



Financial, Administrative and Procurement Subcommittee Meeting

Wednesday, January 10, 2024
1:00 pm

In Person:

Conference Room 5
Ava Community Energy
1999 Harrison Street, Suite 2300
Oakland, CA 94612

Or from the following locations:

Conference Room, Irvington Community Center 41885 Blacow Rd. Fremont, CA 94538
1755 Harvest Landing Lane, Tracy, CA 95376

Via Zoom:

<https://ebce-org.zoom.us/j/83599993289>

Or join by phone:

Dial (for higher quality, dial a number based on your current location): US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or +1 301 715 8592 or 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)
Webinar ID: 835 9999 3289

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 707-1764 or cob@avaenergy.org.

If you have anything that you wish to be distributed to the Finance, Administration and Procurement Subcommittee, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

2. Public Comment

This item is reserved for persons wishing to address the FAP Subcommittee on any Ava-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily

limited to three minutes per speaker. The FAP Chair may increase or decrease the time allotted to each speaker.

3. Approval of Minutes from November 8, 2023

4. Budget Surplus (Informational Item)

A discussion on how to allocate the projected budget surplus for the current fiscal year

5. Overview of Long-Term Offtake Agreements for January Board Approval (Informational Item)

Overview of multiple long-term contracts/offtake agreements from 2023 RFO and bilateral negotiations

6. Committee Member and Staff Announcements including requests to place items on future Board Agendas

7. Adjourn

The next Financial, Administrative and Procurement Subcommittee meeting will be held on Wednesday, March 13, 2024 at 1pm.

Conference Room 5
Ava Community Energy
1999 Harrison Street, Suite 2300
Oakland, CA 94612



Draft Minutes

**Financial, Administrative and Procurement Subcommittee
Meeting**

Wednesday, November 8, 2023
1:00 pm

In Person:

Conference Room 5
Ava Community Energy
1999 Harrison Street, Suite 2300
Oakland, CA 94612

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1. Welcome & Roll Call

Present: Directors: Andersen (Piedmont), Bedolla (Tracy), Gonzalez (San Leandro) and Chair Bauters (Emeryville)

Not Present: Director Cox (Fremont)

2. Public Comment

This item is reserved for persons wishing to address the FAP Subcommittee on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker. The FAP Chair may increase or decrease the time allotted to each speaker.

(1:30) Public Comment – Audrey Ichinose, concerned about the rates that Ava charges to Commercial and Industrial customers, asked about the possibility of Ava Community Energy offering special discounts to new small businesses in disadvantaged communities to foster local development in the clean energy sector.

3. Approval of Minutes from September 5, 2023

(3:46) Director Andersen motioned to approve the minutes. Director Gonzalez seconded the motion, which passed 4/0/1.

Yes: Directors Andersen, Bedolla, Gonzalez and Chair Bauters.

Not Present: Director Cox

4. Workforce Guidelines and Policy (Informational Item)

Discussion of workforce related priorities and criteria in project/PPA selection

(4:17) Howard Chang discussed the development of project selection criteria related to workforce and environmental justice. The criteria were influenced by the CCA Workforce and EJ Standards Alliance and other CCAs, notably Central Coast Community Energy. The document aims to formalize the evaluation of energy off-take agreements and Ava-owned projects, emphasizing local hires, participation in target hire programs, and subcontracting with small, local, emerging businesses. It categorizes projects into high, medium, and low priority based on these criteria. The policy also addresses environmental stewardship, benefits to equity priority communities, and project evaluation and selection. Ava's commitment to advocating for similar criteria in California Community Power projects is also mentioned. The policy is designed to be consistent with Ava's historical project evaluation approach and aims to codify these priorities formally.

(18:16) Public Comment – Jessica Tovar, from the East Bay Clean Power Alliance, supported the Statewide Alliance's language for workforce and environmental justice. She spoke in support of creating opportunities for communities traditionally excluded from the union workforce and for small, local, emerging businesses in the clean energy sector. Jessica Tovar also advocated not to make changes to the original resolution language.

(20:52) Public Comment – Celina Feliciano, a customer of Ava Community Energy and a resident of West Oakland, recommended incorporating insights from the California Environmental Justice Alliance report for transparency in Ava's operations. Additionally, she urged careful consideration of language regarding environmental stewardship and advocated for the prioritization of all lands and ecosystems, not just those deemed important or sensitive.

(23:45) Public Comment – Tim Frank, representing the Alameda County Building and Construction Trades Council, praised Ava Community Energy's proposed policy as a

significant advancement and a potential standard for CCAs within the CC Power area. He suggested further refinement of the document, focusing on including pre-hire agreements for both construction and permanent jobs in utility-scale projects. Tim Frank also spoke about the importance of due diligence in site selection to avoid environmentally sensitive areas and recommended prioritizing projects that comply with habitat conservation plans.

