



Staff Report Item 20

TO: Ava Community Energy Authority

FROM: Dan Bertoldi, Electrification Program Manager

SUBJECT: **Authorize Chief Executive Officer to Enter into an Agreement with Franklin Energy Services**

DATE: April 17, 2024

Recommendation

Adopt a Resolution authorizing the CEO to negotiate and execute an Agreement with Franklin Energy Services, LLC (“Franklin Energy Services”), with a not to exceed amount of \$1,500,000 over a term of three (3) years, for induction stove installation services to support the Health-e Communities pilot implementation.

Background and Discussion

On November 16, 2022, the Board of Directors provided direction to staff to develop the Health-e Communities Program (“Program”) to deliver home electrification to households, where one or more residents suffer from some form of pulmonary condition.

On October 4, 2023, the Executive Committee received an update on the Program, where staff presented on scope, roles and responsibilities of key stakeholders, program objectives, and timeline.

The Health-e Communities Program will enable Ava’s most vulnerable customers to improve their indoor air quality by replacing their gas stoves with all-electric induction stoves. The Program sets out to replace a total of 2,000-3,000 stoves. To inform upon program design and policy making, this Program will also serve as a research

opportunity to further understand the linkage between electrification and indoor air quality, exposure to natural gas, and human health.

Health-e Communities Program Update

Staff is in process of designing the Health-e Communities pilot, which sets a goal to replace 200 gas burning stoves with induction units over one year. Utilizing an installation services vendor, Ava will administer the purchase and installation of the replacement stoves and conduct air quality monitoring to measure the impacts of pollution levels within each home, before and after each stove replacement. Ava has partnered with Berkeley Air Monitoring Group, a local air quality monitoring vendor, to provide the monitoring equipment, installer training, analysis, and reporting for each project under the pilot. The pilot will focus on income-qualified customers located in parts of Ava's service area with the highest Asthma rates¹.

After an initial pilot phase, Ava will scale the Program to perform higher numbers of stove replacements and refine participant eligibility by targeting customers suffering from pulmonary health conditions. To achieve this, Ava plans to collaborate with one or more health care providers to identify and facilitate enrollment of eligible residents. A health care partner or a separate research institution will also perform a longitudinal health study to better understand the linkage between electrification and health. In addition to eliminating between 2,000-3,000 gas stoves and replacing them with induction stoves, the Program is intended to inform long-term policymaking and electrification program design, through the longitudinal health study.

Installation Services Vendor Selection

In January 2024, Ava released a Request for Proposals ("RFP") seeking bids for induction stove installation services to support the Health-e Communities Program. Ava received and evaluated three (3) responses. After a competitive process, Franklin Energy Services ranked highest based on the RFP evaluation criteria. Franklin Energy Services brings a breadth of experience in residential building electrification programs, including working with other CCAs on direct install programs.

Franklin's proposal includes partnership with three subcontractors that would perform the electrical work, utilizing approximately 20 technicians residing within the Ava service area. Franklin will be providing the following services to support the Health-e Communities Program:

- Site and project assessment
- Customer support
- Electric-ready work

¹ Areas of high asthma rates will be defined through CalEnviroScreen 4.0

- Installation, removal and data transfer of air monitoring equipment
- Stove procurement
- Project administration

Staff is in the process of negotiating and finalizing an Installation Services Agreement with Franklin Energy Services, for a period of three years and a not to exceed amount of \$1.5 million, for the pilot phase of the Health-e Communities Program. The total not to exceed amount is inclusive of equipment (i.e. stoves), materials, and labor costs.

Fiscal Impact

The total budget allocation to support the Health-e Communities Program over a three-year period is \$15,000,0000, which has been identified in the approved Local Development Programs Fund. The total not to exceed amount of the Agreement with Franklin Energy is \$1.5 million over a three-year term. This Agreement is a component of the overall program allocation, and it does not require additional funding.

Committee Recommendation

On March 21, 2024, the Investment Committee received a presentation and provided feedback to staff regarding this item.

Attachments

- A. Draft Resolution
- B. Presentation

RESOLUTION NO. R-2024-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY TO AUTHORIZE THE CEO TO
NEGOTIATE AND EXECUTE AN AGREEMENT WITH FRANKLIN ENERGY
SERVICES, LLC FOR THE HEALTH-E COMMUNITIES PROGRAM

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 aims to promote healthier, more sustainable communities by reducing greenhouse gas emissions and air pollutants through Local Development Programs; and

WHEREAS Ava’s Health-e Communities Program will enable Ava’s most vulnerable customers to improve their indoor air quality, by replacing gas stoves with all-electric induction stoves; and

WHEREAS Ava seeks third-party support to provide induction stove installation services for the implementation of the Health-e Communities Program; and

WHEREAS Ava issued a Request for Proposals (“RFP”) for induction stove installation services in January 2024, and after a competitive selection process, Franklin Energy Services, LLC (“Franklin Energy Services”) was selected, as the most competitive bidder; and

WHEREAS Franklin Energy Services’ proposed scope of work will enable Ava to launch and implement the pilot phase of the Health-e Communities Program; and

WHEREAS Ava seeks to execute an Induction Stove Installation Services Agreement with Franklin Energy Services.

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

Section 1. THE CEO is hereby authorized to negotiate and execute an Agreement with Franklin Energy Services for induction stove installation services with total compensation not to exceed \$1,500,000, over a term of three (3) years, subject to the approval of the General Counsel.

ADOPTED AND APPROVED this 17th day of April, 2024.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

Authorize Chief Executive Officer to Enter into Agreement with Franklin Energy Services to Support Health-e Communities



April 17, 2024
Ava Board of Directors



Health-E Communities Pilot Objectives

Pilot

- Complete up to 200 induction stove retrofit projects
- Study concentration of indoor air pollutants and impacts of electrification
- Develop effective program recruitment and enrollment tactics
- Streamline and simplify induction retrofits for impact, scale, speed and cost
- Better define larger health research effort
- Determine average project cost and installation timelines

Program

- Complete up to 2000-3000 induction cooktop retrofit projects (based on available budget)
- Work with healthcare partner to streamline participant enrollment
- Draft and publish longitudinal health study



Installation Services Agreement

- Ava conducted Induction Stove Installation Services RFP to support Health-e Communities Program
- Franklin Energy Services was selected as winning bid
- Agreement not to exceed \$1.5 million to support pilot phase of program
- Complies with Ava prevailing wage policies
- Three-year term



About the Vendor

- Program implementor with relevant program experience
 - Includes direct install program implementation for other CCAs
- Vertically integrated energy services co.
- Subcontractors:
 - Fuse, Enzo2, and Electrify my Home
 - Approx. 20 electricians residing in Ava service area



Scope of Work

- Site and project assessment
- Customer support
- Electric-ready work
- Installation, removal, and data transfer of air monitoring equipment
- Stove procurement
- Project administration



