

Ava Community Energy Workforce and Environmental Justice Project Selection Criteria

Ava Community Energy (Ava) evaluates proposed Energy Offtake Agreements by conducting thorough analysis of economic value, viability of projects to meet their stated online dates, project fit into Ava's Integrated Resource Plan and role of the project in supporting Ava's 100% clean energy by 2030 goal. Ava is committed to enhancing its workforce and economic priorities by incorporating this Energy Workforce and Environmental Justice Project Selection Criteria into the overall evaluation of Energy Offtake Agreements.

I. DEFINITIONS

1. **Energy Offtake Agreement:** Power Purchase Agreements, Energy Storage Agreements, Resource Adequacy Only Agreements for new build electricity generation or storage resources where Ava does not own, develop, or construct the generation or storage facility. Instead, Ava's participation in the Project is limited to receiving energy and any applicable attributes at a set price and term.
2. **Journey person:** Is a worker who either:
 - a. Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, approved for federal purposes pursuant to apprenticeship regulations adopted by the Secretary of Labor, or
 - b. Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.
3. **Local Hire:** A stated preference for project employment opportunities for qualified workers in descending priority:
 - a. A resident within the nearest communities in proximity to the project, by radius as reasonably determined on a project-by-project basis;
 - i. Additional preference shall be given, where the radius includes a city, town, or census-designated location within Ava's service territory, to the workers within those portions of the service territory.
 - b. A resident within the county where the project is being constructed;
 - c. A resident within Ava's service territory.
4. **Targeted Hire Program:** A pipeline program which:
 - a. Partners with a Multi-Craft Core Curriculum (MC3) pre-apprenticeship program or programs, or equivalent industry and state-recognized certificated career training and placement program that recruits, supports, and places Equity Priority Workers in skilled construction trades; and

- b. Creates opportunities for an Equity Priority Worker to enter Registered Apprenticeship Programs and/or obtain work hours needed to successfully complete their apprenticeship; or
 - c. Recruits and places income-qualified Journeypersons.
5. **Equity Priority Worker:** A jobseeker who, at the time of hiring or within the last twelve months, satisfies at least one of the following categories:
- a. Currently unhoused or at risk of homelessness
 - b. Being a custodial single parent
 - c. Currently receiving public assistance
 - d. Lacking a GED or high school diploma
 - e. Having been continuously unemployed or underemployed for the past 6 months
 - f. Having been emancipated from the foster care system
 - g. Being a veteran of the United States Military
 - h. Being a member of a tribal community
 - i. Having a previous incarcerated or justice involvement history
 - j. At-Risk Youth: a person 18-24 years old who is disconnected from school and/or work
 - k. Low income (household income is below the current HUD threshold for Low Income Households in their county of residence)

6. **Small, Local, and Emerging Business**

A local business that is certified small or emerging under the following requirements:

- a. Local Business - A business having a fixed office with a street address in Ava's service territory, and having a valid business license issued by a jurisdiction within Ava's service territory for at least 6 months.
- b. Small Business - A business which has been certified to meet the U.S. Small Business Administration (SBA) size standards for its classification.
- c. Emerging Business - A business which has been certified to meet less than one half the U.S. SBA size standards for its classification and has been in business less than 5 years.

II. Workforce and Environmental Justice and Project Selection Criteria

Ava is committed to enhancing workforce and environmental justice priorities by formalizing the incorporation of this Project Selection Criteria into its evaluation of Energy Offtake Agreements.

A. Workforce and Local Workforce Development

Ava is committed to stimulating our local economy through, among other measures, supporting projects committed to applying prevailing wage rates, supporting participants and/or graduates of apprenticeship and pre-apprenticeship programs, supporting a local skilled workforce, and to achieve Ava's local and targeted hiring objectives.

1. Ava will prioritize Energy Offtake Agreements where the developer is committed to:
 - a. Highest priority projects will commit to:
 - i. A multi-trade project labor agreement that incorporates EBCE's Local and Targeted Hire objectives as follows:
 1. A goal of 30% of all project labor hours performed by Local Hires, and;
 2. Participation in a Targeted Hire Program with a goal of 10% of all project hours performed by Equity Priority Workers.
 3. Demonstrated commitment to subcontracting with Small, Local, and Emerging Businesses.
 - ii. Utilization of prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations.
 - iii. Utilization of apprentices at the same ratio of apprentice hours to journeyman hours as required for public works projects. Generally this is one apprentice hour per every 5 hours of journeywork per craft.
 - iv. Demonstrated commitment to Local and Targeted Hire, including utilization of a multi-craft core curriculum (MC3) pre-apprenticeship program, or equivalent industry and state-recognized pre-apprenticeship certification, for outreach, preparation, support and referral of Targeted Hires.
 - v. Demonstrated commitment to subcontracting with Small, Local, and Emerging Businesses.
 - b. Medium-priority projects will commit to:
 - i. Utilization of prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations.
 - ii. Utilization of apprentices at the same ratio of apprentice hours to journeyman hours as required for public works projects. Generally this is one apprentice hour per every 5 hours of journeywork per craft.
 - iii. Demonstrated commitment to Local and Targeted Hire, including utilization of a multi-craft core curriculum (MC3) pre-apprenticeship program, or equivalent industry and state-recognized pre-apprenticeship certification, for outreach, preparation, support and referral of Targeted Hires.
 - iv. Demonstrated commitment to subcontracting with Small, Local, and Emerging Businesses.
 - c. Low-priority projects would fail to meet II.B.1.a or II.B.1.b above but may demonstrate other commitments to local workforce development.
2. When considering contractors or developers for Ava-owned energy generation or storage projects requiring a Large Generator Interconnection Agreement from the California Independent System Operator (currently 20MW and above, but subject to change from time to time), Ava shall commit to:
 - a. Negotiate a multi-trade project labor agreement that will incorporate Ava's local and targeted hire objectives as follows:
 - i. A goal of 30% of all project labor hours performed by Local Hires, and;
 - ii. Participation in a Targeted Hire Program with a goal of 10% of all project hours performed by Equity Priority Workers.
 - iii. Demonstrated effort to subcontract with Small, Local, and Emerging Businesses located in Ava's service area
3. When considering contractors or developers for Ava-owned energy generation or storage projects requiring a Small Generator Interconnection Agreement from the California Independent System Operator (currently applies to projects under 20MW, but subject to change from time to time), Ava will commit to:

