



CAC Item C7
Staff Report Item 14

TO: East Bay Community Energy Board of Supervisors
FROM: Nick Chaset, CEO
SUBJECT: Draft EBCE Budget Fiscal Year 2022-2023 (Informational Item)
DATE: May 18, 2022

Recommendation

Receive and review the draft budget for fiscal year 2022-2023.

Background and Discussion

EBCE's fiscal year is from July 1 through June 30. Staff is presenting a proposed draft budget for fiscal year 2022-2023.

This budget presents changes to EBCE's value proposition by recommending an increase from 1% to 3% discount relative to PG&E rates for EBCE's Bright Choice product and decreasing the premium of the Renewable 100 product from \$0.01 to \$0.0075.

This budget also presents a large net position surplus as a base-case scenario. Staff is recommending a method to manage this surplus to increase EBCE's value to the community through four processes:

1. Significant contributions to working capital and reserves to ensure agency solvency in the event of possible risk contingencies
2. Increase value proposition customer discount and establish on-bill credits as levels of net position surplus are realized through the year
3. Increase renewable procurement with short and long-term investments
4. Meaningful increases to Local Development programs and donation of a local public health grant to treat a common ailment of fossil fuel combustion—asthma.

This presented budget is based on feedback from a draft version presented at the Finance, Administrative, and Procurement Committee on April 15, 2022. The budget outlines staff's best expected estimates for costs and revenues anticipated for the next fiscal year based on load, market prices, and PCIA charges.

Summary of Draft EBCE Budget FY 2022-2023

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
OPERATING ACTIVITY			
REVENUE & OTHER SOURCES			
GASB 62 Unrecognized Revenue Balance	15,814,000	15,814,000	15,814,000
Operating Revenue			
Electricity Sales	895,427,000	508,636,000	551,368,000
Uncollectables	(17,908,000)	(8,939,000)	(10,045,000)
Other Operations Revenue	(6,229,000)	0	7,448,000
Total Operating Revenue	871,290,000	499,697,000	548,771,000
EXPENSES & OTHER USES			
Energy Operating Expenses			
Cost of Energy	565,675,000	442,337,000	463,253,000
Energy Operating Services	11,262,000	12,240,000	11,478,000
Total Energy Operating Expenses	576,937,000	454,577,000	474,731,000
Overhead Operating Expenses			
Personnel	15,712,000	10,171,000	8,204,000
Marketing & Communications	2,876,000	1,686,000	1,294,000
Legal, Policy, & Regulatory Affairs	1,988,000	1,592,000	1,173,000
Other Professional Services	2,292,000	850,000	901,000
General & Administrative	3,884,000	2,961,000	2,465,000
Depreciation	180,000	60,000	59,000
Total Overhead Operating Expenses	26,932,000	17,320,000	14,096,000
Total Operating Expenses	603,869,000	471,897,000	488,827,000
NON-OPERATING ACTIVITY			
Total Non-Operating Revenue	277,000	1,692,000	2,649,000
NON-OPERATING EXPENSES			
Borrowing Interest	1,440,000	898,000	907,000
Local Development Funding	20,600,000	8,475,000	8,475,000
Grant	15,000,000	0	0
Capital Expenditures	7,000,000	5,500,000	8,519,000
Total Non-Operating Expenses	44,040,000	14,873,000	17,901,000
NET NON-OPERATING ACTIVITY	(43,763,000)	(13,181,000)	(15,252,000)
TOTAL REVENUES	871,567,000	501,389,000	551,420,000
TOTAL EXPENSES	647,909,000	486,770,000	506,728,000
NET INCREASE(DECREASE) IN POSITION	223,658,000	14,619,000	44,692,000
RESERVE BALANCE			
Beginning Reserve Balance	TBD	90,218,000	90,218,000
Operating Target (50%)	323,955,000	243,385,000	253,364,000

Fiscal Impact

This establishes the forecast of EBCE's fiscal position for the next 12 months with a positive net position.

