



Community Advisory Committee Meeting

Monday, May 13, 2024

6:00 pm

In Person:

The Lake Merritt Room
Cal State East Bay - the Oakland Center
In the Transpacific Centre
1000 Broadway, Suite 109
Oakland, CA 94607

Or from the following remote locations:

Member Stephenson – 1343 Fairview Ct, Livermore CA 94550
Member Swaminathan – 4563 Meyer Park Circle, Fremont, CA 94536
Member Lakshman – 3602 Thornton Ave. Fremont, CA 94536
Member Kaur – Starbucks at 1857 11th St. Tracy, CA 95376
Member Harper – 1234 W Oak St, Stockton CA, 95204
Vice-Chair Souza – 24027 Wilcox Lane, Hayward, CA 94541

Via Zoom:

<https://us02web.zoom.us/j/84794506189>

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 +1 312 626 6799 or 877 853 5257 (Toll Free)
Webinar ID: 847 9450 6189

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) 906-0491 or cob@avaenergy.org.

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

C1. Welcome & Roll Call

C2. Public Comment

This item is reserved for persons wishing to address the Committee on any Ava Community Energy-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 Committee are customarily limited to three minutes per speaker and must complete an electronic [speaker slip](#). The Committee Chair may increase or decrease the time allotted to each speaker.

C3. Approval of Minutes from April 15, 2024

C4. CAC Chair Report

C5. Community Innovation Grant Agreements (Board Action Item)

Authorize CEO to negotiate and execute grant agreements with Rising Sun and AGAPE for early workforce training

C6. Legislative Update (Board Action Item)

Update on recommended bill positions and Ava's Legislative Program, and vote on bill positions

C7. Draft Budget Review (Board Informational Item)

Review the draft budget for the 2024-2025 fiscal year.

C8. DERMS + Battery Program Administration (Board Action Item)

Action Item authorizing CEO to negotiate contract for Distributed Energy Resource Management System (DERMS) + Battery Program Administration Support

C9. PG&E Nuclear Allocation (Board Action Item)

Action item on 2025-2030 PG&E Nuclear allocation

C10. CAC Member and Staff Announcements including requests to place items on future CAC agendas

C11. Adjourn

The next Community Advisory Committee meeting will be held on Monday, June 10, 2024 at 6:00 pm.

The Lake Merritt Room
Cal State East Bay - the Oakland Center
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1000 Broadway, Suite 109
Oakland, CA 94607



Draft Minutes

Community Advisory Committee Meeting

Monday, April 15, 2024

6:00 pm

In Person:

The Lake Merritt Room
Cal State East Bay - the Oakland Center
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1000 Broadway, Suite 109
Oakland, CA 94607

Or from the following remote locations:

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Member Kaur – Starbucks at 1857 11th St. Tracy, CA 95376
Vice-Chair Souza – Starbucks at 2720 Castro Valley Blvd. Castro Valley, CA 94546

Via Zoom:

<https://us02web.zoom.us/j/84794506189>

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 +1 312 626 6799 or 877 853 5257 (Toll Free)
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**The following CAC members were sworn in prior to Roll Call:
Member Indira Balkissoon (North)**

Alternate Member Peter Wiener (North)
Member Pete Stephenson (East)
Member Davis Harper (San Joaquin County)

C1. Welcome & Roll Call

Present: Members: Landry, Balkissoon, Weiner, Stephenson, Lakshman, Kaur and Vice-Chair Souza

Not Present: Members: Hu, Swaminathan, Pacheco, Lutz and Chair Hernandez

Member Weiner served as alternate for Member Hu (North).

C2. Public Comment

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(5:28) Public Comment: Jessica Tovar from the Local Clean Energy Alliance requested \$15 million for resilience hubs in Ava's service territory. Jessica Tovar spoke about the importance of these hubs in providing essential services for vulnerable communities during crises such as climate disasters and pandemics.

(8:41) Public Comment: Audrey Ichinose expressed concern that Ava Community Energy might reconsider accepting a nuclear energy allocation. She spoke in opposition to reopening this discussion until significant issues such as nuclear waste management and the impact of uranium mining on Native American communities are addressed.

(11:18) Member Landry requested future agenda consideration of nuclear issues and an update on funding for resilience hubs. **Alex DiGiorgio** clarified that the nuclear topic resurfaced due to Diablo Canyon Nuclear Power Plant's extended license, and that discussions about the issue are scheduled for both the upcoming board and CAC meetings,

C3. Approval of Minutes from March 18, 2024

(17:25) Member Landry motioned to approve the minutes. Member Balkissoon seconded the motion which was approved 8/0/0/0/5: Yes: Members Landry, Balkissoon, Weiner, Stephenson, Lakshman, Kaur, Harper and Vice-Chair Souza

No: none

Abstain: none

Recuse: none

Not Present: Members Hu, Swaminathan, Pacheco, Lutz and Chair Hernandez

C4. CAC Chair Report

(20:32) Chair Souza encouraged committee members to attend the May 17 Board of Directors meeting, where a discussion about the Income Graduated Fixed Charge will be held.

C5. Ava Solar Billing Plan (Board Action Item)

Vote on Ava's Solar Billing Plan proposal

(26:19) Kelly Brezovec, Senior Director of Account Services at Ava Community Energy, presented the Ava Solar Billing Plan proposal, which aims to adopt a new tariff policy for solar energy billing. The proposal includes a new rate structure, additional incentives for customers with paired solar and storage systems, and is intended to align closely with similar initiatives by PG&E.

(44:41) Public Comment: Jim Lutz asked if Ava Solar Billing Plan aligns with Ava's and the state's renewable energy goals. He also asked about the decision to adopt a net billing structure rather than rewarding customers who produce surplus solar energy.

In response, **Kelly Brezovec** explained that the plan is designed to more accurately compensate solar energy exports based on market value, which tends to be lower during peak solar production times. She stated that the plan is also meant to encourage customers to invest in battery storage to improve grid stability.

(54:30) Member Weiner asked for the rationale behind promoting individual battery systems over more cost-effective utility-scale solar and storage solutions that could benefit everyone equally. **JP Ross** responded that Ava Community Energy's strategy includes investing in both individual and utility-scale storage solutions.

(57:04) Public Comment: Audrey Ichinose spoke in favor of delaying action on the solar billing plan until the outcomes of PG&E's similar initiatives are seen in the next few months. She also proposed subsidizing the acquisition of solar and storage systems for low-income rate-payers.

(1:00:36) Public Comment: Richard Esteves addressed concerns regarding the benefits of rooftop versus distant solar installations. He explained that

customers still face substantial charges for using PG&E's transmission and distribution system, regardless of how close the solar source is. He also critiqued the structure of NEM 3.0, suggesting it diminishes the incentives for energy efficiency and conservation by shifting more costs into the basic rate. Richard stated that this structure would penalize those who invest in reducing their energy usage.

(1:03:09) Public Comment: Jessica Tovar stated that the \$8.4 million allocated for low-income adders in Ava's solar billing plan would be more effectively used as direct investments in solar and battery installations for low-income households. She said that such direct support would facilitate local clean energy production and address environmental injustice, rather than maintaining an inaccessible incentive program.

(1:18:27) Member Harper asked whether the analysis of Ava's new solar billing plan included the Stockton and Lathrop territories and whether these areas would be factored into future evaluations. **Kelly Brezovec** confirmed that Stockton and Lathrop were not included in the current analysis but would be considered in future evaluations as the service expands.

(1:20:37) Member Balkissoon inquired about the number of customers transitioning to Ava's new solar billing plan and its financial implications, particularly comparing the potential impacts for Ava versus PG&E. **Kelly Brezovec** clarified that about 11% of Ava's customers currently have solar, and detailed the transition process, explaining that by 2042, all current NEM customers would switch to the new plan.

C6. Health-e Communities Contract (Board Action Item)

New contract over \$100k for direct installation of induction stoves for first 200 homes in pilot

(1:31:43) JP Ross presented a proposal to authorize the CEO to contract with Franklin Energy Services for the Healthy Communities initiative. This initiative aims to install 200 induction stove retrofits in low-income households to assess air quality improvements. The \$1.5 million contract with Franklin Energy Services includes managing the pilot project and installing air quality monitoring systems to compare conditions before and after the stove replacements.

(1:38:40) Public Comment – Jessica Tovar praised the improvements in the Healthy Communities initiative compared to its initial plans, and she advocated for the program to replace other gas appliances in addition to stoves.

(1:41:31) Public Comment – Jim Lutz asked how potential participants are being identified and recruited, and if renters are included.

(1:42:34) Public Comment – Richard Esteves recommended approving the Heath-e Communities contract but urged that it include upgrades to electrical panels to support the new appliances and to ensure that homes have the capacity for future electrification projects beyond the stove replacement.

(1:45:39) Member Landry expressed concern about the adequacy of existing electrical panels in homes targeted for the induction stove installations, questioning whether panels should be upgraded to 200 amps to support future electrification. In response, **JP Ross** explained that the pilot would explore how to install induction stoves without upgrading service panels, utilizing technologies that allow for the management of electrical loads without requiring immediate panel upgrades.

(1:56:48) Member Weiner motioned to approve the staff recommendation. Member Landry seconded the motion, which was approved 8/0/0/0/5: Yes: Members Landry, Balkissoon, Weiner, Stephenson, Lakshman, Kaur, Harper and Vice-Chair Souza
No: none
Abstain: none
Recuse: none
Not Present: Members Hu, Swaminathan, Pacheco, Lutz and Chair Hernandez

C7. Direct Current Fast Charging Marketing Partner Contract (Board Action Item)

New contract over \$100k for development and execution of DCFC Awareness and Demand Generating Campaigns

(1:58:03) Theresa McDermit, the head of marketing at Ava, presented a request for board approval of a marketing execution partner contract for Ava's Direct Current Fast Charging program. The program aims to develop a network of DC fast chargers to support the transition to electric vehicles, particularly for residents in multifamily housing and underserved areas. The initial station is planned for Oakland City Center in the fall.

(2:05:32) Davis Harper asked about the geographic scope of the marketing strategy for the Direct Current Fast Charging program, specifically whether it only included Ava's current service territory. **Theresa McDermit** confirmed that while the main focus is on residents within their territory, she acknowledged that some users might commute into the area, though these individuals would not be a primary target of the outreach efforts.

(2:10:09) Public Comment – Jim Lutz asked if staff plans on collecting commuting data for people who use the chargers - to get a sense of how many

people are driving in from Tracy, for example. **JP Ross** provided several options for how commute data could be collected – via an app, for example, but that the data collection would depend on how customers interact with the system.

(2:13:35) Member Landry asked about the customer demand and location selection process for the Direct Current Fast Charging stations. **Theresa McDermit** explained that the locations are determined in conjunction with partner cities and municipalities, utilizing municipally owned lots and garages. **JP Ross** elaborated that they work with cities to identify suitable sites and then overlay these sites with high-density residential areas, retail amenities, and transit locations to prioritize development.

(2:15:56) Member Balkissoon motioned to approve the staff recommendation. Member Harper seconded the motion, which was approved 7/0/1/0/5:

Yes: Members Landry, Balkissoon, Weiner, Stephenson, Kaur, Harper and Vice-Chair Souza

No: none

Abstain: Member Lakshman

Recuse: none

Not Present: Members Hu, Swaminathan, Pacheco, Lutz and Chair Hernandez

C8. 2023 Supplier Diversity Report Overview (Board Informational Item)

Overview of 2023 Supplier Diversity Report to the CPUC

(2:17:46) Stephanie LaShawn presented the 2023 Supplier Diversity Report for Ava Community Energy, detailing efforts to engage diverse suppliers under the General Order 156 utility supplier diversity program.

(2:27:48) Public Comment – Jessica Tovar stated that staff should target small, local and emerging businesses to receive contracts. She also advocated for staff to work with community-based organizations and Ava’s rate-payers in vulnerable communities within the agency’s service territory.

(2:29:26) Public Comment – Jim Lutz asked if staff could provide a supplier diversity report of Ava’s procurement of energy.

(2:33:40) Member Weiner asked how the \$225,000 reported for diversity contracts compared proportionally to the overall budget. He suggested that future reports should provide a clearer picture of how budget allocations reflect the company's commitment to diversity.

C9. (2:36:24) CAC Member and Staff Announcements including requests to place items on future CAC agendas

- **Member Landry** requested future agenda consideration of nuclear issues and an update on funding for resilience hubs.
- **Member Balkissoon** asked to discuss the direct funding of the solar tariff for low-income households.

C10. Adjourn at 8:47.

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Clean Energy Jobs and Training Awareness for Youth (18-24)

Community
Innovation Grants



1. Grant Opportunity

2. Rising Sun

- About Rising Sun Center for Opportunity
- Key Aspects

3. AGAPE

- About Cypress Mandela and Revalue.io
- Key Aspects



Grant Opportunity Summary

Clean Energy Jobs and Training Awareness Grant

Focus: Workforce Development for Clean Energy Transition

- Term: May 2024-April 2027
- Amount: Up to \$300,000 over three years

Objective: Accelerate clean energy investments, enhance workforce development, promote economic activity, and increase community resilience

- Target Communities: Youth ages 18-24 (within Ava's service area)
- Recipients:
 - Rising Sun Center for Opportunity (Rising Sun)
 - Advancing Green Apprenticeship Pathways for Efficiency (AGAPE) Initiative, Cypress Mandela and Revalue.io

Responsibilities:

- Increase awareness of clean energy jobs and training opportunities
- Develop scalable program models for youth education and career pathways
- Engage diverse youth populations across Ava's service area
- Foster community collaboration and partnerships in green energy
- Provide detailed quarterly and annual reports on grant progress

Brighter together



Rising Sun Energy Center for Opportunity

- Nonprofit organization based in California that focuses on empowering individuals and communities to achieve environmental sustainability and economic resilience.
- Their Climate Careers program offers job training and career pathways in the green economy, specifically in energy and water efficiency sectors. Through this program, Rising Sun provides hands-on training, professional development, and job placement services to equip participants with the skills needed for successful careers in sustainable industries.
- By bridging workforce development with environmental stewardship, Rising Sun Energy Center contributes to building a skilled workforce while addressing climate challenges. Building career pathways for economic equity and climate resilience, operating in nine Bay Area counties plus San Joaquin County.



Key Aspects of Climate Careers Program

With 33 full-time permanent staff and additional seasonal hires, Climate Careers (running for over 20 years), employs low-income youth for summer jobs and fall externships, providing free residential energy and water efficiency services while offering training and professional development. This initiative has hired and trained nearly 2,000 youth to date.

Graduates receive ongoing support, and the program has trained over 1,000 adults. Rising Sun also leads the High Road Training Partnership, ensuring quality jobs in residential building decarbonization accessible to all, with Ava participating in the partnership.

Key Components of Grant Proposal

- The organization will hire Career Pathways Coordinators, enhance the Climate Careers curriculum.
- Create an online platform with clean energy career resources, for youth to access employment information and opportunities.
- They will conduct outreach, recruit partner employers, and hire and train youth for Green House Calls and fall externships.
- Professional development workshops, financial literacy training, and alumni career services are key components of the curriculum.



Better living.

Powered by clean,
affordable,
community energy.



The Cypress Mandela Training Center

- Nonprofit organization based in Oakland, California, that focuses on providing vocational training and workforce development to individuals facing barriers to employment.
- Their programs offer hands-on training in construction and related trades, empowering participants with valuable skills and certifications for successful careers in the construction industry.
- Cypress Mandela aims to address unemployment and economic inequality by offering opportunities for education, skill-building, and job placement, ultimately supporting individuals in achieving economic self-sufficiency and stability.

Revalue.io

- Dedicated to advancing the circular economy by providing innovative technology solutions.
- They specialize in software tools that enable businesses to track, optimize, and communicate their sustainability efforts, particularly in waste reduction and resource efficiency.
- Revalue's platform helps organizations streamline their operations, minimize waste, and enhance environmental performance.
- Through their services, Revalue contributes to promoting sustainability and driving positive environmental impact across industries.



AGAPE (Advancing Green Apprenticeship Pathways for Efficiency) Initiative

Key Aspects of Initiative

- Seeks to bridge the education-to-employment gap for young adults ages 15-24 in at-risk communities, achieved through industry network partnerships with organizations including Youth Alive!, Berkeley Youth Alternatives, the National Association of Minority Contractors, and the Construction Resource Center.
- Offering hands-on training, mentorship, and project exposure for a more inclusive and equitable clean energy transition.

Key Aspects of Grant Proposal

- Targeted Youth Engagement through Youth Alive! and Berkeley Youth Alternatives focusing on providing young adults in historically marginalized communities with access to clean energy career pathways.
- Collaborative Pre-Apprenticeship Training by utilizing the strengths of our partner organizations, Cypress Mandela and NAMC to offer hands-on training and industry mentorship.
- Engaging Learning Opportunities for students to further engage in first-hand experience and exposure to sustainable green career pathways. Providing professional development, soft skills, and career mentorship



Thank you!



For complete details please contact

Heidy Zohar Ramirez, hramirez@avaenergy.org

This grant presents a valuable opportunity to support youth education and employment in the clean energy sector.

Online

AvaEnergy.org

Phone

+1 833.699.3223

Email

customer-support@AvaEnergy.org

Social

[PoweredWithAva](#)



Community Energy



Staff Report Item 12

TO: Ava Community Energy Board of Directors

FROM: Alec Ward, Principal Legislative Manager
Feby Boediarto, Policy Analyst

SUBJECT: Approval of Legislative Positions (Action Item)

DATE: May 15, 2024

Recommendation

- Receive an update on Ava’s Legislative Program document.
- Take a “support” position on Assembly Bill (“AB”) 817 (Pacheco), AB 2329 (Muratsuchi), AB 2672 (Petrie-Norris), Senate Bill (“SB”) 1130 (Bradford), SB 1095 (Becker), SB 1210 (Skinner), SB 1221 (Min), AB 2779 (Petrie-Norris), SB 1006 (Padilla), SB 1165 (Padilla), and AB 1834 (Garcia).

Background and Discussion

Ava’s Legislative Program Document

In July 2018, Ava’s Board approved a Legislative Program document. It outlined general legislative principles alongside more specific public policy positions. It also gave guidance for legislative policy coordination. The Legislative Program document was last updated in 2023. It has again been updated with clarifications and edits to names/addresses. Principles and positions remain unchanged.

Ava’s updated Legislative Program document is provided for reference as an attachment to this item.