- a. Utilization of prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations.
- b. Utilization of apprentices at the same ratio of apprentice hours to journey person hours as required for public works projects. Generally this is one apprentice hour per every 5 hours of journeywork per craft.
- c. Demonstrated commitment to Local and Targeted Hires.
 - i. A goal of 30% of all project labor hours performed by Local Hires while incenting, through a negotiated contract structure, the contractor or developer to achieve a minimum of 60% of all project labor hours performed by Local Hires, and;
 - ii. Participation in a Targeted Hire Program with a goal of 10% of all labor hours performed by Equity Priority Worker, while incenting, through a negotiated contract structure, the contractor or developer to achieve the 10% goal.
- d. Demonstrated effort to subcontract with Small, Local, and Emerging Businesses located in Ava's service area.

B. Innovation

Ava recognizes that reaching 100% Clean Energy by 2030 will require significant improvements and innovation in battery technologies, renewable baseload, dispatchable renewable resources, and renewable generation technologies, among other opportunities.

1. Ava will prioritize projects that accelerate decarbonization, provide local resiliency, provide Ava a competitive advantage, and/or reduce costs for Ava customers while remaining cost competitive with established market alternatives. Innovation will be recognized among projects that:
 - a. Include new or improved technologies or methodologies with a demonstrated potential feasibility;
 - b. Achieve scale for existing technologies to benefit Ava customers; or
 - c. Reduce or eliminate barriers to adoption of local, distributed, and scaled technologies.

C. Location

Ava prioritizes projects in the following order:

1. Projects located within Ava's service territory
2. Projects tied or pseudo-tied into the CAISO balancing area
3. Out-of-state projects

D. Environmental Stewardship

Ava is committed to leading by providing customers with energy that delivers benefits for air, water, and the natural environment while avoiding impacts to important lands, species, and waters. Without diminishing or interfering with permitting, planning land use, or development requirements of any authority having jurisdiction, including local, state, and federal governmental agencies, Ava prioritizes projects that:

1. Are proposed on urban or previously disturbed sites.
2. The developer and local land use authority have established an enforceable development agreement which, in part, sets forth measures to mitigate impacts to sensitive habitat or environmentally sensitive area; then
3. The developer commits to measurable offset efforts within the vicinity of the proposed project.

E. Benefits Accruing to Equity Priority Communities

EBCE, supported by the Local Development Business Plan, seeks to deliver economic, environmental, and social benefits to the communities that it serves by providing cleaner electricity at competitive rates, developing local resources that drive new investments, and creating increased demand for high-paying jobs. EBCE is committed to helping low-income and environmental justice communities overcome barriers to their access to public investments, resources, education, and information about energy service and policy.

EBCE will prioritize projects that:

1. Invest in low-income and environmental justice communities, with additional preference for communities within the EBCE service territory.
2. Demonstrate contact and collaboration with the local community organizations and stakeholder groups representing a broad diversity of demographics and interests, particularly low income and environmental justice communities, to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.
3. Commit to meaningful engagement¹ with local communities throughout the entitlement and construction processes to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.

III. EVALUATION, SELECTION AND REPORTING

Ava has historically evaluated and selected project proposals in accordance with this Energy Workforce and Environmental Justice Project Selection Criteria.

Ava will compile and report data and metrics regarding Workforce and Environmental Justice Project Selection Criteria upon completion of project construction.

IV. RESERVATION OF AUTHORITY TO WAIVE PROJECT SELECTION METHODOLOGY

1. Ava's Board of Directors may, by majority vote, waive this Project Selection Criteria, or any portion thereof, to:
 - a. Address an emergency situation that jeopardizes the safety or feasibility of a project, or;
 - b. Comply with a California State or Federal executive or regulatory order.

¹

V. CA COMMUNITY POWER

Ava's representative to the CA Community Power Board shall advocate for project selection criteria consistent with the terms Ava's own procurement policies.