



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** October 19, 2021  
**TO:** Christine Daniel, City Manager  
**FROM:** Mohamed Alaoui, Public Works Director  
**SUBJECT:** **Resolution Of The City Council Of The City Of Emeryville Requesting That East Bay Community Energy Enroll All City Of Emeryville Municipal Electric Accounts In Renewable 100 (100% Local, Renewable, And Greenhouse Gas-Free) Service; CEQA Determination: Exempt Pursuant To CEQA Guideline 15061(b)(3).**

### RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled Resolution, choosing the “Renewable 100” service level through East Bay Community Energy (EBCE) for the City’s municipal electric energy accounts.

### BACKGROUND

EBCE is a Community Choice Energy entity that began providing electric service to customers in Emeryville in 2018. 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.

These options were discussed at a City Council meeting on March 20, 2018, where Council passed Resolution 2018-169, opting to enroll all City of Emeryville municipal accounts in the Brilliant 100 service level.

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 once cent per kilowatt hour higher than PG&E rates.

### 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 will be discontinued at the end of 2021. The City Council has the choice of reverting City accounts to PG&E, or remaining with EBCE and opting municipal energy accounts up to "Renewable 100" or down to "Bright Choice". If the City Council takes no action, municipal electricity accounts will be moved to the "Bright Choice" level beginning in 2022.

Relative to the current "Brilliant 100" service, a switch to "Bright Choice" would result in modest cost savings to the City, estimated at \$1,116.55/year. The City's municipal GHG emissions would increase by an estimated 76.4 metric tons carbon dioxide equivalent (MT CO<sub>2</sub>e) per year; a 6.5% increase in municipal emissions.<sup>1</sup> A switch to "Renewable 100" would result in additional costs of \$13,904.10/year, with no increase in GHG emissions.

	EBCE Brilliant 100	EBCE Bright Choice	EBCE Renewable 100	PG&E
Cost difference	Current service	\$ (1,116.55)	\$ 13,904.10	0
GHG emissions difference (MT CO <sub>2</sub> e/year)	-	↑76.4	No change	↑>150

The City's Climate Action Plan has a goal to reduce GHG emissions 40% from 2004 levels by 2030, which mirrors the state's GHG emissions goals. According to the latest available data, emissions from municipal operations have been reduced by 29% from 2004 levels. Switching to "Bright Choice" would increase current operating emissions and change overall reductions to 24.3% from 2004 levels. Choosing "Renewable 100" would maintain the current emissions reduction at 29%.

## ENVIRONMENTAL IMPACT

This proposal is exempt from CEQA under 15061(b)(3), since the recommended service level does not increase GHG emissions from City operations, and therefore choosing it will not have a significant effect on the environment.

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<sup>1</sup> Executive Order B-55-18 commits California to carbon neutrality by 2045, essentially requiring the electrification of natural gas-powered operations. If the City's gas usage were electrified today, the GHG emissions avoided with Bright Choice power would be roughly 150 MT/year; with Renewable 100 it would be roughly 230 MT/year.

## **FISCAL IMPACT**

Emeryville's municipal electricity costs are approximately \$111,000/year. Choosing "Bright Choice" service would reduce that bill by roughly 1%. Enrolling in "Renewable 100" service would increase that bill by approximately 13%.

## **STAFF COMMUNICATION WITH THE PUBLIC**

This issue has been discussed at meetings of the Sustainability Committee, most recently at the July 8, 2021, meeting.

## **CONCLUSION**

The decision on which electrical service level to choose for municipal 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.

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 early 2022. If the City Council chooses to switch to "Bright Choice" or takes no action, a switch to "Bright Choice" will take place automatically on January 1, 2022.

**PREPARED BY:** Nancy Humphrey, Environmental Programs Supervisor

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

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Christine Daniel, City Manager

## **ATTACHMENTS**

- Attachment A – EBCE Rate Sheet August 2021