Recommended Ava Bill Positions:

- Brown Act/ Remote meeting flexibility - SUPPORT: **AB 817 (Pacheco)** permits a member of a subsidiary body to call in remotely and not disclose their location to the public. This particularly impacts Ava's Community Advisory Committee (CAC) as an advisory-only body, allowing them to access teleconferencing flexibility while ensuring safety of members. AB 817 implements these teleconferencing provisions until January 1, 2026. The intent of this bill is to create greater participation in Ava's CAC meetings while retaining and attracting members, especially those with economic and physical limitations, helping stabilize community choice.
- Affordability/ Promoting affordable electric rates - SUPPORT: **AB 2329 (Muratsuchi)** establishes a Climate Equity Trust Fund (Fund) that could receive state and federal funds for programs to address electrical bill affordability, decarbonization, and clean energy programs. The Fund could receive funding from Cap and Trade as well as penalty revenue from the California Public Utilities Commission, California Energy Commission, and California Air Resources Board. The Fund sets up a general framework to promote affordable electric rates and has the ability to give direct credit to ratepayers, accelerating affordable decarbonization.
- Affordability/ Expanding the CARE program - SUPPORT: **AB 2672 (Petrie-Norris)** expands eligibility of the low-income assistance program, California Alternate Rates for Energy (CARE) to public housing authority owned or administered by Project Homekey housing facilities that are master-metered. The investor-owned utilities (IOUs) must establish a process to ensure that the discount is directly benefiting the residents of these facilities. Cities such as Hayward, Union City, Oakland, and Stockton benefit from the State's initiative to house people experiencing homelessness through Project Homekey. This bill further protects these vulnerable residents by ensuring that the IOUs directly apply the CARE discount (30% - 35%) to them, accelerating decarbonization by making it more affordable.
- Affordability/ Expanding the FERA program - SUPPORT: **SB 1130 (Bradford)** expands the low-income assistance program, Family Electric Rate Assistance (FERA) eligibility by allowing households of one or two people to also qualify, allowing more residents to benefit from the 18% discount on their electricity bill. To combat low enrollment, this bill would require the IOUs, beginning in 2025, to share an annual report on their efforts to increase FERA enrollment. This bill will

alleviate affordability concerns, especially for those customers who are living in higher cost-of-living areas and are making barely above the 200% federal poverty guidelines (i.e. CARE thresholds). This bill would accelerate decarbonization by making it more affordable.

- Building Decarbonization/ Mobile and manufactured homes electrification - SUPPORT: **SB 1095 (Becker)** reduces barriers for residents living in mobile and manufactured homes under a Homeowners Association (HOA) interested in transitioning to all-electric. The bill prevents HOAs from implementing provisions that prevent switching from gas to electric appliances including water heaters and furnaces. By July 2026, the Department of Housing and Community Development must issue regulations that facilitate the use of electric appliances in mobile and manufactured homes. This bill would accelerate decarbonization by making it more accessible.
- Building Decarbonization/ New housing development interconnection - SUPPORT: **SB 1210 (Skinner)** requires IOUs to publicly post on their website fees for service connections of different housing types, as well as estimated timeframes for completing service connections. The bill's data on service connection fees and timelines can speed up connections and help build a strong case for urgent reinvestment in our infrastructure, accelerating decarbonization by making it more accessible and promoting local development.
- Building Decarbonization/ Zonal electrification pilot projects- SUPPORT: **SB 1221 (Min)** facilitates responsible planning by identifying potential gas distribution line replacement projects and evaluating the cost-effectiveness to replace them with all-electric options. The bill would propose at most 30 pilot projects for priority neighborhood decarbonization zones. Cost-effective alternatives would save ratepayers money by avoiding more costly new investments in gas pipelines and promote cleaner options such as panel upgrades for heat pumps. There is bill intent language to prioritize low-income communities. This bill would accelerate decarbonization by making it more accessible.
- Transmission/ CAISO planning for new grid enhancing technology - SUPPORT: **AB 2779 (Petrie-Norris)** directs the California Independent System Operator (CAISO) to report to the Legislature and the CPUC on the use of new grid enhancing technology (GETs) that are deemed reasonable for approved transmission plan. CAISO's 20-year transmission outlook predicts a total estimated costs of \$30.5 billion for transmission development to meet our state decarbonization goals. GETs can be a cheaper alternative to reducing

transmission congestion thereby increasing capacity and accelerating decarbonization by making it more affordable.

- Transmission/ Planning for new grid enhancing technology - SUPPORT: **SB 1006 (Padilla)** requires IOUs to prepare a GETs strategic plan to increase transmission capacity, while reducing grid congestion. Every four years, the IOUs must also complete an evaluation to identify which transmission lines can be reconductored to increase grid reliability. SB 1006 could help IOUs better plan and deliver reliable energy at a lower cost than traditional grid enhancements, which accelerates decarbonization by making it more accessible and promotes local growth.
- Transmission/ Speeding up transmission projects - SUPPORT: **SB 1165 (Padilla)** would speed up transmission projects by allowing IOUs to submit an application with the CPUC to authorize new construction, while simultaneously submitting to the CEC an authorization request as an Environmental Leadership Development Project, a designation which could further streamline project review. SB 1165 can maintain important agency review while helping expedite the development of the transmission lines needed to reach California's 100% energy goals, which accelerates decarbonization by making it more accessible and promotes local growth.
- Renewables/ Flexible capacity payment mechanism - SUPPORT: **AB 1834 (Garcia)** requires the CPUC and CEC to consider mitigating factors including resource scarcity and above-market costs when determining capacity payment penalties for missed Resource Adequacy standards. AB 1834 could help CCAs work alongside the agencies to ensure that if they face capacity payment penalties, that are not too burdensome or harmful, especially during tight, expensive markets. This bill would accelerate decarbonization by making it more affordable.

Fiscal Impact

AB 817 is unlikely to have a fiscal impact on Ava.

AB 2329 is unlikely to have a fiscal impact on Ava in the near-term, but may eventually result in lower costs for Ava customers who could qualify for future bill credits.

AB 2672 may result in lower costs for Ava customers benefitting in public housing facilities.

SB 1130 may result in lower costs for Ava customers who qualify for the expanded FERA requirements, but slightly increase costs for other customers paying for the program.

SB 1095 may supplement funding for our electrification and direct-install programs.

SB 1210 is unlikely to have a fiscal impact on Ava.

SB 1221 may supplement funding for our electrification and building decarbonization programs.

AB 2779 is unlikely to have a fiscal impact on Ava in the near-term, but may eventually lower costs as Ava project delays are avoided and transmission bills are lowered.

AB 1006 is unlikely to have a fiscal impact on Ava in the near-term, but may eventually lower costs as Ava project delays are avoided and transmission bills are lowered.

SB 1165 may lower costs for Ava as project delays are avoided due to interconnection.

AB 1834 may result in lower procurement costs for Ava due to greater flexibility of the capacity payment mechanism.

Attachments:

- A. May 15, 2024 Legislative Update (Slideshow)
- B. Ava's Legislative Program
- C. Author Fact Sheets

Ava 2024 Legislative Update



Agenda

- Update on the 2024 legislative year (Dan)
- Update on Ava Legislative Platform (Alec)
- New recommended Ava bill positions (Alec/Feby):
 - AB 817 (Pacheco)
 - AB 1834 (Garcia)
 - AB 2329 (Muratsuchi)
 - AB 2672 (Petrie-Norris)
 - AB 2779 (Petrie-Norris)
 - SB 1006 (Padilla)
 - SB 1095 (Becker)
 - SB 1130 (Bradford)
 - SB 1210 (Skinner)
 - SB 1221 (Min)
 - SB 1165 (Padilla)



Key Deadlines for the 2024 Legislative Year

January 3: Legislature reconvenes

January 10: Governor submitted budget

February 16: Bill introduction deadline

April 26: Policy cmtes to move fiscal bills to fiscal cmtes (1st house)

May 3: Policy cmtes to move nonfiscal bills to floor (1st house)

May 17: Fiscal cmtes must move bills to floor (1st house)

May 24: Last day for bills to be passed out of 1st house

June 15: Budget bill must be passed

July 3: Policy cmtes to meet and report bills (2nd house)

August 16: Fiscal cmtes to move bills to floor (2nd house)

August 31: Last day for each house to pass bills

September 30: Last day for Governor to sign/veto bills



Legislature - State of Play

Bills, Bills, Bills

- 2,214 bills introduced
- Dominant themes: retail crime, AI, insurance crisis and electricity affordability

Ballooning Budget Deficit

- \$8-24B deficit projected
- Tax revenues falling about \$5.5B below forecast

Significant Member Turnover

- 32 new legislators and another 30 newly elected this Fall
- New Ava delegation member: Asm. Heath Flora
- Sen. Eggman, Sen. Glazer, Sen. Skinner, Asm. Villapudua terming out/failed to advance
- New Leadership and Committee Chairs



2024 Legislative Themes

- Retail crime—bills mostly align with Gov priorities, including not re-opening Prop 47
- Clean Energy—affordability, fixed charges, NEM, reliability, interconnection
- AI—numerous bills that lack focus; autonomous vehicles face backlash
- Insurance—coverage crisis; will proposed regulations be sufficient?
- Healthcare—Single Payer bill advances but hurdles remain



Ava's Legislative Platform

- Ava staff recommendations for bill positions are based on Ava's Legislative Platform
- The Platform has main three priorities:
 - Accelerating Decarbonization
 - Promoting Local Development
 - Stabilizing Community Choice
- Ava Board determines final bill positions



Bill # (Author)	Description	Staff Rec. for Board
Brown Act		
AB 817 (Pacheco)	Permits a member of a subsidiary body (i.e. CAC) to call in remotely and not disclose their locations	Recommend Support
Affordability		
AB 1999 (Irwin)	Permits CPUC to create income-graduated fix charges no higher than \$5 for CARE/FERA customers and \$10 for non-CARE/FERA customers	Watch
AB 2329 (Muratsuchi)	Establishes a Climate Equity Trust Fund to promote affordable electric rates	Recommend Support
AB 2672 (Petrie-Norris)	Creates greater access to the CARE program for public housing facilities by ensuring direct benefits go to its residents	Recommend Support
SB 1130 (Bradford)	Expands FERA program eligibility by eliminating the requirement that a household consist of 3 or more persons	Recommend Support
SB 1142 (Menjivar)	Adds more protections for customers at-risk of disconnections	Watch



Bill # (Author)	Description	Staff Rec. for Board
Electric Vehicles		
AB 2427 (McCarty)	Orders GO-Biz to create checklists and best practices to help local govts permit curbside charging stations	Watch
Building Decarbonization		
SB 1054 (Rubio)	Requires the CEC to award grants to support low-income households and their purchase of zero-emitting household appliances	Watch
SB 1095 (Becker)	Streamlines transition from gas to all-electric in mobile and manufactured homes	Recommend Support
SB 1210 (Skinner)	Requires IOUs to post online schedules and fees for service connections to new housing construction	Recommend Support
SB 1221 (Min)	Requires IOUs to annually file a gas map to show foreseeable gas community-wide replacements, and determines cost-effectiveness process for electrification	Recommend Support
Clean Energy Bonds		
AB 1567 (Garcia)	Authorizes \$2 billion in bonding for clean energy projects	Watch
SB 867 (Allen)	Authorizes \$2 billion in bonding for clean energy projects	Watch

Bill # (Author)	Description	Staff Rec. for Board
Utilities		
AB 2054 (Bauer-Kahan)	Prohibits CEC/CPUC commissioners from being employed by an entity they regulate (including IOUs and CCAs) for 3 years after their role, and increased oversight in IOU overspending	Watch
Transmission		
AB 2779 (Petrie-Norris)	Directs CAISO to report on the use of new grid enhancing technologies in transmission plans	Recommend Support
SB 1006 (Padilla)	Requires IOUs to prepare strategic plans on grid enhancing technologies and evaluate which lines can be upgraded instead of replaced	Recommend Support
SB 1165 (Padilla)	Speeds up agency transmission project authorization by deeming them environmental leadership development projects	Recommend Support
Renewables		
AB 1834 (Garcia)	The CPUC and CEC must consider mitigating factors (like market scarcity) when determining Resource Adequacy capacity payments.	Recommend Support
AB 2368 (Petrie-Norris)	Will include provisions to more closely coordinate Integrated Resource Planning and Resource Adequacy planning and processes	Watch



Legislative Program

State and Federal Policy Priorities

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Introduction

The Ava Community Energy Legislative Program outlines the legislative priorities and stances of Ava Community Energy (“Ava”) with the intent to inform customers, representatives, and policymakers of Ava’s stances on the myriad of public policies that intersect with Ava’s priorities, programs, and services. These priorities are applicable to legislation, statewide referenda, grant funding opportunities, and local ballot initiatives.

Ava has three major legislative priorities: Accelerating Decarbonization, Promoting Local Development, and Stabilizing Community Choice. Ava support of legislation will be contingent upon that legislation adhering to these priorities as well as Ava’s priorities.

Moreover, Ava supports any and all policies that will preserve or enhance the ability of Ava to promote these priorities at the local level.

This document provides direction to Ava’s legislative advocates in Sacramento and Washington, DC. Additionally, this document serves as the foundation for any Ava Board action regarding Federal or State legislation or funding opportunity. Staff may draft letters, direct our legislative advocates, or speak on behalf of Ava regarding the legislative priorities this document outlines.

Any correspondence signifying Ava’s support or opposition of a given bill must be approved by the Ava Board of Directors, the Board’s Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters.

Any questions regarding this Legislative Program can be directed to Alec Ward, Principal Legislative Manager, at 510.250.3094 or award@AvaEnergy.org.

Sincerely,
Nick Chaset

Chief Executive Officer, Ava

Ava Board of Directors

Alameda County

Supervisor Elisa Márquez

Albany

Councilmember Aaron Tiedemann (Vice Chair)

Berkeley

Vice Mayor Ben Bartlett

Dublin

Vice Mayor Sherry Hu

Emeryville

Councilmember Sukhdeep Kaur

Fremont

Councilmember Teresa Cox

Hayward

Councilmember Julie Roche

Lathrop

Vice Mayor Minnie Diallo

Livermore

Councilmember Ben Barrientos

Newark

Councilmember Matthew Jorgens

Oakland

Councilmember Dan Kalb

Piedmont

Vice Mayor Betsy Anderson

Pleasanton

Councilmember Jack Balch (Chair)

San Leandro

Mayor Juan González III

Stockton

Councilmember Dan Wright

Tracy

Councilmember Mateo Bedolla

Union City

Councilmember Jaime Patiño

Community Advisory Committee (non-voting)

Ed Hernandez, Chair

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General Legislative Principles

Ava has three general legislative principles. These priorities serve as the foundation for all actions Ava will take, including the lobbying for policies that promote those same guiding priorities.

Public policy encompasses a myriad of subject and topic areas. However, as these policies intersect at the local level, they have the ability to impact Ava revenues, programs, and/or administrative discretion and control. Ava will support policies that accelerate decarbonization, promote local development, stabilize community choice, or any combination thereof. If a given policy does not meet these criteria, Ava will oppose, support with amendments, or in some cases take no stance on that policy or legislation.

The General Legislative Principles for Ava are:

Accelerating Decarbonization

- Support the creation or expansion of federal, state, and local policies and programs that enable Ava to contribute to the State's efforts to reduce greenhouse gas emissions.
- Oppose any legislation, policies, programs, referenda, unfunded mandates and budgets that would have an adverse impact on Ava's ability to advance decarbonization through its procurement, programs, projects, and services.

Promoting Local Development

- Support any legislation, policy, referenda, and budgets that enhance community choice energy providers' ability to invest in local clean energy, distributed energy resources, and zero-emission transportation, and promote equity in the communities that it serves.
- Oppose any legislation, policy, referenda, and budgets that limit or undermine Ava's ability to invest in local clean energy, distributed energy resources, and zero-emission transportation, and promote equity in the communities that it serves.

Stabilizing Community Choice

- Support any legislation, policies, referenda, and budgets that maintain or improve the stability of community choice energy providers by ensuring regulatory structure is equitable and enables Ava to meet its mission and goals.
- Oppose any legislation, policies, referenda, and budgets that undermine or circumvent community choice energy and impede the ability of the agency to achieve its mission and goals or its value proposition.

Ava Public Policy Positions

The General Legislative Priorities help identify which public policy positions Ava will take.

The list of policy positions below is by no means exhaustive. In addition to the general legislative priorities, Ava takes the following more specific public policy positions:

1.1 Nonbypassable Charges

- A. Oppose legislation that restricts or limits Ava's ability to procure its own energy products to meet state policy goals.
- B. Oppose legislation that increases or is likely to lead to an increase in nonbypassable charges.
- C. Support legislation that promotes a level playing field between community choice aggregators and other market participants.
- D. Support legislation that enhances the flexibility of community choice energy providers to support statewide procurement policy and develop and expand programs, local options, and rate design to support Ava's community and customers.

1.2 Disadvantaged Communities

- A. Support legislation and initiatives that boost funding for new energy projects that support disadvantaged communities and low-income customers within Ava's service territory.
- B. Support legislation and initiatives that increase access and funding for energy-related programs serving disadvantaged communities.
- C. Support legislation and initiatives that would reduce local air pollution, reduce other negative local impacts associated with energy production, and boost adoption of distributed energy resources within disadvantaged communities.
- D. Oppose legislation and initiatives that have the potential to disproportionately and negatively impact Ava's disadvantaged communities and/or low-income customers.

1.3 Environmental Sustainability

- A. Support legislation and initiatives that increase funding for the creation of sustainable and stable energy supply infrastructure.
- B. Support legislation and initiatives that encourage the conservation of energy resources as well as the development of dynamic load-shifting capabilities.
- C. Support legislation and funding for renewable and advanced energy technology that increase efficient consumption.
- D. Support legislation and funding for pilot energy and resource efficiency programs.
- E. Support legislation and initiatives with the goal of reducing and mitigating the effects of climate change and building local resiliency.

1.4 Finance

- A. Support legislation that enhances the financial standing of community choice aggregators and their ability to receive a positive credit rating.
- B. Oppose legislation that reduces or removes the tax-exempt status of municipal bonds.

- C. Oppose any legislation that would divert community choice energy revenues to the State or other governmental entities.

1.5 Educational, Neighborhood, and Social Services

- A. Support legislation that aids or helps to fund Ava to provide energy support services, education, and opportunities for reducing energy costs to people who are low-income, seniors, veterans, and/or people with disabilities.
- B. Support legislation and initiatives that increase funding for energy efficiency, demand response, solar plus storage, and transportation electrification programs, and energy literacy services.

Legislative Program Coordination

Legislation can be brought to the attention of Ava through a variety of channels:

- State Legislative Advocates
- Elected Representatives
- CalCCA
- Ava Board Members
- Ava Staff
- Ava Community Advisory Committee
- Ava Customers and Community Members
- Other Governmental Associations

All legislative requests for support or opposition will be directed toward Ava's Public Policy department. Ava staff will then review the legislation in coordination with any relevant departments to analyze whether or not the legislation aligns with Ava's general legislative priorities. Staff will then monitor and track the legislation, providing updates when necessary.

