:

1. Receive CPUC certification for its Implementation Plan
2. Enter into a service agreement with PG&E
3. Deposit a \$100,000 check or post a bond with the CPUC

The Board authorized the PG&E Service Agreement at its meeting on October 18, 2017 and EBCE's Implementation Plan was certified by the CPUC on November 8, 2017. The next step is to post a performance bond or submit \$100,000 in lieu payment to the CA Public Utilities Commission pursuant to CPUC Resolution E-4133. This funding acts as a form of insurance and stays in place for the life of the CCA program to cover such costs as potential re-entry fees (return of service to PG&E), penalties for failing to meet operation deadlines, or errors in forecasting.

The \$100,000 payment must be in place before customer notifications are sent. EBCE anticipates that this payment will be processed no later than February, 2018.



Staff Report Item 10

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: **Authorize Execution of Wholesale Energy Services Agreement with Northern California Power Agency**
DATE: December 6, 2017

Recommendation

Adopt a Resolution authorizing the Chief Executive Officer to execute a letter of intent and negotiate a final contract with the Northern California Power Agency (NCPA) for Wholesale Energy Services for a term of two years that includes a one year option for extension that EBCE has sole discretion to exercise. Among the key terms to be included in this contract is a base price of \$640,000. Additionally, the Chief Executive Officer, Chief Operating Officer and Director of Power Resources will work with NCPA to develop a set of task orders within the base proposal cost, to support EBCE's set up of its procurement desk in three core areas:

Task 1: Schedule Coordination Services. NCPA working with EBCE will set up schedule coordination services for EBCE which will include all necessary CAISO and CPUC registrations to enable EBCE to procure all necessary power and renewable energy products.

Task 2: Portfolio & Risk Management Policies. NCPA will work with EBCE in parallel to develop short-, mid- and long-term portfolio management strategies in accordance to defined risk management policies and regulations. After an EBCE Energy Procurement Strategy and EBCE Risk Policy manual is developed, NCPA and EBCE will present to the board for final review.

Task 3: Enabling Agreements. NCPA will support EBCE in executing enabling agreements (EIs) with credit-worthy energy suppliers to procure all necessary power resources.

Background and Discussion

On October 19th 2017, EBCE issued an RFP for Wholesale Energy Services and received five complete responses from: 1) Direct Energy, 2) Tenaska Power Services, 3) Northern California Power Agency, 4) Sacramento Municipal Utility District, and 5) The Energy Authority. EBCE staff convened an interview panel made up of three EBCE staff (CEO, COO and the Director of Power Resources), Megan O’Neill from the Community Advisory Committee, and Samuel Golding, a consultant to EBCE.

The first-round interviews and candidate presentations took place in EBCE’s Hayward office on November 6th and 7th. After the first round was completed, all five candidates were asked to answer in writing a series of follow up questions (Attachment A) to gather more information on the specifics of their service offerings. After reviewing the RFP responses, the interview responses and the written responses, the interview panel convened and filled out a detailed matrix comparing each of the applicants based on a series of criteria which are outlined in the table below.

Table 1 - WES Review Matrix (items in bold were priority criteria)

Broader DER capabilities
Approach to portfolio design - PCIA/hedging
Ability to Meet Timeline & Understanding of CCA implementation risk/ process
Supplier relationships
CRR
Load forecasting 2016 error
Direct Access / C&I customer experience
Organizational Capacity/resource bandwidth
Technology platform
Data translation/ Reports
Culture/ Mission/ Strategic Alignment
-CCA Staff Training Resources
-Transparency/ Willingness to Collaborate
-Transition of Responsibilities
Cost Competitiveness / Scope
Credit Offering

NCPA and TEA were found to be the strongest on these key criteria and the review team decided to proceed with second round interviews with them both.

On Monday November 19th, EBCE staff, Megan O’Neill, and Samuel Golding convened for their final interview for the two shortlist candidates. EBCE staff, Megan O’Neill and Samuel Golding asked seven additional questions (Attachment B) focused on both vendors scheduling coordination and energy portfolio management capabilities. After the interview was complete, EBCE Staff and Nick Chaset conducted six reference checks for NCPA and TEA with the interim general manager for Valley Clean Energy Authority (CCA serving City of Davis and Yolo County) Mitch Sears, John Roukema, the Director of Power Services at City of Santa Clara, Nathanael Miskis, the Director of Power Resources at BART, Mark Byron, the Director of Power Supply at University of California, Matthew Marshall, General manager at Redwood Coast Energy Authority (CCA serving Humboldt County), Tom Habashi, CEO of Monterey Bay Clean Energy (CCA). All reference checks indicated a very high level of satisfaction with both NCPA’s and TEA’s work in wholesale energy services.

To make the final recommendation to the Board, EBCE staff, Megan O’Neil and Samuel Golding held a series of calls to discuss the two counterparties’ bids, presentations and interview responses. This second round of evaluation focused on the core criteria outlined in Table 1 and well as a consideration of experience supporting local development and distributed resources.

