



**Staff Report Item 17**

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

**FROM:** Annie Henderson, VP Marketing and Account Services

**SUBJECT:** JPA Member Election to Default Phase 2 Customers onto *Brilliant 100* or *Renewable 100* (Action Item)

**DATE:** June 20, 2018

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**Recommendation**

Adopt a resolution directing staff to make the necessary arrangements to adjust the default service for the Phase 2 enrollment to be *Brilliant 100* or *Renewable 100* for certain residential customers in Piedmont, Albany and Hayward.

City	Date	Default Product	Customers
Albany	5/21	Brilliant 100	All residential
Hayward	5/22	Brilliant 100	All residential, exemption for customers in CARE, FERA or Medical Baseline programs
Piedmont	5/21	Renewable 100	All residential
Piedmont	6/4	Brilliant 100	Customers in CARE, FERA or Medical Baseline programs

Approve amendment to the Terms and Conditions of Service, and to authorize the CEO or his/her designee to make minor adjustments to the Terms and Conditions of Service as necessary.

**Background**

On February 7, 2018, the EBCE Board of Directors approved two product services for customers within EBCE territory: a default service called *Bright Choice* that will be 85% carbon-free and offered at a 1.5% discount to the PG&E generation rate, and a second service called *Brilliant 100* that will be 100% carbon-free and offered at the same cost as the PG&E generation rate.

On March 21, 2018, the Board adopted the rates sheets establishing the rates for the *Bright Choice* and *Brilliant 100* products.

On April 18, 2018, the Board approved a third product service for customers within EBCE territory that will be 100% renewable energy and offered concurrently with Phase 2 customer launch.

On May 16, 2018, the Board reaffirmed the rates for *Bright Choice* and *Brilliant 100* as adopted on March 21, 2018 and set the rates for the 100% renewable product at \$0.01 per kilowatt-hour above the PG&E base rate, which is the equivalent of a \$0.01 per kilowatt above EBCE's *Brilliant 100* rate

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. The following city councils have passed resolutions requesting the EBCE Board of Directors to enroll residential customers within their jurisdictions in *Brilliant 100* or *Renewable 100* service as the default options, which will increase GHG savings at no or little additional cost to customers.

City	Date	Default Product	Customers
Albany	5/21	Brilliant 100	All residential
Hayward	5/22	Brilliant 100	All residential, exemption for customers in CARE, FERA or Medical Baseline programs
Piedmont	5/21	Renewable 100	All residential
	6/4	Brilliant 100	Customers in CARE, FERA or Medical Baseline programs

### Analysis & Discussion

Enrolling customers directly into *Brilliant 100* or *Renewable 100* service requires the following changes to the standard process. EBCE staff is prepared to execute on these items in order to implement the decision of the city councils and EBCE Board of Directors.

- The Terms and Conditions of Service must be updated to reflect the rate differences in certain jurisdictions.
- Customers within jurisdictions that requested direct enrollment in *Brilliant 100* or *Renewable 100* will receive a different notice from jurisdictions with standard customer enrollment in *Bright Choice*.
- The EBCE website and select marketing collateral will be updated to include information about jurisdictions that requested customers direct enrollment in *Brilliant 100*.
- The SMUD call center will be trained on which jurisdictions have selected *Brilliant 100* or *Renewable 100* for customer enrollment.

EBCE will work with SMUD to configure their customer management systems to enroll all customers in *Brilliant 100* or *Renewable 100* within identified jurisdictions, as well as

correctly apply exemptions. There may be an additional cost to EBCE from SMUD to implement this customization.

It is important to note that the general marketing campaign will not address each customized enrollment process in these select member jurisdictions. Details will be available on the website, within the call center, and in limited, targeted collateral, but the overall messaging around Phase 2 launch will focus on the standard default enrollment of customers into *Bright Choice* service.

**Attachments**

- A. Resolution Approving JPA Member Election to Default Phase 2 Customers onto Brilliant 100 or Renewable 100
- B. Exhibit A - Amended Terms and Conditions

## RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY  
DIRECTING STAFF TO MAKE NECESSARY ARRANGEMENTS TO ALLOW  
THE DEFAULT SERVICE FOR PHASE 2 ENROLLMENT IN CERTAIN CITIES TO BE  
BRILLIANT 100 OR RENEWABLE 100 FOR CERTAIN RESIDENTIAL CUSTOMERS AND  
APPROVING AMENDMENT TO THE TERMS AND CONDITIONS**

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

Section 1. 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.

Section 2. At the February 7, 2018 Board of Directors regular meeting, the Board established the initial energy products to be provided by EBCE namely Bright Choice containing 85% greenhouse gas free content and Brilliant 100 containing 100% greenhouse gas free content.

Section 3. At the February 7, 2018 Board of Directors regular meeting, the Board also set a framework for establishing rates by benchmarking the rates off PG&E rates such that Bright Choice rates will be set at 1.5% below PG&E’s 2018 rates and Brilliant 100 rates will match PG&E’s 2018 rates, and at the March 21, 2018 Board of Directors regular meeting, the Board adopted the rates sheets establishing the rates for the Bright Choice and Brilliant 100 products.

Section 4. At the April 18, 2018 Board of Directors regular meeting, the Board approved offering a third energy product consisting of 100% renewable energy to be offered concurrently with the Phase II customer launch, and at the May 16, 2018 Board of Directors regular meeting, the Board reaffirmed the rates for Bright Choice and Brilliant 100, and set the rates for the 100% renewable product at \$0.01 per kilowatt-hour above the PG&E base rate, which is the equivalent of a \$0.01 per kilowatt above EBCE’s Brilliant 100 rate.

Section 5. In order to meet their climate action goals, EBCE member city of Albany has adopted a resolution requesting that the EBCE Board of Directors set the default product service in its city for Phase 2 customers at Brilliant 100 instead of Bright Choice.

Section 6. In order to meet their climate action goals, EBCE member city of Hayward has adopted a resolution requesting that the EBCE Board of Directors set the default product service in its city for Phase 2 customers at Brilliant 100 instead of Bright Choice. The city of Hayward resolution further requests that customers in its city that participate in CARE, FERA and Medical Baseline programs be enrolled in Bright Choice.

Section 7. In order to meet their climate action goals, EBCE member city of Piedmont has adopted a resolution requesting that the EBCE Board of Directors set the default product service in its city for Phase 2 customers at Renewable 100 instead of Bright Choice. The city of Piedmont resolution further requests that customers in its city that participate in CARE, FERA and Medical Baseline programs be enrolled in Brilliant 100.

Section 8. Changing the default product service for these cities requires a number of adjustments to, among other things, the terms and conditions, customer notification, certain marketing materials, and call center preparations and training.

Section 9. The Board of Directors hereby desires to accommodate the cities of Albany, Hayward, and Piedmont and therefore directs the EBCE Chief Executive Officer or his/her designee to take any and all necessary actions to allow for the default product service in those cities to be Brilliant 100 or Renewable 100, as applicable, and with exemptions as noted in Sections 7, 8 and 9 above, for all Phase 2 customers, with an option for those customers to opt down to Bright Choice, or to opt out as provided by law.

Section 10. The Board of Directors hereby approves Exhibit A Terms and Conditions of Service to provide for city-specific variations depending upon the default product offering in each city and further to authorize the CEO and his/her designee to make minor adjustments to the Terms and Conditions of Service as necessary.

**ADOPTED AND APPROVED** this 20<sup>th</sup> day of June, 2018.

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Scott Haggerty, Chair

ATTEST:

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Stephanie Cabrera, Clerk of the Board



## TERMS AND CONDITIONS OF SERVICE

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### ENROLLMENT AND SERVICE OPTIONS

#### ***Bright Choice***

As of June 2018, East Bay Community Energy (EBCE) will be the default electric provider serving Alameda County, except the cities of Alameda, Pleasanton, and Newark. Most accounts within EBCE's coverage area will be automatically enrolled in EBCE's *Bright Choice* service, which is powered by at least 38% renewable energy and an additional minimum of 47% carbon-free energy (together, a total of 85% carbon-free) and offered at a 1.5% discount to the corresponding PG&E rate. Enrollment will occur in phases over the next 6-12 months. Customers may request to opt up to the *Brilliant 100* service or opt out and return to PG&E bundled service at any time, subject to the opt out guidelines described below. *Bright Choice* electric generation rates in 2018 are set below PG&E electric generation rates, inclusive of utility exit fees. More information about rates can be found at [ebce.org/rates](http://ebce.org/rates).