Concurrent with this evaluation, Ava's Public Policy department will recommend a position and course of action. There are six main levels of action, which may be taken independently or in combination, but all of which are coordinated by the Principal Legislative Manager of Public Policy or their designee:

- 1. Direction to lobbyists to advocate in support, support with changes, oppose unless amended, or opposition to legislation**
 - a. Pursuant to direction from the Ava Board of Directors, the Board's Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters, Ava staff will notify lobbyists of Ava's stance on legislation and direct them to take appropriate action with legislators. Ava may remain neutral on a given piece of legislation.
- 2. Ava correspondence with relevant legislators**
 - a. In conjunction with providing direction to lobbyists once Ava has determined its stance on legislation, Ava staff will send a support or opposition letter to the appropriate legislators.
- 3. Ava Board-approved resolution**
 - a. Ava staff will draft a staff report and resolution for consideration by the full Ava Board of Directors. Approved resolutions will be forwarded along with a letter signed by the Chief Executive Officer or his/her designee to the appropriate legislators.
- 4. Ava Board outreach**
 - a. Ava staff will draft talking points and other relevant information for individual Board Members to personally contact appropriate legislators to advocate on behalf of Ava.
- 5. Travel to Sacramento or Washington, D.C**
 - a. Ava staff and/or Board Members may decide to advocate in person. Staff will coordinate with the appropriate lobbyists to organize meetings or attendance at other lobbying events.
- 6. Draft or Sponsor Specific Legislation**
 - a. Ava staff and legislative advocates will work with Ava's legislative representatives to articulate Ava's stance on a policy and to ensure said stance is codified in statute.



AB 817- OPEN MEETINGS: TELECONFERENCING: NON- DECISION-MAKING BODIES

BACKGROUND

Local governments across the state have faced an ongoing challenge to recruit and retain members of the public on advisory bodies, boards, and commissions. Challenges associated with recruitment have been attributed to participation time commitments; time and location of meetings; physical limitation, conflicts with childcare, and work obligations.

The COVID-19 global pandemic has driven both hyper-awareness and concerns about the spread of infectious diseases, as well as removed barriers to local civic participation by allowing remote participation. This enabled individuals who could not otherwise accommodate the time, distance, or mandatory physical participation requirements to engage locally.

Diversification in civic participation at all levels requires careful consideration of different protected characteristics as well as socio-economic status. The in-person requirement to participate in local governance bodies presents a disproportionate challenge for those with physical or economic limitations, including seniors, persons with disability,

economically marginalized groups, and those who live in rural areas and face prohibitive driving distances. Participation in local advisory bodies and appointed boards and commissions often serves as a pipeline to local elected office and opportunities for state and federal leadership positions.

Existing law (Stats. 1991, Ch. 669) declares "a vast and largely untapped reservoir of talent exists among the citizenry of the State of California, and that rich and varied segments of this great human resource are, all too frequently, not aware of the many opportunities which exist to participate in and serve on local regulatory and advisory boards, commissions, and committees." Under the Local Appointments List, also known as Maddy's Act, this information must be publicly noticed and published. However, merely informing the public of the opportunity to engage is not enough: addressing barriers to entry to achieve diverse representation in leadership furthers the Legislature's declared goals of equal access and equal opportunity.

EXISTING LAW

Senate Bill 544 (Stats. 2023, Chapter 216) until January 1, 2026, among other provisions, authorizes **State** advisory boards, commissions, committees and subcommittees or similar multimember advisory bodies to hold a meeting by teleconference without posting of location to promote equity and public participation by removing barriers while balancing the protection of them and their families while preserving the public's right to access.

Assembly Bill 557 (Stats. 2023, Chapter 534) eliminated the sunset date on provisions of law allowing local agencies to use teleconferencing without complying with specified Ralph. M Brown Act (Brown Act) requirements during a proclaimed state of emergency, indefinitely authorizing the full legislative body to participate remotely without posting physical location when the Governor has issued a specified state of emergency.

Assembly Bill 2449 (Stats. 2022, Chapter 285) until January 1, 2026, permits a full Brown Act legislative body to permit remote participation for a minority of local government officials for just cause or emergency circumstances.

AB 931 (Stats. 2019, Chapter 819) sought to ensure equal gender representation on local boards and commissions. While provisions were invalidated by the court, the legislative declarations recognize these local bodies establish a pathway to other governmental leadership positions and that California must take affirmative steps to remedy the injustices resulting from underrepresentation in leadership positions.

PROBLEM

Currently, there is no law that governs Brown Act Bodies specific to legislative subcommittees, boards, and commissions.

SOLUTION

- ✓ **AB 817** would provide a narrow exemption under the Ralph M. Brown Act for non-decision-making legislative bodies currently governed by Act, such as advisory bodies and commissions, to participate in two-way virtual teleconferencing without posting physical location of members, aligning equal access to civic participation with State advisory bodies.
- ✓ **AB 817** would remove barriers to entry for appointed and elected office by allowing non-decision-making legislative bodies to participate virtually as long as they do not have the ability to take final action on legislation, regulations, contracts, licenses, permits, or other entitlements.

SUPPORT

California Association of Recreation and Park Districts (CARPD), League of California Cities (CalCities), Urban Counties of California (UCC), Rural County Representatives of California (RCRC), California State Association of Counties (CSAC), California Association of Public Authorities for In-Home Supportive Services (CAPA-IHSS) – **Sponsors**

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AB 2329 (Muratsuchi) – Climate Equity Trust Fund

SUMMARY

California’s retail electricity rates have skyrocketed in recent years, driving average customer bills upwards and threatening the affordability of basic service. Higher electricity bills could undermine California’s climate goals—households are less likely to adopt clean technologies such as zero-emission vehicles, electric heat pumps for space heating and hot water, and induction stoves if they can’t afford the electricity needed to support them.

AB 2329 addresses electricity affordability by creating two entities: The Climate Equity Trust Fund (the Fund) and the California Affordable Decarbonization Authority. The latter, a non-profit public benefit corporation, would administer the former, a trust fund supplied with monies outside of ratepayer sources, with the explicit purpose of promoting electricity affordability and incentivizing electrification.

BACKGROUND

Electricity rates in California have increased in tandem with increased utility spending on wildfire mitigation, transmission and distribution costs, and support for public purpose programs. Utilities cover these increased costs by raising electricity rates.

Mitigation for these increased costs comes primarily via the California Climate Credit (funded through the Cap-and-Trade program) and the California Alternate Rates for Energy (CARE) programs (funded by ratepayers). The former shows up as semi-annual credit on all Investor Owned Utility (IOU) residential customer bills while the latter directly reduces low-income electricity bills by charging a small premium to all ratepayer customer classes.

ISSUE

The Climate Credit and CARE programs have not kept up with higher electricity bills. Additionally, electrification incentive programs to promote zero-emission vehicle purchases, rooftop solar installation, and electric heat pumps are subject to boom-and-bust budget cycles.

SOLUTION

To ensure that California’s electrification goals don’t come at the expense of affordability, AB 2329 seeks to identify and channel funding from a variety of non-ratepayer sources to offset costs otherwise collected in electricity rates but unrelated to providing basic service. This approach is consistent with the Joint Recommendations identified in the SB 100 report to the Governor.

Creating the Climate Equity Trust Fund will give the state the flexibility to promote affordability and electrification through one standalone entity. The Fund would recommend approaches to addressing the most pressing electricity needs of the state, including equity initiatives, rebates on bills, wildfire mitigation, and Public Purpose Programs.

The Fund would be overseen by the California Public Utilities Commission and the California Energy Commission to ensure that Fund priorities are honored. Additionally, the Legislature may establish priorities for the Trust as part of authorizing access to specific funding sources.

STAFF CONTACT

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SUPPORT

Citizen's Climate Lobby—California (co-sponsor)
The Utility Reform Network (TURN) (co-sponsor)
350 Sacramento
California Environmental Voters
California Municipal Utilities Association
California State Association of Electrical Workers
Clean Power Alliance of Southern California
Climate Action California
The Climate Center
Coalition of California Utility Employees
Natural Resources Defense Council (NRDC)
QuitCarbon
Santa Cruz Climate Action Network
The Climate Reality Project: Silicon Valley
Union of Concerned Scientists



Assembly Bill 2672 Lower Energy Bills for Affordable Housing

SUMMARY

AB 2672 expands the state's energy bill discount program (California Alternative Rates for Energy, "CARE") to housing owned or run by public housing authorities.

BACKGROUND

The primary existing policy to help low-income customers of the state's investor-owned utilities¹ pay their energy bills is the CARE program.² Households enrolled in CARE receive a 30-35% discount on their electric bill³ and a 20% discount on their natural gas bill.

CARE discounts apply to individual customers, and are applied at the customer meter. This decades-old practice of applying the CARE discount at the customer meter helps to ensure qualifying customers directly receive the benefits of their discount.⁴ However, the practice limits CARE program eligibility to individual residences. Generally, the CARE discount cannot be applied to housing that is master-metered (i.e. one meter for the entire facility, rather than metered at each unit). Statute provides a few exceptions to this master-meter CARE prohibition, where applicable; specifically for nonprofit group living facilities such as women's shelters, hospices, and homeless shelters.⁵

NEED FOR THE BILL

In March 2020, Project Roomkey was established as part of the state response to the COVID-19 pandemic. The purpose of Roomkey was to provide

single-unit shelter options – such as hotels and motels – for people experiencing homelessness. By December 2020, Roomkey had provided rooms to more than 22,000 people.⁶ Though Roomkey was conceived as a short-term health and safety measure, the program evolved into Project Homekey to address the more than 180,000⁷ individuals experiencing homelessness in the state.

Homekey provides grant funding to local public entities, such as housing authorities, to develop a broad range of housing types⁸ into permanent or interim housing units. Over \$700 million was appropriated in 2022-2023 to fund Homekey.

Many Homekey participants, as formerly homeless individuals, would be eligible for CARE discounts on their electric and gas bills. However, Homekey sites are routinely master-metered properties, such as converted hotels and motels.⁹ As such, utilities are unable to provide bill discounts to this target population.

SOLUTION

AB 2672 expands the CARE program eligibility to include housing owned or administered by a public housing authority, enabling participants in Project Homekey a needed reduction on their energy bills.

CONTACT

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Assembly Utilities and Energy Committee
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¹ The largest: Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric

² Public Utilities Code § 739.1

³ For IOUs with more than 100,000 service connections; for those with fewer, the CARE discount is ~20%.

⁴ Rather than risking unscrupulous landlords claiming the credit for themselves, and billing tenants a higher rate.

⁵ Public Utilities Code § 739.1(h)

⁶ Shannon McConville, "What Lessons Can Be Learned from Project Roomkey?" PPIC blog, Dec. 4, 2020; [here](#)

⁷ Pg. 16, U.S. Dept. of Housing and Urban Dev., *2023 Annual Homelessness Assessment Report to Congress*, December 2023; [here](#).

⁸ including hotels, motels, hostels, and multifamily apartments

⁹ Motel and hotel acquisitions include projects in Fresno, L.A., and San Diego; [here](#).



SB 1130 – Expanding Enrollment in FERA

SUMMARY

SB 1130 would expand the eligibility criteria for the Family Electric Rate Assistance (FERA) Program and require the state's three largest investor-owned utilities to report on their efforts to enroll customers in the FERA program.

BACKGROUND

In 1989, the Public Utilities Commission (CPUC) established the California Alternate Rates for Energy program (CARE) to assist low-income customers with their electric and gas bills. Individuals and families whose annual household incomes are at or below 200% of the Federal Poverty Level are eligible.

In 2004, the CPUC ordered the state's three largest electrical corporations to provide relief for customers in larger households who are not eligible for the CARE program. By the following year, the FERA program had been established and designed to capture households with a yearly income level between 200% and 250% of the Federal Poverty Level. Eligible participants are given an 18% discount on their monthly electric bill.

Currently, a family of four is eligible for the FERA program if they have an annual income between \$60,001 and \$75,000.

Unlike its sister program, FERA is historically under-enrolled. In 2023, Pacific Gas & Electric Company estimated enrollment in its service territory at 23%. In the same year, San Diego Gas & Electric and Southern California Edison reported their enrollment rates at 24% and 14% respectively.

In contrast, enrollment in the CARE program in 2023 was over 100% for both PG&E and SDG&E and 91% for SCE.

SOLUTION

SB 1130 would expand the eligibility criteria for the Family Electric Rate Assistance (FERA) Program by eliminating the requirement that a household consist of three or more persons.

The bill would also require the state's three largest investor-owned utilities to report to the CPUC on their efforts to enroll customers in the FERA program. The CPUC would then annually review the reports to ensure they have sufficiently enrolled eligible households in the FERA program.

If investor-owned utilities' (IOU) efforts to increase enrollment are determined to be insufficient, they will be required to develop a strategy and plan to remedy the gap.

SUPPORT

AARP
 CALIFORNIA SOLAR & STORAGE
 ASSOCIATION
 MARIN CLEAN ENERGY (MCE)
 THE UTILITY REFORM NETWORK (TURN)
 WESTERN CENTER ON LAW & POVERTY

CONTACT

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Senator Josh Becker, 13th Senate District**SB 1095 – The Cozy Homes Cleanup Act****SUMMARY**

SB 1095 updates code ambiguities to ensure individuals can switch from gas to electric appliances, allowing Californians to opt for cozier and healthier zero-emission homes.

BACKGROUND

Residential buildings compose 8% of greenhouse gas emissions (GHG) in California.¹ To achieve the AB 1279 (Muratsuchi, 2022) goal of 85% GHG reductions through 2045, California is incentivizing and enabling the uptake of electric appliances in homes.

California's Scoping Plan, budget, and regulations are all aiming to transition both the new and existing residential housing stock to be fully electric. The Scoping Plan calls for all electric appliances installed in new residential buildings by 2026. For existing buildings, the Scoping Plan establishes goals for the sales of new appliances to be 80% electric for residential buildings by 2030 and 100% by 2035, targeting the conversions of appliances at their end of life. In tandem with the scoping plan, Governor Newsom has established a target of 6 million heat pumps deployed in buildings by 2030.² The 2023-24 budget cycle committed \$423 million toward the direct installation of electric appliances, particularly targeted at low-income homes.³

Beyond increasing and improving the comfort of homes, building electrification will prevent asthma symptoms for over 300,000 Californians and prevent more than 1,000 deaths through 2045.⁴

THE PROBLEM

Despite California's ambitious targets and incentives, local agencies and non-profit organizations at the forefront of electric appliance installations have raised concerns about outdated

health and safety codes that could prevent or discourage individuals from making the switch from gas to electric appliances.

Issues such as legal ambiguities or delays in approval of installation from a homeowner association can potentially add time or costs to the process of allowing residents to make the switch. This is particularly burdensome in cases of changes of appliances at the 'end of life,' where a family cannot and will not wait 3-6 months for their HOA to approve replacement water heater installation.

These outdated regulations could preemptively increase building electrification barriers and costs, particularly for edge case installations of heat pumps on the exteriors of homes, or for replacements in mobile and multi-family homes.

SOLUTION

SB 1095 cleans up outdated building and safety codes language inhibiting or delaying building and home electrification. Specifically, this bill:

- Prevent HOAs from implementing provisions which prevent the switch from gas to electric appliances
- Clarifies the authority of individuals to replace gas with electric appliances in mobile and manufactured homes
- Provides the Department of Housing and Community Development authority to update its regulations should further legal uncertainty inhibit appliance replacement

This legal language clean up will preemptively remove potential barriers that could frustrate Californians trying or required to make the switch to electric appliances.

SUPPORT

Bay Area Air Quality Management District (Sponsor)
Act Now Bay Area
Acterra: Action for a Healthy Planet

¹ [CARB, 2021. GHG Emissions by Main Economic Sector](#)

² [Gov. Newsom, 2022. Letter to CARB.](#)

³ [SB 102 \(Budget Act of 2023\).](#)

⁴ [CARB, 2022. Scoping Plan.](#) Table 3-7.

Building Decarbonization Coalition
California Air Pollution Control Officers Association
California Environmental Voters
Carbon Free Palo Alto
Carbon Free Silicon Valley
Center for Biological Diversity
Earthjustice
Institute for Market Transformation
Natural Resources Defense Council
Physicians for Social Responsibility - San Francisco
Bay Area Chapter
Rewiring America
RMI
Sierra Club California
Silicon Valley Leadership Group
Sustainability and Resilience Policy Director
U.S. Green Building Council

FOR MORE INFORMATION

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(916) 651-4013



SB 1221

The Affordable Energy Transition and Workforce Protection Act
Senator Dave Min, 37th District

SUMMARY

SB 1221 requires the California Public Utilities Commission (CPUC) to adopt a planning process for evaluating zero-emission alternatives (ZEAs) to gas pipeline replacement projects. The bill encourages investor-owned-utilities (IOUs) to pursue cost-effective ZEA pilot projects with strong equity and labor benefits, while better informing the CPUC's Long-Term Gas Planning Rulemaking.

BACKGROUND

Buildings account for 25 percent of all emissions that contribute to climate change, poor indoor air quality and adverse health problems. The 2022-23 State Budget created the Equitable Building Decarbonization Program, which allocated \$922 million for the decarbonization of low- and moderate-income households.

While this was a big step in the right direction, the state recognizes there is more to be done to decarbonize the existing building supply. In February 2024, the CPUC released a gas transition white paper outlining how the CPUC, California Air Resources Board (CARB), and the California Energy Commission (CEC) will collaborate in a long-term plan to transition California away from natural gas and move toward ZEA sources for heating, cooling, and other energy needs.

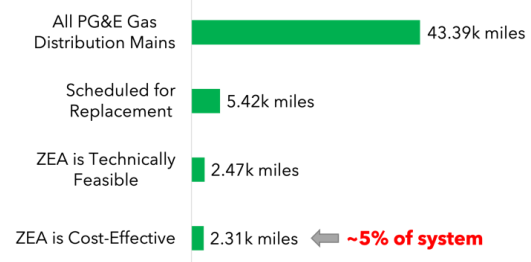
Currently, most decisions involving new gas infrastructure investments occur in the short-term period of CPUC rate cases. This process does not allow for meaningful

consideration of alternatives to new long-term capital investments in the gas system. Instead, dollar amounts are approved for spending categories, such as pipeline replacements that can cost over \$3 million per mile. These replacement and repair projects commit California's ratepayers to decades of expensive investments to delivery systems that may be obsolete before they are paid off.

Cost-effective ZEA projects, like neighborhood decarbonization projects, would save ratepayers money by avoiding more costly new investments in gas pipelines. Instead, project beneficiaries would receive energy-efficient electric appliances such as heat pumps and electric panel upgrades if necessary. Other examples of ZEA projects include thermal energy networks.

Over the next twenty years, PG&E forecasts the need to replace approximately 12.5 percent of its gas distribution pipelines. PG&E found ZEAs were both technically feasible and cost-effective in approximately 40 percent of these cases, offering significant potential for reducing gas system costs while furthering California's climate, air quality and public health objectives.

PG&E Planned Gas Distribution Investments 2025-2045





SB 1221

The Affordable Energy Transition and Workforce Protection Act
 Senator Dave Min, 37th District

By piloting cost-effective ZEA projects, California has the opportunity to better inform the CPUC's Long-Term Gas Planning Rulemaking and ensure a transparent process, while saving ratepayers money, providing worker protections, and reducing emissions from buildings.

THIS BILL

SB 1221 will facilitate responsible utility planning and will create greater alignment between energy investments and the state's climate and air quality goals. The public process set up by SB 1221 will include an opportunity for community input, and ensure that historically disadvantaged communities are not left behind. This bill allows for the piloting of cost-effective ZEA projects in place of gas pipeline replacement projects to inform long-term gas system planning at the CPUC.

