



Staff Report Item 13

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Brilliant 100 Options (Action Item)
DATE: November 18, 2020

Recommendation

Decide to change the Brilliant 100 consumer electricity product in one of following way:

- A) Close Brilliant 100 effective February 1, 2021. All current Brilliant 100 customers would be defaulted onto Bright Choice unless the city council/Board of Supervisors have affirmatively voted to default these customers onto another product, or
- B) Set Brilliant 100 cost above PG&E – with specific premium brought to Board of Directors in December 2020. All current Brilliant 100 customers would see these new costs effective February 1, 2021. Under this option Brilliant 100 would continue to be available to all EBCE customers, or
- C) Maintain Brilliant 100 cost at parity with PG&E for 2021, but close Brilliant 100 effective January 1, 2022.

Background and Discussion

At its meeting on June 17, 2020, EBCE's Board voted to close *Brilliant 100* to new accounts beginning July 1, 2020, as one of several budget-related actions. Staff had determined current *Brilliant 100* rates no longer cover the cost of service and would need time to develop alternative courses of action for the Board to consider.

Over the last number of months, EBCE staff have worked to develop three options for how to proceed with Brilliant 100 for 2021 and beyond. The three options are laid out in the attached presentation.

Fiscal Impact

Option C carries a projected fiscal impact of at least \$1.85m.

Attachments

- A. Presentation on New Carbon-free Electricity Product and Brilliant 100 Options



Brilliant 100 Options in 2021

Nick Chaset

November 18, 2020



Overview of Agenda Item

Which of the following changes to Brilliant 100 for 2021 should EBCE make?

- A) Close Brilliant 100 effective February 1, 2021. All current Brilliant 100 customers would be defaulted onto Bright Choice unless the city council/Board of Supervisors have affirmatively voted to default these customers onto another product, or
- B) Set Brilliant 100 cost above PG&E – with specific premium brought to Board of Directors in December 2020. All current Brilliant 100 customers would see these new costs effective February 1, 2021. Under this option Brilliant 100 would continue to be available to all EBCE customers, or
- C) Maintain Brilliant 100 cost at parity with PG&E for 2021, but end B100 effective January 1, 2022

2021 Brilliant 100 Policy

Option A

- Close Brilliant 100 effective February 1, 2021.
- All current Brilliant 100 customers would be defaulted onto Bright Choice unless the city council/Board of Supervisors have affirmatively voted to default these customers onto another product.
- No Fiscal Impact

2021 Brilliant 100 Policy

Option B

- Set Brilliant 100 cost above PG&E – with specific premium brought to Board of Directors in December 2020.
- All current Brilliant 100 customers would see these new costs effective February 1, 2021.
- Under this option Brilliant 100 would continue to be available to all EBCE customers.
- No Fiscal Impact

2021 Brilliant 100 Policy

Option C

- Maintain Brilliant 100 cost at parity with PG&E for 2021 but Brilliant 100 to all customers effective Jan 1, 2022
- Fiscal Impact Detailed

2021 Brilliant 100 Policy

Option C Fiscal Impact Assessment: \$1.85m to serve existing Brilliant 100 in 2021

- Brilliant 100 costs estimated to cost approx. \$2.70/MWh more to procure than Bright Choice:
 - Brilliant 100: $\$14.5 \times 36\% \text{ (RE)} + \$5.0 \times 54\% \text{ (Lhyd)} + \$0 \times 10\% \text{ (PG\&E Allocation Share)} = \7.92 Adder
 - Bright Choice: $\$12.7 \times 41\% \text{ (RE)} + \$0 \times 10\% \text{ (PG\&E Allocation Share)} = \5.21 Adder
 - With energy and overhead costs, Brilliant 100 is 4.6% more expensive than Bright Choice, while only priced at 1% more than Bright Choice. This equates to 3.6% higher Brilliant 100 cost not recovered in rates, which means that 78% of the Brilliant 100 premium should be treated as incremental costs.
- Brilliant 100 projected to create an incremental cost in 2021 of \$1.85m to serve current Brilliant 100 customers
 - Brilliant 100 2021 load projection: 875,000 MWh
 - $\$2.71 \times 78\% \times 875,000 \text{ MWh} = \1.85m
- Brilliant 100 incremental costs scale up with each additional MWh, so if new customers or communities join Brilliant 100, costs to EBCE rise. For example, if Dublin/Pleasanton and Berkeley were to opt all accounts onto Brilliant 100 for 2021, that would result in an unfunded increase in procurement costs of \$1,895,400
 - Brilliant 100 Cost Premium (\$2.70) * Unfunded share of Brilliant 100 costs (78%) * Approx Dublin/Berkeley/Pleasanton Load (900,000 MWh) = **\$1.90m**