#### ***Brilliant 100***

Customers have the option to opt up to EBCE's 100% carbon-free service, *Brilliant 100*, offered at the same cost as the corresponding PG&E rate. *Brilliant 100* customers may choose to return to the standard *Bright Choice* service at no cost, inclusive of utility exit fees. Changes in a service option are effective as of the customer's next billing cycle.

#### ***Renewable 100***

Customers have the option to opt up to EBCE's 100% renewable energy service, *Renewable 100*, offered at \$0.01/kWh above the applicable *Brilliant 100* rate. *Renewable 100* customers may choose to opt down to *Brilliant 100* or *Bright Choice* service at no cost, inclusive of utility exit fees. Changes in a service option are effective as of the customer's next billing cycle.

#### ***Default Service by Jurisdiction, Customer Class, and Program Participation***

In an effort to support sustainability goals, certain cities have chosen to enroll customers in their jurisdictions in different services based on customer class and program participation, as indicated in the table below. Customers are free to change their service option at any time, which will become effective as of the customer's next billing cycle.

Jurisdiction	Default Enrollment Service		
	Commercial Customers	Residential Customers	Customers in CARE, FERA, and Medical Baseline Programs
Albany	Brilliant 100	Brilliant 100	Brilliant 100
Hayward	Brilliant 100	Brilliant 100	Bright Choice
Piedmont	Bright Choice	Renewable 100	Brilliant 100
All other jurisdictions*	Bright Choice	Bright Choice	Bright Choice

\*Berkeley, Dublin, Emeryville, Livermore, Hayward, Piedmont, Oakland, San Leandro, Union City and County of Alameda

### ***Early Adopter (Voluntary Program)***

Before residential automatic enrollment begins in late 2018, residential customers are invited to opt in to EBCE service as Early Adopters in June 2018. Customers who enroll as Early Adopters must elect *Brilliant 100* service. Participation is voluntary, and Early Adopters who choose to return to PG&E bundled service may be subject to termination fees and special PG&E rates. The Early Adopter program is fully subscribed.

### **RATES, FEES AND PROGRAMS**

EBCE's electric generation rates are managed to provide cleaner, greener electricity to our community at competitive rates. Any future rate changes will be adopted at duly noticed public meetings of the EBCE Board. You can view EBCE rates online at [ebce.org/rates](http://ebce.org/rates), or call 1-833-699-EBCE (1-833-699-3223) for more information. Rates and cost comparisons may change over time.

As an EBCE customer, PG&E charges you a monthly Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge. EBCE has accounted for these additional exit fees and charges in its rate setting process. Please contact PG&E for more information about these charges.

Financial assistance programs including CARE (California Alternate Rates for Energy), FERA (Family Electric Rate Assistance) and Medical Baseline Allowance remain the same with EBCE. If you are enrolled in any of these programs with PG&E, they will continue to apply to you as an EBCE customer.

### **BILLING**

As an EBCE customer, you will continue to receive a single monthly bill from PG&E that includes all electricity-related charges, including EBCE's electric generation charges. EBCE generation charges are not duplicate or extra fees. PG&E will forward your payments for electric generation to EBCE. PG&E will continue to charge for gas services, transmission, distribution, public goods programs and other non-generation charges at the same rates it charges customers who do not receive EBCE service.

## **OPT OUT**

You may opt out of EBCE electric generation service at any time by calling 1-833-699-EBCE (1-833-699-3223) or by completing the opt-out form at [ebce.org/optout](http://ebce.org/optout). You will need your PG&E account information to begin the opt-out process.

There is no fee to opt out before enrollment or in the first 60 days of receiving EBCE service. If you opt out 60 or more days after EBCE service begins, or if you are an Early Adopter, you will be charged a one-time termination fee of \$5 per residential account or \$25 per commercial account. This fee will be waived for customers that opt out prior to June 1, 2019. You will also be subject to PG&E's terms and conditions of service, which will prohibit you from returning to EBCE for a full year after your opt-out date.

