



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