



## Staff Report Item 14

**TO:** East Bay Community Energy Board of Directors

**FROM:** Alex DiGiorgio, Public Engagement Manager

**SUBJECT:** Request to Change the Default Rate Product for Certain Customers in the City of San Leandro to *Renewable 100* (Action Item)

**DATE:** September 22, 2021

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### Recommendation

Adopt a Resolution directing staff to make the necessary arrangements to change the default service to *Renewable 100* for certain customers in the City of San Leandro consistent with the request of its City Council and in accordance with the elimination of the *Brilliant 100* product and the adopted 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 a minimum of 5% more renewable energy than 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* service (i.e., EBCE's 100% renewable energy product) 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 enroll residential customers within their jurisdictions in *Brilliant 100* or *Renewable 100* service as the

default option at the time of initial program launch, which increased GHG savings at no or little additional cost to customers.

On November 18, 2020, EBCE's Board voted to close the *Brilliant 100* product option effective January 1, 2022. At that time, the Board also voted to immediately close *Brilliant 100* to new account enrollments, except for those within the newly enrolling cities of Newark, Pleasanton, and Tracy.

To continue making progress towards the greenhouse gas reduction goals of their respective Climate Action Plans, and in light of EBCE's closure of the *Brilliant 100* product, the City Councils of Albany, Berkeley, Hayward, and Pleasanton adopted Resolutions in June and July of 2021 requesting EBCE to 1) set *Renewable 100* as the default electricity product for most residential and commercial customers; and 2) set *Bright Choice* as the default electricity product for customers on discount programs such as CARE, FERA, and/or Medical Baseline. The dates of these Council votes and the timing of their proposed implementation for default transitions are as follows:

City	Date of Council vote	Proposed timing of implementation
Albany	June 7, 2021	January 2022 (residential and commercial customers)
Berkeley	June 29, 2021	April 2022 (residential customers) October 2022 (commercial customers)
Hayward	July 6, 2021	January 2022 (residential and commercial customers)
Pleasanton	July 20, 2021	January 2022 (residential and commercial customers)

At the time of their initial EBCE enrollments in 2018, the cities of Albany and Hayward chose *Brilliant 100* to be the default product for all customers. The City of Pleasanton similarly did so at the time of its initial EBCE enrollment in 2021. Due to the closure of *Brilliant 100* at the end of 2021, the implementation of default product transitions in Albany, Hayward, and Pleasanton will occur in January 2022.

In Berkeley, by contrast, *Bright Choice* has been the default service option for all customers. As such, the implementation of Berkeley's default product transition is subject to the timeline enumerated in EBCE's [Default Rate Product Change Policy](#).<sup>1</sup> According to this Policy, requests by EBCE member-jurisdictions to change their default product(s) must be approved by the Board six (6) months in advance of implementation. In addition, the implementation of approved requests will occur only in March or October of a given year (i.e., Board approval in September for March implementation, and April for October implementation). This timeline provides EBCE staff sufficient time to plan for additional renewable energy procurement and other

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<sup>1</sup> EBCE's Default Rate Product Change Policy was approved by the Board of Directors on March 17, 2021.

operational adjustments, as well as to notify customers and conduct community outreach.

At its meeting on June 29, 2021, Berkeley’s City Council voted to request separate enrollment timelines for residential and commercial customers. As such, the proposed timing of implementation for these customers has been staggered to comply with EBCE’s Default Rate Product Change Policy (i.e., implementation of residential customer account transitions to occur by March 31, 2022; and implementation of commercial customer account transitions to occur by October 31, 2022).

More recently, at its meeting on September 7, 2021, the City of San Leandro’s City Council likewise adopted a Resolution requesting EBCE to 1) set *Renewable 100* as the default electricity product for most residential and commercial customers; and 2) set *Bright Choice* as the default electricity product for customers on discount programs such as CARE, FERA, and/or Medical Baseline. As was the case in Berkeley, *Bright Choice* has been the default rate product for residential and commercial customers in San Leandro. Consequently, San Leandro’s City Council Resolution requested its *Renewable 100* default rate product transition to occur along the same timeline as the City of Berkeley’s (i.e., residential customers transition in March 2022; and commercial customers transition in October 2022).