If returning to PG&E generation service after receiving EBCE service for more than 60 days, or after enrolling as an Early Adopter, PG&E requires that you choose one of the following options:

- Option 1: Return to PG&E generation service at the end of the current billing cycle. You will be billed at PG&E's transitional rates for a six-month period, and PG&E's standard bundled electricity rates thereafter.
- Option 2: Give six month's advance notice of your intent to return to PG&E generation service. At the end of the six-month notice period, you will be returned to PG&E service and billed PG&E's standard bundled electricity rates.

Accounts of customers who have requested to opt out will be transferred on the next day their electric meter is read. Accounts cannot be transferred in the middle of a billing cycle. Your opt out request must be received at least 5 business days prior to your meter read date in order to switch service to PG&E before your next billing cycle begins. All other opt out requests will be processed on the subsequent meter read date. If you opt out or otherwise stop receiving service from EBCE, you will be charged for all EBCE electricity used before ending EBCE electric service.

## **FAILURE TO PAY**

If you fail to pay your bill, EBCE may transfer your account to PG&E upon 30 days' written notice for commercial customers and 60 days written notice for residential customers. If your account is transferred, you will be required to pay the opt out fees described above.

## **CUSTOMER CONFIDENTIALITY**

EBCE is committed to protecting customer privacy. EBCE's policy on customer confidentiality can be found at [ebce.org/confidentiality](http://ebce.org/confidentiality) or by calling 1-833-699-EBCE (1-833-699-3223).



## JPA Member Election to Default Phase 2 Customers onto Brilliant 100 or Renewable 100

PRESENTED BY Annie Henderson

DATE June 20, 2018



# BACKGROUND

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- March 2018
  - Upon request by local city councils, EBCE Board approved *Brilliant 100* service for Phase 1, Non-Residential enrollment within certain jurisdictions
- May and June 2018
  - Certain city councils formally approved a request for a different default service for Phase 2, Residential enrollment

# PHASE 2 REQUESTS

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Jurisdiction	Date	Default Service	Customers
Albany	5/21	Brilliant 100	All Residential
Hayward	5/22	Brilliant 100	All Residential except CARE, FERA & Med Baseline Allowance
Piedmont	5/21	Renewable 100	All Residential
	6/4	Brilliant 100	Customers in CARE, FERA & Med Baseline Allowance

# OVERVIEW

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	Default Enrollment Service		
Jurisdiction	Commercial Customers	Residential Customers	Customers in CARE, FERA, and Medical Baseline Allowance Programs
Albany	Brilliant 100	Brilliant 100	Brilliant 100
Hayward	Brilliant 100	Brilliant 100	Bright Choice
Piedmont	Bright Choice	Renewable 100	Brilliant 100
All other jurisdictions*	Bright Choice	Bright Choice	Bright Choice

\* *Berkeley, Dublin, Emeryville, Livermore, Hayward, Piedmont, Oakland, San Leandro, Union City and County of Alameda*

# OPERATIONAL ITEMS

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- The **Terms and Conditions of Service** must be updated to reflect the rate differences in certain jurisdictions.
- Customers within jurisdictions that requested direct enrollment in *Brilliant 100* or *Renewable 100* will receive a **different notice** from jurisdictions with standard customer enrollment in *Bright Choice*.
- The EBCE **website and select marketing collateral** will be updated to include information about jurisdictions that requested customers direct enrollment in *Brilliant 100*.
- The SMUD **call center will be trained** on which jurisdictions have selected *Brilliant 100* or *Renewable 100* for customer enrollment.

# IMPACTS

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- Potential for increased opt outs
- Potential additional cost from SMUD (TBD)
- Potential customer confusion
  - General marketing campaign will not address each customized enrollment process in these select member jurisdictions.
  - Details will be available on the website, within the call center, and in limited, targeted collateral

# RESOLUTION

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- The resolution outlines the following actions:
  - Directs the EBCE staff to **implement default service requests** with an option for those customers to opt down to Bright Choice, or to opt out as provided by law
  - **Approve Terms and Conditions of Service** to provide for city-specific variations depending upon the default product offering in each city
  - Authorize the CEO and his/her designee to **make minor adjustments** to the Terms and Conditions of Service as necessary