



MEMORANDUM

DATE: March 15, 2022
TO: Christine Daniel, City Manager
FROM: Mohamed Alaoui, Public Works Director
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Requesting East Bay Community Energy To Enroll All Residential, Commercial And Industrial Accounts In Renewable 100 (100% California-Based Wind And Solar) Service, With The Exception Of Those Participating In A) Medical Baseline, B) California Alternate Rates For Energy (CARE), C) Family Electric Rate Assistance (FERA), D) Direct Access Electric Service Programs Or E) Those Who Have Previously Opted To A Specific EBCE Service Level, And F) Those Who Have Opted Out Of EBCE Service; CEQA Determination: Exempt Pursuant To CEQA Guideline 15061(b)(3)**

RECOMMENDATION

The Sustainability Committee recommends that the City Council approve the above-entitled resolution choosing the “Renewable 100” service level through East Bay Community Energy (EBCE) as the default for all electric energy accounts within the jurisdiction, with the following exceptions:

- A) Those participating in a Medical Baseline Service program
- B) Those participating in the California Alternate Rates for Energy (CARE) program
- C) Those participating in the Family Electric Rate Assistance (FERA) program
- D) Those participating in the Direct Access Electric Service program
- E) Those EBCE customers who have opted to a specific EBCE service at any time
- F) Those who have opted out of EBCE service.

BACKGROUND

EBCE is a Community Choice Energy entity that began providing electric service to customers in Emeryville in 2018¹. At that time, EBCE offered two service levels:

- Bright Choice, which had Greenhouse Gas Emissions (GHG) 5% lower than Pacific Gas & Electric (PG&E) service, at a 1% price discount as compared to PG&E rates, and
- Brilliant 100, which had 100% GHG-free service, at the same price as standard PG&E service.

¹ EBCE procures and provides electricity; transmission and billing services are performed by Pacific Gas & Electric (PG&E). PG&E also procures and provides all natural gas services.

Jurisdictions were asked to choose which of these service levels would be the default for service within the community. The two service level options were discussed at a City Council meeting on March 20, 2018, where on Item 12.3.2 Council voted not to default community accounts to “Brilliant 100,” instead opting to default all accounts within Emeryville into the “Bright Choice” service level.

As of February 2022, approximately 2.5% of customers in Emeryville have opted out to PG&E, and about 1.95% of customers have opted up from Bright Choice to another EBCE service.

EBCE has since launched a third service level:

- Renewable 100, which offers 100% GHG-free and renewable energy sourced by solar and wind projects within California, priced one cent per kilowatt hour higher than PG&E rates.

Several cities have subsequently set Renewable 100 as the default service level for their residents, businesses, or both:

	Residential* Launch	Commercial Launch	Notes
Albany	1/2022	1/2022	
Berkeley	3/2022	10/2022	
Dublin	1/2022		Commercial opt-up to be considered 3/2022
Hayward	1/2022	1/2022	
Pleasanton	1/2022	1/2022	
San Leandro	3/2022	10/2022	

* CARE/FERA and Medical Baseline customers excepted

In the cities that have already opted up, the rates of opt-down and opt-out are shown below.

	1/25/22		Change from November 2021		
	Total Eligible	Total % Opt Out	Total % Move to/ Stay on BC	% Opt Out	% Move to/ Stay on BC
Albany	7,365	2.99%	12.37%	0.19%	11.25%
Dublin	27,546	5.14%	3.25%	0.30%	3.25%
Hayward	57,951	6.38%	11.20%	0.21%	10.34%
Pleasanton	32,115	4.98%	5.46%	0.76%	4.72%
All EBCE	675,053	5.47%	1.98%	0.12%	1.84%

The EBCE Board considers opt-up proposals at its April and October meetings, for implementation six months later. If this proposal is approved by City Council in March 2022, customers will be enrolled in Renewable 100 in October 2022. If a decision is deferred, City Council can make this decision at any time through September for enrollment the following April, or through March for enrollment the following October.

DISCUSSION

In 2020, EBCE was faced with a decision about including nuclear power in its energy mix; the EBCE Board ultimately determined that it would not provide nuclear-derived energy to its customers. The inputs and outcomes of this decision were complex and included a decision by EBCE to accept the allocation of nuclear power from PG&E and to sell it rather than provide it to customers. The decision to accept the nuclear allocation had the effect of ensuring that PG&E would have to disclose emissions from its gas-fired power plants, and therefore would have a GHG content report that more closely represented PG&E's actual systemwide emissions. The decision not to provide it to customers meant that the "Brilliant 100" service could no longer be provided at cost parity to PG&E's standard service, which does include nuclear-generated power.