Through its evaluation process, the CPUC will identify disadvantaged, low-income communities and environmental justice communities as Priority Neighborhood Decarbonization Zones.

To help ensure the energy transition benefits all Californians and workers, this bill also provides worker protections, including high road jobs, skilled and trained workforce provisions, and a prohibition of the involuntary layoff of gas corporation employees as a result of these projects.

SUPPORT

Building Decarbonization Coalition (Co-Sponsor)

Earthjustice (Co-Sponsor)
 Natural Resources Defense Council (NRDC)
 (Co-Sponsor)

OPPOSITION

None on file

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Assembly Bill 2779 Grid Enhancing Technologies Report

SUMMARY

AB 2779 requires the California Independent System Operator (CAISO), to report any new use and cost savings of the deployment of grid enhancing technologies (GETs) deemed reasonable in the Transmission Planning Process (TPP).

BACKGROUND

The SB 100 report has found that California will need to roughly triple its current electricity power capacity if it is to meet its 2045 clean energy goals. Transitioning to a carbon-free economy requires a rapid and costly expansion of the transmission system. For instance, in the 2022-2023 TPP, CAISO found 45 new transmission projects – roughly costing \$7.3 billion – would be needed to support resource needs over the next decade.

Unfortunately, California’s transmission development process can be complicated and delayed, taking over a decade from concept to construction. Permitting and siting may require approvals from a wide range of stakeholders that include federal, state and local agencies, and landowners.

NEED FOR THE BILL

Given the urgency for the state to meet its clean energy goals, a shorter-term solution is needed to maximize transmission capacity. Grid-enhancing technologies (GETs) encompass a suite of technologies that increase the capacity and efficiency of the existing transmission system. In other words, GETs will allow California to better utilize its existing infrastructure. Some examples of GETs technologies include dynamic line rating,¹ power flow control devices,² and analytical tools.

Given that GETs can be deployed faster than building new transmission infrastructure, they provide short-term solutions to temporary operational challenges, such as during outages or when new lines are under construction. GETs may also serve an important role of bridging a gap until a permanent transmission expansion is completed. As such, the need for these technologies will only increase as the pace of the energy transition accelerates.

SOLUTION

AB 2779 will provide transparency on the frequency and best use of GETs under consideration in the CAISO TPP, by having the CAISO report on their usage.

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¹ Dynamic Line Rating (and Ambient Adjusted Ratings) adjust thermal line ratings based on actual weather conditions including, ambient air temperature, wind speed/direction, and in conjunction with real-time monitoring

² Power-Flow Controllers allow grid operators to push or shift power away from overloaded lines and onto underutilized lines/corridors within the existing transmission network.

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BUDGET SUBCOMMITTEE #4 ON
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SB 1006 – Energy Transmission and Efficiency Goals

California has enacted some of the world’s most aggressive climate goals. In 2018, the State adopted SB 100, committing to power the state with 100% clean energy by 2045. California’s bold green energy goals put it at the forefront of the nation’s climate efforts, however, meeting those goals will require a far larger, more reliable and resilient electrical grid that uses the best available technology. Making existing lines more efficient is critical to meeting California’s clean energy goals, and modernizing the grid will enhance reliability and avoid costly blackouts.

Last year, the California Independent System Operator (CAISO) determined California needs to more than double the capacity of the grid by 2035 to meet our SB 100 goals. While CAISO had previously estimated the need for an additional 1,000 megawatts of new clean energy every year for the next decade, their updated analysis estimates California will require 7,000-8,000 megawatts of new capacity every year over that same period. Meeting this unprecedented demand will require California to use cost effective methods to increase grid capacity such as reconductoring which replaces existing transmission lines with wires with greater capacity or grid enhancing technologies (GETs) which can increase capacity, decrease congestion, and improve reliability. A study conducted by Berkeley states reconductoring can help meet over 80% of the new interzonal transmission needed to reach over 90% clean energy by 2035¹. Despite their use in other countries and states, many California utility executives, regulators, and stakeholders are unfamiliar with advanced transmission technologies and their benefits.

Absent substantial changes to the state’s energy grid, California will not meet its visionary climate goals and the state’s fragile energy grid will be overextended as we transition to clean energy to power our homes, cars and economy. While new transmission lines will absolutely be necessary, upgrading existing lines can increase capacity by 30% quicker and at a fraction of the cost of new lines. California must take advantage of new technologies to maximize our grid efficiency, such as dynamic line ratings, which measure the true capacity of transmission lines based on actual conditions instead of worst case assumptions, improve capacity and reliability up to 48 hours ahead. Other GETs such as advanced power flow control and advanced topology control direct power away from overloaded lines and onto underutilized corridors which can greatly enhance the existing grid at lower costs and more flexibility.

Aligning with the California Energy Commission’s Integrated Energy Policy Report (IEPR) recommendations to maximize usage and expansion of transmission capacity through emerging technologies, SB 1006 bill would require utilities to prepare a GETs strategic plan to increase transmission capacity and reduce congestion and risk of wildfire in a cost effective way. At least every 4 years, utilities must complete an evaluation of what transmission lines can be reconducted in a cost effective manner while also increasing reliability and reducing the risk of wildfire among other things. The utilities are required to include a timeline and report the progress in implementing the plan. SB 1006 would prepare California’s transmission grid for the future and deliver reliable energy at lower costs than traditional grid enhancements.

¹ Chojkiewicz, E., Paliwal, U., Abhyankar, N., Baker, C., O’Connell, R., Callaway, D., & Phadke, A. (n.d.). *Accelerating Transmission Expansion by Using Advanced Conductors in Existing Right-of-Way*. Energy Institute at Haas. <https://haas.berkeley.edu/wp-content/uploads/WP343.pdf>

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SB 1165 – Transmission Acceleration

California has enacted some of the world's most aggressive climate goals. Governor Newsom has announced that internal combustion engines (ICE) will no longer be sold in California after 2035, and in 2018, the State adopted SB 100, committing to power the state with 100% clean energy by 2045. California's bold green energy goals put it at the forefront of the nation's climate efforts, however, meeting those goals will require a far larger and more resilient electrical grid. New high-voltage cables, modernized existing cable networks, and new infrastructure connecting a grid with a far larger capacity to carry clean electrons to power our homes and economy are all necessary to meet all those ambitious climate goals.

Despite the overwhelming need to expand our electrical grid, until last year, the California Public Utilities Commission (CPUC) had not approved a new transmission line in years. The current process requires multiple agencies, duplicative analyses, and permitting processes that take years to complete and create unnecessary cost overruns and substantial delays.

In an analysis produced by the California Independent System Operator (CAISO) last year, California needs over \$30 billion in new transmission investments in the next two decades to meet our existing targets. While CAISO had previously estimated the need for an additional 1,000 megawatts of new clean energy every year for the next decade their updated analysis estimates California will require 7,000 megawatts of new capacity every year. Meeting this unprecedented demand will require California to simultaneously accelerate planning, siting, permitting, and construction of a new, modern electrical grid, while carefully managing its costs.

Current transmission projects are delayed by almost 5 years and have run up tens of millions of dollars in extra costs. In the best of circumstances, the CPUC requires five to six years to process a major transmission projects from concept to completion. Yet, that process is almost always substantially delayed and can take twice as long to complete. Absent substantial changes to the state's current planning and permitting processes, California will not meet its visionary climate goals and the state's fragile energy grid be overextended as climate pressures increase. Moreover, it will miss out on federal grant programs currently available for transmission modernization projects. That federal funding is critical to helping defray costs and lower long-term energy bills for consumers.

SB 1165 would help expedite the permitting and siting process by doing two things. First, it would expand last year's AB 205 program by authorizing the California Energy Commission (CEC) to certify transmission projects. Second, it would authorize the CEC to recover administrative costs from evaluating and application and authorize the CPUC regulated energy providers such as investor owned utilities (IOU's) to opt-in to have the CEC do the CEQA analysis on their project applications while the CPUC, its central regulator focuses on its costs and necessity analysis. Bifurcating the process for IOU's will enable the CPUC to focus on its core functions and accelerate its permitting while the CEC has a proven track record of completing CEQA processes in less than a year. Expanding permitting authority to the CEC will enable energy developers to upgrade our grid faster and for less money, while not compromising environmental reviews or protections. This bill is a reintroduction of SB 619 (2023) which the Governor vetoed last year. Discussions with the administration on expediting siting and permitting of new transmission capacity are underway with the goal of addressing this issue in 2024.

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Support

- California State Association of Electrical Workers
- Coalition of California Utility Employees
- Large Scale Solar Association
- Natural Resources Defense Council
- San Diego Community Power
- Sonoma Clean Power



AB 1834 – Resource Adequacy: Electricity Supply Strategic Reliability Reserve Program

Updated 4/26/24

BACKGROUND

AB 1373 (Garcia, 2023) allows the Department of Water Resources to act as a central procurement entity and to require the California Public Utilities Commission and the California Energy Commission to ensure load serving entities are making sufficient progress towards their integrated resource portfolio goals and determine capacity payments for those who are deficient in reliability.

This bill created a mechanism to facilitate the procurement of diverse clean energy such as offshore wind and geothermal energy. Furthermore, it helps support grid reliability and ensure an adequate supply of resources.

ISSUE

California has made vast strides in leading the clean energy transition, and to meet its long-term decarbonization and electrification goals. AB 1373 provided the State with a tool to enhance renewable electricity development that helps meet California’s increasing electricity demands. Clarifications to AB 1373 are needed to ensure it is implemented fairly and without increasing administrative burdens for publicly owned utilities.

BILL SUMMARY

AB 1834 adds important clarifications to the implementation of AB 1373. Specifically, that a local publicly owned electric utility (POU) will not be assessed a capacity payment for the reliability needs of others and provides the state agencies with tools to account for mitigating factors when

calculating a utility’s fair share of reliability costs.

These provisions provide certainty that capacity payments will be enforced only when needed and in an equitable manner that accurately reflects the status of the energy market. The bill also seeks to reduce administrative burden for POU staff which will help public agencies optimize deployment of resources.

Furthermore, this bill includes POU financing mechanisms when paying for voluntary participation in central procurements. This provision creates flexibility that allows a POU to utilize the financing mechanisms that best serve its customers in a manner that also ensures that the Department of Water Resources is compensated for a POU’s share of a procurement.

SUPPORT

California Municipal Utilities Association
Northern California Power Agency
Southern California Public Power Authority

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Fiscal Year 2024-2025

Draft Budget

Community Advisory Committee

May 13, 2024

Ava Community
Energy



Background & Discussion

- Every year in June, Ava Board of Directors approves the following fiscal year budget
- The Budget covers the overall general categories of
 - Revenues from Operations
 - Energy Operating Expenses
 - Services to facilitate
 - Energy Operations Overhead
 - Non-Operating Revenues
 - Non-Operating Expenses
- The Budget typically goes through a few rounds of review prior to BOD approval in June, with a full review in the May meeting along with review from subcommittees—typically the Finance, Administrative, and Procurement Subcommittee and the Executive Committee
 - Staff is reviewing the draft budget with the Exec Comm (5/1), FAP (5/8), and board (5/15)
- Revenues are made from sales of energy to customers and rates are indexed to PG&E cost of service rates as approved by the CPUC
- Costs are typically 90% energy expenses with overhead and Local Development funding comprising nearly the remaining 10%



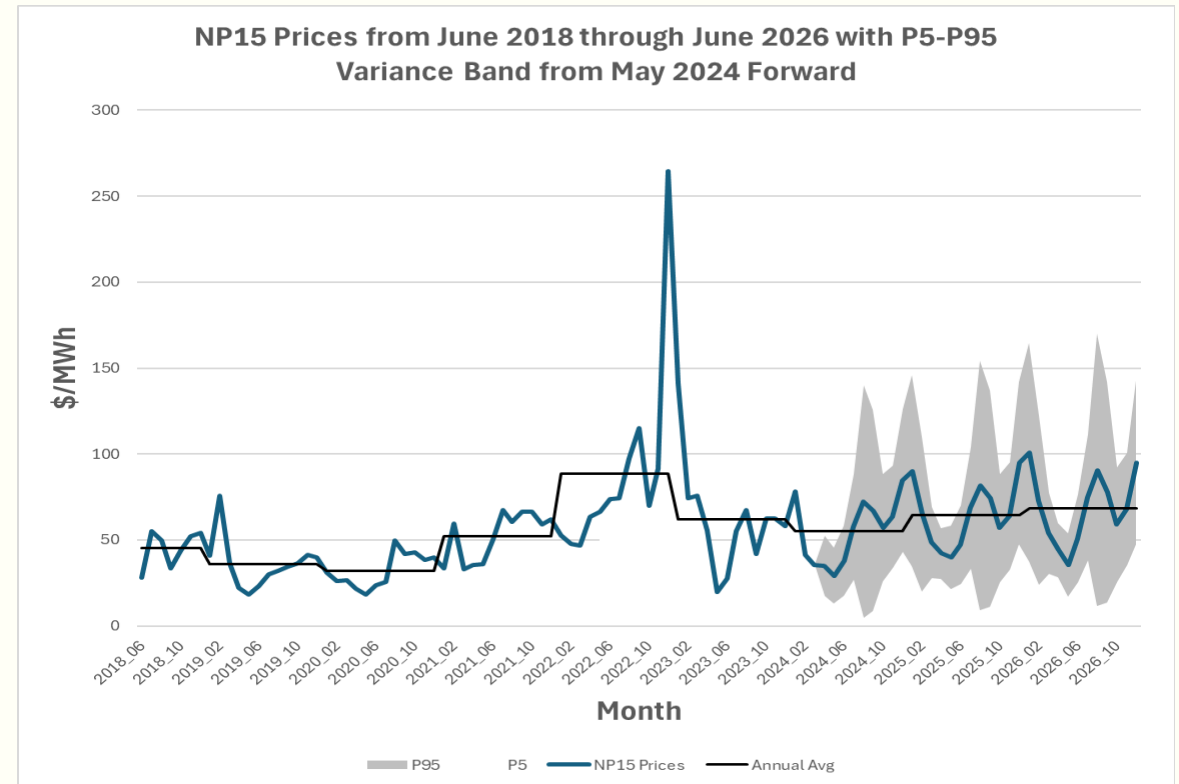
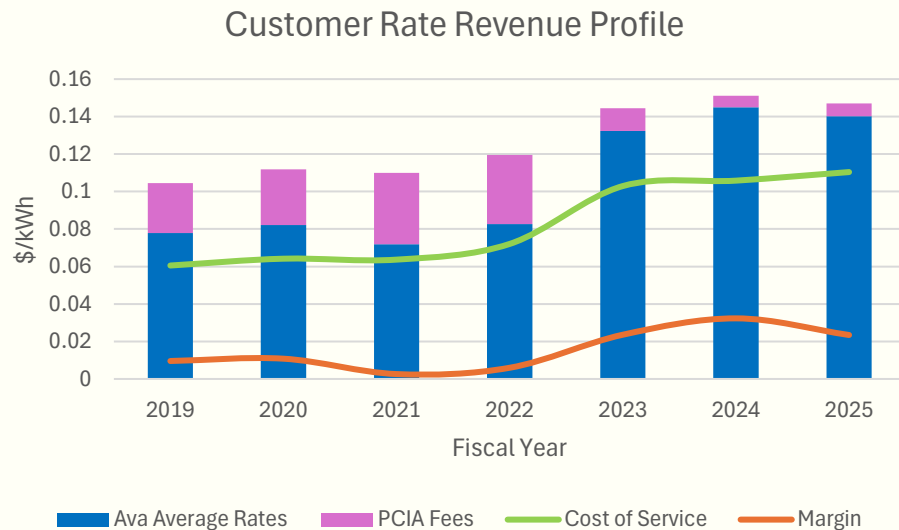
How Ava Works—Energy Delivery

- Ava sells energy directly to its customers by procuring energy through various market mechanisms and scheduling delivery into California Independent Service Operator (CAISO)
- Ava is not responsible for transmission or delivery of the commodity; this is a service retained by PG&E
- Per Ava's risk management policy, much of the expected load is procured and hedged in advance across energy, RECs, and Resource Adequacy
- Ava schedules its forecasted load with CAISO on a day-ahead basis and real-time basis
 - This is done regardless of the amount of energy hedges that Ava has procured
 - The CAISO is California's regional market balancing authority whose primary purpose is to keep the energy being pulled off the grid balanced by energy being put on the grid to prevent grid damage or area shortages



How Ava Works—Revenues & Rates

- Ava’s generation rates to customers are indexed to PG&E’s
 - PG&E’s rates are approved by the CPUC and are cost of service derived
- A portion of these approved rates are a pass-through charge to PG&E for the PCIA
 - The PCIA is PG&E recovery for long-term sunk costs for customers that have moved to Ava.
 - PCIA rates are based on an annual mark-to-market value of the costs, and are relative to the year of customer migration
 - Higher prices = lower PCIA



Hourly average day ahead prices



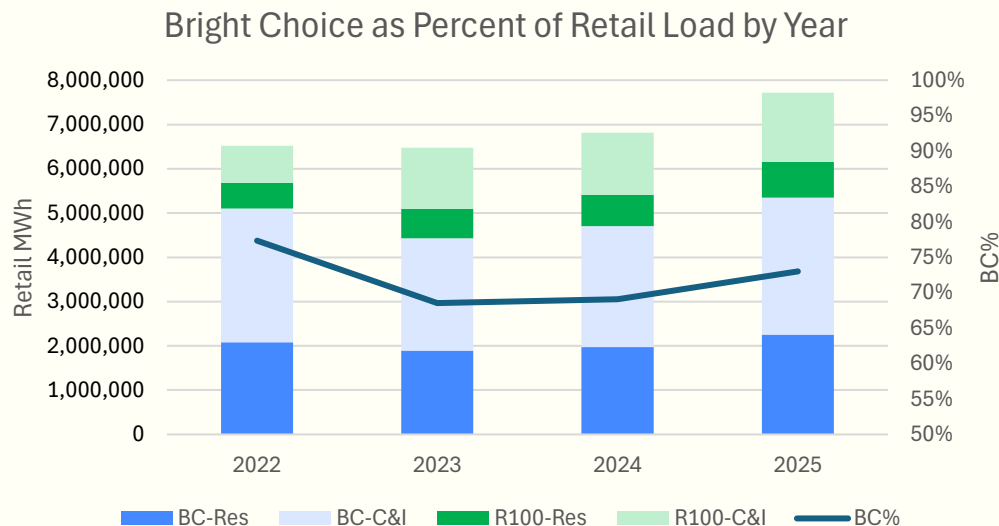
How Ava Works—Billing Cycle

- Revenues are made from sales of energy to customers based on generation rates that are indexed to PG&E cost of service rates as approved by the CPUC
- PG&E will read Ava customer meters to monitor consumption. These reads are then reported to Ava and its Billing data manager
- The consumption data is processed to generate billing amounts based on Ava's rates and then sent back to PG&E, who then issues the bills and collects payments on Ava's behalf
- PG&E's bundled customers and unbundled (Ava) customers also pay a power charge indifference adjustment (PCIA) and minor system fees. These are collected by PG&E from customer revenues and retained prior to payment distribution to Ava.
 - Additionally, all PG&E bundled and unbundled customers are charged a Transmission & Distribution cost
- A billing cycle is typically about three months, meaning it takes about three months for Ava to receive payment from a customer's consumption
 - Consumption occurs in the first month
 - A bill is issued in the second month
 - Payment is due in the third month