Attachments

- A. Presentation of the Draft EBCE Budget FY 2022-2023

MAY 18, 2022

Draft Budget Review for Fiscal Year 2022-2023

PRESENTED BY:

NICK CHASET, CEO



Executive Summary

- In the face of rising energy costs, EBCE is able to continue to serve our local community and customers with cost competitive & cleaner energy while providing local jobs and equitable programs.
- Rates are up and PCIA is down, driven by a historic increase in market energy prices starting in 2021 and forecasted to persist in 2022-2023.
- With EBCE rates indexed to PG&E rates, we are forecasting significant headroom to operate and a strong financial surplus, helping to offset calendar 2021, which operated at a loss.
- Draft budget includes the following:
 - Significant contributions to working capital and reserves
 - Improvements to the Value Proposition (increased discount and bill credits)
 - Increased renewables procurement (short-term and new long-term investments)
 - Meaningful increase to local development budget and local public health grant
 - Expand on staff expertise, build more depth, and scale operations further
 - Investment in EBCE's new headquarters in a downtown Oakland DAC

Summary Draft Budget for Fiscal Year 2021-2022

Notes:

YTD* reflects actuals through March 31, 2022

Net Position through FY March 31, 2022: **(\$22.8MM)**

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
OPERATING ACTIVITY			
REVENUE & OTHER SOURCES			
GASB 62 Unrecognized Revenue Balance	15,814,000	15,814,000	15,814,000
Total Operating Revenue	871,290,000	499,697,000	548,771,000
EXPENSES & OTHER USES			
Total Energy Operating Expenses	576,937,000	454,577,000	474,731,000
Total Overhead Operating Expenses	26,932,000	17,320,000	14,096,000
Total Operating Expenses	603,869,000	471,897,000	488,827,000
NET OPERATING POSITION			
NON-OPERATING ACTIVITY			
Total Non-Operating Revenue	277,000	1,692,000	2,649,000
Total Non-Operating Expenses	44,040,000	14,873,000	17,901,000
NET NON-OPERATING ACTIVITY	(43,763,000)	(13,181,000)	(15,252,000)
TOTAL REVENUES	871,567,000	501,389,000	551,420,000
TOTAL EXPENSES	647,909,000	486,770,000	506,728,000
NET INCREASE(DECREASE) IN POSITION	223,658,000	14,619,000	44,692,000
RESERVE BALANCE			
Beginning Reserve Balance	TBD	90,218,000	90,218,000
Operating Target (50%)	323,955,000	243,385,000	253,364,000

Draft Budget Base Case Assumptions

Revenues

- Increase to customer value proposition by
 - Bright Choice from 1% to 3% discount to PG&E
 - R100 from \$0.01 to \$0.0075 above PG&E
 - Estimated revenue reduction of \$18.6MM
- \$50 bill credit applied to all CARE & FERA customers in Q1/Q2 of FY 22-23, totaling an estimated \$6.25MM in one time bill savings
- Assumes current rates and PCIA are unchanged through 2022
- Rates and PCIA for 2023 are non-stressed, or as forecasted, energy rates
- 2.0% uncollectable rate
- No recognition of GASB 62 revenue (\$15,814,000)
- Non-operating revenue assumes 0.25% interest earned on treasury backed cash balance accounts

Energy Costs

- Costs are derived from a blend of contracted and open positions for all energy, attributes, and RA
 - Open prices are non-stressed, or as forecasted
- Renewable Energy has additional 5% above recent board approved calendar 2022 and 2023 Bright Choice targets.
 - 2022: Renewables 45% --> 50%; CF 63% --> 68%
 - 2023: Renewables 49% --> 54%; CF 66% --> 71%
 - Adds \$3.3MM to costs (Each 1% is ~\$667,000)

Other Costs

- Additional staffing requirements of 19 FTE
- New building use date assumed in January 2023
 - \$7MM capital improvement costs
- Program funding increased by 143% to \$20.6MM
- \$15MM for UCSF Children's Hospital Grant

Draft Budget Proposed Surplus Allocations

Net Position Estimated at \$223.7MM

Proposed Budget Surplus Waterfall Allocation:

- 1) Working Capital Needs: \$50MM*
- 2) Reserve Account Funding: \$75MM*
- 3) 50/50% split of any excess to:**
 - Incremental Long-Term Renewable Energy/Clean Energy Storage Investments: ~\$50MM
 - One-time On-Bill Credits to Customers: ~\$50MM

**Allocations to be made after the end of the fiscal period ending June 30, 2023*

***Assuming a budget surplus that is materially consistent with this forecast, staff would plan for an even allocation. Formal action would be brought forth to the board in Q3 of the fiscal year (Jan-Mar 2023) to formally adopt in conjunction with a mid-year budget update. This timing would allow for staff to have good visibility into calendar 2023 rates and forecasted surplus.*

Energy Price Risk Scenarios

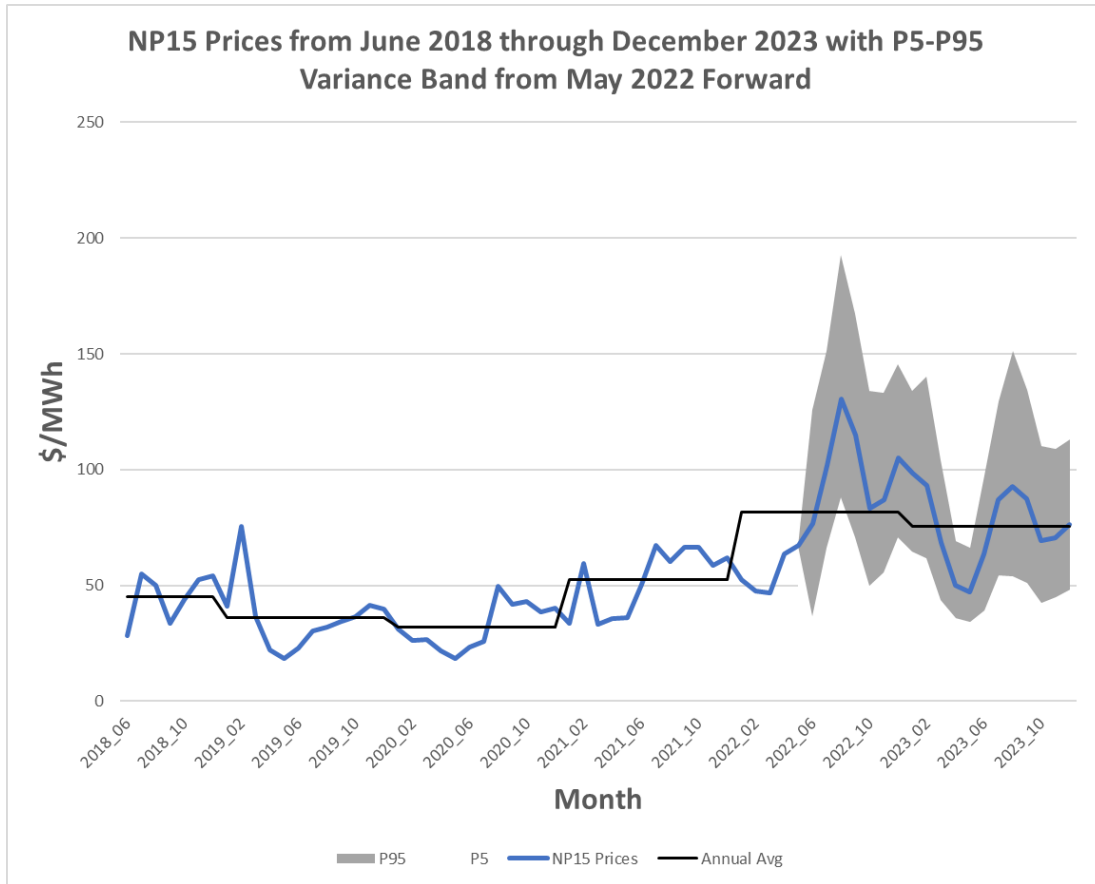
- In a rising energy cost environment, indexing to PG&E rates, creates more headroom for EBCE to operate. However, in addition to customer energy costs increasing, it increases EBCE energy costs, reserve requirements, and general operating risk
- In a low energy price environment, indexing to PG&E rates, reduces headroom for EBCE to operate. Customer energy costs are going down and EBCE faces considerable competitive rate pressure.
- From a budgeting perspective, a mismatch of forecast and actuals presents considerable risk:
- Scenario 1: Rate forecasts are low and actual energy prices are high
 - Hedges perform well but open position is costly
 - Rates/PCIA will adjust favorably next year but we have a very significant working capital drain bc rates may not be sufficient to cover energy costs, creating near-term liquidity risk.
- Scenario 2: Rate forecasts are high and actual energy prices go down
 - Hedges perform poorly but open position is at a low cost
 - Rates/PCIA will adjust unfavorably next year. Near term liquidity and net position are strong, but we have to reserve for future corrections due to overcollections.

Draft Budget Energy/Rate/PCIA Scenarios

- While no forecast proves to be fully reliable, EBCE evaluates a number of short and long-term forward price curves through 3rd parties and further computationally simulates risk on multiple curves. The curves reflect a variety of renewable generation, storage adoption, climate, and policy scenarios.
- The current base case draft budget is based on forward energy costs over the fiscal period averaging at \$78.39
- If prices were to decrease approximately to simulated P5 levels, which average to \$55.52, the forecasted net position would reduce by about \$154.2MM
- If prices were to increase to simulated P95 levels, which average to \$126.40, the forecasted net position would increase by about \$63.1MM
- Under a highly stressed scenario, if rates and PCIA were set at the forecasted P5 scenario, but then actualize at P95 actuals, the estimated net position could go as low as much as negative \$135.2MM