(26:54) Public Comment – Eric Veium, speaking on behalf of the CCA Workforce and Environmental Justice Standards Alliance, thanked Ava Community's staff their collaborative efforts in drafting the policy. He spoke in support of the need for further refinement to address two outstanding issues – 1. to ensure consistent application of the project selection methodology across projects and 2. to encourage transparency in decision-making by the board.

(30:01) Public Comment – Margie Lewis, a member of the East Bay Clean Power Alliance and an East Oakland resident, spoke in support of the original CCA Workforce and Environmental Justice Standards Alliance resolution. She also stated that Ava Community Energy should adhere to the mandates laid out in its JPA and Local Development Business Plan.

(31:43) Public Comment – Elsa Wefes-Potter, from the Local Clean Energy Alliance, spoke in support of the inclusion of specific numerical metrics in the resolution to ensure accountability in subcontracting and local hiring. She also spoke in support of prioritizing energy projects in the built environment to protect ecosystems and promote local clean energy development.

(33:23) Public Comment – Nyah Tisdell, representing the Local Clean Energy Alliance and East Bay Clean Power Alliance, spoke in support of the CCA Workforce and Environmental Justice Alliance's resolution on workforce development. She stated that the resolution helped to ensure that Ava Community Energy would adhere to its Joint Powers Agreement and Local Business Development Plan, particularly regarding labor and subcontracting goals. Nyah Tisdell also spoke about the importance of prioritizing local clean energy projects and protecting ecosystems from further destruction.

(35:26) Public Comment – Leslie Austin, representing the CCA Workforce and Environmental Justice Standards Alliance, requested the formation of a public advisory committee for transparency and public engagement in CC Power's operations. She expressed appreciation for Ava staff's work and urged continued collaboration to address policy issues before presenting to the Board of Directors.

(38:37) Public Comment – Anne-Olivia Eldred expressed concerns about changes made by staff to the original document proposed by the CCA Workforce and Environmental Justice Standards Alliance. She spoke in support of including in the policy Ava Community Energy owned projects and other energy-related projects that would benefit the local community. She also spoke in opposition to replacing "specific goals" with "demonstrate commitment" for small local and emerging businesses (SLEBs). Anne-Olivia Eldred also advocated for the inclusion of a CC Power stakeholder advisory body to ensure transparency and accountability.

(41:25) Public Comment – Jason Gumatatao, an Oakland resident and organizer with IBEW Local 595, spoke in support of the standards presented by the CCA Workforce and Environmental Justice Standards Alliance. He also spoke in support of adopting the proposed standards to create more job opportunities and support local workforce development.

(42:43) Public Comment – Melissa Yu, representing the Sierra Club, expressed her support for the original resolution developed by Environmental Justice (EJ) groups. She thanked Howard and the staff for their work on the current proposal but emphasized the importance of the resolution in holding Ava Community Energy accountable for prioritizing local clean energy development within its service territory. Melissa Yu also suggested avoiding unbundled Category 3 Renewable Energy Certificates (RECs) and non-Renewable Portfolio Standard (RPS) carbon-free attributes, underscoring the need for the resolution to focus on local clean energy projects that do not harm biodiversity.

Member Cox submitted a letter in support of the CCA Workforce and Environmental Justice Standards Alliance’s recommendations. This letter is attached to these minutes as Exhibit 1.

(1:13:35) Chair Bauters motioned to provide specific direction to staff regarding the Workforce Guidelines and Policy. Chair Bauter’s motion responds in part to the table from pgs 4-7 of the November 7, 2023 letter titled “Re: Item 4 Workforce Guidelines and Policy (Informational Item)¹, reproduced in these minutes as Exhibit 1 and henceforth referred to as “coalition letter”. The key points of the motion are as follows:

- 1. Accept the language suggestions in Items 1, 2, and 7 from the coalition letter, with the caveat that any changes should be made only if necessary for clarity, consistency, or legal appropriateness.**
- 2. Exclude Items 3 and 6 from the coalition letter as they were deemed not germane to the document.**
- 3. Addressing Item 4, include construction but not operations and maintenance (O&M) in the policy.**
- 4. Addressing Item 5, instead of adopting a specific 20% goal for small local businesses (slebs), commit to tracking data on the amount spent and the types of contracts executed with slebs. This data would inform future updates to the document.**
- 5. Address the engagement issue raised in Item 9 of the coalition letter, either by including relevant sections or providing an explanation for its exclusion.**
- 6. Further refine the definition of 'local' in consultation with labor partners.**

¹ This letter is available on the Ava Community Energy website at <https://cdn.sanity.io/files/pc49kbjr/production/c31058df94a33f295f3351c15bebb2c1119584db.pdf>

7. **Allow for the possibility of the revised document to be presented directly to the full Board in December 2023 or to return to the Financial, Administrative and Procurement subcommittee in January 2024, depending on the progress made in resolving the remaining issues. This decision would be made in consultation with the Financial, Administrative and Procurement subcommittee chair.**

The motion was seconded by Director Andersen and was approved 4/0/1.

