



CEO Report Item 8

TO: Ava Community Energy (formally East Bay Community Energy) Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: CEO Report (Informational Item)

DATE: November 15, 2023

Recommendation

Accept Chief Executive Officer (CEO) report on update items below.

Executive Committee Meeting

An Executive Committee meeting was held on Wednesday, November 1, 2023. Members were provided with an overview of Ava's Solar Bill Plan Proposal. The next Executive Committee Meeting will be held on Wednesday, December 6, 2023 at 9am.

Financial, Administrative and Procurement Subcommittee Meeting

A Financial, Administrative and Procurement Subcommittee Meeting was held on Wednesday, November 8, 2023. Members discussed Workforce Guidelines and Policy and given an overview of Ava Energy's Risk Management Program. Members also reviewed the results of the FY 2022-23 Financial Audit and discussed the budget surplus waterfall and contribution to reserve funds for FY 22-23. The next Financial, Administrative and Procurement Subcommittee Meeting will be held on Wednesday, January 10, 2023 at 1pm.

New Staff

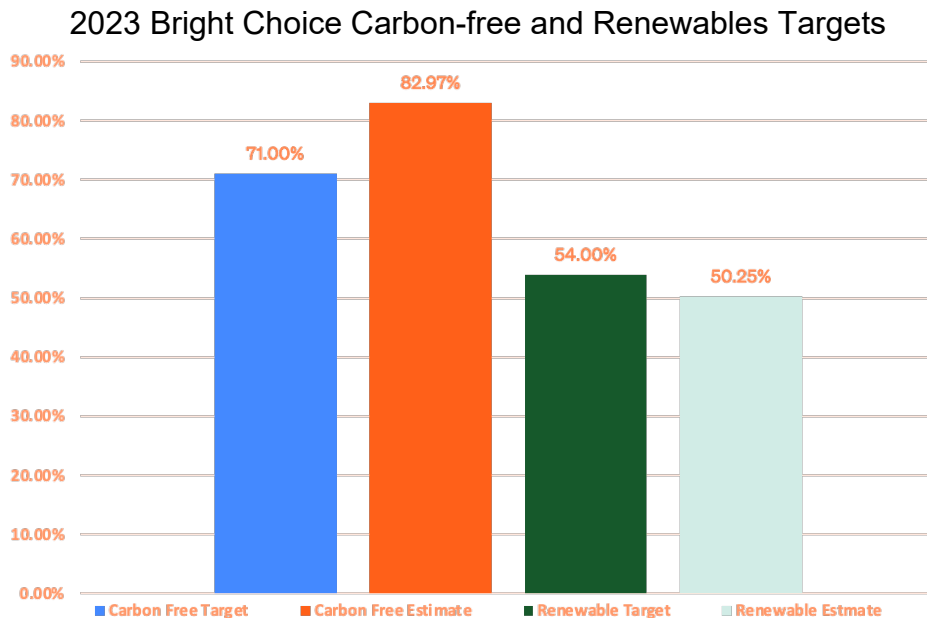
Joanie Brooke – Power Resources Contract Manager

Joanie joined Ava on 10/17/23 as a Contracts Manager on the Power Resources Team, and is responsible for managing long-term Power Purchase Agreements. Before joining

Ava, Joanie spent over 20 years in the construction industry for both public and private sectors, including PG&E and the CPUC. Most recently, she served on Borrego Solar's leadership team, executing utility and commercial-scale Solar EPC Contracts. Joanie holds a BS in Civil Engineering and MS in Construction Management from UC Berkeley College of Engineering, and an MPP From the Goldman School of Public Policy at UC Berkeley.

2023 Procurement Update

As the 2023 procurement year comes to a close, Ava staff have been evaluating our renewable energy and carbon energy procurement levels and find ourselves in a position where we have significantly higher than expected overall carbon-free energy due to higher than forecast deliveries of large hydro resulting from heavy rains. While also finding that our renewables have underdelivered their forecast - largely due to heavy rains in the first six months of the year which reduced overall solar energy production.



The overall effect of these findings is – if no last minute changes are made to our procurement plans - that Ava's Bright Choice customers will benefit from lower carbon content and higher levels of clean energy than target levels but slightly lower levels of renewable energy.

With two months left in the year, there are limited renewable resources that can be procured to fill the gap, and those resources that are available are priced at historically high levels. Ava staff estimate that the cost to procure the 3.75% that is currently forecast to be deficient would be \$10m to \$15m.

As such, Ava staff plan to stay the course with the current Bright Choice procurement trajectory as it would result in more than a 10% increase in carbon-free energy relative to target levels. In early 2024, Ava will evaluate the actual deliveries of carbon-free and renewable energy – and their associated costs – and present to the Board a quantification of the cost savings associated with the current Bright Choice procurement trajectory and a proposal for how these funds could be allocated to support local clean energy projects.

