

City of Piedmont
COUNCIL AGENDA REPORT

DATE: May 21, 2018

TO: Mayor and Council

FROM: Paul Benoit, City Administrator

SUBJECT: Consideration of the Default Electrical Service Option for East Bay Community Energy Residential Customers

RECOMMENDATION

By motion, set the default electrical service option for East Bay Community Energy (EBCE) residential customers to either the Brilliant 100 service plan or the 100% Renewable service plan.

BACKGROUND

During its meeting on May 7, 2018, the City Council received an informational report delineating the three service plans that East Bay Community Energy (EBCE) is offering to its customers. The report included the energy mix and cost differentials for each service plan in relation to rates offered by PG&E. These service plans are Bright Choice (85% carbon free energy), Brilliant 100 (100% carbon free energy), and a 100% renewable energy service plan. A comparison of each of the EBCE's service plans is detailed in Table 1 below:

Table 1. Comparison of Service Plans

	PG&E*	Bright Choice	Brilliant 100	100% Renewable
Percent carbon-free (large hydro, etc.)	46%	47%	60%	0%
Percent carbon-free (renewable)	42%	38%	40%	100%
Total percent carbon-free (Both large hydro & renewable)	88%	85%	100%	100%
Cost compared to PG&E	N/A	~\$23 per year decrease	Same as PG&E	~\$72 per year increase

* PG&E's forecasted power mix in 2018

At the May 7th meeting, staff reported to Council that by enrolling and maintaining residential accounts into either Brilliant 100 or the 100% Renewable option, the Piedmont community would save approximately 3,613 metric tons of greenhouse gas emissions in the first year, which

is 10% of 2016 community emissions. Both service plans will equally help achieve Piedmont's Climate Action Plan 2.0 emissions reduction goal of 40% below 2005 emissions levels by 2030. Beyond the goal of reducing emissions, choosing the 100% Renewable service plan would also help the city achieve a Climate Action Plan 2.0 measure calling for 100% renewable energy as the default option for Piedmont residents.

With regard to pricing, Bright Choice will be offered at 1.5% below PG&E's rates, while the Brilliant 100 service plan will be offered at price parity with PG&E's current service, and the 100% Renewable service plan will be at a price premium to PG&E. Enrollment in Bright Choice will decrease the average Piedmont resident's electricity bill by about \$23 per year, or approximately \$2 per month. According to EBCE staff, the 100% Renewable service plan's price premium will increase the average Piedmont resident's electricity bill by approximately \$72 per year, or approximately \$6 per month.

On March 19, 2018, the City Council opted municipal electricity accounts into the Brilliant 100 service plan. Without further City Council action, all residential electrical accounts in Piedmont will be automatically enrolled in the Bright Choice service plan. However, as an alternative, the City Council could consider setting the default for all residential accounts at either the Brilliant 100 service plan or the 100% Renewable service plan. EBCE has asked the governing bodies of local jurisdictions to make this selection no later than June 6, 2018.

While the Brilliant 100 and the 100% Renewable options are both carbon free, there are substantive differences between the two service plans. The power mix of Brilliant 100 includes electricity from large hydroelectric power, which is not considered renewable due to the adverse ecological impacts associated with the construction of large hydroelectric projects. The 100% Renewable service plan is just that: electricity from only renewable sources.

Regardless of the Council's decision regarding the default, residential electricity customers in Piedmont will have the option to enroll in any of the three EBCE service plan options or to continue purchasing their electricity from Pacific Gas & Electric Company. They can make that choice at any time before or after the November launch of EBCE's service to residential customers. Similarly, commercial electricity customers can opt into their preferred service level at any time before or after the June launch of EBCE's service to commercial customers. In addition, residents currently enrolled in PG&E's assistance programs such as the California Alternate Rates for Energy (CARE), Medical Baseline, and Family Electric Rate Assistance (FERA) programs will retain the same discounts whether they are enrolled in any of EBCE's service plans. All residents and businesses will receive multiple notices from EBCE informing them of their options.