As is the case in Albany, Berkeley, Hayward, and Pleasanton, electricity customers in San Leandro that have previously opted out of EBCE service will not be enrolled in *Renewable 100* and will remain with PG&E for their electric generation service.

Additionally, customers may still choose to opt down to *Bright Choice* (Albany/Hayward/Pleasanton) or remain on *Bright Choice* (Berkeley and San Leandro). Staff is currently working with our data services vendor to create functionality that will allow a customer to confirm their current selection of *Bright Choice* and therefore be exempted from the default transition to *Renewable 100*.

EBCE’s Board of Directors approved the default rate product change requests of Albany, Berkeley, Hayward, and Pleasanton at its meeting on July 21, 2021. Assuming the Board approves San Leandro’s request, the approved default rate transitions are summarized as follows:

**January 2022**

Current EBCE Product	Albany	Dublin (residential only)	Hayward	Pleasanton	All other jurisdictions
<b>Bright Choice</b>	Bright Choice	Renewable 100	Bright Choice	Bright Choice	Bright Choice
<b>Brilliant 100</b>	Renewable 100	Renewable 100	Renewable 100	Renewable 100	Bright Choice

<b>Renewable 100</b>	Renewable 100	Renewable 100	Renewable 100	Renewable 100	Renewable 100
<b>CARE/FERA default</b>	Bright Choice	Bright Choice	Bright Choice	Bright Choice	Bright Choice

### Berkeley and San Leandro

Current EBCE Product	Residential (Mar-22)	Commercial (Oct-22)
	Product will transition to:	
<b>Bright Choice</b>	Renewable 100	Renewable 100
<b>Renewable 100</b>	Renewable 100	Renewable 100
<b>CARE/FERA default</b>	Bright Choice	N/A

### Analysis & Discussion

As with Albany, Berkeley, Hayward, and Pleasanton, successfully implementing San Leandro’s default rate product transition will require updates to technology systems, specifically the billing engine and customer relationship management (CRM) system, as well as customer communications. Planning around these updates is already underway to implement the default product transition to *Renewable 100* the Board previously approved for residential customers in the City of Dublin (excluding those on CARE, FERA, and/or Medical Baseline programs).<sup>2</sup>

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 City staff in San Leandro, as well as with those of the other five cities undertaking similar default rate product transitions.

### Financial Impact

There will be an additional cost to EBCE from SMUD to implement operational adjustments and for the cost of customer notification mailers. These costs will be absorbed by EBCE, per EBCE’s Default Rate Product Change Policy.

### Attachments

- A. Resolution Directing Staff to Make Necessary Arrangements to Change the Default Rate Product to Renewable 100 for Certain Residential and Commercial Customers in the City of San Leandro.

<sup>2</sup> EBCE’s Board of Directors approved the City of Dublin’s request to change its default product for residential customers at its meeting on March 17, 2021.

- B. Resolution No. 2021-496 of the San Leandro City Council to Selecting Renewable 100 as the Default Product for San Leandro Customers Served by East Bay Community Energy (unsigned)

**RESOLUTION NO. R-2021-xx**

**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 AND COMMERCIAL CUSTOMERS IN THE CITY OF SAN LEANDRO**

**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**, in 2020, the Board of Directors directed that the Brilliant 100 product would not be available as of 2022;

**WHEREAS**, the Board of Directors approved a Default Rate Product Change Policy on March 17, 2021;

**WHEREAS**, on September 7, 2021, the City Council for the City of San Leandro adopted a Resolution requesting the EBCE Board of Directors change the default product for its residential and commercial customers to Renewable 100, with the change for residential customers becoming effective in March 2022 and commercial customer in October 2022;

**WHEREAS**, the Resolution adopted by the City Council of the City of San Leandro requests that residential accounts on California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and medical baseline accounts will default to EBCE’s Bright Choice service, offered at a slight discount compared to Pacific Gas & Electric’s (PG&E) standard product;

**WHEREAS**, residential and commercial customers in the City of San Leandro would retain the option to “opt down” from Renewable 100 to a service without a cost premium and a lower percentage of carbon-free electricity, or “opt out” to PG&E’s electricity.

**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 desires to accommodate the request from the City of San Leandro; and therefore, 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 and commercial accounts within these cities to Renewable 100, per the Default Rate Product Change Policy.

Section 2. Customers in San Leandro participating in CARE, FERA, and the Medical Baseline Allowance programs will remain on the Bright Choice service.

Section 3. All customers in San Leandro are to be given an option to opt down to Bright Choice or to opt out as provided by law.

**ADOPTED AND APPROVED** this 22<sup>nd</sup> day of September 2021.

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Dianne Martinez, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

**RESOLUTION THE CITY COUNCIL OF THE CITY OF SAN LEANDRO**

**RESOLUTION NO. 2021-132**

**RESOLUTION OF THE CITY OF SAN LEANDRO CITY COUNCIL SELECTING RENEWABLE 100 AS THE DEFAULT PRODUCT FOR SAN LEANDRO CUSTOMERS SERVED BY EAST BAY COMMUNITY ENERGY**

**WHEREAS**, the San Leandro City Council demonstrates its commitment to an environmentally sustainable future through its policy goals and actions, including energy reduction, clean energy programs, and the expansion of local renewable power supply; and

**WHEREAS**, in November 2016, the City of San Leandro City Council adopted Resolution No. 2016-160 authorizing San Leandro's participation in Alameda County's Community Choice Energy program known as East Bay Community Energy (EBCE); and

**WHEREAS**, in June 2006, the City Council adopted GHG emissions targets of 20% below 2005 levels by 2020 and in May 2019, adopted new targets of 40% below 2005 levels by 2030 and 80% below 2005 levels by 2050; and

**WHEREAS**, on February 20, 2018, the City of San Leandro City Council received a presentation from East Bay Community Energy and approved the default rate for residential and commercial/industrial customers would be Bright Choice, and for municipal accounts it would be Brilliant 100; and

**WHEREAS**, the City of San Leandro's updated 2050 Climate Action Plan (CAP) was adopted by the San Leandro City Council on July 19, 2021; and

**WHEREAS**, the enrollment of San Leandro customers in Renewable 100 electricity will enable San Leandro to continue making progress toward meeting San Leandro's greenhouse gas (GHG) reduction goals; and

**WHEREAS**, on November 18, 2020, the EBCE Board of Directors voted to continue to offer Brilliant 100 only through December 31, 2021; and

**WHEREAS**, it is in the public interest to position citywide residential and commercial customers to take advantage of electricity service with the lowest emissions factor and best environmental profile by replacing *Bright Choice* with *Renewable 100* as the default service plan. If approved, this would cost the average homeowner approximately four dollars per month and the average commercial customer 17 dollars per month more than current electricity rates; and

**WHEREAS**, San Leandro customers that are income-qualified and enrolled in the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline programs will remain at the Bright Choice rate; and

**WHEREAS**, San Leandro EBCE customers will continue to have the choice to change their enrollment to the lower-priced Bright Choice product and they also have the ability to opt out of EBCE altogether.

**NOW, THEREFORE**, the City Council of the City of San Leandro hereby **RESOLVES** to provide the following preference for the default products for San Leandro residential, commercial/industrial, and CARE/FERA/Medical Baseline accounts:



1. Residential - *Renewable 100* (effective March 2022)
2. Commercial/industrial - *Renewable 100* (effective October 2022)
3. CARE/FERA/Medical Baseline - *Bright Choice*

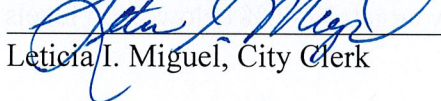
Introduced by Councilmember Lopez and passed and adopted this 7<sup>th</sup> day of September 2021, by the following vote:

Members of the Council:

AYES: Councilmembers Aguilar, Azevedo, Ballew, Cox, Lopez, Simon, Mayor Cutter (7)

NOES: None (0)

ABSENT: None (0)

ATTEST:   
Leticia I. Miguel, City Clerk