As a result of this decision, EBCE determined the "Brilliant 100" product was no longer viable, and it was discontinued at the end of 2021. Another outcome of the decision not to accept a nuclear allocation was that the "Bright Choice" service now has a higher GHG content than PG&E's service². In October 2021, the City Council directed staff to bring data to the Sustainability Committee for consideration of a recommendation to default all electric accounts in Emeryville (with noted exemptions) to "Renewable 100."

Costs

Analysis of the costs of a switch is complicated by the wide variation in patterns of electricity use by different businesses and households, and the many different rate categories offered. Renewable 100 is priced 1 cent per kilowatt hour (kWh) over PG&E's rate. EBCE has provided data broken out by rate type, which can be seen in Exhibit A, attached. Table 1, below, provides a summary of the cost data by account type:

² PG&E's Diablo Canyon nuclear power plant is scheduled to close its two reactors in 2024 and 2025 respectively. In 2020, 42.8% of PG&E's carbon-free energy came from this source.

Table 1: Summary of Renewable 100 rates vs. Bright Choice rates by rate plan

Rate	Category	# Accounts	Monthly Average kWh	Average Monthly Price Premium for Renewable 100	Average % Monthly Price Premium for Renewable 100
A1 Time of Use	Small/med commercial	739	2,187	\$24.27	4.1%
A10 Time of Use	Small/med commercial	106	11,404	\$127.39	4.8%
E19	Large commercial	115	34,727	\$384.43	5.6%
RES	Residential	2,975	274	\$18.31	4.0%
RES TOU	Residential Time of Use	3,968	292	\$3.05	3.0%

In addition to the 7,953 accounts for which cost data is presented, there are 50 accounts in categories subject to the California Public Utilities Commission’s rules on “privacy and security of electricity usage data” (Decision 11-07-056, July 28, 2011). This Decision, commonly referred to as the “15/15 rule,” prohibits energy providers from making identifiable usage data public. In practice, data are unavailable in any rate category with fewer than 15 accounts or in which one user is responsible for 15% or more of the total usage.

In Emeryville, 50 accounts fall under this “15/15” rule, and as a result, we do not have data showing how a switch to Renewable 100 would impact their costs.

Table 2: Electricity accounts in Emeryville subject to the “15/15” rule prohibiting making energy use data public

Rate	Category	# Accounts	Monthly Average kWh	Average Monthly Price Premium for Renewable 100	Average % Monthly Price Premium for Renewable 100
A1	Small/med commercial	44		Unavailable	
A10	Small/med commercial	3			
E20P	Large commercial	2			
E20S	Large commercial	1			

Data is available for 99.4% of Emeryville accounts, and for those accounts, the average monthly cost increase from a switch to Renewable 100 from Bright Choice would range from 3.0% to 5.6%, as shown in Table 3.

Table 3: Monthly Electricity Costs by Account Type

Rate	Category	# Accounts	Monthly Average Electricity Cost on Bright Choice	Average Monthly Price on Renewable 100	Average % Monthly Price Premium for Renewable 100 ³
A1 Time of Use	Small/med commercial	739	\$590.74	\$615.01	4.1%
A10 Time of Use	Small/med commercial	106	\$2,670.53	\$2,797.92	4.8%
E19	Large commercial	115	\$6,838.81	\$7,223.24	5.6%
RES	Residential	2,975	\$76.74	\$95.04	4.0%
RES TOU	Residential Time of Use	3,968	\$86.29	\$89.35	3.0%

CARE/FERA/Medical Baseline

Accounts taking advantage of income-qualified programs (California Alternate Rates for Energy/CARE and Family Energy Rate Assistance/FERA), and those on Medical Baseline service, will not be subject to a default enrollment to Renewable 100 and will not see the Renewable 100 premium appear on their bills. However, customers on these programs will still have Renewable 100 as a choice if they prefer this option. CARE and FERA services provide a set discount on each bill and Medical Baseline service allows additional usage at the lowest rate compared to non-enrolled accounts.

In Emeryville, there are 6,943 residential electric accounts, 1,119 of which are enrolled in either CARE, FERA, or Medical Baseline services.

Other Proposed Exemptions

In addition to those with discounted service plans, three other categories of customer are proposed to be exempt from the default opt-up to Renewable 100: Direct Access Service customers, typically large industrial users who contract directly for electric service; customers who have opted out of EBCE, and customers who have made a service level election on their own initiative prior to any default opt-up.

³ Presenting cost averages is problematic in relation to what customers may see on their bill at different times of year and in different use cases. The cost averages shown here are best considered as general guidance.

