



November 7, 2023

Chair Bauters and Honorable Directors
Finance, Administration, and Procurement Subcommittee
Ava Community Energy
1999 Harrison Street, Suite 2300
Oakland, CA 94612

Re: Item 4 Workforce Guidelines and Policy (Informational Item)

Chair Bauters and Honorable Directors,

Regarding Item 4 on your agenda for November 8, we are writing to reaffirm our strong support for the inclusion of the CCA Workforce & Environmental Justice Standards Alliance's policy framework within Ava Clean Energy. Ava's investments in clean energy represent a significant opportunity to promote community-benefitting projects and grow a much needed skilled workforce through middle-class careers that contribute to the progress of equity priority workers and their communities.

The CCA Workforce & Environmental Justice Alliance is a coalition of over 40 organizations that jointly represent the interests of labor, climate, and environmental justice. This letter extends our ongoing dialogue, underscoring our continued commitment to advancing industry-leading standards with CCAs throughout California. We point to Clean Power SF, Peninsula Clean Energy, Central Coast Community Energy, and Clean Power Alliance as model CCAs, supporting workers and the diverse communities that host their clean energy projects.

We recommend a comprehensive subcommittee review and discussion of the language introduced by staff and the language presented by the Alliance. For this purpose, we have included below a policy comparison table that outlines identified issues, staff's proposed language, and the Alliance's suggested adjustments to address the issues.

We appreciate the cooperation and effort from your staff in preparing the proposed Workforce and Environmental Justice policy and look forward to the opportunity to continue our collaborative efforts with Ava Clean Energy adopting a project selection policy that aligns with your agency's workforce and environmental justice values.

Sincerely,

Endorsement list of alliance organizations follows:

Susan Penner, Co-Chair, Legislative Working Group, 1000 Grandmothers for Future Generations

Alan Weiner, Coordinator, 350 Conejo / San Fernando Valley

Transition Team, California Alliance for Community Energy

Lucas Zucker, Co-Executive Director, Central Coast Alliance United for a Sustainable Economy

Ana Rosa Rizo-Centino, Network Manager, Central Coast Climate Justice Network

Lynda Marin, Chapter Lead, Citizens' Climate Lobby, Santa Cruz Chapter

Michael Chiacos, Policy Director, Community Environmental Council

Jordan Ackerman, Sr. Policy and Public Affairs Manager, Construction Trades Workforce Initiative

Ratha Lai, CEO, Critical Impact Consulting

Rita Casaverde, Executive Director, Diversity Coalition, San Luis Obispo County

John Foran, Founding Editor, Eco-Vista

Andy Carman, Director, Environteers

Leah Redwood, Action Coordinator, Extinction Rebellion San Francisco Bay Area

Tim Frank, Representative, Building and Construction Trades Council of Alameda

Bart Pantoja, Building and Construction Trades Council of San Mateo County

John Doherty, Business Manager, IBEW Local 6

Paul Guterrez, Business Manager, IBEW Local 234

Bill Baker, Business Manager, IBEW Local 413
Greg Bonato, Business Manager, IBEW Local 595
Scott Wein, Business Manager, IBEW Local 617
Mark Simonin, Business Manager, IBEW Local 639
Hector Huerdo, California Director, Jobs to Move America
Veronica Wilson, CA Organizer, Labor Network for Sustainability
Leslie Austin, Director, Let's Green CA!
Jessica Tovar, Steering Committee Member, Local Clean Energy Alliance
Gopal Shanker, President, Récolte Energy
Nancy Faulstich, Executive Director, Regeneración Pajaro Valley
Sara Nelson, Executive Director, Romero Institute
Alex Lansberg, Director, Research & Advocacy, San Francisco Electrical Contractors Assoc.
Jill ZamEk, Board Member, San Luis Obispo Mothers for Peace
Robert M. Gould, MD, President, San Francisco Bay Physicians for Social Responsibility
Joni Eisen, Representative, San Francisco Climate Emergency Coalition
Ken Hough, Executive Director, Santa Barbara County Action Network
Pauline Seales, Educator Organizer, Santa Cruz Climate Action Network
Eric Veium, Chair and Co-Executive Director, SLO Climate Coalition
Melissa Yu, Senior Energy Campaigns Representative, Sierra Club
Timothy Duda, Directory, Terra Advocati
Woody Hastings, Fossil Fuel Phaseout Manager, The Climate Center
Kristin Kusanovich, Founder, tUrn Climate Crisis Awareness & Action
Bijan Ashtiani-Eisemann, Organizer, UC Green New Deal Coalition
Louise Auerhahn, Director of Economic & Workforce Policy, Working Partnerships USA