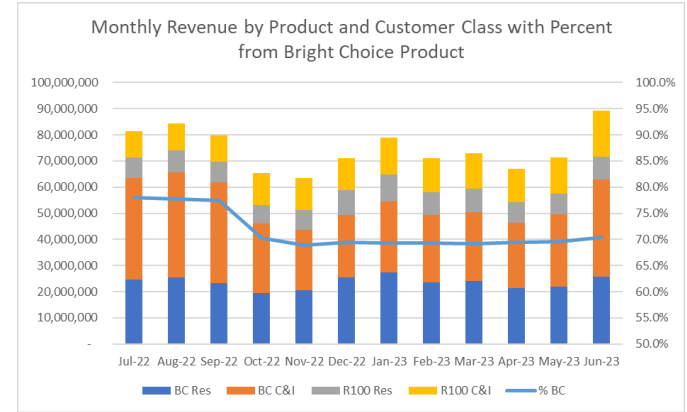
	Base	P5	P95	Stress
Net Revenues	871,290,000	614,622,000	1,036,589,000	614,622,000
Energy Costs	565,675,000	463,173,000	667,830,000	667,830,000
All Other Costs	81,957,000	81,957,000	81,957,000	81,957,000
Net Position	223,658,000	69,492,000	286,802,000	(135,165,000)

Energy Prices and Risk Bands (P5-P95)



Draft Budget Operating Revenues

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
REVENUE & OTHER SOURCES			
GASB 62 Unrecognized Revenue Balance	15,814,000	15,814,000	15,814,000
Operating Revenue			
Electricity Sales	895,427,000	508,636,000	551,368,000
Uncollectables	(17,908,000)	(8,939,000)	(10,045,000)
Other Operations Revenue	(6,229,000)	0	7,448,000
Total Operating Revenue	871,290,000	499,697,000	548,771,000



- Increase to value proposition
 - Bright Choice from 1% to 3% discount to PG&E
 - Renewable 100 from \$0.01 to \$0.0075 above PG&E
 - \$50 bill credit to all CARE & FERA customers in July-Sept 2022, shown as Other Operations Revenue reduction
- Assumes current rates and PCIA are unchanged through 2022
- Rates and PCIA for 2023 are non-stressed, or as expected, energy rates
- 2.0% uncollectable rate
- No recognition of GASB 62 revenue (\$15,814,000)
- Current Year Other Operations Revenue is CAPP payments

COMPARISON OF CCA RATES OVER TIME

Base Product comparison to IOU for prominent residential rate

CCA	2020	2021	2022	2022 w/new value proposition
EBCE	-1.00%	-1.00%	-1.00%	-3.00%
MCE Clean Energy	2.94%	18.30%	-12.69%	
CleanPowerSF	-1.00%	2.25%	0.00%	
San Jose Clean Energy	-1.00%	-0.25%	0.00%	
Clean Power Alliance	3.99%	18.41%	22.59%	

100% Renewable Energy Product comparison to IOU for prominent residential rate

CCA	2020	2021	2022	2022 w/new value proposition
EBCE	8.51%	9.13%	6.79%	4.85%
MCE Clean Energy	10.96%	27.06%	-5.90%	
CleanPowerSF	7.51%	11.38%	6.79%	
San Jose Clean Energy	7.51%	8.69%	8.00%	
Clean Power Alliance	23.98%	28.68%	22.52%	

Value Proposition Changes

- The proposed changes to the value proposition are intended to:
 - Establish a discount rate that is sustainable through future market cycles, which is essential in establishing a clear and consistent value proposition to our customers
 - Prioritize CARE/FERA customer with pre-emptive bill credits (\$6.25MM immediate savings)
 - Cautious fiscal management by ensure a budget surplus before issuing a more expansive customer-wide bill credit