How Ava Works—Revenues & Rates

- Ava provides two energy products to customers and each product has a specific value proposition to Ava’s customers:
 - Renewable 100: 100% of the energy is from renewable resources
 - Originally set at \$0.01/kWh above PG&E and has migrated down as Ava financials improved
 - Currently priced at \$0.0025/kWh above PG&E rates
 - Bright Choice: Ava’s basic product and is currently 81% from carbon free resources
 - Originally set at 1.5% discount to PG&E, reduced to a 1% discount in 2021, and increased to a 3% discount in 2022
 - The latest adjustment was to a 5% discount to PG&E rates in 2023
- The current percent load of Bright Choice customers is ~70%



2025 distribution does not include opt-ups in discussion

At the current 2024 load distribution:

- 1% change in the Bright Choice value proposition results in a change of \$7.2MM
- 0.25 cent change in the Renewable 100 value proposition results in a change of \$5.3MM



Executive Budget Summary

- In the face of rising energy costs, Ava is able to continue to serve our local community and customers with cost competitive & cleaner energy while providing local jobs and equitable programs
- Rates have increased and PCIA has decreased since 2021, driven by historic increases in market energy prices starting in 2021. Calendar year 2025 is forecasted at a very modest reduction in energy market prices and rates relative to 2024.
- Renewable and carbon free energy has seen a marked increase due to higher demand and these higher prices are also expected to persist through 2030 as more and more renewable energy is demanded from carbon reduction target mandates across CCAs
- With Ava rates indexed to PG&E rates, we are forecasting significant headroom to operate and a strong financial surplus for the upcoming fiscal year
- This Draft Budget includes the following:
 - Value proposition for Bright Choice is increased from a 5% to a 7% discount to PG&E
 - Significant contribution to reserves with waterfall distribution to customers and programs
 - Increased carbon free energy procurement targets
 - Meaningful contribution to local development programs
 - Expand on staff expertise, build more depth, and scale operations further



Summary Draft Budget Fiscal Year 2024-2025

- Revenue estimates are with a 7% discount to PG&E for Bright Choice and a 0.25 cent premium for Renewable 100 customers
- Increases in Cost of Energy are driven by market price volatility with renewable attributes
- Fifteen new staff members are required for expanding operations
- Increases in Non-Operating Revenues are expected from managing treasury funds in higher rate environment
- Local Development estimates lower expenses required this year
- Net result is a 30% reduction in expected net revenues compared to last year

	FY 2025 BUDGET	FY 2024 BUDGET	FY 2024 ACTUALS
OPERATING ACTIVITY			
REVENUE & OTHER SOURCES			
Electricity Sales	979,017,000	957,028,000	927,102,000
Uncollectables	(9,790,000)	(12,095,000)	(11,675,000)
Other Operating Revenue	(6,487,000)	(6,642,000)	8,446,000
TOTAL OPERATING REVENUE	962,740,000	938,291,000	923,873,000
EXPENSES & OTHER USES			
Cost of Energy	753,523,000	682,367,000	671,654,000
Cost of Energy Services	11,608,000	11,219,000	11,213,000
Total Energy Operating Expenses	765,131,000	693,586,000	682,867,000
Total Overhead Operating Expenses	45,219,000	39,299,000	29,727,000
TOTAL OPERATING EXPENSES	810,350,000	732,885,000	712,594,000
NET OPERATING POSITION	152,390,000	205,406,000	211,279,000
NON-OPERATING ACTIVITY			
TOTAL NON-OPERATING REVENUE	11,799,000	1,728,000	8,488,000
TOTAL NON-OPERATING EXPENSES	25,296,000	27,650,000	26,450,000
NET NON-OPERATING POSITION	(13,497,000)	(25,922,000)	(17,962,000)
TOTAL REVENUES	974,539,000	940,019,000	932,361,000
TOTAL EXPENSES	835,646,000	760,535,000	739,044,000
TOTAL NET REVENUES	138,893,000	179,484,000	193,317,000



Draft Budget Base Case Assumptions

Revenues

- Changes to Value Proposition
 - Bright Choice from 5% to 7% discount to PG&E
 - No change to Renewable 100
- \$50 bill credit applied to all CARE & FERA customers in first half, totaling about \$6.5MM in bill savings
- Assumes current rates and PCIA are unchanged through 2024
- Rates and PCIA for 2025 are based on non-stressed, or as mean-forecasted, energy rates
- 1.0% uncollectable rate for full fiscal year
- No recognition of GASB 62 revenue (\$34.4MM)
- Non-operating revenue assumes average 4.0% interest rate earned through the fiscal year

Energy Costs

- Costs are derived from a blend of contracted and open positions for all energy and renewable attributes
 - Open prices are non-stressed, mean forecasted
- Carbon free energy (which can include either RE or CO2-free) is above recent Board approved targets by 5%
 - 2024: CF 81% (71% + 10% approved adder)
 - 2025: CF 81% (76% + 5% proposed adder)

Other Costs

- Adding incremental staff of 15 FTE for expanding operations
- Marketing includes new community required mailings and an increase in advertising
- Program funding budgeted at \$23.7MM + forecasted \$19,423,500 for solar/storage incentives derived from budget surplus



Carbon Free Procurement Schedule

Year	Bright Choice				CA-RPS %
	Renewable %	Carbon Free %	TCR*-Emission Factor	PSDR-Emission Factor	Renewable %
2018	41%	87%	101	n/a	29%
2019	60%	85%	135	n/a	31%
2020	40%	54%	n/a	580	33%
2021	41%	55%	n/a	577	36%
2022	45%	63%	n/a	566	39%
2023	49%	66%	n/a	521	41%
2024	52%	71%	n/a	455	44%
2025	56%	76%	n/a	387	47%
2026	60%	81%	n/a	315	49%
2027	64%	85%	n/a	241	52%
2028	67%	90%	n/a	163	55%
2029	71%	95%	n/a	83	57%
2030	75%	100%	n/a	-	60%

- April 2022, the Board approved the “Path to Zero by 2030” for the Bright Choice product as shown in the table to the left
 - Carbon Free percentages reflect renewable energy and large hydro energy
- June 2022, the Board approved 5% increases to the CF targets for calendar years 2022 and 2023 to 68% and 71%, respectively
- June 2023, the Board approved an additional 5% to CF targets for calendar year 2023 and a 10% increase for calendar year 2024 to 76% and 81% respectively
- This year, staff is proposing a 5% increase to CF targets for 2025 to 81%

Year	Path Target	2022		2023		2024	
		Increase	Updated Target	Increase	Updated Target	Increase	Updated Target
2022	63%	5%	68%	--	--	--	--
2023	66%	5%	71%	5%	76%	--	--
2024	71%	0%	71%	10%	81%	0%	81%
2025	76%	0%	76%	0%	76%	5%	81%
2026	81%	0%	81%	0%	81%	0%	81%



Reserve Amounts & Proposed Surplus Allocations

- Current Reserve Balance of \$230,873,400 covers 31.5% of FY23/24 operating expenses (OpEx)
- Expected November contribution to raise balance to \$330,873,400 covers 40.8% of FY24/25 OpEx
- Preliminary estimate of FY25/26 OpEx requires similar contribution in November 2025 to maintain parity, largely due to an increase in OpEx from Stockton and Lathrop expansion
- Given the anticipated increase in costs reserves are expected to cover, the recommendation is to allocate the surplus reserves as follows:
 - No working capital is expected to be retained
 - Up to the first \$100MM to be allocated to reserve funds
 - Any remaining budget surplus to be allocated as 50% to one-time on-bill credits for customers and 50% to NBT incentives
 - Feedback from FAP has been to consider the 60/40 split to align with intentions of current fiscal year

Contribution Year	Contribution	Withdraws	Balance	OpEx to Cover	PctOps
2018-2019	40,513,687	-	40,513,687	410,686,000	9.9%
2019-2020	49,704,640	-	90,218,327	383,045,000	23.6%
2020-2021	-	-	90,218,327	471,897,000	19.1%
2021-2022	65,655,073	-	155,873,400	562,667,000	27.7%
2022-2023	75,000,000	-	230,873,400	732,885,000	31.5%
2023-2024	100,000,000	-	330,873,400	810,350,000	40.8%
2024-2025*	100,000,000	-	430,873,400	1,003,221,000	42.9%

*Proposed contribution with projected operating expenses to cover as of 5/8/2024

WATERFALL DISTRIBUTION

Net Revenues		138,893,000
Working Capital		0
Reserve Contribution		100,000,000
Available for Allocation		38,893,000
On-Bill Credit	50%	19,446,500
Solar/Storage NBT Incentives	50%	19,446,500



Draft Budget: Operating Revenues

	FY 2025 BUDGET	FY 2024 BUDGET	FY <i>Delta</i>	FY <i>%D</i>	FY 2024 ACTUALS
OPERATING ACTIVITY					
REVENUE & OTHER SOURCES					
Electricity Sales	979,017,000	957,028,000	21,989,000	2.2%	927,102,000
Uncollectables	(9,790,000)	(12,095,000)	2,305,000	-23.5%	(11,675,000)
Other Operating Revenue	(6,487,000)	(6,642,000)	155,000	-2.4%	8,446,000
TOTAL OPERATING REVENUE	962,740,000	938,291,000	24,449,000	2.5%	923,873,000

- Revenues are based on the following assumptions:
 - Bright Choice product increased from a 5% to a 7% discount to PG&E
 - Assumes current rates and PCIA are unchanged through 2024
 - Rates and PCIA for 2025 are non-stressed, or as expected, energy rates from March ERRR filing
- Uncollectables are estimated at 1.0% of sales through the fiscal year
- No planned recognition of GASB 62 existing revenue balance (\$34.4MM)
- Other Operating Revenue
 - 2025 Budget shows a reduction from the distribution of the \$50 CARE/FERA credits expected to be distributed in the first half of the year
 - Current fiscal year CARE/FERA credit is netted in Electricity Sales
 - 2024 Other Operating Revenue Actuals are damages received from defaults from counterparties



Draft Budget: Overview of Operating Expenses

	FY 2025 BUDGET	% Cost
EXPENSES & OTHER USES		
Cost of Energy	753,523,000	90.2%
Cost of Energy Services	11,608,000	1.4%
Total Energy Operating Expenses	765,131,000	91.6%
Overhead Operating Expenses		
Personnel	26,592,000	3.2%
Marketing & Communications	6,168,000	0.7%
Legal, Policy, & Regulatory Affairs	4,104,000	0.5%
Other Professional Services	2,088,000	0.2%
General & Administrative	5,868,000	0.7%
Depreciation	399,000	0.0%
Total Overhead Operating Expenses	45,219,000	5.4%
TOTAL OPERATING EXPENSES	810,350,000	
NON-OPERATING EXPENSES		
Borrowing Interest	2,796,000	0.3%
Local Development Funding	22,400,000	2.7%
Total Capital Expenditures	100,000	0.0%
TOTAL NON-OPERATING EXPENSES	25,296,000	3.0%
TOTAL EXPENSES	835,646,000	

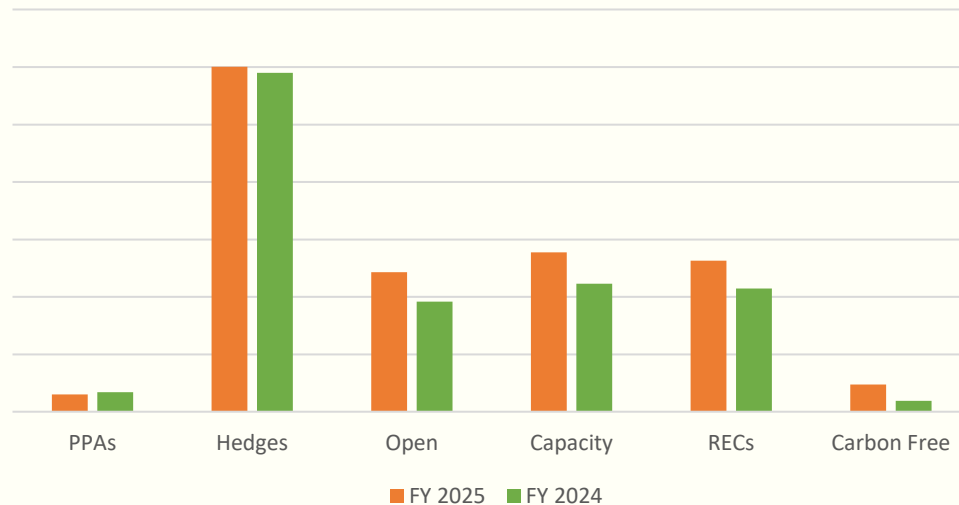
- Expenses are divided into three overall cost center categories:
- **Energy Operations** which includes all energy, energy attributes, and ancillary related costs and the services required to managing energy and attributes, such as scheduling, data management, and customer billing
 - This category comprises more than 90% of Ava's total expenses
- **Overhead Operations** which includes all personnel and staffing needs as well as work function cost centers required to manage the organization at large, and is about 5% of total expenses
- **Non-Operating Expenses** which are all capital and capital transfer related costs



Draft Budget: Energy Expenses

EXPENSES & OTHER USES	FY 2025 BUDGET	FY 2024 BUDGET	FY 2024 ACTUALS
Cost of Energy	753,523,000	682,367,000	658,262,000
Cost of Energy Services	11,608,000	11,219,000	11,213,000
Total Energy Operating Expenses	765,131,000	693,586,000	669,475,000

FY 2025 Budget to FY 2024 Actuals by Cost Element



We are seeing upward pressure on renewable energy costs that is estimated could increase 2024 REC costs by ~\$20MM, which would be partially offset by PCIA reductions in 2025

Energy Costs

- Costs are derived from a blend of contracted and open positions for all energy, attributes, and RA
 - Open prices are non-stressed, or mean forecasted
 - FY 2025 overall price projections are about 10% higher than FY 2024 actuals on average
 - Material increases in RA, RECs, Carbon Free Energy, and market prices
- Carbon Free targets are above baseline targets by 10% in calendar year 2024 and 5% in 2025 to maintain 81% coverage
 - 2024: CF 71% → 81% (Board approved)
 - 2025: CF 76% → 81% (proposed)
 - Adds up to \$8.5MM in costs for FY 2025
- Note: We are still in a period of historically high prices with forecasted market energy ~2x the historical 10-year average and is expected to persist into future years



Draft Budget: Overhead Expenses

		FY 2025 BUDGET	FY 2024 BUDGET	FY 2024 ACTUALS
EXPENSES & OTHER USES				
Overhead Operating Expenses				
Personnel	D1	26,592,000	21,911,000	18,015,000
Marketing & Communications	D2	6,168,000	5,303,000	3,046,000
Legal, Policy, & Regulatory Affairs	D3	4,104,000	3,509,000	2,175,000
Other Professional Services	D4	2,088,000	2,505,000	1,790,000
General & Administrative	D5	5,868,000	5,711,000	4,488,000
Depreciation	D6	399,000	360,000	213,000
Total Overhead Operating Expenses		45,219,000	39,299,000	29,727,000

Material Overhead Items for FY 24-25:

- Personnel costs are increasing due to adding 15 new positions to accommodate expanding operational needs
- Increase in Marketing costs are due to increases in advertising and required mailings for the inclusion of Stockton and Lathrop
 - Includes approx. \$1.6MM of programs related marketing costs
- Increases in Legal costs are due to additional volume of consulting/vendor agreements and new power contracts
- Additional staffing efforts have reduced consulting services costs
- G&A has no marked change
- Depreciation increases slightly with procurement of equipment and office components



Draft Budget: Personnel

	FY 2025	FY 2024	FY 2023
	DRAFT BUDGET	BUDGET	BUDGET
PERSONNEL			
Salaries & Wages	19,765,000	16,587,000	11,598,000
Retirement	2,450,000	2,058,000	1,544,000
Health Care/Benefits	3,961,000	2,913,000	2,292,000
Payroll Expenses	416,000	353,000	277,000
Total	26,592,000	21,911,000	15,711,000

- **FY 2023 Budget was set for 68 FTE to accommodate additional workflow in all areas.**
- **FY 2024 Budget was set for 15 additional FTE (83 total) to accommodate additional workflow in all areas with scaling operations**
- **FY 2025 Budget seeks to add an additional 15 FTE (98 total) to accommodate additional workflow in all areas. Additional headcount will expand on internal expertise, build more depth, and help scale operations further**
 - **FTE Count: 4 Local Development, 4 Power Resources, 2 Legal/Policy, 2 Marketing, 2 Finance, 1 HR**
 - **COLA: 3%**
 - **Promotions/Wage Adjustments: 2%**
 - **Merit-based Compensation: 13%**
- **Note: In 2023-2024, Ava adjusted compensation structure to standardize pay scales and create merit-based compensation as a way to reduce pay bias in salaries as a DEI initiative**



Draft Budget: New Personnel Assignments

- Finance is looking to fill two additional positions to facilitate additional accounting controls and keep up with structuring financing needs
- Human Resources needs additional support to facilitate the higher staffing needs
- Local Development is hiring staff to assist with the development of key programs scheduled for launch and growth this next fiscal year
- Marketing needs additional support for expanding outreach and advertising
- Power Resources is hiring to keep up with contracting and portfolio management as more longer-term contracts are established
- Public Policy & Legal are looking to provide more Board and committee support and stay informed on rapidly changing relevant policies

Title	Functional Area
1 Controller	Finance
2 Structured Finance Manager	Finance
3 HR Operations Manager	Human Resources
4 Contracts Manager	Local Development
5 DCFC Product Manager	Local Development
6 Project Manager	Local Development
7 Strategic Accounts and Product Designer	Local Development
8 Marketing Associate	Marketing
9 Outreach Coordinator	Marketing
10 Contract Manager	Power Resources
11 Contracts Analyst	Power Resources
12 RA Portfolio Analyst	Power Resources
13 Settlements Analyst	Power Resources
14 Assistant Board Clerk	Public Policy & Legal
15 Regulatory Analyst	Public Policy & Legal



Draft Budget: Non-Operating Activity

	FY 2025 BUDGET	FY 2024 BUDGET	FY 2024 ACTUALS
NON-OPERATING ACTIVITY			
NON-OPERATING REVENUE			
Interest Income	11,400,000	1,680,000	7,762,000
Grants	350,000	0	677,000
Other Non-Operating Revenue	49,000	48,000	49,000
TOTAL NON-OPERATING REVENUE	11,799,000	1,728,000	8,488,000
NON-OPERATING EXPENSES			
Borrowing Interest	2,796,000	1,650,000	950,000
Local Development Funding	22,400,000	25,500,000	25,500,000
Total Capital Expenditures	100,000	500,000	0
TOTAL NON-OPERATING EXPENSES	25,296,000	27,650,000	26,450,000
NET NON-OPERATING POSITION	(13,497,000)	(25,922,000)	(17,962,000)

- **Non-Operational Revenue:**

- Interest earned is based on expected returns for the managed treasury accounts for reserve funds, currently estimated at 4.0% annual returns average through the fiscal year and interest earned on the BlocPower loan (5.5% on \$500k)
- Other revenue is rent from AT&T tower on new building
- Contributions from PPA's for workforce development grants are estimated \$350,000

- **Non-Operational Expenses:**

- Borrowing Interest are costs associated with Ava's credit facility held with US Bank
- Local Development Funding is a capital transfer to the Local Development Fund
- Minor capital expenditures for office related items such as furniture



Draft Budget: Local Development

	FY 2025 DRAFT BUDGET	FY 2024 BUDGET
Critical Municipal Facilities	7,000,000	-
Health-e-Communities	5,000,000	5,000,000
DCFC Network	3,000,000	3,600,000
Ava e-Bike	2,000,000	2,000,000
Building Electrification	2,000,000	3,500,000
Community Grants	1,200,000	1,400,000
Vehicle Electrification	1,000,000	6,000,000
Legal Expense	500,000	-
Solar + Storage	500,000	2,000,000
Subscription	200,000	-
Demand Response	-	2,000,000
Total	22,400,000	25,500,000
Potential to S+S*	19,446,000	22,683,000
Estimated with Surplus	41,846,000	48,183,000

**Estimated amounts from surplus net revenues waterfall allocations*

Local Development

- Resilience:
 - \$7M - Resilient Critical Municipal Facility Microgrids
 - \$0.5M - Performance payments for Solar & Storage incentive Program
- Building Electrification
 - \$5M – Health-e Communities induction stove direct installation program
 - \$2M – Electrification incentive program
- Transportation Electrification
 - \$3M - Ongoing development of Public DC Fast charging network
 - \$2M - Ave e-Bike incentive Program
 - \$1M - EV managed charging Program
- Community Grants
 - \$1.2M - Community Grants
- Legal Expenses / Subscriptions - \$0.7M



Thank you!



