



Staff Report Item 11

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, VP Marketing and Account Services

SUBJECT: JPA Member Election on Default Product at Enrollment and other considerations for new community enrollment (Action Item)

DATE: December 16, 2020

Recommendation

Adopt a Resolution directing staff to:

- A. Make the necessary arrangements to allow the default service for the City of Pleasanton to be the product requested through an adopted resolution by the City Council or set the City default product to Bright Choice if no resolution is passed by 1/19/21,
- B. Approve amendments to the Service Terms and Conditions, and
- C. Approve amendments to the Net Energy Metered (NEM) tariff.

Background

In 2018, the EBCE Board of Directors three product services for customers within EBCE territory: a default service called *Bright Choice* offered currently at a 1% discount to the PG&E generation rate, a second service called *Brilliant 100* that is 100% carbon-free and currently offered at the same cost as the PG&E generation rate, and the third service called *Renewable 100* that is 100% renewable energy and currently offered at a premium of an additional \$0.01/kWh.

At the time of the original mass enrollment of customers in June and November of 2018, three member jurisdictions selected products other than *Bright Choice* to be the default service. The Board approved these changes to the default enrollment product as part of its sole authority to set rates.

At this time, EBCE is expanding service to three new members: Newark, Pleasanton, and Tracy. The City of Pleasanton is considering passing a Resolution requesting the EBCE Board of Directors to enroll customers within its jurisdiction in a product other than *Bright Choice* as the default option.

Staff requests that the Board approve the following Resolution that grants staff authority to implement the default product for the City of Pleasanton pending the City Council decision on 1/19/21. If the City Council is unable to vote on their default product by the 1/19/21 council

meeting, EBCE staff will need to set their default product to *Bright Choice* in order to meet all required compliance and operational deadline for an April 1, 2021 launch of service.

Below are key milestones in the lead up to new customer enrollment in Newark, Pleasanton, and Tracy:

Month	Activity
December	EBCE Board approves products for new communities' default service
January	<ul style="list-style-type: none"> • Notice design and customer mailing lists finalized • Outreach to customers begins • Operational systems set up to support new customer service options (opt up/down/out)
February	<ul style="list-style-type: none"> • First notice mailed to new customers in compliance with 60-day notification requirement • Operational systems open to new customers to make changes to service
March	Second notice mailed to new customers
April	<ul style="list-style-type: none"> • Third notice mailed to new customers • Service launched
May	<ul style="list-style-type: none"> • Fourth notice mailed to new customers • First customer bill with EBCE charges

Analysis & Discussion

Enrolling customers directly into a product other than *Bright Choice* requires the following changes to the standard process. EBCE staff is prepared to execute on these items in order to implement the decision of the City Council and EBCE Board of Directors.

- The Service Terms and Conditions must be updated to reflect the product differences in certain jurisdictions.
- Customer notifications will be revised to reflect the default product at enrollment for their specific jurisdiction.
- The EBCE website and select marketing collateral will include information about the default product specific to each jurisdiction.
- The SMUD call center will be trained on the specific default product for each jurisdiction.
- EBCE staff will follow-up with any strategic commercial accounts within the identified jurisdictions to update the customer on the enrollment process and facilitate opt down to *Bright Choice* if cost savings is critical to that business.
- The Interactive Voice Response (IVR) system, web forms, and Customer Relationship Management (CRM) system implemented by SMUD will reflect the specific default product by jurisdiction, verify if a customer is enrolled on specific default service, and provide an option for the customer to opt down, up, or out through the automated system.

EBCE is working closely with SMUD to make certain operational systems reflect the requested default product for each jurisdiction. It requires approximately four (4) weeks to implement and test all systems. In order to accommodate a 1/19/21 Pleasanton city council decision, staff has directed SMUD to preemptively begin work in early January. The systems must be functional on 2/1/21, which is the start of the 60-day period prior to the beginning of

enrollment on 4/1/21, during which customers must be able to opt out or change their service.