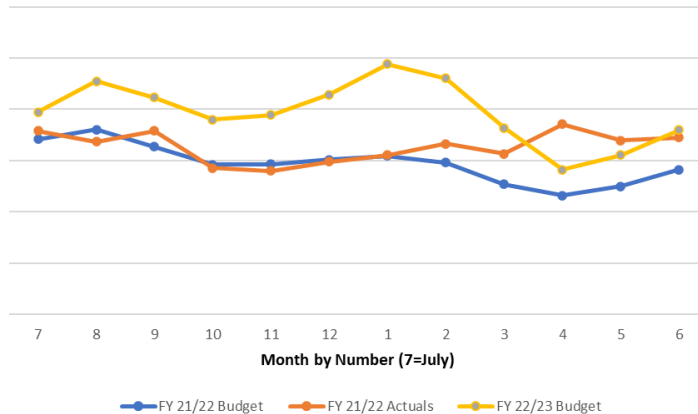
Change in Value Proposition Relative to PG&E					
Bright Choice Discount	Customer Savings (MM)	Renewable 100 Premium	Customer Savings (MM)	Total Savings (MM)	
1%	\$7.10	\$0.0075	\$4.40	\$11.50	
2%	\$14.20	\$0.0050	\$8.80	\$23.00	
3%	\$21.30	\$0.0025	\$13.20	\$34.50	
4%	\$28.40	\$0.0000	\$17.60	\$46.00	

Draft Budget Energy Expenses

Energy Operating Expenses

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
Cost of Energy	565,675,000	442,337,000	463,253,000
Data Management/Customer Service	7,847,000	8,645,000	8,002,000
PG&E Service Fees (Billing/Metering)	2,719,000	2,752,000	2,712,000
CAISO Scheduling Coordinator	696,000	843,000	764,000
Energy Operating Services	11,262,000	12,240,000	11,478,000
Total Energy Operating Expenses	576,937,000	454,577,000	474,731,000

Relative Monthly Average Energy Costs



Energy Costs

- Costs are derived from a blend of contracted and open positions for all energy, attributes, and RA
 - Open prices are non-stressed, or as forecasted
 - FY 22/23 are 30% higher than FY 21/22 on average
- Renewable Energy has additional 5% above recent board approved calendar 2022 and 2023 Bright Choice targets.
 - 2022: Renewables 45% --> 50%; CF 63% --> 68%
 - 2023: Renewables 49% --> 54%; CF 66% --> 71%
 - Adds \$3.2MM to costs (Each 1% is ~\$620,000)
- Note: We are in a period of historically high energy pricing and significant uncertainty/volatility
 - Forecasted market energy costs in 2022 and 2023 are approximately double the historical 12-year average

Draft Budget Overhead Expenses

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
Overhead Operating Expenses			
Personnel	15,712,000	10,171,000	8,204,000
Marketing & Communications	2,876,000	1,686,000	1,294,000
Legal, Policy, & Regulatory Affairs	1,988,000	1,592,000	1,173,000
Other Professional Services	2,292,000	850,000	901,000
General & Administrative	3,884,000	2,961,000	2,465,000
Depreciation	180,000	60,000	59,000
Total Overhead Operating Expenses	26,932,000	17,320,000	14,096,000

- Personnel costs will be discussed more in-depth on the next slide
- Increase in Marketing costs is Local Development marketing activity needs
- Increase in Legal, Policy , & Regulatory affairs is due to a couple of factors
 - Possible membership expansion (Stockton)
 - Additional volume of consulting/vendor agreements and power contracts
- Larger staffing demand, from Personnel costs, increases in Professional Services with HR/recruiting and additional project support
- Increase to G&A is primarily driven by expected increase operating expenses related to the new building
- Depreciation increases due to new building use expected in January, 2023

Draft Budget Overhead Expenses—Personnel

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
Salaries & Wages	11,598,000	7,058,000	6,468,000
Retirement	1,544,000	993,000	879,000
Health Care/Benefits	2,292,000	1,196,000	614,000
Payroll Expenses	277,000	174,000	131,000
Total	15,711,000	9,421,000	8,092,000

- **FY 2020-21 Budget** was established at 37 FTE
 - No COLA was allocated that fiscal year
 - Personnel transitions left vacancies
- **FY 2021-22 Budget** was initially approved at 43 FTE and expanded mid-year to 49
 - 2.5% COLA and up to 5% merit-based/promotional compensation allotted
 - Currently at 45 FTE and interviewing for an additional 4 roles
- **FY 2022-23 Budget** seeks to increase to 68 FTE to accommodate additional work requirements in all areas. Additional headcount will expand on internal expertise/skills, build more depth, and scale operations:
 - 3.5% COLA and up to 10% merit-based/promotional compensation pool
 - 5 Marketing, 4 Local Programs, 3 Operations, 3 Technology, 2 Power Resources, 2 Legal

Draft Budget Overhead Expenses—Marketing & Account Services

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
Data Manager	100,000	185,000	65,000
Required Mailings	520,000	395,000	515,000
Advertising	986,000	569,000	497,000
Promotional Items	25,000	10,000	23,000
Communications	1,233,000	455,000	386,000
Total	2,864,000	1,614,000	1,486,000