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**CAC Item C8
Staff Report Item 14**

TO: Ava Community Energy Authority

FROM: Feliz Ventura, Sr Manager Programs

SUBJECT: Lunar Energy DERMS Contract approval

DATE: May 15, 2024

Recommendation

Approve a Resolution authorizing the CEO to negotiate and execute a Master Services Agreement with Lunar Energy as the Distributed Energy Resources Management System (“DERMS”) provider resulting from Ava’s 2023 request for proposals (“RFP”) soliciting proposals for DERMS Provider.

Lunar’s proposal offers a scalable DERMS platform with professional services support to enhance Ava’s expertise in developing and managing Distributed Energy Resources (“DERs”) to support Ava’s expertise in developing virtual power plants (“VPPs”) and will provide administrative support for Ava’s solar and storage incentive program.

Background and Discussion

To meet Ava’s goals to manage a range of DERs to form and utilize VPPs, Ava sought out a partner to implement a DERMS platform and develop device management strategies across an array of DERs.

DERs are a collection of emerging energy technologies that are distributed across the grid that bring electrification, decarbonization, customer cost savings, and resiliency benefits, which could offer a pathway to a more renewable future for load serving entities (“LSEs”) like Ava. They are small-scale energy resources that are adjustable, connected to the grid, and have internet or other connectivity. Some examples of DERs that are prevalent today include rooftop solar systems, grid-tied batteries, electric

vehicles (“EVs”) and EV chargers, heat pump water heaters, and smart thermostats. Residential, commercial, and industrial customers using one or several of these technologies can reduce their individual carbon footprint and energy costs by generating their own energy, storing energy to be used during higher priced / higher carbon-intensive hours, and/or optimizing their household or facility load around time-of-use (“TOU”) pricing. Ava can leverage these emerging resources to reduce our carbon footprint and improve our customer experience by aggregating these technologies together and optimizing them to operate in concert, or as VPP. To communicate with and optimize DERs together, Ava needs a DERMS.

A DERMS is a software platform that communicates with DERs and manages them as a group, which provides Ava the ability to support customers in maximizing customer benefits from their DER(s) or allow customers to participate in the energy markets that can provide financial benefits. A DERMS brings DERs condition, monitoring, and optimization control together at both the household level and across the grid.

Some examples of key DERMS functions include:

- Tracking DER energy usage and discharge,
- Optimizing DERs behavior such as charging and consumption across a household or facility to support customers realization of benefit from investing in DERs--simplifying the customer experience and lowering the barrier to entry for further DERs penetration, and
- Managing charging and discharging of assets to optimize Ava’s cost and carbon reduction goals
- Giving customers a method to participate in energy markets, which can provide additional financial benefit from DERs.

By enrolling in Ava’s battery program and connecting devices to the DERMS, customers can take advantage of the financial incentives and energy cost saving opportunities. Once enrolled, customers will receive verification that their device is online and ready to participate. From there, the DERMS intelligently manages resources to capitalize on Time of Use (TOU) rates, where electricity rates vary throughout the day. While the device remains connected, it will receive signals for when to charge/discharge or raise/reduce load. These signals will be informed by a customer’s TOU rate and onsite solar production, ensuring the device charges, or raises its load, during low-price or solar peak hours and discharges, or reduces its load, during high-price hours. This will result in automatic energy cost savings for the customer, which are in addition to any program-specific incentives.

As Ava pursues a greener and more resilient energy future for its customers, improving the penetration of optimized DERs across our service territory will be key to support maximizing the use of local renewables, reducing Ava's need for grid energy during peak times. Having a DERMS unlocks multiple potential avenues for Ava to offer its customers savings and incentives for adopting DERs.

Vendor Selection

On November 3, 2023 Ava released a solicitation for a DERMS provider. The goal of the solicitation was to contract with a single DERMS provider with the ability to control a suite of existing and future DERs types on a single platform, and provide Ava with centralized control to optimize the managed load for carbon emission mitigation, energy savings for customers, and procurement cost reductions.

In addition to platform capabilities, the evaluation criteria included an assessment of each DERMS provider's experience integrating systems with original equipment manufacturers (OEMs), aggregators or sub-aggregators of DERs, as well as their platform's ability to scale over time as the market for DER technology expands. DER technologies of specific interest included: residential solar and storage, residential EV and electric vehicle supply equipment ("EVSE"), and residential heat pump water heaters ("HPWHs"). Future devices of interest included thermostats and potential applicability of DERMS platforms and integrations for commercial end uses.

Additional desired qualifications included experience in DER management and long-term capacity forecasting, expertise in communication protocols and data integrations, knowledge and use of cybersecurity industry best practices, and willingness to accept performance-based pricing and/or performance liquidated damages.

Ava received a wide range of responses from well-known firms across the grid-edge DERMS industry. With Ava staff and an external consultant specializing in DERMS, Ava examined six unique bids for DERMS.

Two submissions did not meet the minimum RFP response requirements, and the other four submitting teams were invited to interview with Ava staff to present and discuss their offers. During the interview process, two firms were identified as providing offers that fit Ava's needs best with the two remaining firms' offers being less attractive based on delivery structure resulting in a high cost offer and primary strength outside of the residential market.

The two best fit vendors were invited to provide a system demonstration illustrating how the platform communicates with DERs, forms DERs into VPPs, verifies performance of each DER and VPP dispatch, and forecasts device and VPP performance into the future.

We also asked the two best-fit vendors questions related to their ability to provide administrative support for a “bring your own device” style battery program. Both respondents provided a representative scope based on this requested list of services, and provided pricing related to these services.

Across both DERMS and battery program support, Lunar’s proposed scope of work provided the best value to Ava, providing Ava an opportunity to benefit from Lunar’s proven, flexible DERMS platform, global and California-specific expertise, as well as reducing the need for internal staff time on administrative/process tasks.

Ava staff are recommending engaging Lunar Energy for DERMS platform, provision of pre-existing enrolled resources and program administration support related to the battery incentive program because:

- Lunar’s approach that reflects Ava’s needs as defined in the RFP,
- Lunar has specific expertise in behind-the-meter residential distributed energy resource management, and
- Lunar can provide support to Ava that allows for the implementation of these scopes without additional Ava staffing.

Lunar’s proposed scope of work for the DERMS platform includes providing the ability to manage a diverse range of DERs across Ava’s service area, including reporting on and forecasting their performance. Initially, Lunar would manage solar and storage systems enrolled through Ava’s forthcoming capacity-based battery incentive program as well as EVs and EV chargers enrolled through Ava’s forthcoming managed charging program.

Additionally, Lunar Energy will support further definition of the capacity-based battery program’s design, leveraging their expertise to ensure that Ava’s program is easy to use for our customers while providing the greatest customer benefits. Once the capacity-based battery program is clearly defined, Lunar will oversee the customer enrollment and verification processes, as well as the incentive settlement and payment disbursement. The marketing and customer acquisition initiatives necessary to drive battery enrollment and connection to the DERMS platform will not be managed under this contract and may be directly performed by Ava or another contracted party.

Fiscal Impact

The proposed contract term is two years with a not-to-exceed limit of \$2 million, with three one-year options to extend. The Local Development Fund has already allocated \$2 million for DERMS in the FY 23/24 budget. No additional expenditure is requested to support this contract at this time.

Attachments

- A. Resolution
- B. Presentation

RESOLUTION NO. R-2024-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO
NEGOTIATE AND EXECUTE A MASTER SERVICES AGREEMENT WITH LUNAR
ENERGY

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 in 2020, Ava committed to a zero-emission power supply by 2030, fifteen years ahead of state law requirements;

WHEREAS Ava issued a request for proposals (“RFP”) on November 3, 2023 for a Distributed Energy Resources Management System (DERMS) provider to oversee a suite of Distributed Energy Resources (“DERs”) within Ava’s service territory, with the goal of enhancing operational efficiency to meet evolving energy demand needs;

WHEREAS Ava received four conforming bids and selected Lunar Energy based on their proven expertise, technological capabilities, and alignment with Ava’s objectives;

WHEREAS Ava’s Board of Directors has directed excess revenues from FY23/24 equal to approximately \$19.4 million for a battery incentive program to encourage battery adoption under the new Solar Billing Plan guidelines;

WHEREAS The Fiscal Year 2024 budget included \$2M for the development and administration of Virtual Power Plants;

WHEREAS Lunar Energy is capable of supporting program design and administrative needs for the battery incentive program;

WHEREAS Ava wishes to contract with Lunar Energy to enhance its capabilities to manage DERs, in a manner that benefits customers and Ava’s pursuit of carbon-free electricity by 2030.

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 a Master Services Agreement with Lunar Energy for their DERMS software platform, battery incentive program design, and administrative services for an amount not to exceed \$2 million over a 2-year contract period.

ADOPTED AND APPROVED this 15th day of May, 2024.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board



Ava DERMS Provider Recommendation



What is a DERMS?

Distributed Energy Resource Management System

A software platform designed to communicate with and optimize the operation of various distributed energy resources (DERs) located across Ava's service territory, such as:

- electric vehicles
- batteries
- thermostats, and
- heat pump water heaters



Why does Ava need a DERMS?

Ava can leverage distributed energy resources (DERs) to reduce our carbon footprint and support customer savings from DERs by aggregating these technologies together and optimizing them to operate in concert. This is known as a “virtual power plant” (VPP).

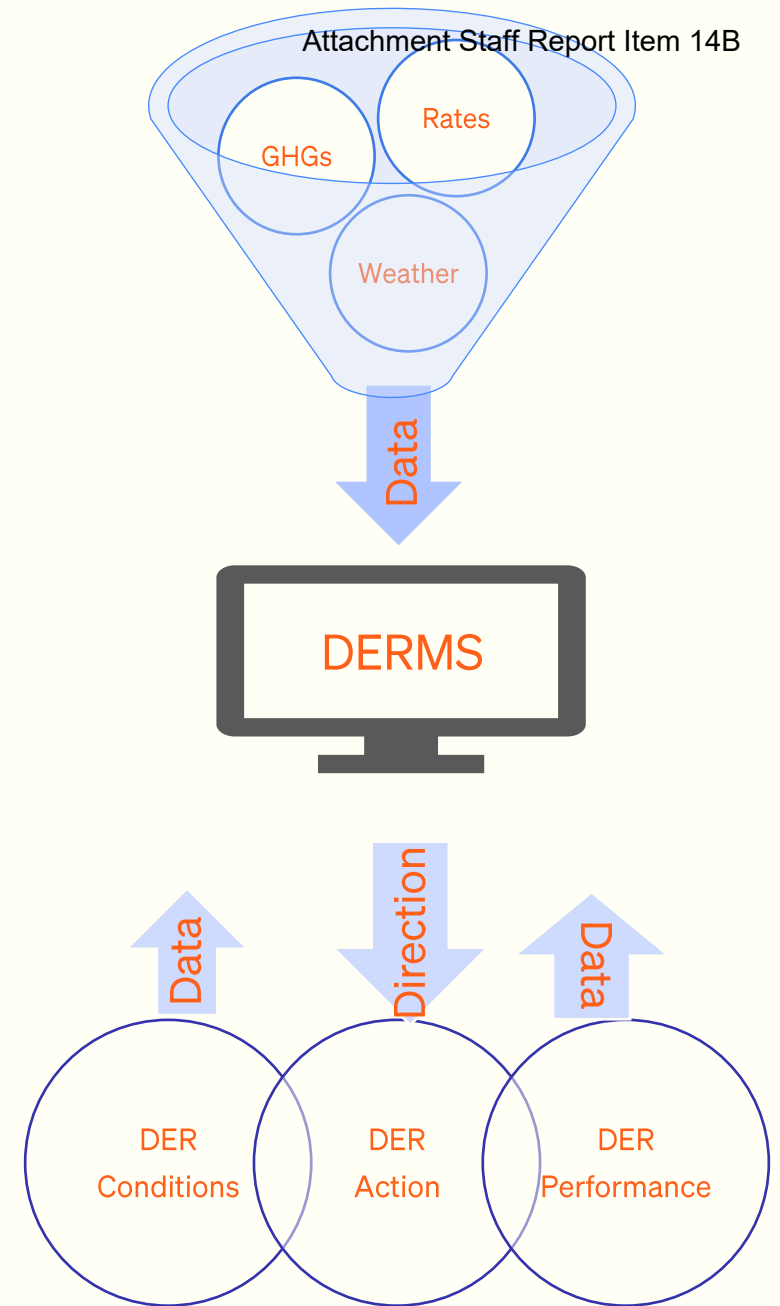
Ava needs a DERMS to communicate with and optimize DERs together.

DERMS features

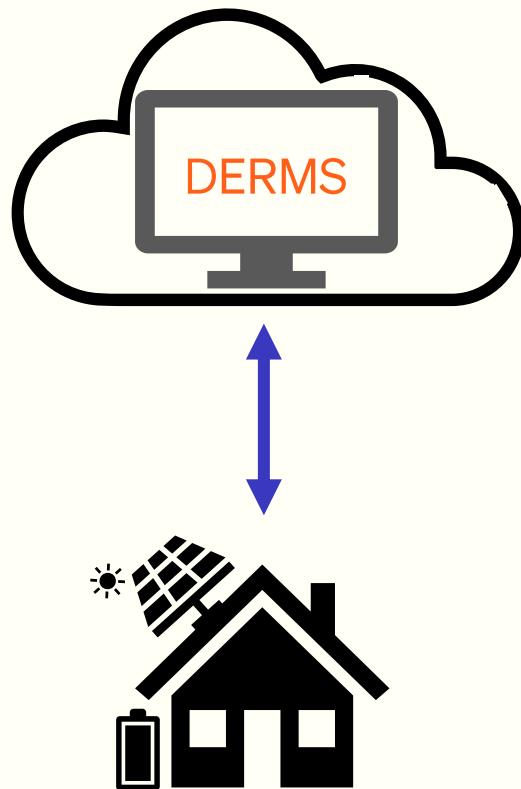
- Real-time monitoring and optimization of DERs
- Optimization of devices to maximize customer savings + support Ava's carbon free commitment

DERMS benefits

- Savings for customer and Ava
- Lower grid strain and GHG emissions
- Cohesive operations of multiple DERs for customers



How does a DERMS work? Pt. 1



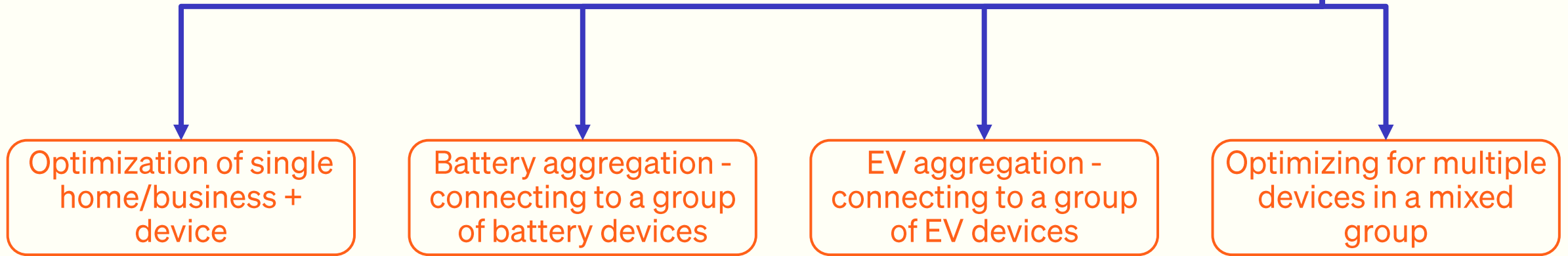
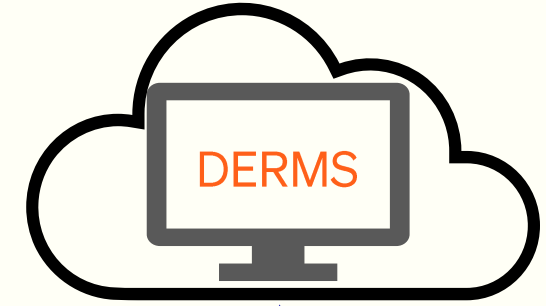
Single home optimization:

1. DERMS gets data from the battery/home via internet connection
2. Combining device data with other data such as rates, weather and greenhouse gas intensity, the DERMS works out what the battery should do:
 - a. charge from solar or charge from grid
 - b. discharge into the home or discharge into the grid
3. The DERMS then sends a command over the internet “telling” the battery controller what to do
4. The DERMS receives data back from the battery confirming that the action has been taken



How does a DERMS work? Pt. 2

A DERMS can also optimize the behavior of groups of multiple devices (battery, EV charging, thermostats) together to form a VPP.