As part of new customer enrollment, any Net Energy Metered (NEM) customers, such as a rooftop solar customer, must be set up in accordance with our NEM tariff. The tariff applies differently to “existing” NEM customers (system installed at time of enrollment) versus “new” NEM customers (system installed after enrollment). In order to support the proper enrollment of customers within the new member jurisdictions, EBCE staff has revised and updated the NEM tariff to reflect that “existing” NEM customers in the new member jurisdictions are defined as customers with systems installed prior to April 1, 2021.

Financial Impact

SMUD will charge EBCE approximately \$20,000 to facilitate these deviations in the default product from *Bright Choice* and to reinstate Brilliant 100 as an available product option in the new communities. This amount will come from the budget for Data Manager in the approved budget for Fiscal Year 2020/2021, originally \$300,000. There remains sufficient budget to cover this cost.

Attachments

- A. Resolution
- B. Amended Service Terms and Conditions
- C. Amended NEM Tariff

RESOLUTION NO. ____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY
AUTHORITY
DIRECTING STAFF TO MAKE NECESSARY ARRANGEMENTS TO SET THE DEFAULT SERVICE
FOR ENROLLMENT IN PLEASANTON TO THE PRODUCT
SELECTED BY THE PLEASANTON CITY COUNCIL AT ITS 1/19/21 CITY COUNCIL MEETING,
AND APPROVING AMENDMENTS TO THE SERVICE TERMS AND CONDITIONS AND NEM TARIFF**

WHEREAS, the East Bay Community Energy Authority (“EBCE”) was formed on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Castro Valley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, San Leandro, and Union City, to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in all the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS, in 2018, the Board of Directors approved three product offerings—a default product called Bright Choice offered at a discounted price, a product called Brilliant 100 that is 100% carbon-free at price parity with PG&E rates, and a 100% renewable energy product called Renewable 100 offered at a premium cost.

WHEREAS, the City Council of the City of Pleasanton plans to consider adopting a Resolution requesting that the EBCE Board of Directors set the default service for the City to a product other than Bright Choice at its January 19, 2021 City Council meeting.

WHEREAS, the Board of Directors desires to accommodate the City of Pleasanton and its choice of a default product.

WHEREAS, changing the default product service requires a number of adjustments to, among other things, the Service Terms and Conditions, NEM Tariff, customer notification, marketing materials, call center preparations and training, and enrollment forms.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors hereby directs the EBCE Chief Executive Officer or his designee to take any and all necessary actions to allow for the default product in the City of Pleasanton to be whichever product is requested in the local Resolution that will be adopted by the City Council on January 19, 2021, with an option for customers in the City to opt down to Bright Choice.

Section 2. The Board of Directors hereby directs staff to set the default product for the City of Pleasanton as Bright Choice if the City Council does not adopt a Resolution requesting a different default product by its January 19, 2021 meeting.

Section 3. The Board of Directors hereby approves the amended Service Terms and Conditions, attached hereto as Exhibit A, to replace the version approved on March 21, 2018 and subsequently revised to match policies adopted by the Board. The Board of Directors further authorizes the Chief Executive Officer or his designee to make such changes to the

Service Terms and Conditions as may be necessary to reflect the City of Pleasanton's selection of a default product.

Section 4. The Board of Directors hereby approves the amended NEM Tariff, attached hereto as Exhibit B, to replace the version approved on June 19, 2019.

ADOPTED AND APPROVED this 16th_day of December, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

Service Terms and Conditions

Enrollment and Service Options

East Bay Community Energy (EBCE) is the default electric provider serving Alameda County (except the City of Alameda) and the city of Tracy.

Bright Choice

Most accounts within EBCE's coverage area are automatically enrolled in EBCE's Bright Choice service, which is powered by at least 5% more renewable energy than Pacific Gas and Electric's (PG&E) power content forecast each year and offered at a 1% discount to the corresponding PG&E rate. Customers may request to opt up or opt out and return to PG&E bundled service at any time, subject to the opt out guidelines described below. Bright Choice electric generation rates are set below PG&E electric generation rates, inclusive of utility exit fees. More information about rates can be found at ebce.org/rates.

