



MINUTES
Environmental Sustainability Commission
Special Meeting of January 21, 2021

Meeting was held as a virtual meeting over Zoom due to the COVID-19 pandemic.
The meeting was called to order at 5:01p.m.

Present: Richard Godfrey, Nate Ivy, Carolyn Obata, Daniel O’Donnell,
Paul Kelley, Shreya Ramachandran, John Rennels, Shiva Swaminathan

Absent: None

Oral Communications:

- None

Approval of Minutes:

- Regular meeting minutes of September 3, 2020. Motion to approve by Commissioner Rennels; second by Commissioner Swaminathan. Minutes approved unanimously.

Scheduled Items:

5.1 Commission Consideration of Recommendation to City Council on Municipal Electricity Rate Plan options under East Bay Community Energy.

Sustainability Manager Rachel DiFranco presented to the Commission on the topic of electricity rate options under Fremont’s electricity service provider, East Bay Community Energy (EBCE). EBCE began providing electricity service to Fremont residents and businesses in 2018. There are three rate options available under EBCE: Bright Choice (lowest cost, 86% GHG-free), Brilliant 100 (same price as PG&E, 100% GHG-Free), and Renewable 100 (10% premium price, 100% GHG-Free, 100% CA-based solar and wind). The City of Fremont chose to enroll all of its municipal accounts into EBCE’s Brilliant 100 rate option at the time of launch.

In 2020, the EBCE Board decided that it would no longer offer the Brilliant 100 rate option because it was not generating enough revenue to cover its costs. The Board voted to allow for the Brilliant 100 rate to continue through the 2021 calendar year but to sunset it before the beginning of 2022. Due to this change, the City of Fremont will have to decide whether to default its service to the Bright Choice rate, or opt up to the Renewable 100 rate. Based on the past year’s municipal electricity consumption, defaulting down would save the City approximately \$7,200 a year in electricity costs, while opting-up

would cost an additional \$87,000. At the same time, defaulting down would result in 527 metric tons of carbon dioxide emissions, while opting-up would keep the City's emissions related to municipal electricity consumption at 0.

Currently, the City is projecting a significant budget deficit in FY 21-22 due to economic disruptions related to the COVID-19 pandemic. Any new expenditures not accounted for in the current budget forecast will increase the magnitude of this deficit.

Because of the complexity of the budget implications for this choice, staff has asked the Commission to provide its recommendation to City Council on whether the City should default its municipal electricity accounts to the EBCE Bright Choice rate or to opt up to the Renewable 100 rate upon the anticipated phase out of the Brilliant 100 rate at the end of 2021.

The Commission offered the following comments:

- Commissioner Obata asked if all municipal accounts would be impacted by this decision, or if the City could choose to opt up some accounts but not others. Staff replied that the decision would impact all accounts, but that there could be the possibility of selecting some accounts but not others but that would require some additional research.
- Commissioner Kelley stated that it would send absolutely the wrong message if the City does not opt up to Renewable 100 from an emissions standpoint.
- Commissioner Ivy agreed with Commissioner Kelley and asked if the \$87K additional cost would impact the ability of the City to do other sustainability projects. Staff replied that this would not impact other sustainability projects directly, but that it would come out of the General Fund. Commissioner Ivy also asked if there was potential for additional electricity savings in the City's municipal operations through efficiency measures. Staff replied that there might be some additional lighting and HVAC upgrades, as well as potential for additional on-site renewables.
- Commissioner Rennels stated that the budget impacts of COVID could hopefully be different within a year. At this time, we all have to work creatively to mitigate the impacts of COVID, so the City could default to the Bright Choice rate as a temporary measure and reconsider within a year should the budget change.
- Student Commissioner Ramachandran stated that she respected Commissioner Rennels position, but that there will always be budget considerations. For that reason, she stated that the City should choose the most sustainable option now to ensure that sustainability is not hanging on a "maybe" thread.
- Commissioner Ivy suggested the following recommendation: "Sustainability Commission recommends 100% renewable but is mindful of the budget situation. The existential threat of climate impacts demands that carbon reduction be

prioritized in budget decisions. If the city decides to opt down, that we return to 100% renewable ASAP (1st in line for restoration when budget improves.)”

- Commissioner Swaminathan stated that he supports Commissioner Ivy’s recommendation. He also shared that the cost of opting up calculates to about \$160/MT, which seems fairly steep, so there might be other projects that would have a better cost per metric ton.
- Chair Godfrey asked about PG&E’s 100% solar variation and how that compares with EBCE’s Renewable 100 rate. Staff commented that they would need to look into the cost as well as the source of energy in order to provide that comparison. Staff also stated that switching our accounts from EBCE back to PG&E would have other ramifications in terms of community optics. Chair Godfrey stated that he feels it falls to the Council to make discretionary decisions regarding the City’s budget, but that the ESC should vote based on the environmental perspective.

Public Comment:

- Kelly Abreu of Mission Peak Conservancy shared that there is currently controversy over a large solar project being proposed in Livermore under EBCE’s strategic plan. EBCE plans to do solar plus battery storage. Small scale distributed solar can cost 3 to 8 times higher than utility scale. He stated that he felt we need to be very careful about the burden we put on developers and the community by prioritizing small scale solar over larger utility scale projects. He also shared that \$80/MT is a standard price for emissions, so \$160/MT is very high.
- Akila asked why hydro power was not considered a qualified renewable. Staff responded that under the CA State Renewable Portfolio Standard (RPS), only small hydro is considered a qualified renewable, but large hydro is not. Even though hydro is a source of GHG-free electricity, it has other environmental impacts.

Motion:

- Commissioner Ivy: “Sustainability Commission recommends 100% renewable but is mindful of the budget situation. The existential threat of climate impacts demands that carbon reduction be prioritized in budget decisions. If the city decides to opt down, that we return to 100% renewable ASAP (1st in line for restoration when budget improves.)”
- Commissioner Rennels seconded the motion.
- Commission voted unanimously to approve the recommendation.
- Next step: Staff will bring the Commission’s recommendation forward to Council as part of its staff report.

Commissioner announcements:

- Chair Godfrey shared that Student Commissioner Ramachandran was selected as a scholar for the Regeneron Science Talent Search, awarding her as well as American High School each \$2,500.

- Commissioner Ramachandran shared that the FIERCE student sustainability club is working with the Sierra Club on drafting a Climate Literacy resolution to bring forward to the FUSD School Board.
- Commissioner Obata shared that she has been in touch with Patrick from Community Climate Solutions who is working with teachers to engage students on the Fremont Green Challenge, resulting in student competitions. Staff replied that they have been working with Patrick as well, and asked Commissioner Ivy how FUSD could share the information with other teachers.
- Commissioner Ivy shared that teachers have been overwhelmed with online teaching, but that there are some Google groups within the elementary schools where the information could be shared.
- Commissioner Obata asked if sharing the curriculum work of Community Climate Solutions at the upcoming January 26 Joint School Board City Council Liaison Committee meeting would be valuable, and Commissioner Ivy agreed. Staff suggested that Commissioner Obata could share written comment with that Committee as an informational item.

Staff announcements:

- The Consider.It virtual public forum on the CAP update will be open through early to mid-February.
- Staff is planning a series of community “Climate Talks” related to the CAP update that will take place the first week of February.

The meeting adjourned at 6:10 p.m.

APPROVED BY:



Rachel DiFranco
Sustainability Manager