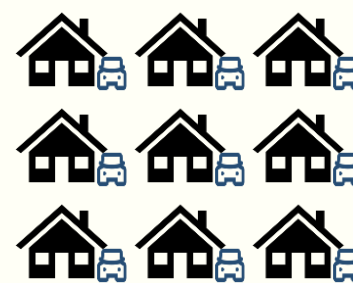
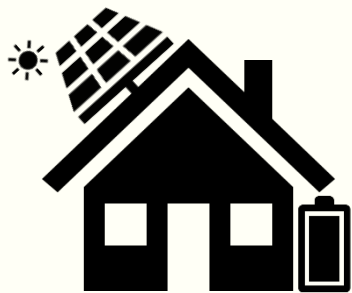


Optimization of single home/business + device

Battery aggregation - connecting to a group of battery devices

EV aggregation - connecting to a group of EV devices

Optimizing for multiple devices in a mixed group



DERMS Solicitation Background & Overview

Background:

- RFP for a DERMS provider released on November 3, 2023
- Received six conforming bids
- Responses were evaluated based on:
 - Experience with DER integrations, DER management, and long-term forecasting,
 - Platform's current scale + ability to grow across DERs,
 - Expertise in DERS communications and cybersecurity

Recommendation:

- Select **Lunar Energy** as Ava's DERMS provider
- Contract Term: 2 years, with 3 one-year options to extend
- Budget: \$2 million (previously allocated in FY'24 budget)



Who is Lunar Energy and why are they a great fit for Ava?

- Lunar Energy is a global energy technology company headquartered in Mountain View, CA.
- Their DERMS platform, Gridshare, is being actively used to manage the largest 3rd party residential battery fleet in the world.
- Ava is recommending using Lunar's Gridshare platform because:
 - Lunar's approach aligns with Ava's needs as per the RFP
 - Lunar has expertise in behind-the-meter DER management
 - Lunar has over 8 years of experience delivering DER management program for a wide range of customers and understand the different demands and engagement solutions required for different customer segments
 - Lunar can support Ava's current battery programs implementation



How will a DERMS support Ava's solar & battery program?

The DERMS will help facilitate Ava's solar & battery program by serving these four primary roles:

Program Design Support	Provide data for Ava to inform key program design decisions.
Eligibility Check	Verify initial battery installation and continued connectivity.
Battery Optimization	Optimize customer batteries for current rates; with ability to dispatch batteries in a coordinated way.
Administration Support	Enable online program enrollment, handle ongoing enrollment incentive payments, and manage customer technical support to keep customers connected.



Thank you!



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**CAC Item C9
Staff Report Item 15**

TO: Ava Community Energy Authority

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: PG&E Nuclear Allocation Decision (Action Item)

DATE: May 15, 2024

Recommendation

Staff is seeking Board guidance in consideration of the nuclear greenhouse gas free (“GHG-free”) attributes being offered as a result of extended operations at Diablo Canyon Nuclear Power Plant (“DCPP”). If the Board desires to accept the nuclear attributes, staff recommends the adoption of the attached Resolution. Opting to decline the nuclear attributes requires no action by the Board.

Background and Discussion

In 2020, load serving entities (“LSEs”) within PG&E service territory were offered GHG-free attributes from large hydro and nuclear power proportional to the LSE’s load. Ava, then EBCE, brought forth multiple informational and action items to the Board regarding the allocations and in the April 2020 Board meeting, a decision was passed to accept the large hydro allocation and reject the nuclear allocation.

While Ava has received an allocation of GHG-free energy from PG&E’s portfolio of large hydro resources from 2020 through 2024, there is uncertainty around what structure will be in place for future years and whether a new market price benchmark will be incorporated, or if there will be an allocation to customers with a cost responsibility. Weather variability also plays an important factor in annual availability of large hydro generation.

DCPP was anticipated to shut down in 2024-2025; however, on December 14, 2023, the California Public Utilities Commission (“CPUC”) conducted a formal review process

and adopted a final Decision¹ that extended operations at DCPD until October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2), due to insufficient California Independent System Officer (“CAISO”) grid capacity and reliability concerns. The Decision requires PG&E to offer LSEs the ability to use their share of DCPD’s GHG-free attributes for their power content label using the existing process for voluntary offering as a model. PG&E is required to file an Advice Letter by June 14, 2024, formalizing the process for the allocation of GHG attributes from extended operations at DCPD to LSEs.

There is no obligation to accept an allocation of nuclear energy, and acceptance or rejection of the nuclear allocation will have no impact on the extension of DCPD, which has already been approved. All customers pay for, and will continue to pay for, PG&E nuclear generation costs through the Power Charge Indifference Adjustment (“PCIA”). Whether or not Ava accepts the nuclear allocation has no impact on PCIA charges as the PCIA is a non-by-passable charge set annually by the CPUC.

The volume of nuclear power to be offered is still being determined and will be made to all LSEs across California, not just those within PG&E territory. Staff estimates that the allocation PG&E offers to Ava may contain ~610,000 mega-watt hour (“MWh”) of nuclear power. Resource Adequacy is also included across all LSEs, as part of the allocation.

Scenarios for Board Consideration:

Scenario 0 – Do not accept nuclear. This would continue the status quo.

Scenario 1 – Ava accepts nuclear allocation up to Ava’s load share percentage.

Scenario 2 – Ava accepts nuclear allocation and further reduces our carbon intensity with additional large hydro or nuclear purchases.

Bright Choice Power Content Impacts

Proposed scenarios under which Ava accepts the nuclear allocation are estimated to offset from 50% up to 100% of unspecified emissions in year one.

Fiscal Impact

Fiscal impacts of this item are specific to energy procurement cost savings for the Bright Choice product and are realized beginning in 2028, when nuclear begins to offset large hydro procurement needs. There are no costs associated with acceptance of the allocation.

Attachments

- A. If desired by the Board, a Resolution of the Board of Directors of Ava Community Energy Authority to Accept Ava’s Allocation of GHG-Free Attributes from Extended Operations at DCPD
- B. Nuclear Allocation Decision Presentation

¹ D.23-12-036.

RESOLUTION NO. R-2024-xx

A RESOLUTION OF THE BOARD OF DIRECTORS

OF AVA COMMUNITY ENERGY AUTHORITY APPROVING AVA'S ACCEPTANCE OF THEIR ALLOCATION OF GHG-FREE ATTRIBUTES FROM EXTENDED OPERATIONS AT DIABLO CANYON NUCLEAR POWER PLANT (DCPP)

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 the California Public Utilities Commission's ("CPUC") December 14, 2023 final decision D.23-12-036 ("Decision") extended operations at Diablo Canyon Nuclear Power Plant ("DCPP") until October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2) due to insufficient CAISO grid capacity and reliability concerns;

WHEREAS the Decision requires PG&E to offer load serving entities the ability to use their share of DCPP's Greenhouse Gas-free ("GHG-free") attributes for their power content label; and

WHEREAS Ava is eligible to receive their share of GHG-free attributes from extended operations at DCPP.

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

Section 1. The Board of Directors approves Ava's acceptance of their allocation of GHG-free attributes from extended operations at DCPP.

ADOPTED AND APPROVED this 15th day of May, 2024.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

Nuclear Allocation Discussion

May 15, 2024



1. Background
2. Baseline Facts
3. Scenarios for Board consideration



Background



General Background

- In 2019, Ava, then EBCE, introduced the concept of PG&E providing some form of carbon-free benefits to customers who paid a Power Charge Indifference Adjustment (PCIA) fee that included the costs of in-state large hydroelectric and nuclear power. Essentially, our customers paid for some portion of carbon-free power, so we/they should have some benefit from that.
- In the following years, load serving entities within PG&E service territory were offered the carbon-free attributes from large hydro and nuclear power proportional to the LSE's load.
- Diablo Canyon was anticipated to shutdown in 2024-2025. However, the plant received a 5-year extension from state and federal authorities.
- PG&E must offer an allocation of nuclear power to California LSEs in the summer/fall of this year.



Ava Background

- Ava brought forth multiple informational and action items to the Board regarding Nuclear allocations in 2019 and 2020.
- In the **April 2020** Board meeting, a decision was passed to accept the large hydro allocation and reject the nuclear allocation.
 - Decision passed with a vote of 10 yes and 5 no; No's were in favor of accepting the nuclear allocation
 - No votes: Hayward, Newark, Pleasanton, Piedmont, Livermore
 - 80+ public comments in opposition to accepting Nuclear
- In the **December 2020** Board meeting, a decision was passed to accept the nuclear allocation to resell the attributes at equal to or >\$0.
 - This decision was in part passed because PG&E is able to disclose a lower GHG emissions level due to high nuclear content. It is able to elect not to disclose its natural gas procurement in favor of carbon-free nuclear.
 - Decision passed with 10 yes and 2 No; No's were in favor of accepting and retaining the nuclear
 - No votes: Hayward, Albany
 - 10+ public comments in opposition to this structure



Regulatory Background

- 1. On December 14, 2023, the CPUC adopted a final Decision that extended operations at Diablo Canyon Nuclear Power Plant (DCPP) until October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2) due to insufficient CAISO grid capacity and reliability concerns.**
 - The Decision requires PG&E to offer LSEs the ability to use their share of DCPP's GHG-free attributes for their power content label using the existing process for voluntary offering as a model.
 - Ava has used estimates of the GHG free attributes in the included scenarios in this ppt as final allocation ratios will not be released until summer 2024.
 - Note: Resource Adequacy is not a voluntary allocation and is included across all LSEs
- While Ava has received an allocation of carbon free energy from PG&E's portfolio of large hydro resources from 2020 through 2024, there is uncertainty around what structure will be in place for future years and whether a new market price benchmark will be incorporated, or if there will be an allocation to customers with a cost responsibility.**
 - Note that large hydro allocations will likely be reduced going forward as PG&E may have discretion over allocation offerings and large hydro market purchases are increasingly scarce and variable year to year.
- The current emissions accounting methodology is tracked on an annual basis and the enclosed emissions estimates in this presentation reflect the current rules. Hourly emissions accounting rules are being contemplated for the Power Source Disclosure (PSD) program beginning in 2028. This could meaningfully change Ava's emissions levels.**



Energy Market Background

- **Energy Market Pricing Dynamics**

- Historically PCC1 Renewable Energy Credits (RECs) have generally priced in the \$10 to \$15/MWh range and are currently pricing in the \$70 to \$80/MWh range.
- Historically Large Hydro GHG-free attributes have generally priced in the \$3 to \$6/MWh range and are currently pricing in the \$20 to \$30/MWh range.
- Historically nuclear GHG-free attributes have not been transacted and CCAs have shown varying interest with low interest in procuring it outside of accepting the PG&E allocation. There appears to be increasing interest from CCAs to accept and potentially procure additional nuclear currently.
- The **sharp increase in pricing** is driven by several factors, including limited generating capacity in CAISO, significant increased clean energy demand in California by CCAs and Corporates accelerating beyond SB100, increased clean energy demand outside of California impacting imports, and increased weather variability impacting supply. This weather variability has a particularly pronounced effect on large hydro resources inside and outside of CAISO.
- There continues to be upward pressure on pricing on the horizon and there are indications that there will likely be market demand for nuclear by other load serving entities.
- Pricing implications on the following slides are based on current market conditions and subject to increased volatility.



Additional information on pending nuclear offer

- The pending nuclear offer will be made to all load serving entities across California, not just those within PG&E's service area.
- The offer is limited only to nuclear power – no hydroelectric power is being offered.
- The volume of nuclear power to be offered is still being determined and will be based on load share. The allocation process will be filed by PG&E by June 14, 2024.
- The nuclear power will be offered annually through 2030, always based on load share.
- Staff is seeking board feedback in consideration of these anticipated nuclear GHG-free attributes being offered.
- Note that acceptance or rejection of these nuclear attributes will have no impact on the extension of Diablo Canyon, which has already been approved.



Baseline Facts

- Current 2030 Bright Choice Goal
- EBCE and PG&E 2022 Power Content
- Large Hydro Production in CA
- Production of nuclear power in CA from CAISO
- Senate Bill 846
- CCA Nuclear Allocations



2030 Goal for 100% Clean Bright Choice Service

- The board approved the following Renewable Energy and Carbon Free Procurement schedule in April 2022
 - *Indicates subsequent board approved changes to the procurement schedule

	Bright Choice				CA-RPS %
Year	Renewable %	Carbon Free %	Unspecified %	Estimated PSDR Emission Factor	Renewable %
2018	41%	62%	38%	n/a	29%
2019	60%	87%	13%	n/a	31%
2020	40%	55%	45%	591	33%
2021	42%	60%	40%	564	36%
2022	49%*	72%*	28%*	496	39%
2023	54%*	76%*	24%*	503*	41%
2024	52%	81%*	19%*	403*	44%
2025	56%	76%	24%	387	47%
2026	60%	81%	19%	315	49%
2027	64%	85%	15%	241	52%
2028	67%	90%	10%	163	55%
2029	71%	95%	5%	83	57%
2030	75%	100%	0%	-	60%

Source: Board Item from October 18, 2023



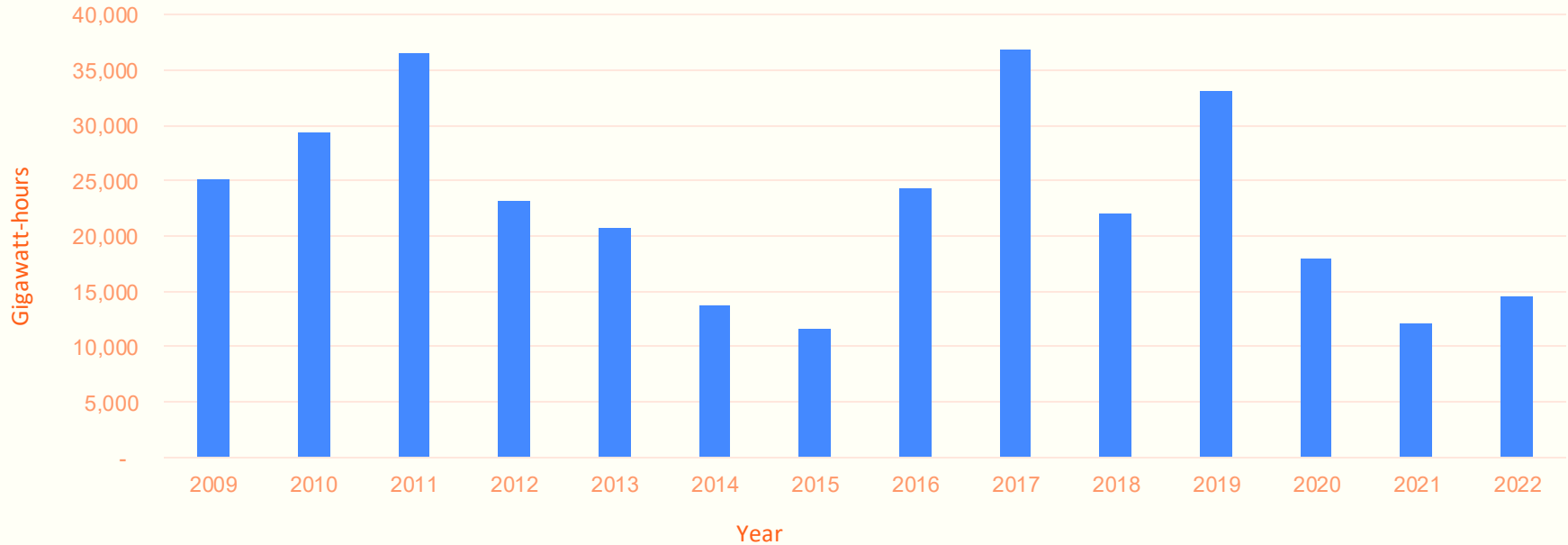
2022 Power Content

(most recent reporting year)

	EBCE – Bright Choice	Attachment Staff Report Item 15B	Attachment Staff Report Item 15B
Eligible Renewables	49.4%	38.3%	35.8%
Biomass & Biowaste	1.5%	4.6%	2.1%
Geothermal	0.8%	0.5%	4.7%
Eligible Hydroelectric	1.4%	1.8%	1.1%
Solar	18.1%	22.0%	17.0%
Wind	27.6%	9.4%	10.8%
Coal	0.0%	0.0%	2.1%
Large Hydroelectric	21.9%	7.6%	9.2%
Natural Gas	0.0%	4.8%	36.4%
Nuclear	0.2%	49.3%	9.2%
Other	0.0%	0.0%	0.1%
Unspecified Power	28.4%	0.0%	7.1%
GHG Intensity (lbs CO₂e/MWh)	496	56	422



Large Hydro Production in California



Source: California Energy Commission [“Total System Electric Generation 2009-2022_with_totals_ada.xlsx”](#)



Nuclear Power Production

- Nuclear plants operate at a steady state with small variations for maintenance
- Nuclear power covers about 2,000 MW of baseline load
- Nuclear power production represented by the grey strip in the charts below.

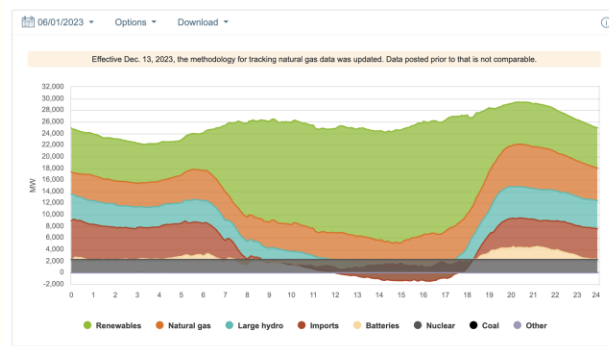
6/01/23

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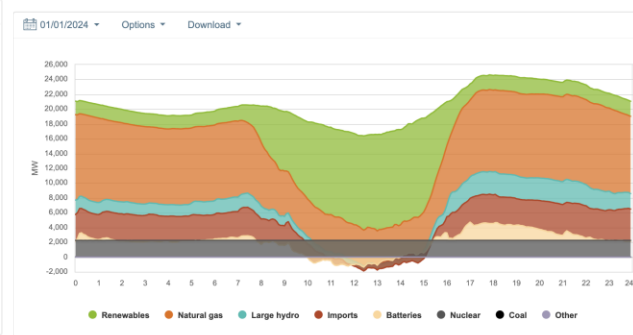
Supply trend

Energy in megawatts broken down by resource in 5-minute increments.



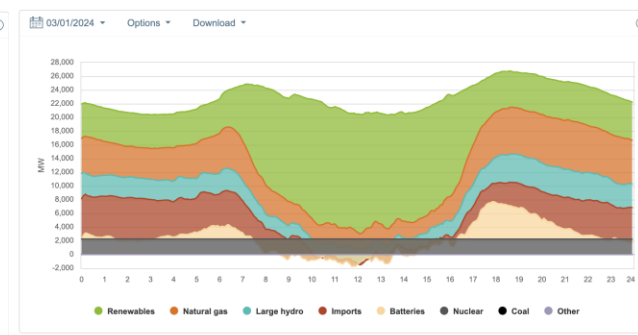
Supply trend

Energy in megawatts broken down by resource in 5-minute increments.



Supply trend

Energy in megawatts broken down by resource in 5-minute increments.



Senate Bill 846

Authorizes the extension of operating the Diablo Canyon Nuclear power plant (DCPP) beyond the current expiration dates (2024 for Unit 1 and 2025 for Unit 2), to up to five additional years (no later than 2029 and 2030, respectively), under specified conditions.

