

ITEM 5 – WS 20-032

East Bay Community Energy Potential Rate Increase: Review and Comment on a Potential Rate Increase for Electricity from East Bay Community Energy



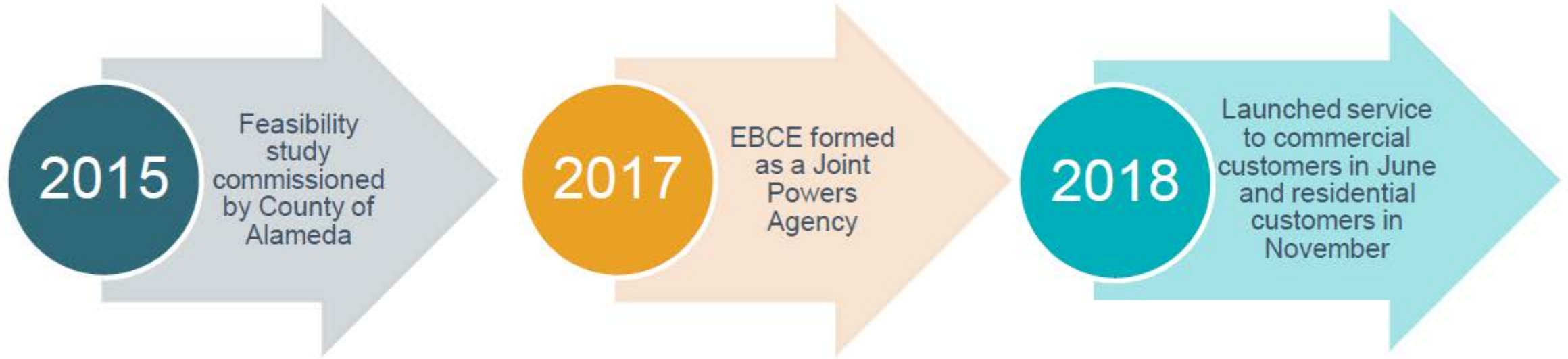
City Council

Potential Rate Increase for Electricity from East Bay Community Energy

July 14, 2020



HISTORY IN BRIEF



ELECTRIC SERVICE OPTIONS



More renewables
than PG&E
lower rates
than PG&E

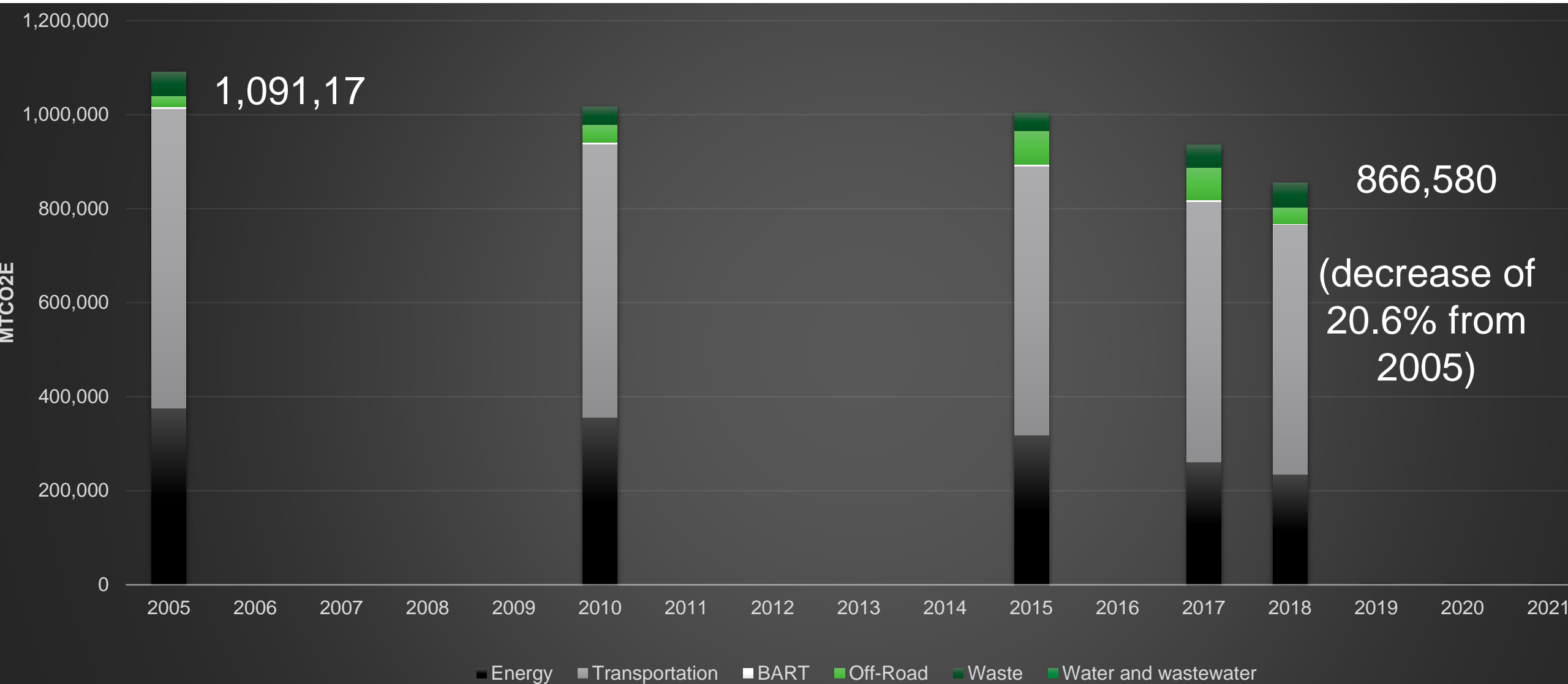


100%
clean energy
same rate
as current PG&E price



100%
renewable
\$0.01/kWh
more than Brilliant 100

GHG Emission Inventory



Financial Challenges

- PG&E increased rates by **increasing the transmission** component of the rate while **decreasing the generation** component. PG&E's generation rate decreased by 8% on May 1, 2020.
- The Power Charge Indifference Adjustment (PCIA) increased by 30% as of May 1, 2020.
- Procurement costs for Brilliant 100 have been higher than expected.

EBCE Board Action

At the Board meeting on June 17, 2020, staff recommended:

- No changes to the Brilliant 100 value proposition for the balance of 2020
- Close Brilliant 100 to new accounts and opt-ups effective July 1, 2020
- Phase out Brilliant 100 by the end of 2021
- Increase rate for Brilliant 100 to 2.5% or 3% more than PG&E. (to go into effect January 1, 2021)
- Effective September 2020, change the power mix for Brilliant 100 from 40% renewable to 33% renewable for remainder of 2020

EBCE Board Action

When the Board approved the budget on June 17, they voted to:



- Change discount for Bright Choice from 1.5% to 1.0% below PG&E rates effective July 1, 2020.



- Consider changes to Brilliant 100 – to be decided this fall.



- Maintain the rate for Renewable 100 at \$0.01/kWh more than PG&E rates.

Options for Hayward

Staff has identified the following options:

1. Change default to Bright Choice effective January 1, 2021. Most customers would pay 1% less (approximately \$1.00 per month for a typical residential customer).
2. Keep default as Brilliant 100 through the end of 2021. Would result in most customers paying 2.5 to 3% more for electricity during calendar year 2021.
3. Change default to Renewable 100 effective January 1, 2021. Staff does not recommend this option as it would result in most customers paying \$0.01/kWh more than PG&E rates.