Yes: Directors: Andersen, Bedolla, Gonzalez and Chair Bauters.

Not Present: Director Cox

5. Fiscal Year 2022-2023 Financial Audit (Informational Item)

Present and review the results of the Fiscal Year Audit

(1:25:46) Jason Bartlett, the Senior Finance Manager at Ava Community Energy, presented the financial audit results. The audit, conducted by an independent auditor, covered financial activities from July 1, 2022, to June 30, 2023. The auditors worked with an ad hoc committee of board members and were assisted by staff.

The auditors declared that the financial statements were presented fairly and in accordance with generally accepted accounting standards in the United States. They exercised professional judgment, assessed risks of material misstatements, evaluated internal controls, and concluded that management operated with ethical standards and maintained sufficient controls.

6. Budget Surplus and Reserve Fund Contribution (Informational Item)

Discuss the budget surplus waterfall and contributions to reserve funds from FY22-23

(1:29:40) Howard Chang presented the budget surplus waterfall and contributions to the reserves for the fiscal year ending in 2023. He clarified the difference between GAAP financials and the non-GAAP budget perspective. The board had previously approved a budget that included a surplus revenue application: \$50 million for general working capital, \$75 million reserved for the reserve fund, and the remaining amount split 50/50 between one-time bill credits to customers and investments in long-term renewable or clean energy.

The actual numbers were presented, showing how the surplus was allocated according to the approved waterfall methodology. This included contributions to the local Development Fund, working capital, reserves, and the split of the remaining \$21 million for bill credits and renewable energy investments. The on-bill credits were expected to be issued in the December-January timeframe.

Howard Chang also discussed the reserve fund policy, originally approved in 2018 and amended in 2021. The policy aimed for a reserve fund target of 50% of operating expenses, with a range of 25-75%. The current contribution would bring the reserve balance to approximately \$231 million, about 32% of operating expenses.

(1:36:12) Public Comment – Anne-Olivia Eldred raised concerns about the allocation of the budget surplus, particularly the on-bill credits. She spoke in opposition to the disparity in the amounts received by residential customers compared to larger entities like the City of Oakland. Anne-Olivia Eldred suggested reconsidering the distribution of these credits and proposed exploring alternative uses for the funds, such as hiring additional staff for community projects or investing in local initiatives.

(1:38:51) Public Comment – Elsa Wefes-Potter sought clarification regarding the allocation of approximately \$20 million to the Local Development Fund as part of Ava Community Energy's budget surplus waterfall. She spoke in support of having a broader discussion on the most effective long-term investment of surplus funds, particularly focusing on how these investments could significantly impact disadvantaged communities. Elsa Wefes-Potter also spoke in support of directing surplus funds towards initiatives that address energy justice needs within disadvantaged communities.

(1:40:00) Public Comment – Jessica Tovar expressed concerns about the transparency of Ava Community Energy's budget, particularly regarding the allocation of bill credits. She highlighted the need for a detailed breakdown of who receives these credits and how much they receive. Jessica Tovar pointed out that the distribution of credits based on the size of the bill could lead to inequitable outcomes, with larger accounts like municipal or commercial entities potentially receiving more significant benefits than average residential customers. She spoke in support of investing surplus funds in community benefits, such as energy resilience and microgrids.

(1:43:15) Chair Bauters clarified that the surplus and reserve allocation being discussed was from a budget action approved in June 2022. The board had agreed to hold a portion of funds for discussion in the fiscal year ending 2024, and this would be addressed in January 2024. **Howard Chang** confirmed this and explained the timing was due to completing the financial audit. **Member Andersen** inquired about the reserve fund target range, and **Member Gonzalez** asked about working capital targets and the number of customers.

7. **Ava Energy Risk Management Program Overview (Informational Item)**

Introduction of Ava Community Energy Risk Management Policy and Regulations

(1:49:39) Marie Fontenot and **Ray Dai** presented an overview of Ava's Energy Risk Management Program. The program is governed by two main documents: the Energy Risk Management Policy and the Risk Management Regulations, which outline principles, objectives, and detailed guidelines for managing Ava's energy portfolio. The Risk Oversight Committee, comprising various members including Ava's CEO and COO, oversees the program, focusing on market and credit risk management. The presentation highlighted the importance of counterparty credit risk management, the use of tools like Moody's RiskCalc for creditworthiness evaluation and detailed the transaction authorities for different job functions within Ava.