- **Data Manager:** Change orders to data management system, reduced through contract negotiations this year
- **Required Mailings:** Joint Rate Mailer w/ PG&E, Power Content Label, New Account Noticing
- **Advertising:** Active community presence activities, sponsorships, local events
- **Promotional Items:** Give away items
- **Communications:** Public relations, media, newsletters, consultants, minor software needs (like for website maintenance and updates)
- \$1.4MM of the \$2.9MM is Local Development Marketing needs and is distributed across the categories

Draft Budget Overhead Expenses—Legal, Policy, & Regulatory Affairs

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
Legal Consultants	1,635,000	1,315,000	1,315,000
Legislative Consultants	132,000	132,000	132,000
Other Consultants	144,000	120,000	105,000
Sponsorships & Memberships	75,000	25,000	25,000
Total	1,986,000	1,592,000	1,577,000

- **Legal Consultants:** Outside general counsel for procurement, analysis, and general operations
- **Legislative Consultants:** Retainer for Weideman Group legislative advocacy
- **Other Consultants:** Economic analysis in regulatory and legislative cases and communications consultant
- **Sponsorships & Memberships:** Occasional sponsorships for policy related events and Bar dues

Draft Budget Overhead Expenses—Other Professional Services

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
Accounting	265,000	250,000	258,000
Human Resources Consulting	1,000,000	100,000	33,000
IT Consulting	75,000	40,000	68,000
Consultants	953,000	460,000	444,000
Total	2,293,000	850,000	803,000

- **Accounting:** Accounting and auditing for financial compliance
- **Human Resources Consulting:** Support for additional HR demand for increased staffing recruitment, professional development, and training
- **IT Consulting:** Technical network assistance
- **Other Consultants:** Technical consulting for Power Resources and Technology & Analytics; as well as operational compliance support and other various tasks

Draft Budget Overhead Expenses—General & Administrative

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
Operational Expenses	1,048,000	877,000	818,000
Software, Subscriptions, SaaS	2,099,000	1,406,000	1,297,000
Small Equipment	210,000	107,000	56,000
Rent & Utilities	330,000	471,000	521,000
Conferences & Prof. Development	130,000	40,000	29,000
Board & Director Fees	65,000	60,000	40,000
Total	3,882,000	2,961,000	2,761,000

- **Operational Expenses:** Service fees, supplies, membership dues, operational services, and other relevant G&A
- **New Building Expenses:** Expected costs to operating within the new building, such as general maintenance, insurance requirements, and additional stocking materials
- **Software, Subscriptions, SaaS:** Increase covers additional software needs for Power Resource and Technology operations, as well as essential subscriptions for ongoing operations
- **Rent & Utilities:** Decrease because paying rent for only part of year, but expect some increase in utilities with new building space
- **Conferences & Professional Development:** Trainings, conferences, and related expenses
- **Board & Director Fees:** Monthly stipends for board members

Draft Budget Non-Operating Activity

	FY 2022-23 DRAFT BUDGET	FY 2021-22 BUDGET	FY 2021-22 YTD* + EST
NON-OPERATING REVENUE			
Interest Income	262,000	798,000	150,000
Grants	0	894,000	2,173,000
Other Non-Operating Revenue	15,000	0	326,000
Total Non-Operating Revenue	277,000	1,692,000	2,649,000
NON-OPERATING EXPENSES			
Borrowing Interest	1,440,000	898,000	907,000
Local Development Funding	20,600,000	8,475,000	8,475,000
Grant	15,000,000	0	0
Capital Expenditures	7,000,000	5,500,000	8,519,000
Total Non-Operating Expenses	44,040,000	14,873,000	17,901,000
NET NON-OPERATING ACTIVITY	(43,763,000)	(13,181,000)	(15,252,000)

- **Non-Operational Revenue:** Interest earned on Treasury backed cash account balances (estimated at 0.25%) and BlocPower loan (5.5% on \$1.0MM)
- **Other Non-Operational Revenue:** SaaS services provided to SVCE
- **Borrowing Interest Expenses:** Expected costs associated with expanded credit facility
- **Local Development Funding:** Capital transfer to Local Development Fund
- **Grant:** Proposed grant to UCSF Benioff Oakland Children’s Hospital for EBCE Pediatric Asthma partnership
- **Capital Expenditures:** New building improvement costs to allow for use

Grant to Establish a World Class Pediatric Asthma Program to Serve the East Bay

The Problem: Across the communities EBCE serves, a staggering 18% of children suffer from asthma - 33% above the statewide average. The highest rates (up to 21% in Ashland and Cherryland) are concentrated along the 880 and 580 corridors. In West Oakland, 1 in 2 new cases of pediatric asthma is attributable to high levels of air pollution from fossil fuel combustion in cars and trucks.

Why EBCE: Since our founding, addressing the legacy of fossil fuel pollution has been one of our foundational goals. EBCE has invested tens of millions into new, local clean energy projects - from wind turbines to rooftop solar + storage to electric vehicle to mitigate pollution. And now is the right time to consider other opportunities to systematically address the effects of air pollution on our most vulnerable neighbors.

The Opportunity: Partner with UCSF Benioff Children's Hospital Oakland (BCH Oakland) - the East Bay's only Children's Hospital - to invest \$15M to fund the development of a world class pediatric asthma program focused on serving children across the East Bay (and beyond)



Grant to Establish a World Class Pediatric Asthma Program to Serve the East Bay

Through the creation of the **East Bay Community Energy Asthma Program**, UCSF Benioff Children's Hospital Oakland will secure the staff, equipment and spaces needed to reach deep into our community and provide underserved families with world-class asthma care and education.

More specifically, the program will:

- More powerfully connect BCH Oakland's existing asthma care delivery channels - including the Pulmonology Clinic, primary care, inpatient care, emergency department and new allergy services - into a well-coordinated and easily accessible program that connects families with more preventative and timely treatment services.
- Provide patients with access to the social workers, mental health care providers and patient navigators they need to effectively manage their condition.
- Expand education and community outreach, including through local schools and local primary care providers, to connect patients to better care and additional management resources.
- Prioritize prevention through BCH Oakland's multi-disciplinary team, by pre-empting common triggers such as allergies and mental health challenges.

Grant to Establish a World Class Pediatric Asthma Program to Serve the East Bay

This investment will also endow the **East Bay Community Energy Distinguished Professorship in Asthma**. This endowed professorship would allow UCSF Benioff Children's Hospitals to appoint a nationally recognized physician scientist to play a leadership role in the East Bay Community Energy Asthma Program.

Specifically, the Distinguished Professor will:

- Collaborate with leading experts from across UCSF's pulmonology, allergy and immunology divisions to conduct research focused on improving outcomes for children with asthma across the East Bay.
- Conduct research in underexplored priority areas. The exact focus will depend on the physician scientist appointed/recruited. Possible areas of investigation may include the association and interaction of asthma and sickle cell disease; and how environment, stress and genetics contribute to the higher rates and worse outcomes of Black children affected by asthma.

Next Steps: If the East Bay Community Energy Board of Directors approves the allocation of funding towards this new initiative, EBCE staff will engage with UCSF Children's Hospital Oakland to develop a detailed proposal and associated grant agreement that will be brought back to the Board for review and approval at some point in 2022 (or 2023 at the latest).



Draft Budget: Local Development Fund

- 2022-2023 Local Development budget set at **\$20.6M**
- Allocating budget for capital intensive infrastructure development projects
- Allocating EBCE capital to reduce cost of ownership for building and vehicle electrification
- Initiating programs to accelerate heavy and light duty vehicle adoption as well as eMobility
- Increased funding for Community Grants
- \$1.4M in Program marketing in the MAS budget
- Unspent Local Development budget carries forward year to year

	<u>FY 2022-23</u>	<u>FY 2021-22</u>	<u>FY 2020-21</u>	<u>FY 2019-2020</u>
BEGINNING BALANCE	13,470,962	10,067,572	4,870,737	0
REVENUE & OTHER SOURCES				
Transfer from Operating Fund	20,600,000	8,475,000	6,340,000	6,275,000
Grants/Credits	-	-	395,000	-
Total Revenues & Other Sources	20,600,000	8,475,000	6,735,000	6,275,000
EXPENSES & OTHER USES				
Actual Program Expenses	-	1,571,610	1,538,165	1,404,263
Expected Remaining Expenses	34,070,962	3,500,000	-	-
Total Expenses & Other Uses	34,070,962	5,071,610	1,538,165	1,404,263
ENDING BALANCE	-	13,470,962	10,067,572	4,870,737

Local Development Areas of Emphasis Budget Allocation	
Transportation Electrification	\$12.75M
Building Electrification	\$4.7M
Energy Efficiency	No Direct EBCE Cost
Community Resilience/Local RE	\$660k
Community Grants	\$2.25M (granted over 3 years)
Sponsorships/Memberships	\$250k