Brilliant 100

Brilliant 100 is EBCE's 100% carbon-free service, offered at the same cost as the corresponding PG&E rate inclusive of utility exit fees. Brilliant 100 customers may choose to opt down to the standard Bright Choice service or opt up to Renewable 100 service. Changes in a service option are effective as of the customer's next billing cycle. As of June 2020, Brilliant 100 is no longer accepting new enrollments except in the cities of Newark, Pleasanton, and Tracy. Brilliant 100 service is scheduled to close to all customers in January 2022.

Renewable 100

Customers have the option to opt up to EBCE's 100% renewable energy service, Renewable 100, offered at \$0.01/kWh above the PG&E rate inclusive of utility exit fees. Renewable 100 customers may choose to opt down at no cost. Changes in a service option are effective as of the customer's next billing cycle.

Default Service by Jurisdiction, Customer Class, and Program Participation

In an effort to support sustainability goals, certain cities have chosen to enroll customers in their jurisdictions in different services based on customer class and program participation, as indicated in the table below. Customers are free to change their service option at any time, which will become effective as of the customer's next billing cycle.

Default Enrollment Service

Jurisdiction	Commercial Customers	Residential Customers	Customers on CARE, FERA, Medical Baseline
Albany	Brilliant 100*	Brilliant 100*	Brilliant 100*
Hayward	Brilliant 100*	Brilliant 100*	Bright Choice
Piedmont	Bright Choice	Renewable 100	Brilliant 100
Pleasanton	[per Council action]	[per Council action]	[per Council action]
All other jurisdictions**	Bright Choice	Bright Choice	Bright Choice

*Brilliant 100 product was the default until August 1, 2020, when the default was changed to Bright Choice

**Berkeley, Dublin, Emeryville, Fremont, Livermore, Newark, Oakland, San Leandro, Tracy, Union City, and County of Alameda

Rates, Fees and Programs

EBCE's electric generation rates are managed to provide greener electricity to our community at competitive rates. Any future rate changes will be adopted at duly noticed public meetings of the EBCE Board. You can view EBCE rates online at ebce.org/rates, or call 1-833-699-EBCE (1-833-699-3223) for more information. Rates and cost comparisons may change over time.

As an EBCE customer, PG&E charges you a monthly Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge. EBCE has accounted for these additional exit fees and charges in its rate setting process. Please contact PG&E for more information about these charges.

Financial assistance programs including CARE (California Alternate Rates for Energy), FERA (Family Electric Rate Assistance), and Medical Baseline Allowance remain the same with EBCE. If you are enrolled in any of these programs with PG&E, they continue to apply to you as an EBCE customer.

Billing

As an EBCE customer, you continue to receive a single monthly bill from PG&E that includes all electricity-related charges, including EBCE's electric generation charges. EBCE generation charges are not duplicate or extra fees. You make a single monthly payment to PG&E, and PG&E forwards your payments for electric generation to EBCE. PG&E continues to charge for gas services, transmission, distribution, public goods programs and other non-generation charges at the same rates it charges customers who do not receive EBCE service.

Opt Out

You may opt out of EBCE electric generation service at any time by calling 1-833-699-EBCE (1-833-699-3223) or by completing the opt-out form at ebce.org/optout. You will need your PG&E account information to begin the opt-out process.

There is no fee to opt out before enrollment or in the first 60 days of receiving EBCE service. If you opt out 60 or more days after EBCE service begins, you will be charged a one-time termination fee of \$5 per residential account or \$25 per commercial account. These fees are waived for customers in Newark, Pleasanton, and Tracy until April 2022. All customers are also subject to PG&E's terms and conditions of service, which prohibit you from returning to EBCE for a full year after your opt-out date.

If returning to PG&E generation service after receiving EBCE service for more than 60 days, PG&E requires that you choose one of the following options:

Option 1: Return to PG&E generation service at the end of the current billing cycle. You will be billed at PG&E's transitional rates for a six-month period, and PG&E's standard bundled electricity rates thereafter.