(2:05:45) Member Gonzalez suggested including a section defining various types of risks in presentations about the Energy Risk Management (ERM) regulations document, emphasizing the board's role in assessing risk management objectives. In response, **Ray Dai** acknowledged the importance of this approach and mentioned plans for future

detailed presentations on risk management, focusing on delegation, duties, and specific risk methodologies.

8. Committee Member and Staff Announcements including requests to place items on future Board Agendas

(2:09:56) Member Andersen informed the committee that she would not be able to attend the January 10, 2024 Financial, Administrative and Procurement Subcommittee meeting.

9. Adjourned at 3:15 pm.

The next Financial, Administrative and Procurement Subcommittee meeting will be held on January 10, 2024 at 1pm.

Minutes written by Adrian Bankhead.



Raissa Arielle Kasa Ngoma <rngoma@avaenergy.org>

11/8 - FPAC Subcommittee Meeting Agenda Item 4 - Comments

1 message

'Teresa Cox' via Clerk of the Board <cob@avaenergy.org>

Wed, Nov 8, 2023 at 12:31 PM

Reply-To: Teresa Cox <tcoc@fremont.gov>

To: Adrian Bankhead <abankhead@avaenergy.org>, "COB@ebce.org" <COB@ebce.org>

Chair Bauters and Honorable Directors,

While I am not available to attend today's discussion of Item 4, I did want to share my thoughts with the subcommittee.

First let me express my gratitude to the staff for preparing this item for our consideration. The staff's draft guidelines and policy builds nicely off the recommendations from the CCA Workforce & Environmental Justice Standards Alliance.

The handful of revisions proposed by the W&EJ Alliance in the table attached to their letter of November 7 strike me as thoughtful additions that will strengthen the staff's draft.

I would recommend that we forward the staff proposal to the Board of Directors and direct the staff to prepare an option to incorporate these revisions.

Thank you!

Sincerely,

Teresa Cox
Ava Community Energy Director
City of Fremont Representative

Teresa Cox
CITY COUNCIL MEMBER, DISTRICT 6

City of Fremont | City Council
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Fiscal Year Budget Surplus

Finance, Administrative, &
Procurement Subcommittee

January 10, 2024



Background & Discussion

- In June of 2023, the Fiscal Year 2023-2024 budget was approved by the Board of Directors on the condition to revisit the discussion of the projected surplus revenues in the Waterfall
 - Specifically, the 50/50 split between renewables and on-bill credits
- The Waterfall in the budget presentation was predicated on an estimated increase in net revenues of approximately \$179.5MM
- Changes in PG&E filed rates, and market price volatility, since the June approval has increased the estimated net increase to approximately \$260.7MM (an increase of about \$81.2MM)
 - Final actual Net Position will be determined following the annual audit
Process completed ~Oct 2024
- Options evaluated
 - Retain On-Bill Credit option
 - Fully allocate to new Renewables
 - Incentives solutions for NEM changes

WATER FALL DISTRIBUTION	BUDGET	UPDATED	Difference
Net Revenues	179,484,000	260,728,000	81,244,000
Working Captial	50,000,000	50,000,000	0
Reserve Contribution	100,000,000	100,000,000	0
Available for Allocations	29,484,000	110,728,000	81,244,000
Renewables	50% 14,742,000	55,364,000	40,622,000
On-Bill Credits	50% 14,742,000	55,364,000	40,622,000

