



Office of the City Manager

ACTION CALENDAR

April 24, 2018

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Timothy Burroughs, Director, Planning and Development Department

Subject: Select East Bay Community Energy's *Brilliant 100* Electricity Service for Municipal Accounts

RECOMMENDATION

1. Receive an update from East Bay Community Energy regarding its program design, products, timeline and next steps; and
2. Adopt a Resolution authorizing the City Manager to select East Bay Community Energy's *Brilliant 100* (100% carbon-free) electricity service for municipal accounts.

FISCAL IMPACTS OF RECOMMENDATION

None. East Bay Community Energy's *Brilliant 100* electricity service costs the same as PG&E's electricity service. However, as noted in the "Alternative Actions Considered" section below, Council could authorize the City Manager to select a different service from East Bay Community Energy with lower costs, but also resulting in fewer greenhouse gas emissions reductions.

CURRENT SITUATION AND ITS EFFECTS

East Bay Community Energy (EBCE), a public, not-for-profit electricity provider that gives all Berkeley PG&E electric customers the choice of cleaner electricity at competitive rates, will launch this June starting with municipal and commercial account enrollment. The EBCE presentation will inform Council of the program design, community benefits, electricity options, timeline, next steps and outreach strategies.

EBCE is Alameda County's Community Choice Aggregation (CCA) program. CCA allows public agencies to pool (or aggregate) their electricity load in order to purchase and/or develop power on behalf of their residents, businesses and municipal accounts, as an alternative to investor-owned utilities such as PG&E. CCA is an energy service model that works in partnership with the region's existing utility. Once EBCE launches, PG&E will continue to provide all gas services, electric delivery, billing, customer support, and power line maintenance.

On February 7, 2018, the EBCE Board of Directors selected two initial product options for customers – *Bright Choice* or *Brilliant 100* – each with a different price point and

level of renewable and carbon-free energy. Customers will be automatically enrolled in the lower priced *Bright Choice* unless they choose to opt-up to *Brilliant 100* or opt-out to continue purchasing power directly from PG&E.

Product Options	Bright Choice	Brilliant 100	PG&E
Renewable Content	38%	40%	33%*
Carbon-Free Content	85%	100%	78.8%**
PG&E Rate Comparison	1.5% Discount	Same Price	-

*[PG&E 2016 Power Mix](https://www.pge.com/pge_global/local/assets/data/en-us/your-account/your-bill/understand-your-bill/bill-inserts/2017/november/power-content.pdf) (most recent published actual data)

https://www.pge.com/pge_global/local/assets/data/en-us/your-account/your-bill/understand-your-bill/bill-inserts/2017/november/power-content.pdf

**[PG&E 2/20/2018 News Release](https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20180220_pge_clean_energy_deliveries_already_meet_future_goals)

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Municipal and commercial accounts (Phase 1) will be enrolled in June 2018. Residential accounts (Phase 2) will be enrolled in November 2018.

In addition to providing affordable clean electricity options, EBCE will reinvest earnings back into the community to develop more local renewable energy sources, create local green energy jobs, and support local energy programs.

The City is partnering closely with EBCE to identify key stakeholders and community events for both commercial and residential outreach. The Office of Energy and Sustainable Development (OESD), in coordination with the Office of Economic Development and with input from community members and organizations, has identified outreach strategies to help Berkeley businesses and residents make informed participation choices. In addition to online efforts, EBCE will make presentations in Berkeley and throughout the County. OESD will amplify efforts in Berkeley by recruiting community volunteers to support local outreach. The City will also employ its online communication channels – press releases, Nextdoor, website, OESD e-news, etc. – to reach broader audiences.

EBCE has asked each participating jurisdiction to consider opting-up to the *Brilliant 100* (100% carbon-free) product for its municipal operations. While customers can opt-up at any time, selecting *Brilliant 100* prior to May 18, 2018, will allow the City to be enrolled before EBCE's June launch date. Choosing the greener product demonstrates leadership in the area of environmental sustainability and may encourage other jurisdictions and customers to select *Brilliant 100* during both the commercial and residential enrollment periods. In the Bay Area, more than 20 other jurisdictions have already opted-up to 100% renewable energy through their CCA provider.