Table 2 - Second Round Review Criteria

Overall Portfolio Management Approach/Capabilities	NCPA/TEA equally strong
Strength of Relationships with Energy Suppliers	NCPA slightly stronger due to long experience buying energy in CA
Organizational Capacity (ability to support all EBCE’s needs, including mid-2018 launch)	NCPA slightly stronger due, among other factors, to fact that entire NCPA team is based in Northern CA
Culture/Mission/Alignment	NCPA/TEA equally strong
Cost Competitiveness	NCPA lower cost
Local Development/Distributed Resources	no clear difference, though NCPA has more experience supporting

	local resource development for its members
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The group found that both NCPA and TEA would be highly capable partners able to meet EBCE’s needs and support EBCE from launch through operations. NCPA was found to be slightly stronger than TEA in a couple of areas, including cost and organizational capacity. In addition to NCPA’s technical capacity, cost advantages and organizational alignment with EBCE, the fact that NCPA has three members based in Alameda County - Bay Area Rapid Transit, The Port of Oakland and the City of Alameda - and two more in the Bay Area - City of Palo Alto and City of Santa Clara - was deemed to be a differentiating factor. Though EBCE has not fully scoped out opportunities for collaboration with these NCPA members, EBCE does see the potential to leverage the NCPA relationship with pursue activities like coordinated local development and technical knowledge sharing.

EBCE staff recommends that the EBCE Board select NCPA to provide EBCE wholesale energy services. Staff also recommends that the EBCE Board delegate the final negotiation and execution of a contract with NCPA to EBCE CEO Nick Chaset. EBCE staff recommends that this contract include a clear roadmap to execute the following tasks and ensure a seamless launch of Municipal and C&I accounts in mid-2018.

- **Portfolio Management and Procurement Services**
- **CAISO Scheduling Coordinator Services**
- **Rate Design/Setting and other Energy-Related Advisory Services**
- **Long Term Procurement Planning**
- **Regulatory support**

Attachment(s):

A- First Set of Follow-up Questions

B- Supplemental Questions sent to NCPA and TEA

C- Resolution

Attachment A

First Set of Follow-up Questions

1. Provide a list of software relied upon for load/price forecasting, CTRM, IRP, CRR shadow settlements, and other services (whether licensed or proprietary).
2.
 - How long have you utilized each of these platforms?
 - Are outside experts relied upon for any analytics (as opposed to in-house staff)?
 - How will EBCE access these data sets?
 - What software would be available to demo prior to contracting?
3. Provide a list of your data subscriptions used for market analysis.
4. Provide a list of staff related to trading, load analysis, and portfolio management that pertains to the CAISO market.
5. Business continuity:
6.
 - Provide number of unplanned system outages, and average uptime since inception (if available)
 - Provide # of operation centers
 - Describe your cybersecurity & use of third-party threat assessments. Have you suffered any breach in the last 3 years?
 - Do you commission SOC audits and can you share those results with us?
7. For 2016 within CAISO, please provide the number of unique counterparties you have transacted with, number of transactions by type of product, and total MWh and \$ volume transacted.
8. What is the current number of WECC counterparties you have enabling agreements in place for CAISO based transactions?
9. What are the primary CCA risks you would highlight for pre- and post-launch with June 1 as the target launch date? How are you set up to manage those risks?
10. Please describe your capabilities and experience in managing load migration.
11. Please provide the average of the absolute value of each hourly error to your forecasted load over the last 12 months and full year 2016.
12. As part of our final evaluation process we are asking you to provide a best and final offer as it relates to price.

Attachment B

Supplemental Questions sent to NCPA and TEA

1. We have a very tight window to get to a June 1 launch and timing is a critical risk that we see. We want to be assured that you feel very confident in your ability to hit this date and flag any critical risks that would inhibit that.
2. Please discuss your role and knowledge in assessing PCIA risk and incorporating into your model. While we understand our role is critical in setting those assumptions, we do want a partner that can help inform us. Can you elaborate on your role in PCIA forecasting?
3. We have reiterated the importance of transparency and openness. This is a topic that we'd like to discuss further.
4. Lastly, we are looking for a flexible contract structure in terms of services and duration. As an organization in start-up mode, we would like to structure this with 2 year duration with a 1 year extension at EBCE's discretion.

Attachment C

RESOLUTION EBCE R-2017-

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EAST BAY COMMUNITY ENERGY AUTHORITY
AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO
ENTER INTO NEGOTIATIONS WITH THE NORTHERN
CALIFORNIA POWER AGENCY FOR WHOLESALE
ENERGY SERVICES**

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

Section 1. On October 19, 2017, the East Bay Community Energy (“EBCE”) reissued EBCE Request for Proposals 17-3 (“RFP 17-3”) for Wholesale Energy Services.

Section 2. The EBCE received five proposals in response to its RFP. The five proposals were evaluated by staff and the candidates were interviewed by a panel representing the EBCE. All five candidates were also asked to submit written responses to follow up questions. Final interviews and references checks were then conducted with two shortlist candidates.

Section 3. Based on the proposals, interviews, written responses, and reference checks, the interview panelists and EBCE staff have concluded that the Northern California Power Agency (“NCPA”) is the most qualified candidate to provide EBCE with Wholesale Energy Services. Staff desires to conduct negotiations with NCPA for those services.

Section 4. The Board hereby authorizes the Chief Executive Officer to execute a letter of intent and negotiate a final contract with NCPA for Wholesale Energy Services for a term of two years that includes a one year option for extension that EBCE has sole discretion to exercise. The final contract shall also include a base annual price of \$640,000 and the other key terms outlined in the staff report associated with this Resolution.

ADOPTED AND APPROVED this 6th day of December, 2017.

Scott Haggerty, Chair

ATTEST:

Stephanie Cabrera, Secretary