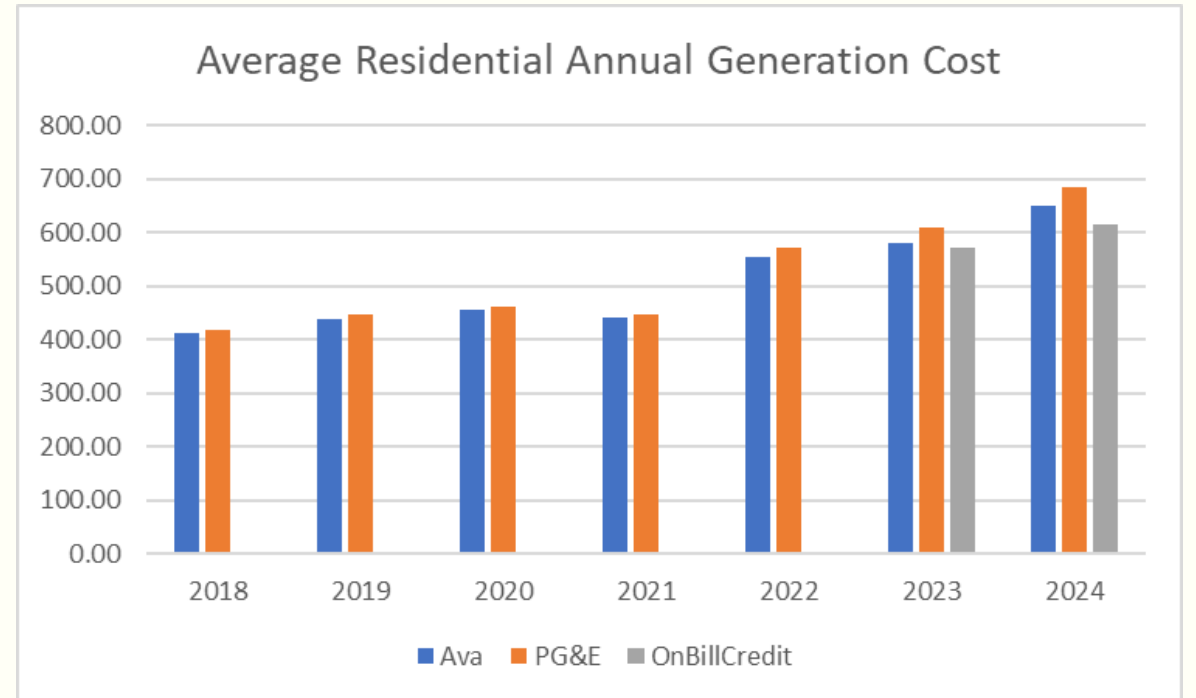
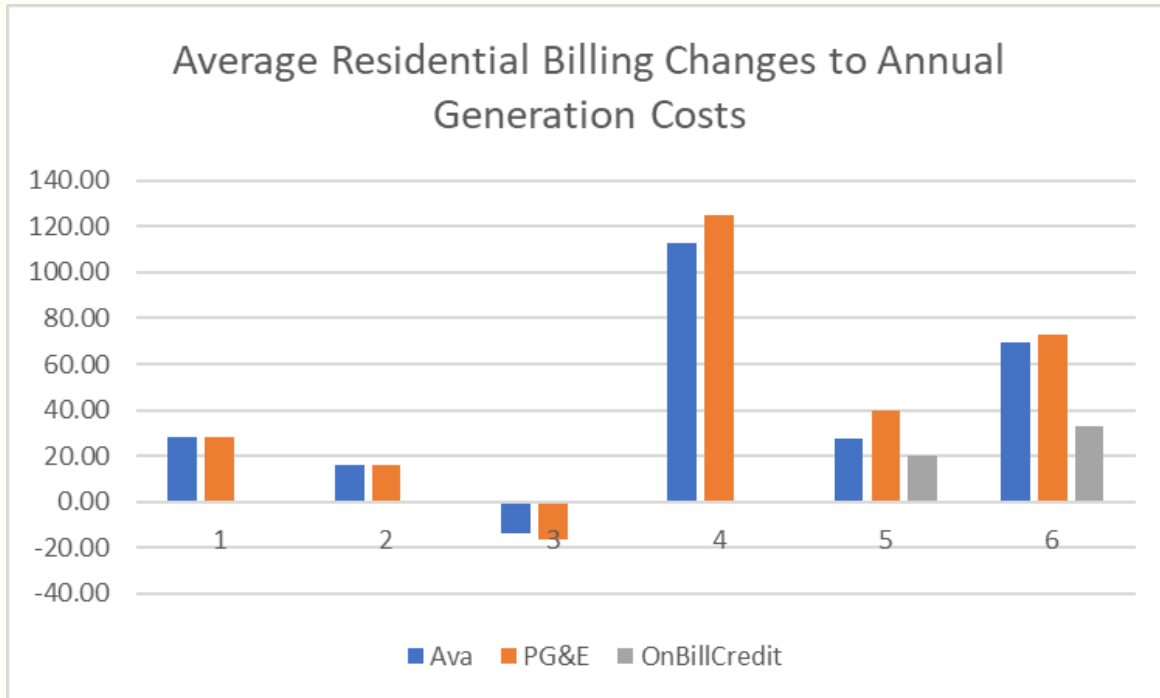


Retaining On-Bill Credits

- Increases in net revenues may make retaining on-bill credits a desirable option
- PG&E's most recent rate filings are expected to increase the average annual generation cost for residential customers by \$70.44
- On-bill credits with previous revenue expectations were averaged at \$9.94 per residential customers
- On-bill credits with updated revenue expectations are averaged at \$36.53 per residential customer
- The updated credit could offset over 50% of the annual increase in generation cost for the average residential customer
- Most notable conditions with this option:
 - It is a one-time payout in Nov/Dec timeframe
 - It serves as a means to offset the significant increases in energy costs faced by customers
 - Application of benefit most directly applies to current rate-payers than other options



- The charts below show historical average impact from rate changes to generation costs to residential customers and the resulting total cost.