Attachments:

CCA Workforce and Environmental Justice Standards Alliance Policy Resolution

#	Section	Issue	Staff Proposed Language	Alliance Suggested Language	Notes
1	General Introduction	This policy should apply to both energy offtake and Ava-owned energy projects.	'overall evaluation of Energy Offtake Agreements'	'overall evaluation of Energy Offtake Agreements and Ava-owned generation and storage projects	
2	Definitions	This project selection criteria should be applied as broadly as possible to all non-program energy projects including energy offtake agreements and Ava-owned energy projects	'Power Purchase Agreements, Energy Storage Agreements, Resource Adequacy Only Agreements for new build..'	'Power Purchase Agreements, Energy Storage Agreements, Resource Adequacy Only Agreements, and other energy related products for new build..'	
3	Contributions to Ava's 100% Renewable Energy by 2030 Goal (section needs to be re-added)	All future procurement should discourage Category 3 RECs and non-RPS carbon-free attributes.	None	' Avoids unbundled Category 3 RECs and non-RPS carbon-free attributes '	
4	Workforce and Local Workforce Development	Standards should apply to construction, operations, and maintenance scopes.	'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 hire objectives	'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 hire objectives for construction, operations and maintenance.	

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5	Workforce and Local Workforce Development	Small, local, and emerging business performance should have a goal and be measurable.	'Demonstrated commitment / effort to subcontract with Small, Local, and Emerging Businesses.'	'A goal that 20% of project value be subcontracted with certified Small, Local, and Emerging Businesses.'	Specific goal number subject to discussion.
6	Environmental Stewardship	<p>Environmental project risks should be evaluated for both energy offtake and Ava-owned projects in a <u>two stage approach</u>.</p> <p>Stage 1 starts with internal due diligence that informs project selection and followed by Stage 2 whereby CEQA is conducted by the lead AHJ during the local project entitlement process.</p>	<p>Ava will prioritize projects that:</p> <ol style="list-style-type: none"> 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. 	<p>Add after 1 in existing prioritization:</p> <p>Avoid or mitigate impacts to sensitive habitats for any endangered plant or animal species or other environmentally sensitive areas and comply with conservation plans such as the Desert Renewable Energy Conservation Plan (DRECP)¹;</p>	<p>Policy should acknowledge that:</p> <p>CCA / Developers are responsible for identifying environmental project risks in Stage I as part of project evaluation and selection.</p> <p>In Stage 2, Authorities having jurisdiction / Developer are responsible for permitting, CEQA, and any mitigation agreements.</p>

¹ Refer to [Desert Renewable Energy Conservation Plan \(2016\)](#).

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7	Evaluation, Selection, and Reporting	Current project evaluation standards and practices have been found to be inconsistently applied or incomplete. Add language that requires all associated projects to be evaluated and selected in accordance with the proposed project selection methodology	Ava has historically evaluated and selected project proposals in accordance with this Energy Workforce and Environmental Justice Project Selection Criteria	Ava will assess and select project proposals in accordance with this Project Selection Methodology and report detailed results of such assessment at the time of the project approval.	
8	Evaluation, Selection, and Reporting	Project selection methodology is intended to influence projects that are proposed and projects that are selected. Proposed and selected project performance against these standards should be transparently communicated during project approval by the Board.	None	Ava will assess and select project proposals in accordance with this Project Selection Methodology and report detailed results of such assessment at the time of the project approval.	
9	Benefits Accruing to Equity Priority Communities	Include reference to report from leading Environmental Justice stakeholders providing guidance on operationalizing 'meaningful community engagement'.	None	Add Footnote: Meaningful engagement means implementing five recommendations for best practices from Building a Just Energy Future - A framework for community choice aggregators to power equity and democracy in California. 2020 report by the California Environmental Justice Alliance	Included in CCA Workforce & EJ Alliance Proposed Policy language

