



**East Bay Clean Power Alliance**  
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Subject: Open Letter to the East Bay Community Energy Board – Feedback on the Draft Local Development Business Plan

June 20, 2018

Dear East Bay Community Energy board members,

The East Bay Clean Power Alliance is submitting the following comments on the draft Local Development Business Plan (LDBP) in the form of an open letter to emphasize not only the strengths of the draft LDBP, but to stress the importance of addressing its weaknesses as well.

It is exciting and gratifying to see a development proposal to actualize the community benefit goals that our organization sees as the main rationale for establishing a Community Choice program. We appreciate the hard work of the LDBP team over more than a year of involvement in this effort, its open engagement with the community for input and guidance, as well as the serious commitment of EBCE staff to this deliverable.

Below, we discuss the outstanding aspects of this deliverable, and discuss aspects that need to be included and/or strengthened in order for the LDBP to serve as the development roadmap demanded by the community and mandated by the JPA agreement.<sup>1</sup>

### **A Unique, Technologically Advanced Development Framework**

The LDBP is the first of its kind description of technologies, programs, and strategies for fostering community benefits within a Community Choice program. No other Community Choice program inside or outside of California has researched and proposed how local investments in renewable energy resource development can provide environmental, economic, and social justice benefits to its community while addressing the pressing ultimatum of climate change.

The following are a few of the **outstanding characteristics** and **technologically advanced** features of the draft LDBP:

- 1.** It sees local development planning as something that should involve and engage the community for the purpose of achieving broad community benefits—a sharp contrast to the business-as-usual approach of maximizing profits for a select minority.

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<sup>1</sup> See the attached excerpt from the JPA Agreement

2. It proposes a comprehensive set of ten programmatic-technological approaches (pg. 71) for realizing local renewable energy resource development. These mirror the main work products previously released and reviewed, and represent a broad development framework:
  - Enhanced Feed in Tariff (FiT);
  - Enhanced net energy metering (NEM);
  - Direct capital investment by EBCE in solar/wind production;
  - Energy efficiency;
  - Energy storage;
  - Demand response;
  - Electric vehicle incentives;
  - Natural gas fuel switching;
  - Private utility-scale investment; and,
  - Retail electricity rate reductions (a non-development base case).
3. It highlights and explains a number of key strategies that underlie and enable the programmatic-technological approaches listed above:
  - Integrated data platform;
  - Assessment of solar and wind technical potential;
  - Integrated resource planning;
  - Energy storage contracting;
  - Rate design as an incentive;
  - Customer financing options;
  - Workforce development;
  - Distributed energy resource (DER) aggregation (virtual power plant strategy);
  - Clear and transparent reporting; and,
  - Streamline local permitting and other approvals for DER projects in the local built environment
4. It provides a state-of-the-art analysis tool for evaluating the impacts of different investment scenarios. A scenario consists of investments in a specific mix of programmatic-technological approaches. For example, the document describes a moderate scenario (a balanced mix), a local renewables scenario (emphasizing solar generation assets), and a grid innovation scenario (emphasizing demand reduction and fuel switching). The analysis tool allows a comparison of the impacts of different scenarios.
5. It sees local development planning not as static, but as a dynamic process that needs to be revisited regularly. In particular, the draft LDBP calls for a mid-(five year) term assessment and adjustment of the LDBP implementation and a more comprehensive assessment and plan update in year five.

6. It proposes a community investment fund to encourage community engagement and ingenuity in shaping and supplementing EBCE programs.
7. The draft LDBP document is loaded with great photos of the East Bay, showing the importance and unique aspects of our local geography, assets, history, and people.

### **Weakness that Must be Addressed**

All the positive aspects of the draft LDBP notwithstanding, the deliverable are limited by deficiencies that undermine it as a roadmap for local renewable energy resource development in the East Bay. These deficiencies lie mostly with how it fails to capture the vision, priorities, and advocacy of the community with respect, in particular, to community-based energy development and EBCE. To be a successful development framework in the East Bay, the LDBP must recognize and highlight the unique qualitative role that the community has played and must continue to play in shaping the EBCE program and meeting the mandates stated in the JPA agreement.

While some of the deficiencies itemized below can be easily remedied in the LDBP document, others represent shortcomings that are more difficult to address. We will start with the easier ones and move toward the more challenging ones.