Fully Allocate to Renewables

- Increases in net revenues may make fully allocating to new renewable projects more desirable.
- From last fiscal year, approximately \$10.5MM has been ear-marked for marginal renewable projects (per November Board Meeting Item 11—Budget Surplus & Reserve Allocation)
- If the On-Bill Credit option is retained, this balance would increase to ~\$60.9MM
- If fully allocated to new renewables, this balance would increase to ~\$121.2MM
- This would allow new incremental renewable resources to be developed that are otherwise not under Ava's current procurement plan, likely to be selected from the current or next RFO process



Incentives Solutions for Net Billing Tariff

- Recent changes to net energy metering (NEM) are reducing solar installation rates across CA
- PG&E adoption of the new NEM 3.0 Policy called net billing tariff (NBT) has been delayed from December 2023 and now may occur before the end of the fiscal year
- Ava is developing an incentive program for solar and paired storage to encourage solar + storage adoption that benefits all Ava customers in conjunction with adopting NBT
- Ava is gathering feedback from solar industry to develop this program and will bring back to the Board for review by March
- Allocating a portion of the net revenues to planned funding could increase Solar + Storage program funding and deployment
- Most notable considerations with this option:
 - Delivering these incentives will occur over time as Solar + Storage installations occur
 - Benefit existing customers diminishes over time



Thank you!



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2023 Long-Term Resource RFO & Bilaterally Negotiated Contracts: Overview & Update

January 10, 2024



Agenda

- 2023 Long-Term Resource Solicitation Overview
- Challenges in Marketplace
- Bilateral Projects Offered
- Discussion of Projects Proposed for January Board Approval
- Reminder: Portfolio Summary

Solicitation Overview

Goals & Objectives

- Secure a portfolio of contracts to provide EBCE customers with affordable renewable and clean energy sources;
- Meet IRP Near- and Mid-Term Resource Adequacy Reliability Procurement mandates;
- Meet current and future CPUC compliance obligations;
- Create new renewable energy projects to deliver PCC1 RECs
- Contract low-cost energy hedges to compliment existing portfolio
- Partner with SJCE for efficiency, to minimize expenses, and lead the market in contract terms.

Project Characteristics

Facilities:

- Location: Projects may be within or outside of California. All energy must be deliverable to CAISO & must provide RA
- Construction Status: Energy and related products may come from new resources or add incremental capacity to existing resources.

Capacity:

- Minimum Contract Capacity: 5 MW
- Maximum Contract Capacity: none

Delivery Date:

- Energy and RPS attribute delivery must be within calendar years 2024 through 2030 with a preference for projects that begin delivery earlier within this window.

Contract Duration:

- 10-20 year durations

Technology:

- Renewables, Large Hydro
- Storage – short or long duration; any technology

Actions

- Issued a broad, open, competitive solicitation to ensure wide array of opportunities considered;
- Evaluated combinations of projects to achieve desired volume targets;
- Typically prioritize project risk, location, workforce development, economics, and other characteristics; limited ability to do so in this RFO due to limited offers in earlier years;
- Encouraged RFO participants to be creative and provide proposal variations on individual projects and include battery storage.

Solicitation Overview - Eligible Products

Product #	Product Name	Description	Example
Product 1	As-Available RPS Product	New or incremental capacity to an existing stand-alone PCC1-eligible generating resource	solar, wind, geothermal, small hydro or ocean (thermal, wave, or current)
Product 2	As-Available RPS plus Energy Storage	New or incremental capacity to an existing stand-alone PCC1-eligible generating resource with co-located energy storage	Same as above plus storage with 2-hr, 4-hr, or 4-hr+ duration capability
Product 3	Firm or Shaped RPS Product	New PCC1-eligible generating resources; likely paired with energy storage	Energy delivered during specific hours
Product 4	Stand-Alone Energy Storage Toll	Energy storage may offer a full product “tolling” structure contract. RA-only offers <i>not</i> accepted in this RFO	Any storage technology with 2-hr, 4-hr, or 4-hr+ duration capability

Evaluation Process

- **Evaluation Rubric scored 3 areas:**
 - Counterparty Execution, Offer Competitiveness, and Project Development Status
 - Multiple items under each area
- **Two reviewers were assigned to each project.**
- **Staff reviewed all submitted information and provided scores for all categories and NPV.**
 - Each item has 100 point max. at its own weighting.
 - Term Sheet Markups were scored by one assigned reviewer.
 - NPV scores were directly incorporated into overall project score with a weighting of 55%.
 - The Net Present Value was calculated based on simulations on 6 different forward curves
 - For each forward curve we took a weighted average of the P5 (50%), P50 (30%), and P95 (20%); and then took a simple average across the 6 curves
 - We normalized this number on a \$/MW basis and the projects were then assigned a 0-55 score based on the NPV distribution
 - Other factors considered in qualitative evaluation were Counterparty Execution Risk (20 points), Development Status Risk (20 points) and Local Business Enterprise (4 points) and Small Business Enterprise (1 point)
- **Scoring and rubric were similar to the selection process for previous RFOs**
 - Previous RFOs used 3 forward curves, this RFO featured 6 curves each representing a unique scenario
 - Minor changes were made to weighting of local projects, including addition of points for small businesses

