



DATE: September 13, 2021
TO: Council Sustainability Committee
FROM: Director of Public Works
SUBJECT Outreach Plan for New East Bay Community Energy Default Electricity Product

RECOMMENDATION

That the Council Sustainability Committee (CSC) reviews and comments on this report.

SUMMARY

On July 6, 2021, Council voted to make Renewable 100 the new default product for Hayward customers served by East Bay Community Energy (EBCE), effective January 2022. Customers currently enrolled in Brilliant 100, the 100% carbon free electricity product, will be switched to Renewable 100, which is 100% wind and solar power from California. Customers currently enrolled in Bright Choice, the lower cost product, will remain with Bright Choice. Bright Choice customers include those enrolled in income or medical-related discount programs and customers who have opted for the Bright Choice product. Council directed staff to conduct significant community outreach to explain the new default product and the reasons why Council chose Renewable 100, as well as to ensure customers are aware of their options, including discount programs. This report presents staff's proposed plan for community outreach through January 2022.

BACKGROUND

When EBCE¹ launched in 2018, three electricity products were offered:

- Bright Choice – The default for most communities. At the time, the rates were 1.5% lower than PG&E rates.
- Brilliant 100 – 100% carbon free electricity (40% renewable and 60% large hydro-electric) at rates equal to PG&E.
- Renewable 100 – 100% renewable electricity for one penny per kWh more than PG&E rates.

¹ <https://ebce.org/>

In 2018, Council chose Brilliant 100 as the default product for the community because it would help Hayward meet its GHG emissions reduction goals and because Hayward customers would experience no change in the cost of their electricity. Staff has provided many reports about EBCE to the CSC and Council, all of which are available on the City's website².

In November 2020, the EBCE Board of Directors considered terminating Brilliant 100 as of December 31, 2020, but decided to continue the carbon free product until December 31, 2021. On June 15, 2021³, Council voted to make Bright Choice the new default product for Hayward customers served by EBCE. Some Council members cited concern about Hayward residents still recovering financially from the pandemic and felt that it should consider Bright Choice as a default for a year or two and then consider Renewable 100. Other Council members noted that Hayward recently joined the "Race to Zero" to achieve carbon neutrality and that Renewable 100 would help Hayward reach this goal. Council voted four to three to make Bright Choice the default product for all customers in Hayward, starting January 1, 2022.

On June 22, 2021, Council voted unanimously to reconsider the decision and on July 6, 2021⁴, Council voted 6:1 to select Renewable 100 as the new default. Council members cited the need to continue to make progress on Hayward's GHG reduction targets and that all customers have the opportunity to opt down to Bright Choice. Council directed staff to conduct outreach and education efforts to provide information to the public regarding the new default product to take effect January 2022 and the electricity products available to them.

DISCUSSION

Staff proposes a series of outreach activities, including direct mail, bill inserts, announcements at public meetings, newsletter articles in the Stack and the Leaflet, and attendance at community events. EBCE has committed to contacting Hayward's largest commercial customers (approximately 10 businesses) by phone or email to ensure they are aware of their options. EBCE will also send two pieces of direct mail – one in December and one in January. City staff intend to conduct significant outreach to help ensure customers are aware of the reasons for supporting Renewable 100 and their ability to choose the less expensive product, Bright Choice. Staff also intend to raise awareness of the income-qualified discount programs and the medical baseline program so that eligible customers can enroll.

The complete list of proposed outreach activities is included as Attachment II. Staff is seeking feedback and suggestions from the CSC and public for additional outreach opportunities.

Other Cities – The table below lists the cities that have recently chosen Renewable 100 as their new default electricity product. Staff is collaborating with staff from these cities and EBCE. EBCE is developing templates for flyers and letters that can be used by these jurisdictions.

² <https://www.hayward-ca.gov/ebce>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4983872&GUID=C74C0518-E492-47D3-8C28-938A78E75715&Options=&Search=>

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5018124&GUID=8CCC9164-4B0D-463C-AD16-709EFC1035D4&Options=&Search=>

City	Council Action	Residential Effective Date	Commercial Effective Date
Albany	June 7	Jan. 2022	Jan. 2022
Berkeley	June 29	March 2022	October 2022
Dublin	Spring 2021	Jan. 2022	NA
Hayward	July 6	Jan. 2022	Jan. 2022
Pleasanton	July 20	Jan. 2022	Jan. 2022
San Leandro	Potentially September 7	March 2022	October 2022

The City of Piedmont has had Renewable 100 as the default since 2018. By the fall of 2022, pending action by the San Leandro City Council, there may be seven of EBCE's fifteen jurisdictions with Renewable 100 as the default product.

FISCAL IMPACT

Staff's proposed public outreach plan would not impact the City's General Fund. The proposed activities will be carried out by existing, budgeted staff. Printing and advertising costs will be paid from existing energy-related funds.

ECONOMIC IMPACT

The new Renewable 100 default product will result in a rate increase for most Hayward customers. Detailed cost information was provided in the June 15 and July 6 Council reports. The average residential customer will pay 3.7% more (\$4 to \$5 per month) for Renewable 100. Most small/medium businesses will pay 3.8 to 4.3% more and most large commercial customers will pay 5.1% more for Renewable 100. Customers who switch to Bright Choice will pay 1% less than they do currently with Brilliant 100.

PG&E usually implements rate adjustments twice each year and will likely have a rate increase effective January 1, 2022, which will be in addition to the increases noted above. The amount of the increase is not known at this time, but it will likely include an increase in the transmission component of the rate, which is paid by all customers whether they are served by EBCE, or PG&E. Staff will follow the details of the pending rate increase and adjust communications to Hayward customers accordingly.

STRATEGIC ROADMAP

This agenda item relates to the Strategic Priority of Combat Climate Change. Specifically, this agenda item relates to the implementation of the following project:

Project 2: Work with EBCE to transition citywide electricity use to 100% carbon free (beginning in FY21)

SUSTAINABILITY FEATURES

Community choice energy was identified in the City's Climate Action Plan as the program with the greatest potential to reduce community wide GHG emissions. As noted above, Hayward's participation in EBCE has resulted in the 2020 GHG reduction goal being met two years early.

PUBLIC CONTACT

Public notices were published in the *Daily Review* newspaper for the Council meetings on June 15 and July 6 when the EBCE default product was discussed and decided. As detailed in this report and in Attachment II, staff intends to conduct significant public outreach in the next few months to inform City residents and businesses of the upcoming change and the available options.

NEXT STEPS

Upon direction from the CSC, staff will implement the public outreach plan as detailed in Attachment II.

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Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager