Board of Directors Meeting

Wednesday, May 15, 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:

- **Alternate Member Tam (Alameda County)** – 1221 Oak Street, Oakland, CA 94612
- **Member Bartlett (Berkeley)** – Wells Fargo Building - 2140 Shattuck Avenue, Floor 6, Berkeley, CA 94704
- **Member Kaur (Emeryville)** – Clipper Club - 5 Captain Dr. Emeryville, CA 94608
- **Member Hu (Dublin)** – Dublin City Hall - 100 Civic Plaza, Dublin, CA 94568
- **Member Cox (Fremont)** – Conference Room - Irvington Community Center 41885 Blacow Rd. Fremont, CA 94538
- **Member Bedolla (Tracy)** – 1755 Harvest Landing Lane, Tracy, CA 95376
- **Alternate Member Sakakihara (Union City)** – Business Center, Courtyard Fort Worth 1-30 West Near NAS JRB, 6530 West Freeway, Fort Wroth, TX 76116
- **CAC Chair Hernandez** – 1743 140th Avenue, San Leandro CA
- **CAC Vice-Chair Souza** – 24027 Wilcox Ln, Hayward, CA 94541

Via Zoom:
https://ebce-org.zoom.us/j/87023071843
Dial(for higher quality, dial a number based on your current location): US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or +1 301 715 8592 or 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)
Webinar ID: 870 2307 1843

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 Board of Directors, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

2. Pledge of Allegiance

3. Public Comment
This item is reserved for persons wishing to address the Board 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 Board are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Board Chair may increase or decrease the time allotted to each speaker.

CONSENT AGENDA

4. Approval of Minutes from April 17, 2024

5. Contracts Entered into (Informational Item)

6. Auditor Contract Amendment
Approve an amendment to extend the auditor contract

7. Community Innovation Grant Agreements
Authorize CEO to negotiate and execute grant agreements with Rising Sun and AGAPE for early workforce training

8. BlocPower Loan Amendment
Approve a First Amendment to the Amended and Restated Loan Agreement

9. Approval of reimbursement for scheduling coordinator function in the MRP Pacifica Marketing, LLC agreement
Approval for Ava to reimburse contract counterparty

REGULAR AGENDA

10. CEO Report

11. CAC Chair Report.

12. Legislative Update (Action Item)
Update on recommended bill positions and Ava's Legislative Program, and vote on bill positions

13. Draft Budget Review (Informational Item)
Review the draft budget for the 2024-2025 fiscal year

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

15. PG&E Nuclear Allocation (Action Item)
Action item on 2025-2030 PG&E Nuclear allocation

16. Board Member and Staff Announcements including requests to place items on future Board agendas

17. Closed Session Public Comment

18. Closed Session
A. Public Employee Appointment pursuant to Code § 54957(b)(1)): Chief Executive Officer.

19. General Report Out of Closed Session

20. Adjourn

The next Board of Directors meeting will be held on Wednesday, June 12, 2024 at 6:00 pm.

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

Draft Minutes

Board of Directors Meeting

Wednesday, April 17, 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 Cox – Conference Room - Irvington Community Center 41885 Blacow Rd. Fremont, CA 94538
- Member Bedolla – 1755 Harvest Landing Lane, Tracy, CA 95376
- Member Patino – Hyatt Regency Sacramento (Lobby), 1209 L St, Sacramento, CA 95814
- CAC Chair Hernandez – 1743 140th Avenue, San Leandro CA 94578

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

1. **Welcome & Roll Call**
Present: Directors: Marquez (Alameda County), Hu (Dublin), Cox (Fremont), Roche (Hayward), Diallo (Lathrop), Jorgens (Newark), Kalb (Oakland), Andersen (Piedmont), Wright (Stockton), Bedolla (Tracy), CAC Chair Hernandez (Community Advisory Committee), Vice-Chair Tiedemann (Albany) and Chair Balch (Pleasanton)

Not Present: Directors: Bartlett (Berkeley), Kaur (Emeryville), Barrientos (Livermore), Gonzalez (San Leandro) and Patino (Union City).

2. **Pledge of Allegiance**
Member Cox led the body in reciting the Pledge of Allegiance.

3. **Public Comment**
This item is reserved for persons wishing to address the Board 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 Board are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Board Chair may increase or decrease the time allotted to each speaker.

(4:44) Public Comment – Jessica Tovar, representing the local Clean Energy Alliance and East Bay Clean Power Alliance, requested that Ava Community Energy provide $15 million towards resilience hub organizing. She spoke about the importance of planning for resilience in the face of climate change and urged Ava Community Energy to allocate resources to support community resilience efforts.

4. **Closed Session Public Comment**
There was no public comment for the closed session.

5. **(7:15) Closed Session**
A. Public Employee Appointment pursuant to Code § 54957(b)(1)): Chief Executive Officer.

6. **General Report Out of Closed Session**
There were no items to report out of closed session.

CONSENT AGENDA

7. **Approval of Minutes from March 20, 2024**

8. **Contracts Entered into (Informational Item)**

9. **Alpaugh RA Agreement Amendment**
Amendment to update the COD Date

10. **Low Carbon Fuel Standard Credit Broker Contract**
New CSA with LCFS Broker

11. Treasurer's Report
Report on Ava's Cash Position

12. Adapt2 Contract Extension
New CSA with current Deal Capture & Contract Management Software provider over $100,000

(42:37) Member Marquez motioned to approve the consent agenda. Vice-Chair Tiedemann seconded the motion, which was approved 11/0/0/0/6:
Yes: Members Marquez, Hu, Cox, Roche, Jorgens, Kalb, Andersen, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch
No: none
Abstain: none
Recuse: none
Not Present: Members Bartlett, Kaur, Diallo, Barrientos, Gonzalez, and Patino

REGULAR AGENDA

13. (44:41) CEO Report

CEO Nick Chaset welcomed three new colleagues: Orest Sulak, the Distributed Energy Resources Associate, Christina Chuk, Ava's first in-house designer, and Gabriel Head, the CAISO Day Ahead Manager. CEO Chaset also mentioned that there was no Executive Committee meeting in April, and that the next Executive Committee will be held on May 1.

14. (46:46) CAC Chair Report

CAC Chair Hernandez welcomed the new CAC members**:**

Member Indira Balkissoon (North)
Alternate Member Peter Weiner (North)
Member Pete Stephenson (East)
Alternate Member Jill Gile (East)
Alternate Member Rachel DiFranco (Central)
Member Davis Harper (San Joaquin County)

CAC Chair Hernandez also discussed public comments regarding PG&E's nuclear allocation item, which will be discussed further in May. Chair Hernandez stated that with the CAC recommending delaying approval and expressed opposition to accepting the nuclear allocation. Chair Hernandez also stated that the CAC also expressed support for the Solar Billing Plan, the Direct Current Fast Charging initiative, and the Health-e Communities contract. He stated that the CAC had requested additional information about supplier diversity in relation to disadvantaged and diverse suppliers, and about incentives for rooftop solar to offset the detrimental effects of net billing tariffs.

15. Investment Policy (Action Item)
Approve the proposed investment policy for treasury management

(49:27) Jason Bartlett, Senior Finance Manager at Ava Community Energy, presented a resolution to adopt Ava's investment policy. He outlined the need for the policy due to Ava holding substantial cash and cash equivalents. Jason stated that these funds, totaling approximately $331 million, are currently in low-interest accounts with strict governance. The proposed policy, developed with PFM Asset Managers, would allow Ava to invest prudently while prioritizing safety and liquidity.

(56:19) Member Kalb motioned to approve staff's recommendation. Member Roche seconded the motion, which was approved 11/0/0/0/6:
Yes: Members Marquez, Hu, Cox, Roche, Jorgens, Kalb, Andersen, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch
No: none
Abstain: none
Recuse: none
Not Present: Members Bartlett, Kaur, Diallo, Barrientos, Gonzalez, and Patino

Please note that the agenda has been reordered. Item 19, "Direct Current Fast Charging Marketing Partner Contract" was heard after Items 15," Investment Policy".

Chair Balch noted that there is a clerical error in the agenda packet – Item 16 "Income Graduated Fixed Charge" is mis-labeled as Item 21 in the agenda packet.

Chair Balch further noted that Item 18. "Solar and Storage Incentive Program" would be heard prior to Item 17 "Ava Solar Billing Plan".

16. Income Graduated Fixed Charge (Informational Item)
Informational briefing on the Income Graduated Fixed Charge

(1:04:34) Todd Edmister introduced the Income Graduated Fixed Charge (IGFC), explaining its role in redistributing electricity costs based on income to promote fairer energy prices and potentially increase overall electricity usage as part of a shift toward cleaner energy sources. **Michael Quiroz** detailed how the IGFC would affect Ava's customers, showing that while the charge would not increase total utility costs, it would shift more financial responsibility to higher income consumers and potentially lower bills for lower income consumers.

(1:16:11) Member Andersen expressed concern that promoting higher electricity consumption could detract from energy conservation efforts. **Todd Edmister** responded that the aim of the policy is to promote beneficial electrification—increasing electricity use where it can replace more polluting forms of energy usage.

(1:19:56) Member Roche asked whether Ava could offer incentives to encourage continued energy efficiency among its customers. **Todd Edmister** explained that upcoming actions would likely be tied to legislative proposals such as AB 1999, and Ava's role would be to decide whether to support or oppose such measures. **CEO Chaset** added that Ava could also engage in outreach to ensure that programs like CARE and FERA are fully utilized by eligible customers.

(1:24:08) Chair Balch raised concerns about how the inclusion of more customers from hotter areas like San Joaquin County could affect the impact assessments of the IGFC. He also spoke about the sensitivity of his constituents to rate changes and stressed the need for clear communication about potential increases in customer bills.

17. Ava Solar Billing Plan (Action Item)
Vote on Ava's Solar Billing Plan proposal

(2:02:02) Kelly Brezovec presented the Ava Solar Billing Plan. She detailed how the plan adjusts compensation for exported energy to better reflect its market value. Kelly also outlined additional incentives under the plan for residential and low-income customers, and she discussed the need to educate customers about these changes through improved communications and customer service training.

(2:16:22) Public Comment – Emily Ross from the Reclaim Our Power Utility Justice Campaign urged Board members to postpone their decision on the proposed solar billing plan, stating that the plan would exacerbate clean energy access inequities for low-income communities of color. She argued that the funds could be better utilized directly for installations rather than through credits.

(2:18:15) Public Comment – Jessica Tovar suggested that the $8.4 million allocated for solar incentives would be more beneficially used for direct installation of solar systems, especially for low-income individuals who currently lack such systems.

(2:20:03) Public Comment – Crystal Hong from People Power Cooperative spoke in favor of reallocating funds to direct solar installations for low-income residents to ensure they benefit from clean energy. Ms. Hong also advocated for combining Ava's solar billing plan with the Soma program.

(2:21:32) CAC Chair Hernandez stated that the Community Advisory Committee recommended that Ava reinvest the savings from the new solar billing plan into the community. He suggested using these funds to support the installation of solar systems for 500 homes at no cost to the homeowners.

(2:28:56) Member Roche motioned to approve staff's recommendation. Member Andersen seconded the motion, which was approved 11/0/0/0/6:
Yes: Members Marquez, Hu, Cox, Roche, Jorgens, Kalb, Andersen, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch
No: none
Abstain: none
Recuse: none
Not Present: Members Bartlett, Kaur, Diallo, Barrientos, Gonzalez, and Patino

18. Solar and Storage Incentive Program (Informational Item)
Plan for forecasted 2023-2024 surplus revenue previously allocated via Board Resolution toward solar and storage programs

(1:29:45) Andy McElroy introduced Ava Energy's Solar and Storage Incentive Program, which aims to allocate approximately $20 million—40% of a budget surplus—towards encouraging solar and battery installations among Ava's customers. The program plans to offer upfront incentives and ongoing performance payments over a ten-year period, with significant support targeted towards CARE/FERA customers and resilience hubs.

(1:42:09) Member Kalb asked why incentives are provided to people who already have batteries. **JP Ross** responded that the incentives are linked to the solar billing plan, not to previous net metering schemes. For those already with batteries, they could be eligible for ongoing incentives.

(1:43:48) Chair Balch asked about using the DERMS (Distributed Energy Resource Management System) to control battery discharging and charging, particularly in emergency scenarios where parts of the grid might be down. **JP Ross** clarified that while it is indeed feasible to manage batteries this way, safety protocols strictly limit the ability to export power into the grid during outages to protect line workers. Batteries in homes would operate in "island mode" for the homeowner's use only during such events.

(1:50:44) Public Comment – Bradley Cleveland spoke in support of the Solar and Storage Incentive Program, stating that the program is needed to maintain a vibrant market for local clean energy.

(1:53:10) Public Comment – Ayla Peters Paz from Local Clean Energy Alliance spoke in support for a greater emphasis on direct solar installations rather than battery storage.

(1:54:50) Public Comment – Jessica Tovar argued that incentivizing battery storage when many don't have solar systems is inefficient and perpetuates barriers.

(1:57:17) Public Comment – Chris Wang, representing People Power Solar Cooperative, spoke in support of Jessica Tovar's public comment.

(1:58:11) Public Comment – Brad Heavner, the policy director of the California Solar and Storage Association, spoke in strong support for the incentive program for energy storage. He highlighted the program's importance to maintaining a robust market for local clean energy amid the challenges posed by the transition from net metering to net billing.

19. Direct Current Fast Charging Marketing Partner Contract (Action Item)
New contract over $100k for development and execution of DCFC Awareness and Demand Generating Campaigns

(59:18) CEO Chaset and **Theresa McDermit** discussed Ava's contract for marketing support related to its director current fast charging network. They outlined a plan to partner with True Nord to promote awareness and usage of upcoming charging stations, beginning with Oakland City Center.

<u>**(1:02:27) Member Wright motioned to approve the staff's recommendation. Member Cox seconded the motion, which was approved 11/0/0/0/6:**</u>
<u>**Yes: Members Marquez, Hu, Cox, Roche, Jorgens, Kalb, Andersen, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch**</u>
<u>**No: none**</u>

<u>Abstain: none</u>
<u>Recuse: none</u>
<u>Not Present: Members Bartlett, Kaur, Diallo, Barrientos, Gonzalez, and Patino</u>

20. Health-e Communities Contract (Action Item)
New contract over $100k for direct installation of induction stoves for first 200 homes in pilot

(2:38:38) Dan Bertoldi presented a proposal for the Health-e Communities program, focusing on the direct installation of induction stoves for income-qualified customers as part of a pilot program aimed at enhancing indoor air quality and health.

(2:45:23) Member Cox asked about the responsibilities for the installation of stoves, particularly around tenant permissions and landlord involvement. She also asked about the possibility of providing credits or reduced costs for installation. Staff confirmed that renters would need landlord approval, and most installation costs would be covered by the program, not the tenants. Staff also explained that the scale of the jobs did not necessarily require union labor but confirmed that prevailing wages would be paid.

(2:53:31) CAC Chair Hernandez expressed concerns about how participants for the induction stove installation program would be selected, including considerations for health reasons, location, and income level. He also asked about the details of the data collection regarding indoor air quality pre- and post-installation. Staff responded by detailing the process of data collection, which would involve installing air quality monitoring devices a week before and after the stove installation to measure air quality changes.

(2:56:39) Chair Balch questioned the scalability of the induction stove installation program, noting the high cost per home and its feasibility on a larger scale. Staff responded by indicating that the pilot would provide crucial learning about customer acquisition and actual installation costs.

(3:00:39) Public Comment – Aya Peters Paz from the Local Clean Energy Alliance expressed concern about the selection of an out-of-state company for the project and asked for more information about the selection criteria.

(3:02:48) In response, **CEO Chaset** explained that Franklin Energy was chosen because it was the only bidder capable of fully fulfilling the 200-project requirement, and while another local contractor was considered, they could not meet the full scope and opted not to participate further.

<u>(3:04:22) Member Roche motioned to approve staff's recommendation. Member Marquez seconded the motion, which was approved 11/0/0/0/6:</u>
<u>Yes: Members Marquez, Hu, Cox, Roche, Jorgens, Kalb, Andersen, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch</u>
<u>No: none</u>

Abstain: none
Recuse: none
Not Present: Members Bartlett, Kaur, Diallo, Barrientos, Gonzalez, and Patino

21. **(3:07:15) Cedar 1 Long-Term Contract Approval (Action Item)**
Approval of long-term solar+storage offtake agreement with Cedar 1.

(3:09:35) Member Tiedemann motioned to approve the staff's recommendation. Member Cox seconded the motion, which was approved 11/0/0/0/6:
Yes: Members Marquez, Hu, Cox, Roche, Jorgens, Kalb, Andersen, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch
No: none
Abstain: none
Recuse: none
Not Present: Members Bartlett, Kaur, Diallo, Barrientos, Gonzalez, and Patino

22. **PG&E Nuclear Allocation (Informational Item)**
Informational item on 2025-2030 PG&E Nuclear allocation

(3:10:36) CEO Chaset discussed revisiting the decision to accept a nuclear allocation from Diablo Canyon, which has had its operation extended to 2030. He explained that nuclear power is a zero-carbon resource that could help meet clean energy goals more cost-effectively, given the rising costs of renewable energy credits and hydroelectric power. CEO Chaset presented three scenarios, emphasizing that accepting the nuclear allocation would not alter the plant's operation or increase liabilities but would impact how emissions are accounted for and potentially reduce costs.

(3:23:54) Member Roche asked if the goal to reach 0% unspecified sources by 2030 in scenario one and by 2025 in scenario two would still allow for adequate procurement of other resources once Diablo Canyon closes in 2030. She also asked if there would be an extension beyond 2030 if the plant's operation continued.

(3:24:28) CEO Chaset responded affirming that regardless of accepting the nuclear allocation, Ava Community Energy would continue progressing towards 100% carbon-free by 2030. He noted that accepting the nuclear allocation would not affect their plans for acquiring new clean energy resources.

(3:25:36) Member Marquez sought clarification on whether staff needed consensus on which scenario to pursue or if they could bring multiple scenarios for decision at the next meeting. **CEO Chaset** clarified that consensus was not necessary at this stage; the objective is to decide whether to bring the item back for action..

(3:30:12) Member Andersen asked if the mix of unspecified sources in Ava's current power content label could include natural gas or nuclear. **CEO Chaset** explained that the unspecified sources primarily carry the emission profile of natural gas and are not specifically tied to any one source of power. This category is a default classification for power that is not otherwise specified by any particular generating facility.

(3:31:25) Member Cox asked if there would be any responsibility on Ava's part regarding maintenance or potential health risks associated with nuclear power.
CEO Chaset reassured that there would be no responsibility or costs related to maintenance as Ava would only be accepting an allocation of power, not taking over any operational duties. He acknowledged the need for further information on potential radiation and health risks and committed to providing detailed safety assessments.

(3:36:10) Public Comment – Cynthia Landry spoke in opposition to accepting the nuclear allocation and urged Ava Community Energy to continue to focus on procuring renewable energy sources like wind and solar.

(3:38:40) Public Comment – Jessica Tovar spoke in opposition to accepting the nuclear allocation, citing the community's historical opposition to accepting nuclear energy from PG&E.

(3:40:51) Public Comment – Emi Yoko-Young, speaking for the Reclaim Our Power Utility Justice Campaign, spoke in opposition to extending the operation of Diablo Canyon Nuclear Power Plant due to the discovery of nearby earthquake faults and the risks they pose.

(3:41:44) Public Comment – Crystal Wong, representing People Power Solar Cooperative, urged the board to reject nuclear energy, recalling the community's opposition to including nuclear energy in Ava's resource mix.

(3:43:02) CAC Chair Hernandez stated that the CAC had not heard the nuclear item yet, but that the body recommended that the Board engage in further discussion prior to approving the procurement of nuclear power.

(3:44:04) Vice-Chair Tiedemann spoke in support of reevaluating the use of nuclear energy, citing its benefits for achieving renewable goals and reducing emissions without cost or operational impact to Ava.

(3:47:38) Member Kalb spoke in opposition to accepting nuclear energy. He requested that when the issue is revisited, that staff should include updated information on the positions and actions of other community choice aggregators in Northern California..

(3:50:04) Chair Balch spoke about the importance of considering all options due to the current price sensitivity in the energy market. He expressed an open-minded approach to the decision-making process regarding nuclear energy.

23. Update of CEO Search Process (Informational Item)
Approve job description and provide direction on recruitment process

(3:50:47) Vice-Chair Tiedemann provided an update on the CEO search process. He stated that John Tedesco and Associates had been hired as the executive search firm, with a timeline set for having applications by early May and beginning interviews by early June, targeting a start date for the new CEO on July 15th.

24. (3:53:36) Board Member and Staff Announcements including requests to place items on future Board agendas

- **Member Marquez** asked for the Executive Committee to consider developing metrics for how to measure and address equity concerns effectively.

- **Member Kalb** asked for staff to provide advance notice of their participation in events and fairs so that board members can publicize these activities in their respective cities.

25. Adjourned at 9:55 pm.

The next Board of Directors meeting will be held on Wednesday, May 15, 2024 at 6:00 pm.

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

Consent Item 5

TO: Ava Community Energy Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: **Contracts Entered Into**

DATE: May 15, 2024

RECOMMENDATION

Accept the CEO's report on contracts that Ava Community Energy has entered into, as required by the Administrative Procurement Policy, from April 11, 2024, through May 7, 2024;

C-2024-030 Hootsuite Authorization Form, for Software as Service Hootsuite Business Plan Package, and cost will be $11,992.55 through April 30, 2025.

C-2024-031 Corporate Games, Inc. Event/Service Agreement for team building event on May 9, 2024, in Oakland, CA with a cost between $1,950-$2,100, with a $1,000 deposit.

C-2024-032 Kyle Winslow Consulting Services Agreement (CSA), provides electric bike (e-bike) program consultation services to Ava, effective April 17, 2023, through July 10, 2024, with a maximum compensation of $50,000.

C-2024-033 Weather Source Service Order, for annual subscription total cost not to exceed $9,183, for a subscription of high-resolution weather data to assist Ava in energy modeling.

C-2024-034 City of San Leandro First Amendment to Charging Station Master Site License Agreement, amends to reflect Ava's name change, update Ava's address, add language regarding public disclosure under California Public Records Act, and update specific requirements related to operation and maintenance.

C-2024-035 Sacramento Municipal Utility District (SMUD) Amendment 27 to Exhibit A, Task Order 2, amended Section 1, Scope of Work (SOW), to provide annual NEM Multiple SAID Webform confirmation, and Section 6.5, Optional Service Fees.

C-2024-036 Sacramento Municipal Utility District (SMUD) Amendment 28 to Exhibit A, Task Order 2, amended Section 1, Scope of Work (SOW), to provide CAPP 1.0 Audit, and Section 6.5, Optional Service Fees, to include Data Analysis.

C-2024-037 Sacramento Municipal Utility District (SMUD) Amendment 29 to Exhibit A, Task Order 2, amended Section 1, Scope of Work (SOW), to provide updates to NEM True-Up Option Selection webpage, and Section 6.5, Optional Service Fees.

C-2024-038 Hall Energy Law Fourth Amendment to the CSA, added an additional $75,000 for fiscal year 2023/2024, with a maximum compensation not-to-exceed $325,000.

C-2024-039 Cameron Cole Third Amendment to the CSA, added $3,910 in additional compensation for a total amount to exceed $19,975, additional services to scope of services to provide for verification of the Air Resources Board Electric Power Entity Report for Emissions Year 2023, and extended the term through December 31, 2024.

C-2024-040 Oakland Ballers Baseball Club LLC Marketing and Sponsorship Contract, provides marketing and sponsorship exposure for the Club's 2024 season, with a cost of $25,000.

C-2024-041 EV Realty Site Sublicense Agreement, provides EV Realty access to and use of Project Site at Oakland City Center West, through City of Oakland license with Ava, to install, own, and operate Electric Vehicle (EV) Charging Systems at the Project Site.

Consent Item 6

TO: Ava Community Energy Authority Board of Directors

FROM: Jason Bartlett, Senior Finance Manager

SUBJECT: **Consulting Services Agreement for Auditor Services**

DATE: May 15, 2024

Recommendation

Approve a Resolution authorizing CEO, in consultation with Ava staff and legal counsel, to negotiate and execute a consulting services agreement with Pisenti & Brinker, LLP, to continue to provide financial audit services for a period of three years with an option to extend an additional three years, for a total period of six years.

Background and Discussion

All quarterly and annual financial statements are generated by our outsourced accounting firm, Maher Accountancy. In accordance with generally accepted accounting principles (GAAP), the annual financial statements undergo a third-party audit.

The audit is conducted after the close of the fiscal year on June 30th and typically ends with the October or November Board meeting, when the finalized Audited Financial Statements are presented by the auditors. Other related items are usually brought to the Board at this time as well, such as allocations to reserve funds and waterfall surplus allocations.

Led by lead audit partner. Brett Bradford, Pisenti & Brinker, LLP (“P&B”) has performed Ava’s annual financial audit for the last six years.

The State of California has specific requirements for auditor rotations. Specifically, Section 12410.6(b) of California Government Code states a local agency must change the lead audit partner at least once every six years[1].

To this end, Ava staff issued a request for proposals ("RFP") in February of 2024 to solicit bids for audit services from qualified CPA firms. Each proposal was reviewed by staff members and processed through a standardized rubric for ranking based on evaluation criteria.

Ava received two strong proposals: one from Baker Tilly and one from P&B. Both proposals scored very high with the evaluation criteria and so both teams were invited to interview with staff. Based on the proposal evaluation and the responses to interview questions, staff makes the recommendation to continue Ava's engagement with P&B for financial audit services.

Ava's legal counsel has reviewed the previously cited code and has confirmed Ava can continue to receive audit services with P&B provided there is a new lead audit partner to replace Brett Bradford. P&B is proposing to assign Kellin Gilbert to replace Brett Bradford as lead audit partner through the engagement. Brett Bradford shall not serve as lead audit partner, coordinating audit partner or review the audit(s).

P&B stood out above Baker Tilly for a number of reasons.

- Depth of CCA experience. While both firms have ample experience in the public utility space, P&B has more specific experience in the CCA space. Aside from Ava, they currently provide audit services for PCE, SVCE, and Sonoma, and they have provided services for 3CE, Pioneer, San Diego Community Power, OCPA, MCE, and Clean Energy Alliance.
- Experience transitioning lead audit partners among multiple CCAs. They have experience in complying with the State code with the rotation of principal partners.
- Established systems and audit processes with Ava currently exist. The systems for establishing audits can be daunting to set up. P&B and Ava already have these in place and documentation trails of key practices, policies, and controls.
- Administration of robust processes that include sampling of bills, not offered by others.

[1] Government Code section 12410.6.(b) indicates that commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013-14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.
https://www.sco.ca.gov/aud_auditor_rotation_requirements.html

- Most competitive fee arrangement. Both firms have modest increases with each year of engagement, P&B's was slightly lower and did not include additional administrative fees.
- Familiarity with Ava's finances. They have audited Ava's transactions for the last six years and have worked with Maher Accountancy in an efficient manner.
- P&B is located in Sonoma County and is owned and operated by its principal partners.

For these reasons, staff is recommending a continued engagement with P&B for an additional three years with the option for staff to renew the contract for up to an additional three years, for a total period not to exceed six years.

Fiscal Impact

The financial impact in each fiscal year is as follows:

- FY 2024-2025: $28,000
- FY 2025-2026: $29,000
- FY 2026-2027: $30,000
- FY 2027-2028: $32,500 (Optional)
- FY 2028-2029: $34,500 (Optional)
- FY 2029-2030: $37,000 (Optional)

For a total not to exceed of $191,000.

Committee Recommendation

The Finance, Administrative, & Procurement Subcommittee has reviewed this item and has approved this matter to come to the Board for a vote.

Attachments

A. Resolution to Authorize the CEO to Negotiate and Execute a Consulting Services Agreement with Pisenti & Brinker for Auditor Services
B. Presentation

RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

OF AVA COMMUNITY ENERGY AUTHORITY TO AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONSULTING SERVICES AGREEMENT WITH PISENTI & BRINKER FOR AUDITOR SERVICES

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

WHEREAS Ava Community Energy ("Ava") has contracted with Pisenti & Brinker, LLP ("P&B") for financial auditor services for the past six consecutive years, with Brett Bradford as the lead audit partner.

WHEREAS in February of 2024, Ava conducted a request for proposals ("RFP") for financial auditor services and selected P&B as the highest scoring applicant for auditor services.

WHEREAS Section 12410.6(b) of California Government Code requires local agencies to rotate lead or coordinating audit partners every six consecutive years by either hiring a new firm or selecting a different lead audit partner from the firm to provide current services.

WHEREAS P&B's response to the RFP proposed Kellin Gilbert as lead audit partner to replace Brett Bradford and Brett Bradford shall not serve as lead audit partner, coordinating audit partner or review the audit(s).

WHEREAS Ava wishes to engage with P&B, with Kellin Gilbert as lead audit partner, for financial auditor services for three years, with the option for Ava staff to renew for up to an additional three years, for a period not to exceed six consecutive years.

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

Section 1. In consultation with legal counsel and staff, the CEO is hereby authorized to negotiate and execute a Consulting Services Agreement with Pisenti & Brinker for three years for financial audit services with the option for Ava staff to renew the engagement for up to an additional three years for a period not to exceed six consecutive years.

Section 2. Compensation under this Consulting Services Agreement will be $28,000 for the fiscal year 2023-2024 audit, $29,000 for the fiscal year 2024-2025 audit, $30,000 for the fiscal year 2025-2026 audit, $32,500 for the fiscal year 2026-2027 audit, $34,500 for the fiscal year 2027-2028 audit, and $37,000 for the fiscal year 2028-2029 audit, for a total compensation not to exceed $191,000.

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

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Jack Balch, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

Ava Community Energy

Auditor Consulting Services Agreement

Board of Directors

May 15, 2024

Background & Discussion

- All quarterly and annual financial statements are generated by our accountant firm, Maher Accountancy
- Each fiscal year, Ava has its annual financial statements audited by an external, qualified CPA firm
- The audit officially starts the first business day in July and generally ends with the October or November Board meeting, where the finalized Audited Financial Statements are presented to the Board by the Auditors along with any other related items
- Pisenti & Brinker, LLP (P&B) conducted Ava's first financial audit in 2018 through the most recent audit in 2023, and were chosen by RFP
- Section 12410.6.(b) of California Government Code states a local agency must change the lead audit partner at least once every six years
- Brett Bradford of P&B has been Ava's lead audit partner for the last six consecutive years
- Ava has conducted a new RFP for Auditor Services issued in February of 2024
- P&B's proposal explicitly states Kellin Gilbert as lead audit partner to replace Brett Bradford
- After review of the responding firms, P&B has scored the highest in review and is Staff's recommendation for audit services.

California Government Code

- Section 12410.6.(b) of California Government Code states:

“Government Code section 12410.6.(b) indicates that commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013-14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.”

From the California State Controller Office at https://www.sco.ca.gov/aud_auditor_rotation_requirements.html

Audit Services Request for Proposals

- February of 2024, Ava issued a formal request for proposals (RFP) for auditing services from qualified CPA firms
- Each proposal was reviewed by staff members and processed through a standardized rubric for ranking based on evaluating criteria
- The two best responses:
  - **Baker Tilly**, who conducts audit services for MCE, CPA, NCPA, and SMUD, among many other public utility entities in California and across the nation
  - **Pisenti & Brinker**, who has been Ava's auditor for the last six consecutive years and currently provides audit services for PCE, Sonoma Clean Power, and SVCE, among many other public utility entities in California
- The top two firms were interviewed, and Staff convened to evaluate responses
- Based on the evaluation of the proposals and the responses to interview questions, Staff makes the recommendation to proceed with engaging audit services from Pisenti & Brinker.

Pisenti & Brinker Recommendation

- Pisenti & Brinker's proposal was selected as the best response for a number of reasons
  - Depth of CCA experience
    - P&B provides audit services to the largest number of CCAs. In addition to Ava, this includes Peninsula Clean Energy, Sonoma Clean Power, Silicon Valley Clean Energy, 3CE, Pioneer Community Energy, San Diego Community Power, OCPA, and Clean Energy Alliance. P&B has experience transitioning lead audit partners among multiple CCAs as well.
  - Established Systems and Audit Processes
    - The systems for establishing audits can be daunting to set up. P&B and Ava already have systems in place and documentation trails of key practices, policies, and controls to ensure an efficient audit process, which is needed to meet contractual obligations for timely audit reporting.
    - Of note, there is a regulatory proceeding related to new Financial Security Requirements (FSR) underway that may require 1-2 formal audits annually, so a known audit provider may assist in meeting new regulatory needs
    - P&B administers a robust audit process that includes a sampling of bills, which was not offered by others
  - Most competitive fee arrangement
    - While both firms had similar fees for the first year, and both firms had modest increases with each year of engagement, P&B's fees were lower in each year and Baker Tilly had an additional 3% administrative fee
  - Familiarity with Ava's finances
    - P&B has audited Ava's financial transactions for the last six years and has worked with Maher Accountancy in an efficient manner
  - Firm location, structure, & history
    - P&B has operated out of Sonoma County for the last 65 years and is privately owned and operated by its principal partners. Total of 6 partners and ~90 staff

Recommendation & Committee Guidance

- Staff is recommending to proceed with a continued engagement with P&B for an additional 3-year commitment with the option to renew each year for an additional 3 years for a total term length not to exceed six years
- The total cost for the six years is $191,000
  - FY 2024-2025: $28,000
  - FY 2025-2026: $29,000
  - FY 2026-2027: $30,000
  - FY 2027-2028: $32,500 (Optional)
  - FY 2028-2029: $34,500 (Optional)
  - FY 2029-2030: $37,000 (Optional)

- Staff is requesting approval to continue with P&B audit services under Kellin Gilbert as lead partner
- Next steps:
  - Execute a Consulting Services Agreement with P&B
  - Initiate audit engagement in July

Thank you!

Ava Community Energy

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Social PoweredWithAva

Consent Item 7

TO: Ava Community Energy Authority

FROM: Heidy Ramirez, Local Programs Reporting Analyst

SUBJECT: **Award of Community Investment Grants for Clean Energy Jobs and Training for Youth Awareness and Delegation of Authority to CEO to Enter Into Grant Agreements with Advancing Green Apprenticeship Pathways (AGAPE) Initiative and Rising Sun Center for Opportunity**

DATE: May 15, 2024

Recommendation

Approve recommendation awarding Clean Energy Jobs and Training for Youth Awareness Grants to Advancing Green Apprenticeship Pathways (AGAPE) Initiative ("AGAPE") and Rising Sun Center for Opportunity ("Rising Sun") and authorizing the CEO, in consultation with staff and legal counsel, to negotiate and execute Grant Agreements of $300,000 each with AGAPE and with Rising Sun.

Background and Discussion

The Local Development Business Plan identified the opportunity for Ava to create a Community Investment Fund, as a multi-faceted grant program to accelerate innovative products, services, or programs.

Ava staff completed a community workshop in June of 2023 to solicit ideas for community grants that foster program enrollment, education, awareness, and workforce development. One outcome of the workshop was the need to develop early career pathways into the clean energy sector.

Ava staff developed a request for proposals ("RFP") for local organizations to complete Clean Energy Jobs and Training for Youth Awareness work across the service territory. The RFP was issued in December, and intent to award notifications were sent in April.

Ava received three proposals, which were evaluated by staff using the following criteria:

- Quality of Proposed Plan: Meeting Grant Program Goals (35%)
- Organizational Capacity: Budget & History of Meeting Grant Deliverables (20%)
- Demonstrated Capacity of Delivering: Local Community Benefits (20%)
- Prioritizing Equity Priority Communities (12.5%)
- Ava Energy Special Procurement Preferences (12.5%)

The proposals from AGAPE and Rising Sun were very strong and serve different regions and constituencies within the Ava service territory. Considering the need for this important work and the current funding in the Community Investment Grant budget, staff recommends issuing two grants from this solicitation to the following organizations:

AGAPE:
AGAPE's mission is to bridge the gap between education and employment for young adults aged 15-24, specifically targeting those in at-risk communities. By leveraging the collective expertise of its partners - Cypress Mandela Training Center (Cypress), Revalue.io, Youth Alive!, Berkeley Youth Alternatives, the National Association of Minority Contractors (NAMC), and the Construction Resource Center (CRC), AGAPE will provide hands-on training, mentorship, and real-world project exposure, paving the way for a more inclusive and equitable clean energy transition within our community.

Rising Sun:
Rising Sun will conduct outreach through schools, youth organizations, and other means to recruit Alameda and San Joaquin County youth for summer employment with Climate Careers. The youth will receive training in clean energy, energy efficiency, and climate awareness. They will gain hands-on experience conducting home energy assessments, educating residents, and installing efficiency measures. Then, they will gain additional workplace experience and career exploration through fall green career externships, hosted by partner employers.

<u>Fiscal Impact</u>

The two grants will be $300,000 each for a total of $600,000 from the previously approved Local Development - Community Investment grant budget.

Attachments

A. Rising Sun, Clean Energy Jobs and Training for Youth Awareness Community Investment Grant Resolution
B. AGAPE, Clean Energy Jobs and Training for Youth Awareness Community Investment Grant Resolution

RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

OF AVA COMMUNITY ENERGY AUTHORITY AWARDING A

CLEAN ENERGY JOBS AND TRAINING FOR YOUTH AWARENESS COMMUNITY INVESTMENT GRANT AND AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE A GRANT AGREEMENT WITH RISING SUN

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 Joint Powers Agreement ("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 Ava Board of Directors has approved funding for community investment grants for local community based organizations working on local initiatives that support community development; and

WHEREAS community investment grants are intended to re-invest local development funds and empower communities within Ava's service area; and

WHEREAS Ava issued a Request for Proposals ("RFP") for projects that foster Clean Energy Jobs and Training for Youth Awareness and received a strong, conforming, proposal from Rising Sun Center for Opportunity ("Rising Sun") for the purposes of building career pathways for economic equity and climate resilience through hands-on training and the development of a centralized employee-employer resource database for Rising Sun's students and alumni (ages 18-24), including communities in Stockton and San Joaquin County; and

WHEREAS Ava staff recommends awarding a Clean Energy Jobs and Training for Youth Awareness Community Investment Grant ("Grant") to Rising Sun and Ava staff and Rising Sun have agreed upon the major terms of the Grant and are preparing a Grant Agreement for execution.

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

Section 1. Authorize CEO, in consultation with Ava staff and legal counsel, to negotiate and execute a Grant Agreement and award a Clean Energy Jobs and Training for Youth Awareness Community Investment Grant of $300,000 over three years to Rising Sun Center for Opportunity.

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

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Jack Balch, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

OF AVA COMMUNITY ENERGY AUTHORITY AWARDING A

CLEAN ENERGY JOBS AND TRAINING FOR YOUTH AWARENESS COMMUNITY INVESTMENT GRANT AND AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE A GRANT AGREEMENT WITH AGAPE

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 Joint Powers Agreement ("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 Ava Board of Directors has approved funding for community investment grants for local community based organizations working on local initiatives that support community development; and

WHEREAS Community Investment Grants are intended to re-invest Local Development funds and empower communities within Ava's service area; and

WHEREAS Ava issued a Request for Proposals ("RFP") for projects that foster Clean Energy Jobs and Training for Youth Awareness and received a strong, conforming, proposal from the Advancing Green Apprenticeship Pathways for Efficiency (AGAPE) Initiative ("AGAPE") for the purposes of building career pathways for economic equity and climate resilience among youth (ages 18-24) through experiential learning opportunities and career pathway guidance in the East Bay; and

WHEREAS Ava staff recommends awarding a Clean Energy Jobs and Training for Youth Awareness Community Investment Grant ("Grant") to AGAPE and Ava staff and AGAPE have agreed upon the major terms of the Grant and are preparing a Grant Agreement for execution.

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

Section 1. Authorize CEO, in consultation with Ava staff and legal counsel, to negotiate and execute a Grant Agreement and award for a Clean Energy Jobs and Training for Youth Awareness Community Investment Grant of $300,000 over three years to Advancing Green Apprenticeship Pathways (AGAPE) Initiative.

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

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Jack Balch, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

Consent Item 8

TO: Ava Community Energy Authority

FROM: Ryne Dudley, Manager, Structured Finance

SUBJECT: **Amendment No. 1 to Amended and Restated Loan Agreement with BlocPower (Action Item)**

DATE: May 15, 2024

Recommendation

Adopt Resolution authorizing CEO to negotiate and execute Amendment No. 1 to the Amended and Restated Loan Agreement with BlocPower to make certain changes to the Prior Agreement, including certain clarifications regarding payment dates and to correct the maturity date, and to provide additional security for the repayment of the Prior Loan, and to execute certain documents related thereto.

Background and Discussion

In 2022, the Board of Directors approved an Amended and Restated Loan Agreement (the “Prior Agreement”) with BlocPower Energy Services 3 (“BlocPower”). BlocPower is a unique company, which provides an energy savings agreement – such as a lease – to improve the accessibility of whole-home retrofits and electrification projects for low-and moderate-income (“LMI”) homeowners. Ava originally offered $1 million in the form of a junior capital investment intended to improve the financing terms offered to our customers by reducing the risk of the portfolio; Ava pre-funded $500,000 of the $1,000,000 for initial projects. BlocPower was not able to enroll sufficient customers to fully utilize the loan, which resulted in an initial draw of $500,000 (the “Original Funding Amount”).

As required by Section 3.01(d) of the Prior Agreement, BlocPower has repaid the unused portion of the Original Funding Amount in the amount of $178,807.59 as of March 11, 2024.

Ava and BlocPower have agreed to amend the Prior Agreement to make certain changes to the Prior Agreement, including certain clarifications regarding payment dates and to correct the maturity date, to provide additional security for the repayment of the Prior Loan pursuant to the terms of the Amendment No. 1 being approved at this meeting, and to execute certain documents related thereto.

Fiscal Impact

Given that BlocPower has repaid the “Unused Amount” of the Original Funding Amount, this Agreement will have a positive fiscal impact by reducing the amount outstanding and adding increased financial protection and reporting measures.

Attachments

A. Resolution of the Board of Directors of Ava Community Energy Authority Approving Amendment No. 1 to the BlocPower Amended and Restated Loan Agreement

RESOLUTION NO. R-2024-xx

A RESOLUTION OF THE BOARD OF DIRECTORS

OF AVA COMMUNITY ENERGY AUTHORITY APPROVING AMENDMENT NO. 1 TO THE BLOCPOWER AMENDED AND RESTATED LOAN AGREEMENT

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 Joint Powers Agreement ("JPA") in March of 2020. The City of Stockton, located in San Joaquin County was added as a member of Ava and party to the JPA in September of 2022. The City of Lathrop, located in San Joaquin County, was added as a member to Ava and party to the JPA in October of 2023. On October 24, 2023, the Authority legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS, Ava and BlocPower Energy Services 3 ("BlocPower") previously executed an Amended and Restated Loan Agreement, dated as February 28, 2022 (the "Prior Agreement"), pursuant to which the Ava Board of Directors authorized a loan to BlocPower in an amount up to $1,000,000 (the "Prior Loan") to provide a source of funds for the electrification of buildings by providing equipment and installation with limited upfront costs and long term payment options for Ava residential customers in Ava's service area (the "Project"); and

WHEREAS, as required by Section 3.01(d) of the Prior Agreement, BlocPower has repaid the unused portion of the Original Funding Amount (as defined in the Prior Agreement) in the amount of $178,807.59 as of March 11, 2024; and

WHEREAS, Ava and BlocPower have agreed to amend the Prior Agreement (the "Amendment No. 1") to make certain changes to the Prior Agreement, including certain clarifications regarding payment dates and to correct the maturity date, to provide additional security for the repayment of the Prior Loan pursuant to the terms of Amendment No. 1 being approved at this meeting, and to execute certain documents related thereto; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the entry into Amendment No. 1 and related documents thereto authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Board of Directors is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution of Amendment No. 1 and related documents thereto for the purposes of, in the manner and upon the terms provided.

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

Section 1. Authorize Chief Executive Officer, in coordination with Ava staff and General Counsel, to negotiate and execute Amendment No. 1, and related documents thereto.

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

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Jack Balch, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

Consent Item 9

TO: Ava Community Energy Authority

FROM: Chris Eshleman, Power Resources Director of Energy Analytics

SUBJECT: **Scheduling Coordinator for Executed Long-Term Contract**

DATE: May 15, 2024

Recommendation

Adopt a Resolution authorizing Ava to reimburse MRP Pacifica Marketing, LLC for costs associated with the scheduling coordinator function of the MRP Pacifica Marketing, LLC agreement.

Background and Discussion

On March 15, 2023, Ava's Board of Directors authorized the CEO to finalize negotiations and execute an Agreement with MRP Pacifica Marketing, LLC for a multi-product agreement (the "Original Agreement"). The Original Agreement was offered to Ava through its 2022 long-term resource solicitation.

This Original Agreement differs from most Ava-executed long-term contracts because it is comprised of multiple electrical generation and storage resources, but the Original Agreement is traditional or familiar in that the products Ava is procuring include a financial hedge and resource adequacy. Because Ava is procuring a financial hedge and Ava has no right or title to energy generated by the underlying resources, Ava is not able to perform the role of scheduling coordinator for the asset providing the financial hedge as defined in the Original Agreement, but Ava does have an *interest* in how that asset is scheduled in the California Independent System Operator (CAISO) energy market.

The Original Agreement recognizes that Ava does not have right or title to energy generated and that Ava is procuring a hedge against market volatility. As described in the

Original Agreement, to effectuate the protection against market volatility, Ava must reimburse MRP Pacifica Marketing, LLC for the scheduling coordinator function of the generation resource such that Ava's dispatch and hedge strategy is implemented in a manner that Ava views as providing maximum value to its customers.

The need for this scheduling coordinator function and Ava's obligation to reimburse for it was included in the Original Agreement, but it was not expressly called out in the March 15, 2023 Board Resolution that authorized Ava to negotiate that agreement. Thus, in the interests of full transparency, staff elects to seek Board approval of the cost of the scheduling coordinator for the Original Agreement. Board approval of the scheduling coordinator cost, will allow Ava to perform its obligations in the Original Agreement.

Attachments

A. Resolution authorizing Ava to reimburse for the scheduling coordinator as required by the MRP Pacifica Marketing, LLC contract

RESOLUTION NO. R-2024-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH CONTRACTING ENTITY MRP PACIFICA MARKETING, LLC

WHEREAS on October 24, 2023, the East Bay Community Energy Authority legally adopted the name Ava Community Energy Authority ("Ava");

WHEREAS Ava was formed as a community choice aggregation agency ("CCA") on December 1, 2016, under the Joint Exercise of Power Act, California Government Code section 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;

WHEREAS The Board authorized Ava to enter into the MRP Pacifica Marketing, LLC agreement (the "Original Agreement") on March 15, 2023;

WHEREAS the Original Agreement was executed on July 17, 2023;

WHEREAS Ava must reimburse MRP Pacifica Marketing, LLC for the cost of a scheduling coordinator in order to realize full value of the Original Agreement;

WHEREAS The need for this scheduling coordinator function and Ava's obligation to reimburse for it was contemplated by the Original Agreement, but it was not expressly described in the March 15, 2023 Board Resolution; and

WHEREAS the cost of the scheduling coordinator function may vary on an annual basis over the term of the Original Agreement.

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

<u>Section 1.</u> Ava is authorized to reimburse MRP Pacifica Marketing, LLC for the scheduling coordinator function for the term of the Original Agreement.

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

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

CEO Report Item 10

TO: Ava Community Energy Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: **CEO Report (Informational Item)**

DATE: May 15, 2024

Recommendation
Accept Chief Executive Officer (CEO) report on update items below.

Executive Committee Meeting
An Executive Committee Meeting was held on Wednesday, May 1, 2024. Members received updates on the draft budget and the Power Source Disclosure Annual Report. The next Executive Committee meeting will be held on Wednesday, June 5, 2024 at 9 am.

Financial, Administrative and Procurement Subcommittee Meeting
A Financial, Administrative and Procurement Subcommittee Meeting was held on Wednesday, May 8, 2024. Members received updates about the 2024-25 Draft Budget and auditor selection. The next Financial, Administrative and Procurement Subcommittee meeting will be held on Wednesday, July 10, 2024 at 1 pm.

New Employees

Sebastian Fotouhi, Outreach Consultant
Sebastian Fotouhi joined Ava in April 2024 as an Outreach Consultant. His responsibilities include community/customer outreach, representing Ava at live events, and supporting the Outreach Coordinator along with the broader Marketing team.

Before joining Ava, Sebastian spent 4 years as a Communications Consultant in a variety of industries. He also worked as the Director of Business Development and Marketing for a pro sports team and taught music at his own small music school.

Sebastian has a bachelor's degree in Business Communications from Southern New Hampshire University, as well as two associate's degrees in Music and Anthropology from Diablo Valley College.

Community Investment Grants
On the consent agenda today is an item to award two Community Grants for Job Training Awareness Grants focused on reaching High School & College Youth. With your approval, Ava

plans to award two grants for $300,000 each over 3 years to advance clean job awareness within Ava's service area. The grants will be awarded to the Rising Sun Center for Opportunity and the AGAPE Initiative, which is collaborating with Revalue.io and Cypress Mandela among other local organizations. The AGAPE initiative grant will equip youth aged 15-24 with clean energy career skills; bridge education-to-employment gaps in marginalized communities; and drive transformative change towards equitable clean energy transitions. Rising Sun Energy Center for Opportunity, operating in several Bay Area counties, is focused on building career pathways for economic equity and climate resilience. Their Climate Careers program will provide youth with externship placements and develop clean energy career resources via an online platform in both Alameda and San Joaquin Counties.