Economic Impact

	Bright Choice (1% less)	PG&E	Brilliant 100 (3% more)	Renewable 100 (\$0.01/kWh more)
Residential Customer (monthly usage of 359 kWh):	\$94.88	\$95.84	\$98.72	\$99.43
Small Commercial Customer (monthly usage of 1,518 kWh):	\$398.32	\$402.34	\$414.41	\$417.40
Large Commercial Customer (monthly usage of 263,181 kWh):	\$52,310.61	\$52,839.00	\$54,424.17	\$55,470.66

Fiscal Impact

Approximate Annual Costs*	
Current spending on City accounts enrolled in Brilliant 100	\$585,000
If City's accounts are changed to Bright Choice	\$579,000
If City keeps its accounts enrolled in Brilliant 100	\$602,000
If City's accounts are changed to Renewable 100	\$656,000

* Costs are prior to solar phase 2A project at WPCF, which will reduce costs.

Strategic Roadmap

This agenda item relates to the Strategic Priority of Combat Climate Change *and* projects:

Project 2: Work with EBCE to transition citywide electricity use to 100% carbon free

Project 3: Transition electricity use in city operations to 100% renewable energy

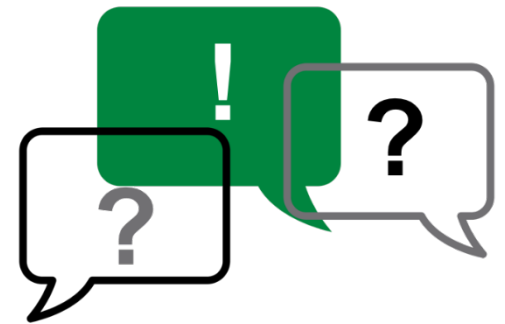
Project 4: Adopt and implement 2030 GHG Goal and Roadmap

Sustainability Committee Comments

- Raising rates for Hayward customers would be unpopular
- Prefer to avoid backsliding on City's GHG Inventory
- One option may be to ask EBCE to keep Brilliant 100 and add nuclear to supplement or replace large hydroelectric
- For Municipal accounts, switch to Renewable 100

Next Steps

- Provide Council Comments to EBCE Board
- EBCE Board may take action in September
- Council could take action in October



Extra Slides

Electric Power Generation Mix

2018				
	EBCE			PG&E
	Bright Choice	Brilliant 100	Renewable 100	
Renewable	41%	45%	100%	39%
Large Hydro	21%	55%	0%	13%
Natural Gas	0%	0%	0%	15%
Nuclear	0%	0%	0%	34%
Unspecified	38%	0%	0%	0%

2021				
	EBCE			
	Bright Choice	Brilliant 100	Renewable 100	Brilliant 100 with Nuclear
Renewable	PG&E +5%	35.8%	100%	35.8%
Large Hydro	?	64.2%	0%	0%
Natural Gas	0%	0%	0%	0%
Nuclear	0%	0%	0%	64.2%
Unspecified	?	0%	0%	0%

EBCE ENROLLMENT STATUS

	Eligible	Opt Out	%	Bright Choice	%	Brilliant 100	%	Renewable 100	%
Hayward	55,906	2,371	4.24%	12,945	23.15%	40,557	72.54%	33	0.06%
All EBCE	567,055	22,480	3.96%	487,443	85.96%	51,233	9.03%	5,899	1.04%

Residents may choose any of the EBCE products or opt out and return to PG&E

As of September 2019

Economic Impact

Residential Customer
(monthly usage of 359 kWh):

Residential: E-1	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11752	\$0.09410	\$0.08177	\$0.08353	\$0.09353
PG&E Delivery Rate (\$/kWh)	\$0.15298	\$0.15298	\$0.15298	\$0.15298	\$0.15298
PG&E PCIA/FF (\$/kWh)	N/A	\$0.02979	\$0.03045	\$0.03045	\$0.03045
Total Electricity Cost (\$/kWh)	\$0.27050	\$0.27687	\$0.26520	\$0.26696	\$0.27696
Average Monthly Bill (\$)	\$97.11	\$99.39	\$95.20	\$95.84	\$99.43