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10	CA Community Power	CA Community Power should create a public advisory committee to ensure transparency and key stakeholder engagement.	None	Ava's representative to the CA Community Power Board shall advocate to form a public advisory committee, including labor, environmental and equity representatives, to ensure transparency and public engagement in CA Community Power's operations and procurement practices.	Included in CCA Workforce & EJ Alliance Proposed Policy language

Proposed by CCA Workforce and EJ Standards Alliance
<https://action.greencal.org/action/wej>

October 25, 2023

DRAFT: Ava Workforce, Environmental, and Environmental Justice Standards for Clean Energy Project Selection Policy

PREAMBLE

WHEREAS, Ava, as a Community Choice Aggregation, is a mission-driven public agency, collectively financed by constituent customers, with an obligation and opportunity to support and protect workers and the communities hosting Ava's clean energy projects;

WHEREAS, Ava committed in its mission to diversity, equity, and inclusion, has the opportunity to align with and support the values and mission of high-road union construction trade labor and environmental justice organizations striving to create sustainable and equitable communities;

WHEREAS, Central Coast Community Energy (3CE), a peer CCA to Ava, adopted similar standards to the recommended standards below in June 2023 after extensive deliberation by its Board of Directors and Citizens Advisory Committee;

WHEREAS, 3CE'S procurement standards serve as a foundation for best practices and build on similar standards adopted earlier by Peninsula Clean Energy and the San Francisco Public Utilities Commission (CleanPowerSF);

WHEREAS, x% of customers in existing service territory are CARE, FERA, or Medi-Cal baseline customers, and x% in San Joaquin Counties (staff support requested to advise on these values);

WHEREAS, reinvestment of customer dollars can create local benefits through the creation of jobs and supporting small or emerging local businesses in our service territory by keeping dollars in circulation; and

WHEREAS, Ava's Joint Powers Agency Agreement, dated effective November 1, 2016, as amended by Resolution No. 2018-23 dated June 20, 2018, declares the agency's purpose as follows:

- Provide electricity rates that are lower or competitive with those offered by PG&E for similar products;
- 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;
- Establish an energy portfolio that **prioritizes the use and development of local renewable resources** and minimizes the use of unbundled renewable energy credits;
- Promote an energy portfolio that **incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals**;
- **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)**;
- **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**;
- 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**;
- Promote personal and community ownership of renewable resources, spurring **equitable economic development and increased resilience, especially in low income communities**;
- 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
- 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.**

THEREFORE, BE IT RESOLVED THAT,

In support of competitive, clean, and renewable power supply, as well as the development of a local and diverse workforce, the Governing Board of Ava Community Energy shall adopt the following **Workforce, Environmental, and Environmental Justice Standards for Clean Energy Project Selection Policy** asserting a preference for enhanced workforce, environmental, and environmental justice standards for all Ava's clean energy programs and projects.

I. DEFINITIONS

1. **Regulatory Value:** The project's anticipated ability to satisfy Ava's regulatory compliance requirements, such as Resource Adequacy, Renewable Portfolio Standard, integrated resource planning, and other binding orders or directives received from regulatory bodies.
2. **Market Value:** The project's projected revenues across all relevant day-ahead, real-time and ancillary markets. Market Value shall also assess a project's ability to manage, shift, or arbitrage existing Ava generation to maximize revenue and renewable energy generation on behalf of Ava and its customers.
3. **Counterparty Risk:** The risk that a counterparty will fail to perform, or adequately remedy, its obligations. Counterparty Risk is inclusive of Development Risk.
4. **Development Risk:** The risk that the project is unable to obtain interconnection, deliverability, site control, entitlements, financing, or other necessary development milestones required to deliver the project on or ahead of the anticipated online date.
5. **Energy Offtake Agreement:** Includes Power Purchase Agreements, Energy Storage Agreements, Resource Adequacy Only Agreements, or other energy-related products 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.
6. **Journey person:** Is a worker who either:
 1. 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
 2. 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.
7. **Local Hire:** A stated preference for project employment opportunities for qualified workers in descending priority:
 1. A resident within the nearest communities in proximity to the project, by radius as reasonably determined on a project-by-project basis;
 - a) 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.

