



Staff Report Item 11

TO: Ava Community Energy Authority

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: Workforce and Environmental Justice Project Selection Criteria

DATE: January 17, 2024

Recommendation

Adopt a resolution approving a policy related to Workforce and Environmental Justice Project Selection Criteria (Criteria).

Background and Discussion

Over the past several months staff has been engaged with the CCA Workforce & Environmental Justice Standards Alliance, a large stakeholder group made up of over 40 organizations that represent the interests of labor, climate, and environmental justice. The Alliance includes representatives from the Building and Construction Trades Council of Alameda County, Let's Green CA!, SLO Climate Coalition, and a number of other workforce, environmental justice, and community based organizations.

Staff presented and discussed a working draft of the Criteria at the November 8, 2023 Finance, Administrative, and Procurement subcommittee meeting. In close collaboration with the stakeholder group, staff has updated and finalized the policy document and is seeking approval. The Criteria identifies important priorities related to:

- 1) Workforce and Local Workforce Development
- 2) Innovation
- 3) Location
- 4) Environmental Stewardship
- 5) Benefits Accruing to Equity Priority Communities

Attachments

- A. Workforce and Environmental Justice Project Selection Criteria
- B. Resolution adopting Project Selection Criteria

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, or other energy product agreements for new build in front of the meter 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. **Journeyperson:** 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. Such radius will target a distance that is within reasonable daily commuting distance;
 - 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 associated with indigenous people
 - 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 and Ava-owned energy generation and storage.

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 for construction, operations, and maintenance.

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.
 3. Demonstrated commitment to subcontracting with Small, Local, and Emerging Businesses.
 - ii. 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.

- iii. Demonstrated effort to subcontract with Small, Local, and Emerging 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 journeyperson 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.

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 recognizes that there are potential economic, environmental, and workforce benefits from projects located in Ava's service territory or in the state of California. Ava must also balance other factors such as grid-reliability, resource diversification, project economics,

and risk mitigation when selecting projects. Projects addressing these considerations are prioritized based on the following geographic order:

1. Projects located within Ava's service territory
2. In-state projects
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:

1. That are proposed on urban or previously disturbed sites.
2. In which the developer and local land use authority have established a development agreement which, in part, sets forth measures and commitments to mitigate impacts to sensitive habitat or environmentally sensitive areas and comply with applicable habitat conservation plans. For projects that are in earlier stages of the entitlement process, prioritization will be put on projects that have adequately assessed likely impacts and addressed potential mitigants to sensitive habitat or environmentally sensitive areas, for instance by committing to comply with applicable habitat conservation plans.
3. In which the developer commits to measurable offset efforts within the vicinity of the proposed project.

E. 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.
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 engagement 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.

Ava understands the importance of meaningful community engagement and recommends this to be done in a manner that is most relevant and appropriate for the community or communities impacted by the individual project(s). One example of effective community engagement is captured by the framework presented in “Building a Just Energy Future – A Framework for Community Choice Aggregators to Power Equity and Democracy in California” a report published in 2020 by the California Environmental Justice Alliance (CEJA). The Framework specifically makes 5 recommendations related to:

- 1) Coordination with Local Community-Based Organizations
- 2) Accessible Information and Outreach
- 3) Community-Driven Local Program Design
- 4) Transparent Decision-Making
- 5) Local and State Accountability

III. EVALUATION, SELECTION AND REPORTING

Ava will assess and select project proposals in accordance with this Energy Workforce and Environmental Justice Project Selection Criteria. While quantifiable metrics cannot be provided at the time of board approval, the known details of project commitments and targets will be provided at the time of board approval. Ava will compile and report data and metrics regarding Workforce and Environmental Justice Project Selection Criteria upon completion of project construction or at a time consistent with the annual GO156 Supplier Diversity reporting deadline. Reporting will include quantifiable metrics on Small, Local, and Emerging Businesses for the purpose of providing benchmark information.

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.

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.

RESOLUTION NO. R-2024-xx

A RESOLUTION OF THE BOARD OF DIRECTORS OF AVA COMMUNITY ENERGY AUTHORITY TO APPROVE A WORKFORCE AND ENVIRONMENTAL JUSTICE PROJECT SELECTION CRITERIA

WHEREAS The Ava Community Energy Authority (“Ava”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of Ava and parties to the JPA in March of 2020. The city of Stockton, located in San Joaquin County was added as a member of Ava and party to the JPA in September of 2022. The city of Lathrop, located in San Joaquin County, was added as a member to Ava and party to the JPA in October of 2023. On October 24, 2023, the Authority legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS Ava is committed to contracting and assisting in developing clean energy projects to meet the energy needs of its communities and customers

NOW, THEREFORE, THE BOARD OF DIRECTORS OF AVA COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board hereby adopts the Workforce and Environmental Justice Project Selection Criteria, which outlines priorities for project selection related to: Workforce and Local Workforce Development, Innovation, Location, Environmental Stewardship, and Benefits Accruing to Equity Priority Communities.

ADOPTED AND APPROVED this 17th day of January 2024.

Elisa Márquez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board