Piedmonters with on-site solar energy systems can be enrolled in any of EBCE's three service plans starting in 2019. These customers will be enrolled in the month of or the month after they receive their 2019 annual True-Up Statement from PG&E. In regards to residential customers with rooftop solar energy systems, EBCE has indicated that at a minimum it will match the net energy metering offering provided by PG&E.

Because both carbon free EBCE service levels achieve an approximate 10% reduction in the

Piedmont community's carbon footprint, which is a significant step in meeting the City's Climate Action Plan 2.0 emissions reduction goal, staff recommends that the default service level for residential customers be either the Brilliant 100 or the 100% Renewable service plan.

By: Mira Hahn, Assistant Planner

**Item #5 – Default Electrical Service Option for EBCE Residential Customers
Correspondence Received before 3:00 p.m. on Monday, May 21, 2018**

The Piedmont Post called CA 2.0 "aggressive" and it certainly appears that city staff is living up to the same description with their above recommendation. We have lived in Piedmont for 51 years and the job of the City Council always has been oversight and protection of citizens from over zealous city employees.

We should have the RIGHT to make our own choice of the 3 options available....not be automatically enrolled by City Council as staff recommended.

I have read the whole CA 2.0 report and while some items make sense; others are unclear. For instance, one section says gas/electric fireplace inserts are allowed, but later on "only electric". There goes my gas family room fireplace, stove, etc.

The City Council authorized staff "to implement CA 2.0". When do Piedmont citizens have the chance to vote on or discuss some of the items within. In my college days, Socialism was described as: "The individual must be sacrificed for the good of the State". Has California gone that far?

Diana Edgerton

Dear City Council Members,

I am writing to ask the city council to adopt a default electrical service level for East Bay Community Energy (EBCE) residential customers to be 100% carbon free. By choosing this default option, the city council would take an important step to meet the goals set out in the Climate Action Plan 2.0 that they recently adopted.

As chair of the climate action task force, we carefully considered many measures that would support Piedmont in achieving its climate action goals. Making the default option for EBCE to be 100% carbon free was one of our top recommendations. Adopting this recommendation will reduce green house gas emissions by about 10% of the 2016 total.

This policy will allow Piedmont residents to easily be entered into a utility plan that is 100% carbon free, while allowing those that want to choose another plan to opt out.

As climate change is a demonstrated threat to California, as witnessed by the drought and numerous and devastating fires, choosing the default option for 100% renewable is one important step that the City Council can take that will fulfill the Piedmont Climate Action Plan 2.0.

Thank you,

Tracey Woodruff

Hello,

I would like to encourage you to implement the 100% renewable plan.

Thank you,
Alissa Brownrigg Small

Dear Council Members,

I'm writing to encourage you to adopt the 100% Renewable option as the residential default rate with EBCE. While the Brilliant 100 (carbon-free) option would equally meet our Climate Action goals, 100% renewable is what the CAP 2.0 calls for. Moreover, I believe that the majority of residents are interested in taking strong action not just to reduce carbon emissions but also to promote the production of energy that is truly renewable (not just carbon-free). Since there will be a clearly-identified period for those who are unable or unwilling to pay the small price premium for 100% Renewable to opt down to a lower rate, no Piedmont resident should be burdened by making this our residential default.

It is unfortunate that EBCE hasn't given us time to educate our community about the available options, as I believe that the majority would be in favor of 100% Renewable if they had a bit more time to understand what a CCA is and how this will promote the production of greener electricity. In the absence of this educational outreach, there may be some residents who will come out as opposed to any sort of increase in their bill, but I encourage you not to bow to this sort of pressure -- especially since individual households can easily opt down.