Challenges in the Marketplace

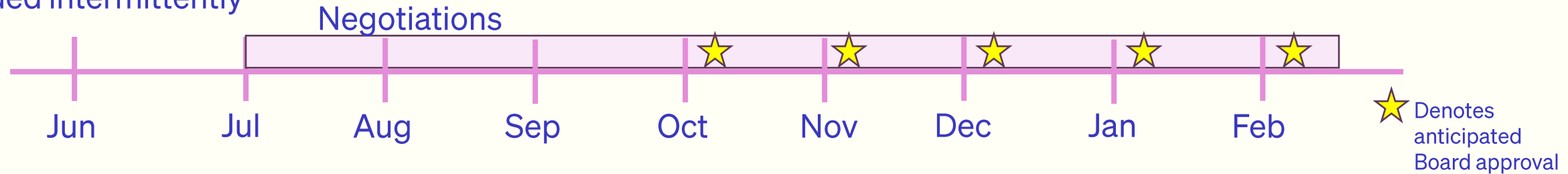
- Ongoing supply chain disruption & delays
- Uncertainty related to future tariffs for core components
- Result: suppliers of core components pricing using Index structure; many Project Developers unwilling to take on price risk thus requiring pricing using index also or extreme mark-ups in price to cover risk
- General: prices for generation and storage resources have increased 30-40% since ~2020.
- Rising interest rates create risks

Overview of Planned Procurement

- Procurement targets:
 - Generation: up to 1000 MW of nameplate capacity
 - Storage (paired &/or stand-alone): up to 500 MW of nameplate capacity
- Online Dates: 2025 - 2030

Status of Negotiations

Project Shortlisting
Began; add'l projects
added intermittently



- Limited number of Projects have dropped from shortlist, including the only in-territory shortlisted project
- Interest rate increases create pressure and uncertainty for developers. High likelihood of credit defaults in coming months.
 - “A perfect storm or rising interest rates, bleaker economic outlook, weakening credit quality, are setting the stage for speculative-grade downgrades and defaults in the year ahead” – Moody’s Investors Service
- Strong competition among buyers for most desirable projects

Bilateral Project Offers

- **Background: CAISO Transmission Plan Deliverability (TPD) Allocation**
 - Generation & storage projects under development can seek Deliverability (i.e. the ability to provide Resource Adequacy) from the CAISO
 - Projects are more likely to be granted Deliverability if they have executed offtake agreements
 - Evidence of contract or status of offtake due to CAISO in mid-February
- **Benefits to Ava of Executing “TPD Deals”**
 - Multiple developers proposed TPD deal structures
 - Staff focused on viable projects, project fit in Ava portfolio, & desirability of commercial terms
 - *Most* TPD deals will be structured as options
 - Guaranteed benefit to Ava customers if projects are granted Deliverability
 - TPD deals are compared against projects offered into RFO to ensure portfolio value

Projects Proposed for Execution

Seeking approval for four contracts:

One power purchase agreement (PPA) submitted into Ava and SJCE's joint 2023 Long-Term Resource RFO

- 20-year, 38 MW solar + 38 MW/152 MWh storage contract for energy, environmental attributes, and resource adequacy (RA) from a facility in Merced County with Longroad Energy. Online April, 2027.

Three* agreements proposed to Ava bilaterally

- 20-year, 240 MW contract for energy, environmental attributes, and RA from a wind farm in the state of Baja California, Mexico. Online
- 10-year, 90 MW RA-only contract from a battery storage facility in Alameda County. Online
- 10-year, 200 MW/800 MWh RA-only contract from a battery storage facility in Fresno County

* Additional project may be brought to Board in January

Longroad Energy Project Details



- Selected via the 2023 EBCE-SJCE Long-Term Resource RFO
- Contract for 38 MW of nameplate capacity including energy, environmental attributes, and Resource Adequacy and 38 MW/152 MWh battery storage
- Facility in Merced County
- Total project size is 75 MW; SJCE is other offtaker
- 20-year contract
- Expected Commercial Operation Date is April 1, 2027
- Project has an executed interconnection agreement and site control
- Committed toward paying prevailing wages and seeks union labor
- The contracting entity under Zeta Solar, LLC.

