

To: Honorable Public Utilities Board

Submitted by: \_\_\_\_\_/s/\_\_\_\_\_

Rebecca Irwin  
AGM – Customer Resources

From: Kelly Brezovec  
Utility Energy Analyst – Customer Resources

Approved by: \_\_\_\_\_/s/\_\_\_\_\_

Nicolas Procos  
General Manager

Subject: Approve Changes to Supplemental Schedule VG Voluntary Renewable Power Program

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### RECOMMENDATION

*By Resolution*, approve changes to Supplemental Schedule VG Voluntary Renewable Power Program.

### BACKGROUND

The Alameda Green Program, Alameda Municipal Power's (AMP) voluntary renewable option, started in May 2012 and has been one of the utility's most successful programs. In 2015, it was ranked by the National Renewable Energy Laboratory (NREL) as one of the top ten programs in the nation, in terms of participation. At the May 15, 2017 meeting, the Board voted to continue the program for another five years.

Starting September 1, 2017, Alameda Green participants, both current and future, will experience their first rate change. The rate, Schedule VG Voluntary Renewable Power Program, will change from 1.5 cents per kilowatt-hour to 2.0 cents per kilowatt-hour.

### DISCUSSION

When Alameda Green was first introduced in 2012, the expected residential contribution was \$6 per month, based on an average monthly use of 400 kilowatt-hour (kWh) and an Alameda Green rate of 1.5 cents per kWh. Today, AMP's average Alameda Green-participating residential customer uses 330 kWh per month and is currently paying \$4.95 per month.

As AMP's residential customers use less energy, there is a lower level of contribution to 3Degrees, the program vendor, for the administrative costs of running the program and sourcing new supply technologies within California. In order to maintain a program free from AMP subsidy, the cost per kWh will increase to 2 cents.

A residential customer who uses 330 kWh per month will see an increase of \$1.65, bringing the amount they pay to participate to \$6.60, which is very close to the figure originally planned for Alameda Green. 3Degrees will alert existing customers to this rate change and has planned for attrition and customer concerns.

The VG Voluntary Renewable Power Program Supplemental Schedule will be updated when the new rate is in effect.

#### NEXT STEPS

Upon approval by the Board, Staff will inform current program participants and implement the rate change starting September 1, 2017.

#### FINANCIAL IMPACT

As this program is entirely funded by customers through Supplemental Schedule VG, Voluntary Renewable Power Program, there is no financial impact to AMP.

#### LINKS TO STRATEGIC PLAN AND METRICS

KRA 1: Customer Programs & Experience  
Goal 1.1: Ensure that customer have a positive experience  
Goal 1:3: Provide programs that support green Alameda

#### EXHIBIT

- A. Resolution
- B. Supplemental Schedule VG Voluntary Renewable Power Program

CITY OF ALAMEDA  
ALAMEDA MUNICIPAL POWER

RESOLUTION NO.

**APPROVING SUPPLEMENTAL SCHEDULE VG VOLUNTARY RENEWABLE POWER  
PROGRAM**

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WHEREAS, on May 15, 2017 the Public Utilities Board (Board) voted to authorize an agreement with 3Degrees Inc. to administer a voluntary renewable energy program; and

WHEREAS, the direct program costs and related overhead of the voluntary renewable energy program does not have cost shifting to non-participants; and

WHEREAS, program pricing for Alameda Municipal Power's voluntary renewable energy program, Alameda Green, has not changed for the past five years since the program's inception in 2012; and

WHEREAS, Alameda Municipal Power is proud to continue to offer Alameda Green to customers;

NOW, THEREFORE, BE IT RESOLVED by the Public Utilities Board of the City of Alameda that the proposed Supplemental Schedule VG, Voluntary Renewable Power Program, as set forth in the attachments hereto, be approved and adopted for use effective as of the dates specified.

Approved as to Form

By: \_\_\_\_\_/s/\_\_\_\_\_  
Alan M. Cohen  
Assistant City Attorney

AGENDA ITEM NO: 5.E  
MEETING DATE: 07/17/2017  
**EXHIBIT A**

## **ELECTRIC RATE SCHEDULES**



### **SUPPLEMENTAL SCHEDULE VG VOLUNTARY RENEWABLE POWER PROGRAM**

#### **PURPOSE**

The Voluntary Renewable Power Program purchases Renewable Energy Credits (RECs) on behalf of participating customers, which allows the designated portion of their usage to qualify as renewable. The Program supports the City's Local Action Plan for Climate Protection to reduce Green House Gas emissions.

Residential customers participating in the program can satisfy their electric use with 100% renewable power.

Commercial customers can become 100% renewable through the purchase of 1 Megawatt-hour (MWh) blocks to cover their load.

#### **APPLICABILITY**

The program is available to all customers of Alameda Municipal Power (AMP) who enroll in the Voluntary Renewable Power Program.

#### **RATES**

Customers may elect one of the following:

**1. RESIDENTIAL CUSTOMERS**

A 2.0 cent per kWh surcharge will be added to the customer's monthly electric bill.

**2. COMMERCIAL CUSTOMERS**

Blocks of 1 MWh (1,000 kWh) can be purchased monthly at \$20 per 1 MWh block.

#### **DEFINITIONS AND SPECIAL CONDITIONS**

**1. BILLING**

Billing for the 100% renewable power subscribed to under the Voluntary Renewable Power Program will occur on the participating customer's regular monthly bill.

**2. PROGRAM OPERATION**

AMP will contract with a third-party contractor to develop the program, conduct outreach, provide materials and media communication, provide regulatory reporting, and procure 100% Green-e renewable power.

**3. PROGRAM FUNDING**

The program is intended to be self-funded with third party administrative costs included in the customer's monthly participation surcharge.

**4. TERMS AND CONDITIONS**

Customers may elect to be removed from the program upon request. Removal from the program will be effective the next billing period. AMP may remove customers from the program in the event the customer is delinquent in payment.

ADOPTED:

RESOLUTION NO.

(Superseding Supplemental Schedule VG Effective July 1, 2017)

*Effective: September 1, 2017*

## ***ELECTRIC RATE SCHEDULES***



### **5. GREEN-E RECS**

Green-e REC's are certified to be renewable, 100% carbon neutral, sourced from real projects, and not double-counted

ADOPTED:  
RESOLUTION NO.  
(Superseding Supplemental Schedule VG Effective July 1, 2017)

*Effective: September 1, 2017*