If you do end up choosing Brilliant 100 over 100% Renewable, could you request that staff find out from EBCE if there will be another opportunity for Piedmont to set its residential default rate (after EBCE has done its educational outreach and the community is more aware of how a CCA works). At one point, I understood that a second chance to set the default rate would be a possibility, and I'd like to know if this is still possible. This would be a way of "easing in" to 100% Renewable.

Also, in the Staff Report, I was a bit shocked to see that the Bright Green option now has carbon-free rates LESS than those of PG&E. What is going on with EBCE? I thought the whole point of even the least green option was to come in with something better than PG&E. Is PG&E manipulating its rates to make itself more competitive than EBCE and push it out of the market? I feel frustrated by the slow rate at which EBCE is sharing information with the communities.

I will try to attend the meeting tomorrow night, but the timing may not work out, as we will be having my son's 18th birthday celebration.

Thanks for your service to our community,

Margaret Ovenden

Dear Mayor McBain and Council,

Regardless of which option Council chooses, and I believe Brilliant 100 is the best compromise, I urge the City to incorporate a robust and thorough out-reach to residents of their opt-out options. The City has used NextDoor effectively and a City-wide mailer seems required.

Respectfully,
Rick Schiller

Dear City Council, I support the 100% Renewable Plan for our city's energy future. It reflects our best effort to preserve the planet including avoiding the environmental destruction of construction of large hydro projects.

Sincerely,
Ellen Smith

I'm writing in support of approval of Piedmont citizens being bound to 100% Renewable as the default electrical service plan. The reasons have been well described by others, and I support them all.

Kindly,
Susy Struble

Hello,

I support the 100% Renewable option.

Thank you,

Robert J Barbosa

My preference for Piedmont is the 100% renewable option.

Camilla McCalmont

Hi Council Members,

We are writing in support of the 100% Renewable option as Piedmont's default plan.

It's incumbent on affluent communities like ours, which can afford a small price premium, to show leadership and put resources toward the best possible non-carbon sources of energy.

Thanks very much,
Susan Miller + Jonathan Davis

Council Members,

I support making the 100% Renewable Energy the default option for Piedmont when it makes the transition to Community Energy. The slight difference in annual bills makes it the best default as 100% Brilliant relies on hydroelectric which is not sustainable in a world where Climate Change is an unfortunate reality. It would also encourage more dam building which has other environmental consequences. Please vote for 100% Renewable Energy.

Don Condon

Dear City Council,

Please vote for the 100% option as described by Piedmont Connect.

This is important,

Suzanne Tipton

Hi City Council-

Just want to encourage you guys to set a good example for the rest of the world and pick the greenest option you can.

I would also suggest you have installed solar on all city buildings where it is viable and make sure all future city vehicle purchases are electric whenever possible.

Thanks! Have a great day!

-Eric Rheinheimer

Thank you for considering the opportunity to meet an important goal in the Climate Protection 2.0 plan.

I support the 100% Renewable option as the default electrical service plan for residential customers when East Bay Community Energy (EBCE) begins providing our electrical energy in November.

It provides the best opportunity for reducing emissions while allowing those who prefer to opt out of the plan and still reduce emissions to some degree.

Thank you

Susan Ode

I support making the 100% Renewable Energy the default option for Piedmont consumers. The annual bill difference will be slight. Choosing 100% renewable rather than "Brilliant" will not encourage more dam building and the related negative consequences of hydroelectric construction. Please vote for 100% Renewable Energy.

Vivian Barron

Dear Council members,

We support Piedmont opting for the 100% Renewable option. The \$72 annual cost increase is negligible, and Renewable energy avoids the ecological impacts of hydroelectric power.

Thank you,
Marj and Bill Blackwell

Dear Council Members,

Although I am unable to attend tonight's meeting, I'm writing to encourage you to adopt the 100% Renewable option as the residential default rate with EBCE. Piedmont can afford this small demonstration of leadership in moving toward renewable energy.

Sincerely,

Richard A Freemon