Option 2: Give six month's advance notice of your intent to return to PG&E generation service. At the end of the six-month notice period, you will be returned to PG&E service and billed PG&E's standard bundled electricity rates.

Accounts of customers who have requested to opt out will be transferred on the next day their electric meter is read. Accounts cannot be transferred in the middle of a billing cycle. Your opt out request must be received at least 5 business days prior to your meter read date in order to switch service to PG&E before your next billing cycle begins. All other opt out requests will be processed on the subsequent meter read date. If you opt out or otherwise stop receiving service from EBCE, you will be charged for all EBCE electricity used before ending EBCE electric service.

Failure to Pay

If you fail to pay your bill, EBCE may transfer your account to PG&E upon 30 days' written notice for commercial customers and 60 days' written notice for residential customers. If your account is transferred, you will be required to pay the opt out fees described above. This provision is suspended until at least January 20, 2021.

Customer Confidentiality

EBCE is committed to protecting customer privacy. EBCE's policy on customer confidentiality can be found at ebce.org/confidentiality or by calling 1-833-699-EBCE (1-833-699-3223).

ELECTRIC SCHEDULE NEM - NET ENERGY METERING SERVICE

APPLICABILITY: This net energy metering (NEM) schedule is applicable to a customer who uses an eligible Renewable Electrical Generation Facility, as defined in PG&E’s Electric Schedule NEM

(<http://www.pge.com/tariffs>), within the capacity limits described in PG&E’s Electric Schedule NEM that is located on the customer’s owned, leased, or rented premises, is interconnected and operates in parallel with PG&E’s transmission and distribution systems, and is intended primarily to offset part or all of the customer’s own electrical requirements (hereinafter “eligible customer generator” or customer”).

This rate schedule is available on a first-come, first-served basis to customers that provide PG&E with a completed PG&E NEM Application and comply with all PG&E NEM requirements as described in PG&E

Electric Schedule NEM. This includes customers served by NEMV (Virtual Net Energy Metering), NEMVMASH (Virtual Net Energy Metering for Multifamily Affordable Housing), NEMA (NEM Aggregation) and Multiple Tariff facilities as described by PG&E Electric Schedule NEM.

DEFINITIONS:

Original Jurisdictions: Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro, Union City and the unincorporated area of Alameda County

2021 Expansion Jurisdictions: Cities of Newark, Pleasanton, and Tracy

Customer definition by date of NEM system installation and location:

	Original Jurisdictions	2021 Expansion Jurisdictions
Existing NEM Customer	Prior to 6/1/18	Prior to 4/1/21
New NEM Customer	After 6/1/18	After 4/1/21
New Low Income and Municipal Customers	After 6/1/18	After 4/1/21

TERRITORY: The entire EBCE service area.

RATES: All rates charged under this schedule will be in accordance with the eligible customer generator’s otherwise-applicable EBCE rate schedule (OAS), which includes their rate schedule and EBCE service level (i.e. Bright Choice, Brilliant 100, or Renewable 100). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to EBCE or PG&E. Charges for energy (kWh) supplied by EBCE, will be based on the net metered usage in accordance with this tariff.

BILLING: Customers with NEM service will be billed as follows:

- a) For a customer with Non-Time of Use (TOU) Rates:
Any net consumption or production shall be valued monthly as follows:

If the eligible customer-generator is a “Net Consumer,” having overall positive usage over a billing cycle, the eligible customer-generator will be billed in accordance with the eligible customer-generator’s OAS.

If the eligible customer-generator is a “Net Generator,” having overall negative usage over a billing cycle, any net energy production shall be valued at the OAS plus any additional incentive payment as applicable (e.g. for new installations at low income or municipal accounts). The calculated value of any net energy production shall be credited to EBCE customers as described in Section (c).

b) For a customer with TOU Rates:

If the eligible customer-generator is a Net Consumer (as defined above) during any discrete TOU period, the net kWh consumed during such period shall be billed in accordance with applicable TOU period-specific rates/charges, as described in the eligible customer-generator’s OAS.