1. There is virtually no acknowledgement of the values, priorities, and advocacy of the East Bay community as a driving force behind EBCE and the LDBP. The draft LDBP document makes no reference to the community-based advocacy that created the LDBP or the community vision that informed the LDBP. This failure is reflected in the following ways:
  - EBCE is referred to as a retail electricity supplier (pg. 1) whose main relationship is to its customers. This stands in contrast to the years of advocacy that created EBCE as an energy services provider that serves the community and works with the community.<sup>2</sup> Energy development impacts every aspect of community life—far beyond the simple selling of a commodity to customers. EBCE was established as a Community Choice program with a unique-visionary approach, and with intent not to recreate a monopoly utility or the status quo. The document should highlight the qualitative distinction between PG&E and an EBCE program that addresses and is conscious of the energy needs and priorities of our community.
  - The draft LDBP refers often to stakeholders, but seldom to the community and the community advocates that brought both EBCE and the LDBP into existence. This community advocacy should be recognized and highlighted in a number of places, as it is an essential aspect of what makes EBCE unique. The relationship with the community is critical to the planning of renewable energy resource development:

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<sup>2</sup> This value proposition was elaborated in [Program Vision: East Bay Community Energy, December 2015](#)

- The LDBP Introduction (pg. 9) should highlight the role of community advocacy in instituting the LDBP process, not only in the establishment of EBCE as a Community Choice program, but in the labor/community alliance that secured the LDBP mandate in the JPA Agreement, defined LDBP criteria in the RFP, helped select the LDBP team, and consistently highlighted the importance of the LDBP process to assure community input and review of LDBP work products over the course of more than a year.<sup>3</sup>
  - Leveraging Local Leadership (pg. 68) should highlight the role of the advocate community, in particular, the East Bay Clean Power Alliance and its labor allies, and the leadership of organizations like the Local Clean Energy Alliance, Sierra Club, Alameda County Central Labor Council, and others that attended board meetings, served on the Community Choice Steering Committee, and continue to shape the program and the LDBP process through their advocacy.<sup>4</sup>
  - Special Appreciation (pg. 89) should recognize the special role that the advocacy community and specific organizations have played throughout the LDBP process.
  - Ongoing Scenario Analysis (pg. 79) should highlight the role of the community as well as staff and Community Advisory Committee in reviewing and assessing implementation of the LDBP.
- 2.** Section II of the draft LDBP on Strategies (pg. 32) fails to highlight important strategies for addressing community needs and priorities. Several strategies are referred to in the Executive Summary (pg. 5) and in discussions of the various programmatic-technological approaches, but are not highlighted, as are others, in Section II of the draft LDBP. In particular, these are strategies that focus on issues that have been stressed by our East Bay community—those regarding increasing equity and addressing labor and social justice issues. These strategies should be explicitly called out in Section II:
- Community benefit adders: This is a strategy that is used in a number of the programmatic-technological approaches (FiT and energy efficiency) to promote development that addresses the needs of labor, low-income, and disadvantaged communities.
  - Partnerships with community: This is a strategy of building a strong relationship between EBCE and the community—a partnership—to achieve specific community benefits while advancing system-wide objectives. This strategy is embedded in collaborative procurement, dispatchable resources, and community innovation. It captures the qualitative distinction between energy as a commodity and energy as a shared resource of our community.

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<sup>3</sup> This commitment to the LDBP process was elaborated in [The Importance of EBCE’s Local Development Business Plan \(LDBP\), October 2017](#)

<sup>4</sup> See, for example, [Put Our Communities in Community Choice Sign-on Letter, September 2016](#)

- Protecting most vulnerable customers and achieving equity: This is a strategy that addresses the historic injustices of the fossil fuel economy among our most vulnerable and the need to strengthen community resilience in the face of the growing impacts of climate change. It recognizes energy as a human right and essential to a thriving community.

3. LDBP performance metrics are not specified. The Implementation Timeline (pg. 83) calls for three stages spanning five years during which ongoing evaluations and assessments of LDBP program performance takes place. However, the draft LDBP is not explicit about the performance metrics for such evaluations. The draft LDBP should propose the criteria upon which LDBP implantation will be evaluated. A number of such metrics are suggested in the section on Reporting (pg. 64) and implied by the impacts discussed regarding the LDBP Scenario Analysis (pg. 76), but these measures and their relationship to evaluating program performance is not sufficiently explicit.

In particular, there should be metrics specified for assessing increased equity and social justice. This metric can include measures such as: local hires on projects in EBCE territory, projects installed in disadvantaged communities as defined by CalEnviroScreen, asset ownership by low-income customers, percentage hires by EBCE from communities of color, progressive electricity rate structures, and so forth.

The reporting of job creation needs to be clearer. Currently, the draft LDBP refers to number of jobs created over eight years. Would this job creation be new, permanent jobs, or average number of new jobs in existence per year? It would be more accurate to use a metric like job-years and clarify if it is average or cumulative over the period in question.

Additionally, there should be a specific metric for labor: is the project under a project labor agreement or a community workforce agreement? Does it provide a good pathway to middle-class careers? Are the jobs/careers created paying family-sustaining wages?

4. The draft LDBP falls short of an implementation plan. While the draft LDBP provides an excellent *framework* for local resource development, and a timeline according to which eleven programs and projects are implemented as early actions (2018 – 2020), it does not provide an explicit roadmap for local renewable resource development. Instead, it proposes an ongoing *process* of implementation, analysis, and refinement, with no specific development targets, no specific program priorities, and no specific investment commitments.

East Bay Clean Power Alliance believes that the draft LDBP meets the criteria set forth in the JPA Agreement<sup>5</sup>, but we find that it falls short of the kind of implementation plan against which to evaluate actual performance.

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<sup>5</sup> See the attached excerpt from the JPA Agreement

Along with the incorporation of our feedback herein, East Bay Clean Power Alliance urges the EBCE Board to direct staff to prepare an implementation of the LDBP framework that can be reviewed on an annual basis, as directed by the JPA Agreement. That implementation plan would specify programmatic targets and priorities based on planned investments in the early action programs and pilots recommended in the LDBP. It goes without saying, that to be effective, the implementation plan and its periodic review go hand in hand with current budgetary forecasts.

The East Bay Clean Power Alliance values the process, time and expertise of the LDBP team, EBCE staff, the Board, and community advocates in the creation of an innovative plan to foster community benefits in our region. We appreciate the opportunity to comment, and we hope that our feedback is helpful in making our plan for local development stronger and insightful.

Thank you,

A handwritten signature in black ink, appearing to read "Jessica Tovar". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jessica Tovar, Coordinator of the East Bay Clean Power Alliance

# EXHIBIT D

## RELEVANT EXCERPTS FROM JPA AGREEMENT

RFP No. 16-CCA-2

### Alameda County Community Choice Aggregation / East Bay Community Energy: Local Development Business Plan

The following are relevant excerpts from the approved Joint Powers Authority (JPA) Agreement for the East Bay Community Energy Authority which specify preparation and completion of the Local Development Business Plan and the policies under which it would be analyzed and implemented. A complete JPA Agreement may be obtained upon request from the Alameda County Planning Department; to request the JPA Agreement, please contact Bruce Jensen at [bruce.jensen@acgov.org](mailto:bruce.jensen@acgov.org) or at (510) 670-6527.

**Section 5.4 Business Plan.** The Authority shall cause to be prepared a Business Plan, which will include a roadmap for the development, procurement, and integration of local renewable energy resources as outlined in Section 5.3 of this Agreement. The Business Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs. The Business Plan shall identify opportunities for local power development and how the CCA Program can achieve the goals outlined in Recitals 3 and 6 of this Agreement. The Business Plan shall include specific language detailing employment and labor standards that relate to the execution of the CCA Program as referenced in this Agreement. The Business Plan shall identify clear and transparent marketing practices to be followed by the CCA Program, including the identification of the sources of its electricity and explanation of the various types of electricity procured by the Authority. The Business Plan shall cover the first five (5) years of the operation of the CCA Program. The Business Plan shall be completed by the Authority no later than eight (8) months after the seating of the Authority Board of Directors. Progress on the implementation of the Business Plan shall be subject to annual public review.

**Section 5.3 Integrated Resource Plan.** The Authority shall cause to be prepared an Integrated Resource Plan in accordance with CPUC regulations that will ensure the long-term development and administration of a variety of energy programs that promote local renewable resources, conservation, demand response, and energy efficiency, while maintaining compliance with the State Renewable Portfolio standard and customer rate competitiveness. The Authority shall prioritize the development of energy projects in Alameda. Principal aspects of its planned operations shall be in a Business Plan as outlined in Section 5.4 of this Agreement.

**Recital 3.** The purposes for the Initial Participants (as such term is defined in Section 1.1.16 below) entering into this Agreement include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by reducing energy related greenhouse gas emissions, promoting electrical rate price stability, and fostering local economic benefits such as jobs creation,

community energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional and local solar and wind energy production.

**Recital 6.** By establishing the Authority, the Parties seek to:

- (a) Provide electricity rates that are lower or competitive with those offered by PG&E for similar products;
- (b) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate;
- (c) Develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of the parties’ greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;
- (d) Establish an energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits;
- (e) Promote an energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals;
- (f) Demonstrate quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments);
- (g) Recognize the value of workers in existing jobs that support the energy infrastructure of Alameda County and Northern California. The Authority, as a leader in the shift to a clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a “just transition” to the new clean energy economy;
- (h) Deliver clean energy programs and projects using a stable, skilled workforce through such mechanisms as project labor agreements, or other workforce programs that are cost effective, designed to avoid work stoppages, and ensure quality;
- (i) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
- (j) Provide and manage lower cost energy supplies in a manner that provides cost savings to low-income households and promotes public health in areas impacted by energy production; and
- (k) Create an administering agency that is financially sustainable, responsive to regional priorities, well managed, and a leader in fair and equitable treatment of employees through adopting appropriate best practices employment policies, including, but not limited to, promoting efficient consideration of petitions to unionize, and providing appropriate wages and benefits.