Small Commercial Customer
(monthly usage of 1,518 kWh):

Commercial/Industrial: A-1 TOU (A-1X)	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11565	\$0.07370	\$0.08135	\$0.08308	\$0.09308
PG&E Delivery Rate (\$/kWh)	\$0.14932	\$0.14932	\$0.14932	\$0.14932	\$0.14932
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04065	\$0.03257	\$0.03257	\$0.03257
Total Electricity Cost (\$/kWh)	\$0.26497	\$0.26367	\$0.26324	\$0.26497	\$0.27497
Average Monthly Bill (\$)	\$402.34	\$400.36	\$399.71	\$402.34	\$417.40

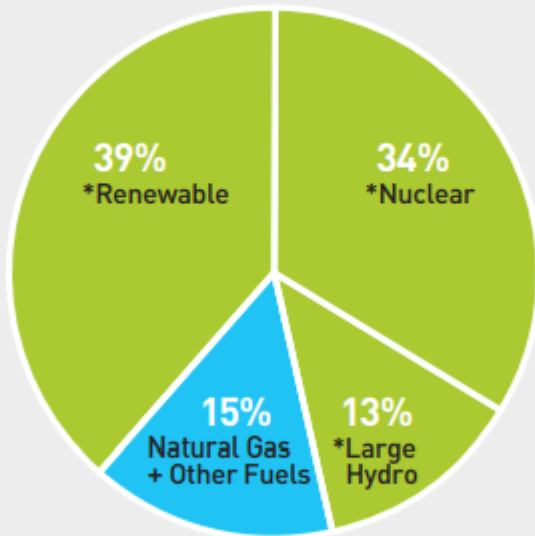
Large Commercial Customer
(monthly usage of 263,181 kWh):

Commercial/Industrial: E-19 S	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11077	\$0.07230	\$0.07696	\$0.07862	\$0.08862
PG&E Delivery Rate (\$/kWh)	\$0.09000	\$0.09000	\$0.09000	\$0.09000	\$0.09000
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04013	\$0.03215	\$0.03215	\$0.03215
Total Electricity Cost (\$/kWh)	\$0.20077	\$0.20243	\$0.19911	\$0.20077	\$0.21077
Average Monthly Bill (\$)	\$52,838.76	\$53,275.64	\$52,401.88	\$52,838.76	\$55,470.66

Power Content

2018 POWER MIX

PG&E-owned generation and power purchases

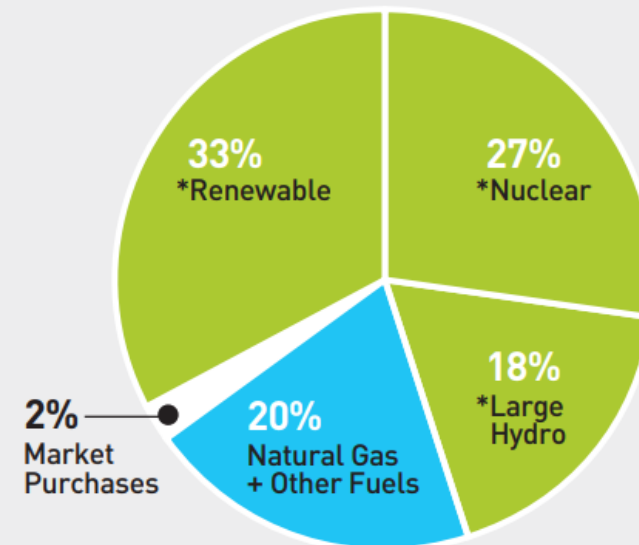


*Greenhouse gas free and/or renewable resources

The figures above may not sum to 100 percent due to rounding.

2017 POWER MIX

PG&E-owned generation and power purchases



*Greenhouse gas free and/or renewable resources