- Approved in September of 2022; requires the PUC to set new retirement dates at DCPP
- Requires continuation of the Independent Safety Committee for DCPP, and requires the PUC to fund the committee
 - PUC under existing authority, has already established the Diablo Canyon Independent Safety Committee (DCISC) to make recommendations to review and enhance safety of operations at DCPP
 - DCISC holds regular public meetings, with the last meeting held February 21-22, 2024.
 - Presentations and fact-finding reports (on risk assessment, maintenance, seismic assessments, training etc.) are posted publicly to their website
 - Fact-finding reports include Nuclear Regulatory Commission inspection findings (summarized through over 5600 Inspection hours at DCPP in 2023)
- Required that an updated seismic and risk assessment be done prior to August of 2024 when the (current operating license expires)
 - An updated seismic assessment was conducted from 6/2023 to 1/2024 in response to SB 846 (no updates recommended)

Ava staff is reliant on DCISC determinations on safe operations and does not have deep expertise on nuclear operations and safety. DCISC findings and reports are provided at <https://www.dcisc.org/annual-reports/>



2022 Power Content Labels for CCAs with nuclear content >5%

Attachment Staff Report Item 15B

Retail Suppliers	Retail Sales (MWh)	GHG Intensity (lbs. CO2e/MWh)	Eligible Renewables (TOTAL)	Large Hydro	Natural Gas	Unspecified Power	Nuclear
San José Clean Energy - GreenValue	202,231	210	40.2%	9.2%	0.0%	19.8%	30.9%
Pioneer Community Energy - 2022 Pioneer Community Energy Base Service	1,633,901	343	44.1%	1.3%	0.0%	27.0%	27.6%
Orange County Power Authority - 2022 OCPA Basic Choice	177,052	503	62.3%	12.4%	0.0%	0.0%	25.3%
San José Clean Energy - GreenSource	3,476,520	116	59.2%	7.4%	0.0%	8.6%	24.8%
Silicon Valley Clean Energy - Green Start	3,605,920	72	44.9%	30.8%	0.0%	0.0%	24.3%
Energy for Palmdale's Independent Choice - 2022 EPIC Power	52,416	458	34.3%	0.0%	0.0%	42.8%	22.9%
Lancaster Choice Energy - 2022 Clear Choice	611,814	588	33.6%	0.4%	0.0%	56.4%	9.7%
San Jacinto Power - 2022 SJP PrimePower Power Mix	172,810	633	30.8%	3.3%	0.0%	60.1%	5.8%
Rancho Mirage Energy Authority - 2022 Base Choice	282,288	612	32.3%	3.0%	0.0%	59.0%	5.7%
Pomona Choice Energy - 2022 Pomona Choice	423,784	611	32.9%	3.2%	0.0%	58.3%	5.7%
Apple Valley Choice Energy - 2022 AVCE Core Choice	254,247	693	23.6%	3.2%	0.0%	67.6%	5.6%
Pico Rivera Innovative Municipal Energy - 2022 Prime Power	211,547	538	40.8%	3.3%	0.0%	50.5%	5.4%
Pacific Gas and Electric Company - Base Plan	30,291,314	56	38.3%	7.6%	4.8%	0.0%	49.3%
Pacific Gas and Electric Company - 50% Solar Choice	31,563	46	67.2%	3.8%	4.3%	0.0%	24.6%
Ava/East Bay Community Energy - Bright Choice	5,076,143	496	49.4%	21.9%	0.0%	28.4%	0.2%
2022 CA Utility Average and Total Retail Sales	243,240,118	430	35.8%	9.2%	36.4%	7.1%	9.2%



Scenarios for Board Consideration



Scenarios for Board Consideration

Attachment Staff Report Item 15B

Scenario 0 – Do Not Accept Nuclear

- Continue towards 2030 Renewable Energy (RE) and Carbon Free (CF) targets

Scenario 1 – Accept Nuclear

- No change to 2030 RE or CF targets
- Reducing unspecified by 50% in year one

Scenario 2 – Accept Nuclear + Further Reduce Carbon Intensity w/additional large hydro or nuclear

- No change to 2030 RE or CF targets
- Reducing unspecified by 50% in year one
- Buy additional large hydro or nuclear to eliminate unspecified in 2025 (emissions would be from PCC2s only)



Details: Scenario 0 – Do Not Accept Nuclear Allocation

- No financial impact given this is the base case
 - Note that based on energy market volatility and increased demand for renewables staff is evaluating whether an upward rate adjustment of R100 is needed
- Power content follows plan for 2030
- * Indicates board approved procurement changes based on annual budgeting process

	Bright Choice				CA-RPS %
Year	Renewable %	Carbon Free %	Unspecified %	PSDR Emission Factor Estimate	Renewable %
2018	41%	62%	38%	n/a	29%
2019	60%	87%	13%	n/a	31%
2020	40%	55%	45%	591	33%
2021	42%	60%	40%	564	36%
2022	49%*	72%*	28%	496	39%
2023	54%*	76%*	24%*	503*	41%
2024	52%	81%*	19%*	403*	44%
2025	56%	76%	24%	387	47%
2026	60%	81%	19%	315	49%
2027	64%	85%	15%	241	52%
2028	67%	90%	10%	163	55%
2029	71%	95%	5%	83	57%
2030	75%	100%	0%	-	60%



Details: Scenario 1 – Accept Nuclear Allocation

General

- No change to Renewable Energy (RE) or Carbon-Free (CF) targets
- Reducing unspecified by 50% in year one
- Nuclear reduces unspecified first and then offsets hydro needs starting in 2028

Financial

	2025	2026	2027	2028	2029	2030
Potential savings on hydro	-	-	-	\$1,012,292	\$6,501,359	\$12,349,779

Power Content

Bright Choice Power Content (estimated)	2025	2026	2027	2028	2029	2030
Renewable Energy	56%	60%	64%	67%	71%	75%
Large Hydro	20%	21%	21%	22%	18%	15%
Nuclear	12%	11%	11%	11%	11%	10%
Unspecified	12%	8%	4%	0%	0%	0%
GHG Emissions	345	257	178	96	49	0
<i>Reference: Current Plan Unspecified</i>	<i>24%</i>	<i>19%</i>	<i>15%</i>	<i>10%</i>	<i>5%</i>	<i>0%</i>



Details: Scenario 2 – Accept Nuclear Allocation + PCC2

Attachment Staff Report Item 15B

General

- No change to RE or CF targets; Reduce unspecified first, then offsets hydro needs starting in 2028
- Buy additional large hydro or nuclear to eliminate unspecified in 2025 (emissions would be from PCC2s only)

Financial

	2025	2026	2027	2028	2029	2030
Potential savings on hydro	-	-	-	\$1,518,438	\$9,752,039	\$18,524,669
Cost for add'l nuclear (\$10)	\$6,218,546	\$4,021,061	\$2,083,163			
Cost of add'l large hydro (\$30)	\$18,655,637	\$12,063,182	\$6,249,488			

Power Content

Bright Choice Power Content (estimated)	2025	2026	2027	2028	2029	2030
Renewable Energy	56%	60%	64%	67%	71%	75%
Large Hydro	20%	21%	21%	22%	18%	15%
Nuclear	12%	11%	11%	11%	11%	10%
Add'l Hydro or Nuclear	12%	8%	4%	0%	0%	0%
Unspecified	0%	0%	0%	0%	0%	0%
GHG Emissions	230	187	143	96	49	0
<i>Reference: Current Plan Unspecified</i>	<i>24%</i>	<i>19%</i>	<i>15%</i>	<i>10%</i>	<i>5%</i>	<i>0%</i>



Scenario Summary

Scenario	2025 Financial Impact	Unspecified Power Target
Scenario 0 – no nuclear	No incremental cost or savings	24%
Scenario 1 – accept nuclear	No cost, future savings	12%
Scenario 2 – nuclear + PCC2	Cost of \$6M-\$19M	0%



2025 Bright Choice Estimated Power Content by Scenario

2025 Bright Choice Power Content (estimated)	Scenario 0*	Scenario 1	Scenario 2
Renewable Energy	56%	56%	56%
Large Hydro	20%	20%	20%
Nuclear	0%	12%	12%
Additional Hydro or Nuclear	0%	0%	12%
Unspecified	24%	12%	0%
GHG Emissions	387	345	230

*Based on current 2025 target in the plan to meet the 2030 Carbon-Free Goal



Questions?

Additional Resources:

1. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M521/K496/521496276.PDF>
2. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB846
3. <https://www.pge.com/assets/pge/docs/about/pge-systems/seismic-assessment.pdf>
4. <https://www.ddisc.org/>
5. <https://www.ddisc.org/annual-reports/>





Adrian Bankhead <abankhead@avaenergy.org>

Public Comment for Executive Board Meeting, May 1, 2024

Audrey Ichinose <aichinose@gmail.com>

Wed, May 1, 2024 at 10:35 AM

To: Adrian Bankhead <abankhead@ebce.org>

Cc: Jessica Tovar <jessica@localcleanenergy.org>, Barbara Stebbins <bstebbins14@gmail.com>

Hi, Adrian.

I could not connect via Zoom with the information provided in the meeting announcement sent via email or at the Ava website.

So could you please circulate the following comment I had hoped to make to the members of the Board, CAC and staff?

Thank you very much!

Audrey Ichinose

To: Executive Board, Ava Community Energy

From: Audrey Ichinose, East Bay Clean Power Alliance (EBCPA)
California Alliance for Community Energy (CACE)

Re: Increasing Ava's investment in community-based **Resilience Hubs**

Thank you for the chance to comment.

A significant event will soon take place that has significant implications for Ava's support of community **Resilience Hubs** in its service area.

On May 13 workers will begin taking down the Iron Gate Dam on the Klamath River in northeast CA, the largest and southernmost of the four hydroelectric dams slated for removal from the river. As many of you know, the dam was owned by Pacificorp, an entity controlled by Berkshire Hathaway. Two factors brought about the dam's removal, according to SFChronicle reporting:

- Pacificorp decided that the dam was too costly to operate.
- And a large coalition of Indigenous tribes, farmers, fishermen and environmentalists strongly supported it. The dam greatly harmed the salmon population and did not provide water for drinking or farming for communities along the river.

It seems remote from us, but the dam's removal has relevance for the **Resilience Hubs** we have proposed for our underserved and disadvantaged communities:

- Like the dam removal, Resilience Hubs cannot be just a temporary response to climate change. We know that climate change is here to stay and that long-lasting changes are needed.
- Like the coalition that supported dam removal, Resilience Hubs are a meaningful way to restore and rebuild our fragmented, disadvantaged communities.

The second significance of the Iron Gate Dam removal for us is that **Resilience Hubs won't be cheap**. It will require substantial investment over a number of years. Ava Community Energy thus needs to be thinking in terms of millions of dollars. Given the agency's continued budgetary success, the suggestion of \$15mil from the current surplus seems appropriate.

Thank you very much.

(For SF Chronicle reporting: <https://www.sfchronicle.com/california/article/klamath-dam-removal-19431558.php>)

Ava Community Energy Board Members, Community Advisory Committee + Alternates,

58 people have signed a petition on Action Network telling you to _Keep Ava Community Energy from accepting PG&E's Nuclear Energy!.

Here is the petition they signed:

Ava Community Energy (formerly East Bay Community Energy - EBCE) has promised us the power to choose cleaner energy and local investments. Nuclear energy is a distraction and disinvestment from true renewable energy. We urge you to take action by upholding the decision from April 2020 by voting against accepting PG&E's Diablo Canyon nuclear energy in Ava Community Energy.

Vote for "Scenario 0 – Do not accept nuclear!"

You can view each petition signer and the comments they left you below.

Thank you,

East Bay Clean Power Alliance (EBCPA)

1. Ann Harvey (*ZIP code: 94609*)

Nuclear energy is not renewable, safe, sustainable, or clean.

2. Aaron Lehmer (*ZIP code: 94611*)

3. Adan Deeb (*ZIP code: 94121*)

4. Adele Watts (*ZIP code: 94605*)

5. Alice Madden (*ZIP code: 55407*)

6. Ashly (*ZIP code: 94608*)

7. Ayla Peters (*ZIP code: 94607*)

8. Barbara Stebbins (*ZIP code: 94702*)

9. Beth Weinberger (*ZIP code: 94619*)

10. Sheela Shankar (*ZIP code: 94710*)

11. Briseida Ayala (ZIP code: 94544)

12. Marty Brown (ZIP code: 93422)

Go with clean energy providers. Nuclear is not clean and it is dangerous. The waste lasts forever.

13. Colin Cook-Miller (ZIP code: 94610)

Yes to Resilience, No to Nuclear!

14. Craig Ickler (ZIP code: 44120)

15. Ceyda Durmaz Dogan (ZIP code: 06901)

16. Elsa Wefes-Potter (ZIP code: 94609)

17. Emily Johnston (ZIP code: 98112)

18. Ernest Pacheco (ZIP code: 94544)

19. Elizabeth Ferguson (ZIP code: 94708)

Nuclear energy is never a good choice. It's selling out our children and grandchildren's health (not to mention putting our entire ecosystem at risk).

20. Maryam Tahmasebi (ZIP code: 91364)

We don't want nuclear power in CA

21. Gopal Shanker (ZIP code: 94558)

22. Steve Ongerth (ZIP code: 94801)

23. Spencer Veale (ZIP code: 94612)

24. Julie Mansfield-Wells (ZIP code: 93402)

Nuclear is NOT clean energy. It is dirty, dangerous and expensive. Please do not accept nuclear power--it must be phased out and Diablo Canyon NPP must shut down at the end of their current license.

25. Jane Swanson (ZIP code: 93401)

San Luis Obispo Mothers for Peace strongly agrees with the positions in this petition. Keep PG&E's dangerous nuclear energy out of Ava Community Energy's program!

26. Julie Ann Wireman (ZIP code: 93442-2603)

Please do not contribute to the poisoning of San Luis Obispo county & my long time home, with continuing nuclear power from Diablo Canyon!

27. Jerry Rivers (*ZIP code: 11575*)

28. Jennifer Tanner (*ZIP code: 90036*)

29. Jean Merrigan (*ZIP code: 95641*)

30. John Smigelski (*ZIP code: 93405*)
you should be better than this.

31. Julian Nesbitt (*ZIP code: 94605*)

32. June Brashares (*ZIP code: 95472-5315*)

33. Jill ZamEk (*ZIP code: 93420*)
Nuclear energy is dirty and dangerous.

34. Kara Brodfuehrer (*ZIP code: 94601*)

35. Karl Young (*ZIP code: 95445*)

36. Kyle Crider (*ZIP code: 35080*)

37. Robin Latham (*ZIP code: 95472*)
NUkes and nuclear energy put us all at greater risk. Clean power now and if climate change or some nuclear disaster does not kill us hopefully we can live we clean energy into the future for our descendants.

38. Linda Seeley (*ZIP code: 93402*)
Nuclear power is dirty, dangerous, and expensive. No Community Choice energy program should accept it as part of its portfolio!

39. Liz Veazey (*ZIP code: 68132*)

40. Constance McKnight (*ZIP code: 94606*)
Nuclear energy is definitely not clean energy! We need to transition to a healthier environment, not focus on making money and creating new problems for our descendants. Nuclear energy is a inferior choice for many reasons, and we should not be promoting it, when we should be using our time and financial resources to transition as quickly as possible to the best alternatives.

41. Lauren De Arman (*ZIP code: 94611*)

42. Margaret Lewis (*ZIP code: 94619*)

43. Maria Stamas (*ZIP code: 94610*)

As an Oakland resident, customer/member of Ava Energy, and an energy justice attorney, I strongly oppose purchasing energy from PG&E's Diablo Canyon.

44. Miguel Morales (ZIP code: 94612)

This is sick! When's it gonna click?!

We said "NO!" in 2020, and your lazy governance refuses to understand no means no!

Nuclear is an irresponsible and grossly short-sided poison!

No more toxic decisions cosplaying as solutions benefiting special interests, and deliver on your stale promises: WE NEED CLEAN ENERGY NOT A LAZY REBRAND!!

45. Mina Fardeen (ZIP code: 94117)

46. Nahal Ipakchi (ZIP code: 94702)

47. Naima Sudjian-Carlisle (ZIP code: 94805)

48. Robert Gould (ZIP code: 94114)

Supporting this petition as President of San Francisco Bay Physicians for Social Responsibility, representing hundreds of health professionals in SF Bay Area

49. Hernando Sanchez (ZIP code: 94502)

50. Susan Bassein (ZIP code: 94704)

Nuclear is not clean, renewable energy and I do not want it injected into the Renewable 100 that I pay for.

51. Susan Schacher (ZIP code: 94619)

52. Zoria Temple (ZIP code: 94536)

Do not accept energy from PG &E!!!

53. Timothy DenHerder-Thomas (ZIP code: 55407)

54. Paul Smith (ZIP code: 94601)

55. Will Wil (ZIP code: 94710)



Jessica Guadalupe Tovar
339 15th St Suite 208
Oakland, CA 94612
jessica@localcleanenergy.org
415-766-7766

Subject: Item 15: PG&E Nuclear Allocation

Dear Ava Community Energy Board Members, Alternates, Community Advisory Committee and Alternates,

East Bay Clean Power Alliance (EBCPA) and Ava community allies urgently request that the Ava Board of Directors delay making a decision on **Item 15: PG&E Nuclear Allocation**, on the agenda for the Wednesday, May 15 Ava Board meeting.

We make this request because there are several new members on the Ava Board who do not know the history of this item, including the 3 previous attempts by staff to include nuclear in Ava's resource mix. These attempts were defeated largely due to community outcry against the inclusion of nuclear, betraying a commitment made at its genesis to achieve 100% clean, renewable energy.

There are several other arguments to be made in opposition to the staff's proposal, including that accepting an allocation of PG&E's nuclear power is a back-handed bailout of the corporate utility. Because PG&E owns Diablo Canyon Nuclear Power Plant, it must include all the nuclear power it cannot unload to others. That affects their energy resource report by increasing the nuclear proportion and decreasing the renewable energy portion.

Ava Community Energy staff have promoted accepting the nuclear allotments as a boost to Ava Community Energy's financial security, because they are "essentially free." In reality, only the carbon-free label associated with the energy is free. The agency will have to purchase the power at the price of brown power (gas). Additionally, the agency expects multimillion dollar surpluses every year, has acquired an A level credit rating, and has hundreds of millions of dollars in its general reserves and Rate Stabilization Fund. The nuclear allotments ultimately contribute very little in comparison. Furthermore, when the Ava Board previously accepted a nuclear allotment on the condition of selling it to a third party, no buyers could be found. We had warned the agency of this as there was already a precedent set by Pioneer Energy.

Lastly, we want to point out that the agency has just spent millions to rebrand itself as Ava Community Energy. It would be a shame to tarnish that re-branding with the red mark of including PG&E's nuclear energy. Berkeley, Oakland and Hayward cities all include "nuclear-free" in their descriptions and several cities are under Renewable 100 at a premium price.

The community has made it clear in 2020, several times, that we do not want greenwashed nuclear energy in Ava Community Energy's resource mix. Given that this issue is being rushed by staff, we urge the Board to give more time to consider this critical issue.

Sincerely,

Jessica Guadalupe Tovar, East Bay Clean Power Alliance