Transportation Electrification

- Transportation is the largest source of emissions of GHG and particulate matter from Light, Medium and Heavy-duty vehicles
- EBCE is developing publicly available charging infrastructure tailored to renters and low-income communities to ensure these residents can transition to EVs (currently developing the first 3 charging hubs)
- Goods movement is particularly important with Port impacts to communities and access through the territory and into the Central Valley
- EBCE will continue assisting Cities to electrify fleets; providing fleet electrification technical assistance and offering to develop and operate charging infrastructure for Cities with "Charging as a Service" product
- With more vehicle models becoming available EBCE will develop programs to facilitate the buying process and make EVs accessible across all customer income levels
- Partner with local agencies and local business to increase access to eMobility solutions
- Provide capital to reduce cost of ownership through credit enhancements across multiple vehicle classes

Charging Infrastructure Deployment

Development Capital for Charging Infrastructure

- **Equitable Public Fast Charging Hubs(\$3M)**
 - Funds to support EBCEs efforts to build a network of public fast chargers across the communities we serve with an emphasis on siting these chargers close to high densities of multi-family housing where home charging is often not accessible
- **Medium/Heavy Duty Charging Station pilot (\$1M)**
 - Funds to support investments in fast chargers infrastructure to support goods movement electrification with an emphasis supporting electrification of trucking and drayage
- **Municipal Fleet Charging as a Service Projects (\$2M)**
 - Funds to support municipal fleet electrification through provision of Charging as a Service

Fleet Technical Assistance

- Municipal Fleet TA (\$250k)
- M/H Duty Fleet TA (\$500k)

Electric Vehicle and eMobility Innovation Fund

Invest in vehicle adoption and eMobility

- Lower costs and improve experience to accelerate EV adoption with emphasis on access for low and moderate income consumers (\$2M)
 - Funds to support one or more projects to drive consumer adoption of EVs. Ex: supporting electrification of rideshare services to direct consumer leasing/purchase of EVs
- Heavy duty loan loss reserve / credit enhancement to reduce barriers to electric Drayage ownership (\$2M)
 - Funds to support one or more projects to directly support conversion of older diesel drayage to all electric
- Partner with local transit agencies and local businesses to increase access to microMobility and eMobility solutions (\$2M)
 - Funds to support one or more projects to increase access to electric microMobility/eMobility

The specific details of each of these initiatives are under development and will be brought to the Board as they are ready to implement

Community Resilience

Continue to deploy Energy Resilient Public Facilities across EBCE communities

- Independent Engineer for Phase 2 Municipal Critical Facility Projects (\$500k)
- EBCE PPA development and negotiation for Phase 1 Procurement (\$100k)
- Salesforce PPA billing capability (\$60k)

Phase 1 Update: EBCE is finalizing the Phase 1 portfolio of projects and will be issuing RFO for Resilience projects in June. Initiating Phase 2 enrollment with other Cities to build on Phase 1 success and deliver more resilience across the community.

Energy Efficiency

Launch and run CPUC Funded Energy Efficiency Program

- Launch Commercial pay for Performance Program Pending approval of EBCE AL
- 3-year Program budget of \$13.5M (\$4.5M/year)
- Expected CPUC Approval July/August
- Planned program launch within 6 months of CPUC approval
- Incentives paid on measured, cost-effective savings
- Higher payments during peak periods
- Program will target combined demand response and energy efficiency installations

Commercial P4P Pilot learnings: Pilot program over-subscribed, incentives to be paid 12 months after project completion. Implementors awaiting additional EE funds.

Building Electrification

Electrifying buildings is key to meeting climate action plans and improving indoor air quality.

LMI Electrification

- Year 2 of BlocPower funding commitment (\$650k)
- Scaling BlocPower program upon phase 1 success (\$500k)

Clean Cooking with Induction

- Induction lending Program - (\$200k)
- EBCE HQ Clean Cooking Demonstration Center - (\$500k)
- Local point of sale partnership for residential adoption (\$200k)
- Commercial electrification Technical Assistance (\$150k)

Accelerating Building Electrification

- Municipal Electrification TA (\$250k)
- Building Electrification Credit enhancement (\$2M)
- BE Workforce Development (\$250k)

Community Grants

EBCE will continue working with community-based organizations and local businesses to deliver benefits across the EBCE service area

- Community Grants (\$2.25M over 3 years)

- Staff will work with BOD and CAC to determine funding priorities and manage grants

Funding Category	Transportation Electrification	Building Electrification	Community Resilience	Energy Efficiency
Program Enrollment				
Workforce Development				
Education / Awareness				

Thank You!



Questions? Give us a call:
1-833-699-EBCE (3223)



@PoweredbyEBCE



customer-support@ebce.org

Español
ebce.org/es

中文
ebce.org/cn