



Council Sustainability Committee

Default Electricity Product Choices from East Bay Community Energy

October 15, 2020

East Bay Community Energy



<https://ebce.org/>

ELECTRIC SERVICE OPTIONS



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

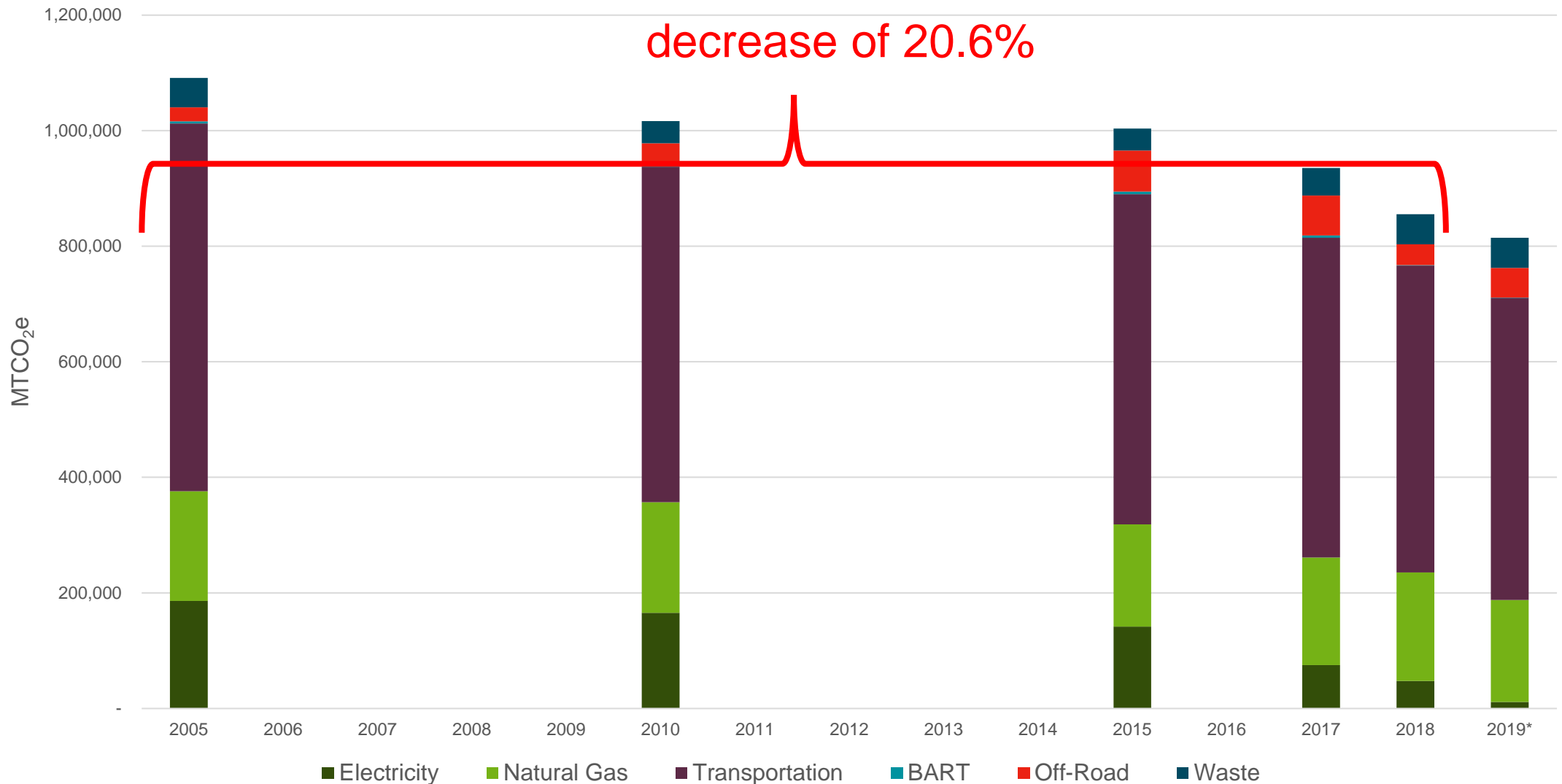


100%
clean energy
same rate
as current PG&E price



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

Hayward's GHG Emissions: 2005 - 2019



*Electricity and waste are estimated for 2019

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.
- Power Charge Indifference Adjustment (PCIA) increased by 30% on May 1, 2020 and will increase again in 2021.
- Procurement costs for Brilliant 100 have been higher than expected.

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.

Brilliant 100 Discussions

July 13, 2020

Council Sustainability Committee

July 14, 2020

City Council Work Session

September 16, 2020

EBCE Board meeting

September 25, 2020

EBCE Executive Committee meeting

Options for Hayward

Options that may be available for Hayward's default product:

- A. 100% carbon free product with nuclear energy
- B. Renewable 100
- C. Brilliant 100 with rate increase
- D. Brilliant 100 with subsidy
- E. Bright Choice

Options for Hayward

	A. Carbon Free w Nuclear	B. Renewable 100	C. Brilliant 100 w Rate Increase	D. Brilliant 100 w Subsidy	E. Bright Choice
Rates	equal to PG&E	8 to 9% more than PG&E	2 to 5% more than PG&E	equal to PG&E	1% less than PG&E
RPS (35.8%)*	solar & wind	solar & wind	solar & wind	solar & wind	solar & wind
Remaining Energy Mix (64.2%)	nuclear	solar & wind	large hydro	large hydro	may be mix of large hydro & natural gas
Help meet Hayward's GHG goals?	yes	yes	yes	yes	no

* CA Renewable Portfolio Standard in 2021.

