

# Staff Report Item 14

- TO: East Bay Community Energy Board of Directors
- FROM: Annie Henderson, VP Marketing and Account Services
- SUBJECT: Request to Change the Default Rate Product for Certain Residential Customers in the City of Dublin to Renewable 100 (Action Item)
- **DATE:** March 17, 2021

## **Recommendation**

Adopt a Resolution directing staff to make the necessary arrangements to change the default service to *Renewable 100* for certain residential customers in the City of Dublin, consistent with the request of the Dublin City Council and in accordance with the proposed Default Rate Product Change Policy.

#### Background

The EBCE Board of Directors established three levels of service or products for its customers in 2018 and has subsequently set the value proposition for each product as follows:

- **Bright Choice** basic service level at a 1% discount to PG&E rates with 5% more renewable energy that PG&E's annual forecast
- **Brilliant 100** 100% carbon-free service set at the same rate as PG&E, closed to new customers in original service territory as of August 1, 2020.
- **Renewable 100** 100% California wind and solar power set at \$0.01 per kWh over PG&E rates

Many member jurisdictions have Climate Action Plans ("CAP") with specific greenhouse gas ("GHG") emission reduction goals to be achieved by specific dates. Customers receiving *Brilliant 100* or *Renewable 100* (the 100% renewable energy product) service achieve additional GHG emissions savings that contribute to cities meeting their CAP goals. Three city councils (Albany, Hayward, and Piedmont) passed resolutions in 2018 requesting the EBCE Board of Directors to enroll residential customers within their jurisdictions in *Brilliant 100* or *Renewable 100* service as the default option at time of initial program launch, which increased GHG savings at no or little additional cost to customers.

On January 12, 2021, the City Council of the City of Dublin considered selecting *Renewable 100* as the default electricity product for most Dublin residents, to facilitate meeting the City's greenhouse gas emissions reductions goals as adopted in its *Climate Action Plan 2030 and Beyond*.

The Dublin City Council adopted a Resolution requesting that EBCE enroll the City of Dublin in *Renewable 100* as the default electricity product for all residential accounts, except for CARE, FERA, and medical baseline accounts which would remain on the *Bright Choice* electric power service; and requesting that the EBCE Board consider Dublin's request at the earliest possible upcoming EBCE Board Meeting.

Product	Dublin Customers
Renewable 100	Existing Bright Choice residential customers
Renewable 100	New residential customers
Brilliant 100	Existing residential customers that previously voluntarily elected the Brilliant 100 product
Bright Choice	Existing and new residential customers in California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), or Medical Baseline programs

At the February 17, 2021 EBCE Board meeting, staff presented a proposal for a Default Product Rate Change Policy. The Board will vote to approve or reject that policy tonight (March 17). If the Board approves the proposed Policy, staff requests that the Policy be applied to the request for a Default Rate Product Change from the City of Dublin.

## Analysis & Discussion

Successfully implementing the transition of Dublin's default rate product will require updates to technology systems, specifically the billing engine and customer relationship management (CRM) system, as well as customer communications.

The customer communications plan will include the two customer notifications as required by the Default Rate Product Change Policy. Additional outreach and communications will be determined based on coordination with Dublin staff.

The timing of this default product change would be October 2021, consistent with the proposed Default Rate Product Change Policy.

## Financial Impact

There will be an additional cost to EBCE from SMUD to implement operational adjustments and for the cost of customer notification mailers. If the proposed Default Rate Product Change Policy is approved, these costs will be absorbed by EBCE for the City of Dublin's first default product rate change.

## **Attachments**

- A. Resolution Directing Staff to Make Necessary Arrangements to Change the Default Rate Product to Renewable 100 for Certain Residential Customers in the City of Dublin
- B. Resolution 04-21 from City of Dublin Requesting East Bay Community Energy Enroll City of Dublin Residential Accounts in Renewable 100 as the Default Electricity Product

#### **RESOLUTION NO.** <u>R-2021-xx</u>

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DIRECTING STAFF TO MAKE NECESSARY ARRANGEMENTS TO CHANGE THE DEFAULT RATE PRODUCT TO RENEWABLE 100 FOR CERTAIN RESIDENTIAL CUSTOMERS IN THE CITY OF DUBLIN

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 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, in 2020, the Board of Directors voted to eliminate the Brilliant 100 product as of 2022.

WHEREAS, on September 15, 2020, the City Council of the City of Dublin adopted the *City of Dublin Climate Action Plan 2030 and Beyond*, which includes a goal of reducing greenhouse gas emissions by 40% below 1990 levels by 2030 to align with California Senate Bill 32 and to put the City on a path to reach carbon neutrality by 2045.