EBCE's analysis of municipal accounts (based on historical usage and average costs) indicates that selecting EBCE's *Brilliant 100* will result in the approximate annual

greenhouse gas emissions reductions of 4,122,791 pounds (1,870 metric tons) of carbon, or the equivalent of two years of energy use by the Civic Center building. Opting-up to *Brilliant 100* would reduce municipal energy emissions by over 50%, with the remaining emissions coming mainly from natural gas.

On February 28, 2018, the Berkeley Energy Commission considered the service options for municipal accounts and recommended *Brilliant 100* (7-0-0-1; Ayes: Bell, Leger, Luce, Schlachter, Weems, Bernhardt, Stromberg. Noes: None. Abstain: None. Absent: Elmallah). The Commissioners also expressed concern that the product offerings from EBCE will not achieve the emissions reductions identified in the Climate Action Plan and support prioritizing more renewable energy.

BACKGROUND

The State of California passed legislation in 2002 (Assembly Bill 117) allowing local agencies to form CCA programs and purchase power on behalf of their residents and businesses. AB 117 not only enabled California to join a growing number of states allowing CCA, it also mandated automatic customer enrollment, with an opt-out option. In 2010 California's first CCA program launched in Marin County. Today there are eight operational CCAs, with eight more anticipated to launch in 2018 (including EBCE), and several others exploring or in process throughout the state.

On October 4, 2016 the Alameda County Board of Supervisors formally created the Joint Powers Authority (JPA) that governs the implementation of EBCE. The JPA is led by a Board of Directors composed of representatives from 11 participating cities and unincorporated areas in the County. The Berkeley City Council approved joining EBCE on November 1, 2016 (see Attachment 2).

ENVIRONMENTAL SUSTAINABILITY

CCA is a core strategy of the Berkeley Climate Action Plan (CAP) to reduce community-wide emissions 80% by 2050. The 2017 CAP update to Council identifies EBCE participation as an opportunity to increase access to local, clean electricity to reduce overall emissions from buildings and electric vehicles. Opting-up municipal accounts to EBCE's 100% carbon-free *Brilliant 100* electricity product will cut municipal energy emissions by more than half and accelerate greenhouse gas reductions more rapidly than selecting either EBCE's *Bright Choice* product or continuing to purchase electricity from PG&E.

RATIONALE FOR RECOMMENDATION

Opting-up municipal accounts to EBCE's *Brilliant 100* electricity product will result in the greatest greenhouse gas reductions at no additional cost to the City.

ALTERNATIVE ACTIONS CONSIDERED

1. Enroll in the default EBCE *Bright Choice* electricity product. Based on an analysis provided by EBCE, enrollment in *Bright Choice* would save the City approximately \$13,700/year; although it would result in fewer greenhouse gas

reductions (approximately 1870 metric tons of carbon) than selecting *Brilliant 100*.

2. Opt-out of EBCE to continue purchasing electricity directly from PG&E. Opting-out would result in no new savings nor accelerated greenhouse gas reductions that would be achieved through EBCE. Although PG&E's renewable content is increasing incrementally per state law, EBCE plans to continue to offer electricity products with greater renewable and carbon-free content than PG&E.

CONTACT PERSON

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Attachments:

- 1: Draft Resolution Authorizing Selection of EBCE *Brilliant 100* Electricity Service for Municipal Accounts
- 2: Resolution No. 67,730-N.S., adopted Nov. 1, 2016, to approve Berkeley participation in the governance of the new Alameda County CCA.

RESOLUTION NO. ##,###-N.S.

AUTHORIZE SELECTION OF EAST BAY COMMUNITY ENERGY'S (EBCE)
BRILLIANT 100 ELECTRICITY SERVICE FOR MUNICIPAL ACCOUNTS

WHEREAS, the City of Berkeley has been a leader in the fight against climate change, having adopted a Climate Action Plan in 2009, which aims to reduce the City's carbon emissions to 33% below 2005 baseline emission levels by 2020 and 80% by 2050; and

WHEREAS, Berkeley's Climate Action Plan identifies Community Choice Aggregation (CCA), which allows public agencies to procure a greater percentage of electrical power from renewable sources on behalf of electricity customers, as a key strategy to meet local clean energy goals and greenhouse gas reduction targets; and

WHEREAS, on November 1, 2016, the City of Berkeley City Council adopted Resolution No. 67,730-N.S. authorizing Berkeley's participation in Alameda County's Community Choice Aggregation program known as East Bay Community Energy (EBCE) and subsequently appointed representatives to its Board of Directors; and

WHEREAS, on February 7, 2018, the EBCE Board of Directors decided to offer customers an 85% carbon free default product called *Bright Choice* at rates less than PG&E, and a 100% carbon-free product called *Brilliant 100* offered at the same price as PG&E; and

WHEREAS, enrolling in the *Brilliant 100* carbon-free electricity option is the most effective way to accelerate greenhouse gas reductions without additional cost to the City; and

WHEREAS, on February 28, 2018 the Berkeley Energy Commission recommended *Brilliant 100*; and

WHEREAS, many Bay area cities have opted-up municipal accounts through their CCA providers; and

WHEREAS, enrolling municipal accounts in a carbon-free electricity product would allow Berkeley to showcase its environmental leadership and demonstrate efforts to create a sustainable community in line with the larger goals of the Climate Action Plan.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it hereby approves of *Brilliant 100* as the electricity product for municipal accounts.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to select *Brilliant 100* electricity service for the City of Berkeley's municipal accounts.

RESOLUTION NO. 67,730–N.S.

APPROVE AN AGREEMENT TO PARTICIPATE IN A JOINT POWERS AGENCY FOR
COMMUNITY CHOICE AGGREGATION PROGRAM IN ALAMEDA COUNTY

WHEREAS, the Berkeley City Council has demonstrated 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, the City Council adopted a Climate Action Plan to reduce greenhouse gas emissions; and

WHEREAS, Community Choice Aggregation is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with local commercial energy purveyors and owners of transmission facilities, which in the case of Alameda County is Pacific Gas & Electric Co.; and

WHEREAS, Community Choice Aggregation has the potential to reduce greenhouse gas emissions related to the use of power in Alameda County; provide electric power and other forms of energy to customers at a competitive cost; carry out programs to reduce energy consumption; stimulate and sustain the local economy by developing local jobs in renewable energy; and promote long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources; and

WHEREAS, the City Council and the Alameda County Board of Supervisors have examined and identified Community Choice Aggregation as a key strategy to meet local clean energy goals and projected greenhouse gas reduction targets; and

WHEREAS, in June 2014, the Alameda County Board of Supervisors directed the Community Development Agency (CDA) to determine if a Community Choice Aggregation program is feasible for Alameda County; and

WHEREAS, in 2015 CDA staff engaged MRW & Associates of Oakland to prepare a Technical/Feasibility Study (Technical Study for Community Choice Aggregation Program in Alameda County, Draft (MRW & Associates, July 2016); and

WHEREAS, taken comprehensively, the Technical Study suggests that an Alameda County CCA would be feasible, could operate economically, could provide ratepayers reductions on their electric bills, and could both increase renewable energy and reduce greenhouse gas emissions if the right balance is achieved by a JPA; and

WHEREAS, if a municipality is to form a CCA with other municipalities, it must become a part of a Joint Powers Agency (JPA) as required by the legislation that permits CCAs, Assembly Bill 117 (Migden, 2002); and

WHEREAS, a draft JPA Agreement has been prepared by the Office of the County Counsel and has been reviewed by City Attorneys and the membership of the Steering Committee over the course of several months.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it does hereby approve the agreement entitled, "East Bay Community Energy Authority - Joint Powers Agreement" in order to participate with other prospective signatories in a CCA Joint Powers Authority for Alameda County municipalities, and authorizes the City Manager or her designee to execute the agreement and any amendments.


BE IT FURTHER RESOLVED that in taking this action, the City of Berkeley is not committing to providing working capital to the JPA upon its formation and any proposals for such City involvement must be approved by the Council of the City of Berkeley.

The foregoing Resolution was adopted by the Berkeley City Council on November 1, 2016 by the following vote:

Ayes: Arreguin, Capitelli, Droste, Maio, Moore, Wengraf, Worthington and Bates.

Noes: None.

Absent: Anderson.



Tom Bates, Mayor

Attest: 

Mark Numainville, City Clerk