Economic Impact

Customer Class	Bright Choice (1% discount)	PG&E	100% Carbon-Free with Nuclear	Brilliant 100 (2% premium)	Brilliant 100 (5% premium)	Renewable 100
Residential	\$44.21	\$44.66	\$44.66	\$45.55	\$46.89	\$48.46
Small Commercial	\$255.85	\$258.43	\$258.43	\$263.60	\$271.35	\$281.13
Large Commercial	\$35,411.02	\$35,768.71	\$35,768.71	\$36,484.08	\$37,557.15	\$38,715.81

Fiscal Impact

Approximate Annual Costs

Current spending on City accounts enrolled in Brilliant 100	\$558,000
If City keeps its accounts enrolled in Brilliant 100	\$575,000
If City's accounts are changed to Renewable 100	\$629,000
If City's accounts are changed to Bright Choice	\$552,000

Strategic Roadmap

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

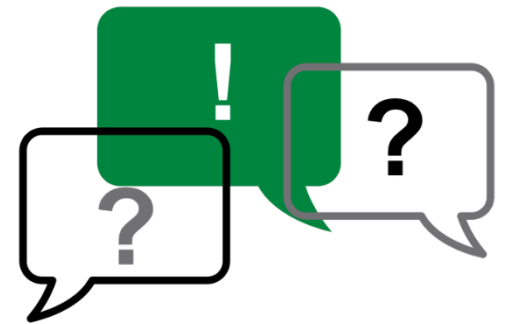
Project 2: Work with EBCE to transition citywide electricity use to 100% carbon free

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

Project 4: Adopt and implement 2030 GHG Goal and Roadmap

Next Steps

- Council Decision on November 10, 2020
- EBCE Board November 18, 2020
- EBCE Board December 16, 2020





Citywide Default Service Options: City of Hayward

Alex DiGiorgio
Public Engagement Manager
October 15, 2020



**1. Changes to EBCE's
Brilliant 100 service option**

**2. Hayward's potential
alternative options**



Current EBCE Service Options



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



100%
clean energy
same rate
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renewable
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more than Brilliant 100

Current Default Service Options

Jurisdiction	Commercial Customers	Residential Customers	Customers on financial assistance programs (e.g., 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
All other areas	Bright Choice	Bright Choice	Bright Choice

Background: *Brilliant 100*



- 2020 *Brilliant 100* power mix is forecasted as
 - 33% RPS-qualified renewables
 - 67% carbon-free power (no nuclear)
- 2020 cost is at parity to PG&E standard rates
- **Cost to serve *Brilliant 100* is greater than the current rate being charged to customers**
- In June, EBCE Board closed *Brilliant 100* to new accounts starting January 1, 2020. Currently defaulted to *Bright Choice*.
- **EBCE Board to vote on future of *Brilliant 100* :**
 - Increase rate 2-5%; or
 - End *Brilliant 100* and transition accounts to a different option; or
 - Subsidize *Brilliant 100*?

Brilliant 100 Options for 2021

Options for all EBCE customers

Offered only in EBCE jurisdictions where Board/Council has voted to accept nuclear

Premium Cost

CONTENT: Continue to offer 100% carbon free without nuclear power

COST:
2-5% over PG&E

Close Product

Transition current *Brilliant 100* customers onto *Bright Choice*

Hayward & Albany request new default

3rd Option

CONTENT:
Continue to offer 100% carbon free including nuclear power

COST:
Parity with PG&E

Carbon Free Allocation in 2021

- Formal request for consideration of a 100% carbon free, price parity product that includes nuclear power submitted by the cities of Hayward and Pleasanton (to date);
- 2021 Carbon Free allocation is awaiting a decision from the CPUC
 - PG&E submitted an **Advice Letter (5930-E)** on **August 27th** to the CPUC requesting permission to offer allocations of nuclear and large hydro power in **2021, 2022, and 2023**
 - PG&E has asked the CPUC to provide a decision by **October 31st**
 - Advice Letter did not include information on potential size of allocation
- *Background:* April 2020: Split vote (10-5) by EBCE Board to accept only large hydro allocation

Tentative Timeline

November

☐ **11/10: Hayward City Council considers:**

- 1) Preferred citywide default service option(s); and
- 2) Whether a new, carbon-free/price parity option—via nuclear allocation—could become available to customers within the City;

☐ **11/18: EBCE Board considers:**

- 1) Changes to *Brilliant 100* service option (i.e., **increase rate 2-5%**; or **discontinue option**); or **maintain status quo** (i.e., subsidize);
- 2) Accepting a nuclear allocation to create a new, carbon free option at price parity with PG&E for customers within self-selecting cities;

Tentative Timeline

December:

- EBCE Board votes on default service transitions (if any) for Albany, Hayward and/or Piedmont; and default enrollment options for Newark, Pleasanton, and Tracy;

January 2021:

- Outreach to customers re any changes to service options;
- Current *Brilliant 100* rates extended until end of month;

February 2021:

- EBCE service option transitions (if any) implemented at start of Feb.

Questions?

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