WHEREAS, the City of Dublin's *Climate Action Plan 2030 and Beyond* identifies renewable and carbon-free electricity as the biggest opportunity to reduce greenhouse gas emissions within the City of Dublin.

WHEREAS, on January 12, 2021, the Dublin City Council adopted a Resolution requesting that the EBCE Board of Directors change the default product for most of its residential customers to Renewable 100.

WHEREAS, as part of the Resolution adopted by the Dublin City Council on January 12, 2021, the City Council asked that residential accounts participating in the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline Allowance programs remain on the current default Bright Choice service, which is offered at a slight discount compared to Pacific Gas & Electric's (PG&E) standard product.

WHEREAS, residential customers in the City of Dublin retain the option to "opt down" to a service with a lower percentage of carbon-free electricity or to "opt out" to PG&E's service at any time.

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

Section 1. The Board of Directors hereby directs the EBCE Chief Executive Officer or his/her designee to take any and all necessary actions to change the default rate product for residential accounts with the City of Dublin to Renewable 100, excluding residential accounts participating in CARE, FERA, and the Medical Baseline Allowance programs, which will remain on Bright Choice service.

<u>Section 2.</u> The change to the City of Dublin's default rate product as described herein shall comply with the Default Rate Product Change Policy as approved by the Board.

ADOPTED AND APPROVED this 17<sup>th</sup> day of March 2021.

Dan Kalb, Chair

ATTEST:

Adrian Bankhead, Assistant Clerk of the Board

#### **RESOLUTION NO. 04 – 21**

#### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUBLIN

## REQUESTING EAST BAY COMMUNITY ENERGY ENROLL CITY OF DUBLIN RESIDENTIAL ACCOUNTS IN RENEWABLE 100 AS THE DEFAULT ELECTRICITY PRODUCT

WHEREAS, the City of Dublin has been a leader in the fight against climate change, having adopted its first Climate Action Plan in 2010 with an update in 2013, with the goal to reduce greenhouse gas emissions to 1990 levels by 2020; and

WHEREAS, on September 15, 2020, the City Council of the City of Dublin adopted the City of Dublin Climate Action Plan 2030 and Beyond that includes a goal of reducing greenhouse gas emissions by 40% below 1990 levels by 2030 to align with California Senate Bill 32 and to put the City on a path to reach carbon neutrality by 2045; and

WHEREAS, Climate Action Plan 2030 and Beyond identifies renewable and carbon-free electricity as the biggest opportunity to reduce greenhouse gas emissions within the City of Dublin; and

**WHEREAS**, the City of Dublin's electricity provider, East Bay Community Energy (EBCE), offers a 100% carbon-free and 100% renewable electricity product called Renewable 100; and

WHEREAS, enrolling residential accounts in the Renewable 100 carbon-free electricity option is the most cost-effective way to reduce greenhouse gas emissions in Dublin and would cost the average homeowner approximately four dollars per month more than current electricity rates; and

WHEREAS, residential accounts on California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and medical baseline accounts will remain on the current default electric power product, EBCE's Bright Choice power product, offered at a slight discount compared to Pacific Gas & Electric's (PG&E) standard product; and

WHEREAS, the City of Dublin and EBCE will reach out to commercial, industrial, and institutional customers to encourage opting-up to the Renewable 100 power portfolio and the City of Dublin intends to re-evaluate Renewable 100 as the default product for these customers within the next year; and

**WHEREAS**, residential customers in the City of Dublin would retain the option to "opt down" to an electric power portfolio with a lower percentage of carbon-free electricity or "opt out" to PG&E's electricity; and

**WHEREAS**, establishing a renewable and carbon-free default electricity product for residential customers would allow Dublin to showcase its environmental leadership and demonstrate efforts to create a sustainable community in line with the goals of Climate Action Plan 2030 and Beyond.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Dublin does request that East Bay Community Energy hereby enroll the City of Dublin in the Renewable 100 electric power portfolio as the default electricity product for all residential accounts, except for CARE, FERA, and medical baseline accounts which would remain on the Bright Choice electric power portfolio.

**BE IT FURTHER RESOLVED** that the City Council of the City of Dublin requests that the EBCE Board consider Dublin's Renewable 100 default power portfolio request at the earliest possible upcoming EBCE Board Meeting.

**PASSED, APPROVED AND ADOPTED** this 12th day of January 2021, by the following vote:

AYES: Councilmembers Hu, Josey, Kumagai, McCorriston and Mayor Hernandez

NOES:

ABSENT:

**ABSTAIN**:

DocuSigned by: M. Demande

Mayor

arsha Moore

City Clerk