Longroad Energy - Company Overview



- Longroad is led by former executives of First Wind Energy.
- Longroad was founded in 2016 and focuses primarily on the development and operation of utility-scale wind, solar, and battery energy storage projects throughout the United States.
- Since 2019, Longroad has brought eleven major projects to COD, including 1.9 GW of solar projects.
- Longroad is currently contracted to operate 3.5 GW of operating or under-construction solar and wind projects across the United States, of which Longroad owns 1.8 GW.
- Longroad has some experience with CCAs; owns and operates at least 1 executed contract with CCAs:
 - PPA with MCE that achieved COD in 2020

IGNIS – Wind Project Details



- Project offered bilaterally; aim to obtain CAISO TPD Deliverability allocation
- Contract for 240 MW of nameplate capacity including energy, environmental attributes, and Resource Adequacy
- Wind facility in the Tecate Municipality, state of Baja California, Mexico
- Total project size will be 1 GW
- 20-year contract
- Expected Commercial Operation Date is September, 2028
- Project has site control; interconnection agreement is in progress
- Under discussion: Ava prioritization of prevailing wages and importance of union labor to the extent available
- The contracting entity will be identified prior to Ava's January Board meeting.

IGNIS - RA-only Storage Project Details



- Project offered bilaterally; aim to obtain CAISO TPD Deliverability allocation
- Contract for Resource Adequacy from a 90 MW battery storage facility
- Battery storage facility will be sited in Alameda County
- 10-year contract
- Expected Commercial Operation Date is July, 2026
- Project has site control; interconnection agreement is in progress
- Committed toward paying prevailing wages and seeks union labor
- The contracting entity will be Reclaimed Wind, LLC.

IGNIS – Company Overview



- IGNIS is a privately-owned developers and operators of wind, solar, natural gas, combined heat and power, and energy storage projects
- Company is lead by former Iberdrola and Bank of America executives
- Founded in 2015, IGNIS's global development team includes 135 people
- IGNIS has developed 1,143 MW of resources. Its development portfolio in Spain includes 25 GW of new resources; the international development portfolio include 15 GW of new resources, 2,430 MW of which are in the United States
- IGNIS is currently co-developing a wind farm in Alameda County, CA

Clearway Project Details



- Project offered bilaterally; aim to obtain CAISO TPD Deliverability allocation
- Contract for Resource Adequacy from a 200 MW battery storage facility
- Facility in Fresno County
- Total project size is tbd at this time
- 10-year contract
- Expected Commercial Operation Date is December, 2032
- Project has site control; interconnection agreement is in progress
- Committed toward paying prevailing wages and will seek union labor
- The contracting entity under Sequoia Renewable LLC.

Clearway - Company Overview



- Clearway Energy Group is one of the largest renewable energy companies in the US and is made of up the former NRG Renewables platform
- 4.1GW of projects in operations (over 330 projects) and over 9GW in development, including both solar and wind assets
- Large office in San Francisco (6 offices across the US) with 600 employees overall
- Clearway has a strong track record in CA and experience with CCAs, including Ava. Projects include:
 - Golden Fields Solar (112 MW)
 - Daggett 3 Solar+Storage (50 MW; 12.5MW/50MWh)

Portfolio Summary

Project Name 1	Project Name 2	Developer	Type	Nameplate Capacity	COD	Term (Years)	Technology	County	State
Altamont	SHWEC	Greenbacker	RPS	57.5	7/2/2021	20	Wind	Alameda	CA
Rosamond Central	Golden Fields	Clearway	RPS	112	12/22/2020	15	Solar	Kern	CA
Pattern	Tecolote	Pattern	RPS, no RA	100	12/20/2021	10	Wind	Guadalupe & Torrance	NM
Luciana	Tulare	Idemitsu	RPS	56	4/30/2022	15	Solar	Tulare	CA
Henrietta D	Henrietta	Convergent	Storage	10	12/2/2021	15	Storage	Kings	CA
Daggett South	Daggett	Clearway	RPS+Storage	50	9/5/2023	15	Solar + Storage	San Bernadino	CA
RE Scarlet	Sonrisa	EDPR	RPS+Storage	100	12/15/2023	20	Solar+Storage	Fresno	CA
Oberon	Oberon	Intersect	RPS+Storage	125	1/1/2024	15	Solar	Riverside	CA
Edwards Solar II	Edwards	Terra Gen	RPS	100	Q2 2024	15	Solar	Kern	CA
Sanborn	Sanborn	Terra Gen	Storage	47	Q2 2024	12	Storage	Kern	CA
Tumbleweed	Tumbleweed	REV Renewables	Storage	50	6/1/2024	15	Storage	Kern	CA
Kola	Kola	NextEra	Storage	125	4/1/2025	20	Storage	San Joaquin	CA
Fervo	Corsac Station	Fervo	RPS	40	2/1/2030	15	Geothermal	Churchill	NV



Community Energy