If the eligible customer-generator is a Net Generator (as defined above) during any discrete TOU

period, the net kWh produced during such period shall be valued in consideration of the applicable TOU period-specific rates/charges, as described in the eligible customer-generator’s OAS, plus any additional incentive payment as applicable (e.g. for new installations at low income or municipal accounts). The calculated value of any net energy production during a specific TOU period shall be credited to EBCE customers as described in Section (c).

c) Monthly Settlement of EBCE Charges/Credits:

NEM customers will receive a statement in their monthly PG&E bills indicating any accrued charges for their usage during the current billing cycle. Customers who have accrued credits during previous billing cycles will see these credits applied against current charges. Any remaining balance is due and must be paid during each monthly billing cycle.

When a customer’s net energy production results in a net bill credit over a billing cycle, the value of any net energy production during the billing cycle shall be noted on the customer’s bill and carried over as a bill credit for use in subsequent billing period(s).

Monthly settlements are valued as follows based on customer definition:

Customer Type	Bill Credit per kWh
Existing NEM Customer	Retail*
New NEM Customer	Retail
New Low Income and Municipal Customers	Retail + \$0.01

**Equivalent to the generation rate you are charged for power received from EBCE*

d) EBCE Annual Cash-Out:

During the April billing cycle of each year, all current EBCE NEM customers with a cash-out credit balance of more than \$100 will be offered a direct payment by check for this balance. Any cash-out credit balance will be determined as of the final date of the customer’s March-April billing Cycle (i.e. the first bill period ending on or after April 1). Customers who participate in the EBCE Cash-Out or transfer process will have an equivalent credit removed from their NEM account balance at the time of check issuance or transfer. In the event that

customer's credit balance is less than \$100, such credits will continue to be tracked by EBCE and will remain on the customer's account for future use (i.e., reduction of future EBCE charges).

Customers who close their electric account through PG&E or move outside of the EBCE service area prior to the April billing cycle of each year are also eligible for the annual EBCE Cash-Out process.

Annually in May, EBCE will review the financial outcomes of Existing NEM Customers that have 1) made payment to EBCE in the prior 12 months and 2) held a positive balance in April. EBCE will assess whether these accounts would have had better financial outcomes on PG&E service, and if so, issue a credit or check for the difference. This applies to all rates schedules and service levels.

Annual cash-out credits are valued as follows:

Customer Type	Annual Payout Credit per kWh
Existing NEM Customers	PG&E Net Surplus Compensation (NSC)
New NEM Customers	The greater of retail capped at \$2,500 or the PG&E NSC
New Low Income and Municipal Customers	Retail + \$0.01

**Equivalent to the generation rate you are charged for power received from EBCE*

e) Return to PG&E Bundled Service:

EBCE customers with NEM service may opt out and return to PG&E bundled service at any time. Customers should be advised that PG&E will perform a true-up of their account at the time of return to PG&E bundled service, and that PG&E's standard terms for transitional rates apply to customer returns with less than a six-month advance notice if they have been an EBCE customer for 60 days or more.

If an EBCE NEM customer opts out of the EBCE program and returns to PG&E bundled service, EBCE will cash-out any remaining generation credits on the account (using the approach detailed in section d above) and mail a check to the billing address.

f) PG&E NEM Services:

EBCE NEM customers are subject to the conditions and billing procedures of PG&E for their non-generation services, as described in PG&E's Electric Schedule NEM and related PG&E tariff options addressing NEM service. Customers should be advised that while EBCE settles out balances for generation on a monthly basis, PG&E will continue to assess charges for delivery, transmission and other services. Most NEM customers will receive an annual true-up from PG&E (on their NEM anniversary with PG&E) for these non-generation services. Customers are encouraged to review PG&E's most up-to-date NEM tariffs, which are available from PG&E.

g) Aggregated NEM

Per the California Public Utilities Code Section 2827(h)(4)(B), aggregated NEM customers are "permanently ineligible to receive net surplus electricity compensation." Therefore, any excess accrued credits over the course of a year under an aggregated NEM account are ineligible for EBCE's annual Cash-Out as described in section (d). All other NEM rules apply to aggregated NEM accounts.