2. A resident within the county where the project is being constructed;
3. A resident within Ava's service territory.

8. **Targeted Hire Program:** A pipeline program which:

1. 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
2. Creates opportunities for an Equity Priority Worker to enter Registered Apprenticeship Programs and/or obtain work hours needed to successfully complete their apprenticeship; or
3. Recruits and places income-qualified Journeypersons.

9. **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:

1. Currently unhoused or at risk of homelessness
2. Being a custodial single parent
3. Currently receiving public assistance
4. Lacking a GED or high school diploma
5. Having been continuously unemployed or underemployed for the past 6 months
6. Having been emancipated from the foster care system
7. Being a veteran of the United States Military
8. Being a member of a tribal community
9. Having a previous incarcerated or justice involvement history
10. At-Risk Youth: a person 18-24 years old who is disconnected from school and/or work
11. Low income (household income is below the current HUD threshold for Low Income Households in their county of residence)

10. **Small or Emerging Local Business**

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

1. 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.
2. Small Business - A business which has been certified to meet the U.S. Small Business Administration (SBA) size standards for its classification.
3. 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. PROJECT SELECTION METHODOLOGY

Projects will be prioritized for selection based on Ava's evaluation of the criteria set forth below.

A. Contributions to Ava's 100% Renewable Energy by 2030 Goal

1. Assessment and evaluation of proposed projects' operational performance and market economics to ensure selected projects maximize regulatory and market value to Ava and its customers.
2. Assessment and evaluation of Counterparty and Development Risk.
3. Avoids unbundled or Category 3 RECs and non-RPS carbon-free attributes

B. Workforce and Local Workforce Development

Ava is committed to stimulating our local economy through, among other measures, supporting projects—including construction, operations, and maintenance—committing to apply 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 hire 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 Ava'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.
 - ii. A goal that 20% of project value be subcontracted with certified Small or Emerging Local 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 journeyperson 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.
 - b. A goal that 20% of project value be subcontracted with certified Small or Emerging Local Businesses.
 - 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 journeyman 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 commitment to subcontracting 20% of project value with Small or Emerging Local Businesses.

C. Innovation

Ava recognizes that reaching 100% Renewable 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.

D. Location

Ava prioritizes projects in the following order:

1. Projects located within Ava's service territory
2. Projects located within California.
3. Out-of-state projects

E. 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.

1. Ava will prioritize projects that:
 - a. Are proposed on urban or previously disturbed sites.
 - b. Avoid sensitive habitats for any endangered plant or animal species or other environmentally sensitive areas¹ and comply with conservation plans such as the Desert Renewable Energy Conservation Plan (DRECP)²;
 - c. 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
 - d. The developer commits to measurable offset efforts within the vicinity of the proposed project.

F. Benefits Accruing to Equity Priority Communities

Ava, 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. Ava 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.

Ava will prioritize projects that:

1. Invest in low-income and environmental justice communities, with additional preference for communities within the Ava service territory.

¹ Refer to Nature Conservancy's [Power of Place West](#) Report (2022).

² Refer to [Desert Renewable Energy Conservation Plan \(2016\)](#).

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 engagement³ 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

- A. Ava will assess and select project proposals in accordance with this Project Selection Methodology and report detailed results of such assessment at the time of the project approval.
- B. Ava's annual report will compile and report information regarding the impact of the Project Selection Methodology.

IV. CA COMMUNITY POWER

- A. Ava's representative to the CA Community Power Board shall advocate for adoption of a CA Community Power Workforce, Environmental, and Environmental Justice Standards for Clean Energy Project Selection Policy consistent with the terms of this resolution.
- B. Ava's representative to the CA Community Power Board shall advocate to form a public advisory committee, including labor, environmental and equity representatives, to ensure transparency and public engagement in CA Community Power's operations and procurement practices.

³ Meaningful engagement means implementing five recommendations for best practices from [Building a Just Energy Future - A framework for community choice aggregators to power equity and democracy in California, 2020 report by the California Environmental Justice Alliance](#)