Climate Impacts/Greenhouse Gas Emissions

Electricity used by accounts in Emeryville in 2019 was responsible for 8,278 metric tons of GHG emissions. Due primarily to 1) changes in the California Energy Commission’s (CEC) accounting methodology for greenhouse gas emissions in 2020, and 2) EBCE’s decision not to include nuclear allocations within the Bright Choice energy supply, EBCE’s emissions from its Bright Choice service will increase significantly in 2020 and beyond. This carbon intensity of EBCE’s Bright Choice service is likely to remain higher than PG&E’s standard service while PG&E continues to use nuclear power until the Diablo Canyon plant is fully closed in 2025. In the meantime, EBCE will continue working towards achieving its 2030 Clean Energy Goal (i.e., to provide 100% renewable + non-nuclear carbon free energy to all customers).

Table 4: Recent and Projected Community Greenhouse Gas Emissions from Electricity

Service	Community Electricity GHGs, Metric Tons (MTCO_{2e})	Impact on Electricity-Related Emissions
PG&E 2005	46,104	-
Bright Choice 2019	8,278	-82%
Bright Choice 2022 (change in power mix)	31,444	-31%
Renewable 100	0	-100%

Emissions from Electricity

In 2005, electricity accounted for 21% of all community emissions. By 2019, with a cleaner grid and EBCE’s commitment to lower GHGs, electricity only produced 6% of total community emissions. With the changes to Bright Choice’s energy mix driving a sharp increase in GHG emissions, electricity is projected to account for 23% of total community emissions in 2022 and beyond.

Emissions from All Sources

As of 2019, Emeryville has achieved an overall 38% annual reduction in GHGs from all sources. Going forward with Bright Choice service would set that progress back: Emeryville will only have achieved a 27% annual overall GHG reduction since 2005. If Renewable 100 is selected by Council as the default service, Emeryville will have cut annual emissions 42%, beating our 2030 goal of a 40% reduction and making progress toward the 80% reduction target for 2050.

Either before or after a change in default service level, customers can request another EBCE service level or choose to opt out and return to PG&E service. Once requested, these changes are typically implemented within one or two billing cycles. Customers

who opt out of EBCE after 60 days of service and return to PG&E's bundled service will be subject to a one-time \$5 fee for residential accounts, and \$25 fee for commercial accounts. They will also be subject to PG&E's terms and conditions, which require customers to stay with PG&E for a year before they can re-enroll with EBCE. Customers that opt out ahead of the default enrollment or within the first 60 days of service will avoid these fees and conditions.

Customers who have already opted to a specific EBCE rate, those who have opted out to PG&E service, and those large industries with Direct Access accounts will not be subject to any service plan/rate changes as a result of an action to set the default service level within Emeryville to Renewable 100.

An email with details about this proposal and its consideration at City Council was sent in late February to the approximately 250 businesses for which City staff have contact information. If the City Council votes to proceed with this proposal, EBCE will send two customer notifications by mail and email to all accounts within Emeryville, and will offer webinars for customers to explain the change. These will be sent prior to the enrollment date (e.g., in August and September if the enrollment date is October). Additionally, EBCE has committed to working with City staff to develop a customized community outreach plan. Examples of outreach materials are attached here as Exhibit B. The cities of Berkeley and San Leandro are in the midst of their outreach regarding a community-wide opt-up to Renewable 100, and a website describing customer options and offering opportunities to opt down or opt out is at www.ebce.org/berkeley.

ENVIRONMENTAL IMPACT

This proposal is exempt from CEQA under section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the proposal will have a significant effect on the environment. This proposal only results in a change to the energy service plans and will not require any physical construction.

FISCAL IMPACT

There is no fiscal impact to the City of the proposed action.

STAFF COMMUNICATION WITH THE PUBLIC

This issue has been discussed at meetings of the Sustainability Committee, most recently at the January 10, 2022, meeting, at which this recommendation was passed unanimously.

CONCLUSION

The decision on which electrical service level to choose for community residential and commercial accounts requires a consideration of costs along with environmental and community impacts. The choice to opt for "Renewable 100" service would help the City meet the GHG goals in the Climate Action Plan and General Plan of 40% reduction by 2030 and 80% reduction by 2050, thereby contributing substantially to the City's efforts to mitigate climate change. Importantly, it would also provide support toward the

development of local renewable energy projects, which bring with them local jobs and an increase in available clean energy.

If the City Council chooses to opt municipal accounts into “Renewable 100,” staff will work with EBCE to make that change, to take effect in October 2022.

PREPARED BY: Nancy Humphrey, Environmental Programs Supervisor

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager

ATTACHMENTS

- Exhibit A – EBCE Cost Analysis 12/16/21
- Exhibit B – Example Customer Notices for Renewable 100 Opt-Up