<u>Resilience Hub Funding</u>

Ava is dedicating $15M towards Community and Low-Income resilience through the Programs that have been reviewed at prior Board and Executive Committee meetings. The Resilience Hub grants, technical assistance and incentives (both upfront and ongoing) will provide at least $15M for this important work. Ava will be issuing solicitations for the Technical Assistance and Community Grants this month and may award more than one $300,000 grant based on the quality of the proposal received.

Resilience Hub Funding	
Upfront Solar + Storage Incentives	$10M
On-going Incentive Payments over 5 years	$2.6M (est.)
Resilience Hub Technical Assistance	$2M
Resilience Hub Grant(s) over 3 years	$0.3M/grant
TOTAL	**$14.9M minimum**

Ava 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 Community Energy

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)

Ava Community Energy

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 govs 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

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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 decarbonatization, 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

Attachment Staff Report Item 12C

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 utilities[1] pay their energy bills is the CARE program.[2] Households enrolled in CARE receive a 30-35% discount on their electric bill[3] 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 180,000[7] 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 types[8] 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.

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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

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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 Californaians 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

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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

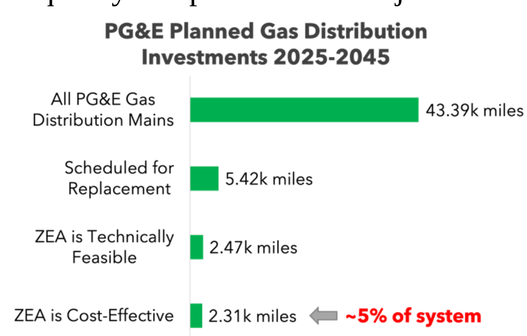
Buildings account for 25 percent of all emissions that contribute to climate change, poor indoor air quality and adverse health problems. The 2022-23 State Budget created the Equitable Building Decarbonization Program, which allocated $922 million for the decarbonization of low- and moderate-income households.

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.



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.

CONTACT

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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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California State Senate

SENATOR
STEPHEN C. PADILLA
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BUDGET SUBCOMMITTEE #4 ON
STATE ADMINISTRATION AND
GENERAL GOVERNMENT
CHAIR

MEMBER
AGRICULTURE
BUDGET
GOVERNMENTAL ORGANIZATION
HOUSING
NATURAL RESOURCES AND WATER

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 2035[1]. 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 reconductored 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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California State Senate

SENATOR
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COMMITTEES

BUDGET SUBCOMMITTEE #4 ON
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GENERAL GOVERNMENT
CHAIR

MEMBER
AGRICULTURE
BUDGET
GOVERNMENTAL ORGANIZATION
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NATURAL RESOURCES AND WATER

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

Assemblymember Eduardo Garcia, 36th Assembly District

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

For More Information:

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Staff Report Item 13

TO: Ava Community Energy Authority Board of Directors

FROM: **Nick Chaset, CEO**

SUBJECT: **Draft Ava Budget Fiscal Year 2024-2025 (Informational Item)**

DATE: May 15, 2024

Recommendation

Receive and review the draft budget for fiscal year 2024-2025.

Background and Discussion

Ava's fiscal year is from July 1 through June 30. Staff is presenting a proposed draft budget for fiscal year 2024-2025.

This budget presents changes to Ava's value proposition by recommending an increase from 5% to 7% discount relative to PG&E rates for Ava's Bright Choice product with no recommended change to the premium of the Renewable 100 product, which is currently at $0.0025.

This budget also presents a large net position surplus as a base-case scenario. Staff is recommending a method to manage this surplus to increase Ava's value to the community through four processes:

1. Significant contributions to reserves to ensure agency solvency in the event of possible risk contingencies
2. Increase value proposition customer discount and establish on-bill credits as levels of net position surplus are realized through the year
3. Increase in carbon free energy procurement with short and long-term investments
4. Meaningful increases to Local Development programs

This presented budget is based on feedback from a draft version presented at the Executive Committee on May 1, 2024 and the Finance, Administrative, and Procurement subcommittee on May 8,2024. The budget outlines staff's best expected estimates for costs and revenues anticipated for the next fiscal year based on load, market prices, and PCIA charges. Due to these updates, the numbers in this draft may differ slightly from those presented at the other meetings.

		FY 2025 BUDGET	FY 2024 BUDGET	FY 2024 ACTUALS
OPERATING ACTIVITY				
REVENUE & OTHER SOURCES				
Electricity Sales	A1	979,017,000	957,028,000	927,102,000
Uncollectables	A2	(9,790,000)	(12,095,000)	(11,675,000)
Other Operating Revenue	A3	(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
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
TOTAL OPERATING EXPENSES		810,350,000	732,885,000	712,594,000
NON-OPERATING ACTIVITY				
NON-OPERATING REVENUE				
Interest Income	A4	11,400,000	1,680,000	7,762,000
Grants	A5	350,000	0	677,000
Other Non-Operating Revenue	A6	49,000	48,000	49,000
TOTAL NON-OPERATING REVENUE		11,799,000	1,728,000	8,488,000
NON-OPERATING EXPENSES				
Borrowing Interest	E1	2,796,000	1,650,000	950,000
Local Development Funding	E2	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)**
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**

Fiscal Impact
This establishes the forecast of Ava’s fiscal position for the next 12 months with a positive net position.

Attachments
A. Presentation of the Draft Ava Budget FY 2024-2025

Ava Community Energy

Fiscal Year 2024-2025 Draft Budget

Board of Directors

May 15, 2024

Background & Discussion

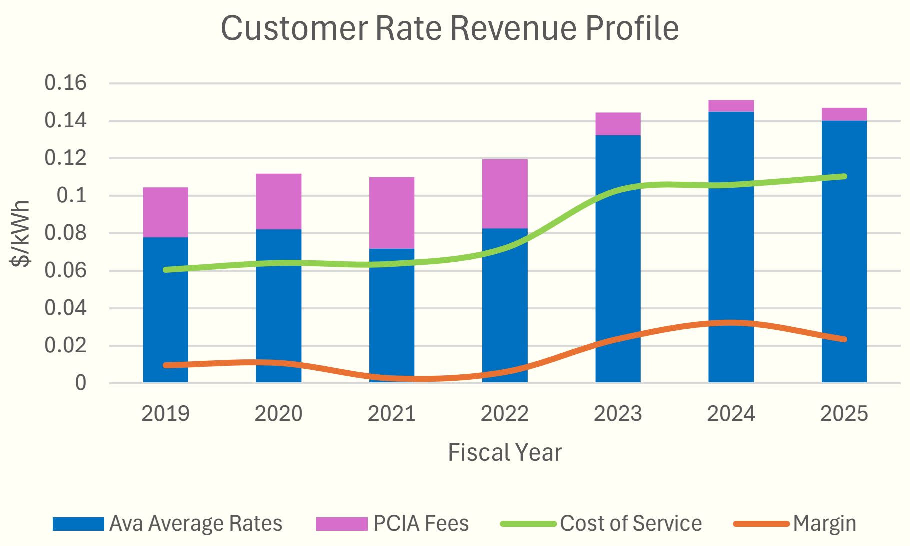
- Every year in June, Ava Board of Directors approves the following fiscal year budget
- The Budget covers the overall general categories of
  - Revenues from Operations
  - Energy Operating Expenses
  - Services to facilitate
  - Energy Operations Overhead
  - Non-Operating Revenues
  - Non-Operating 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%

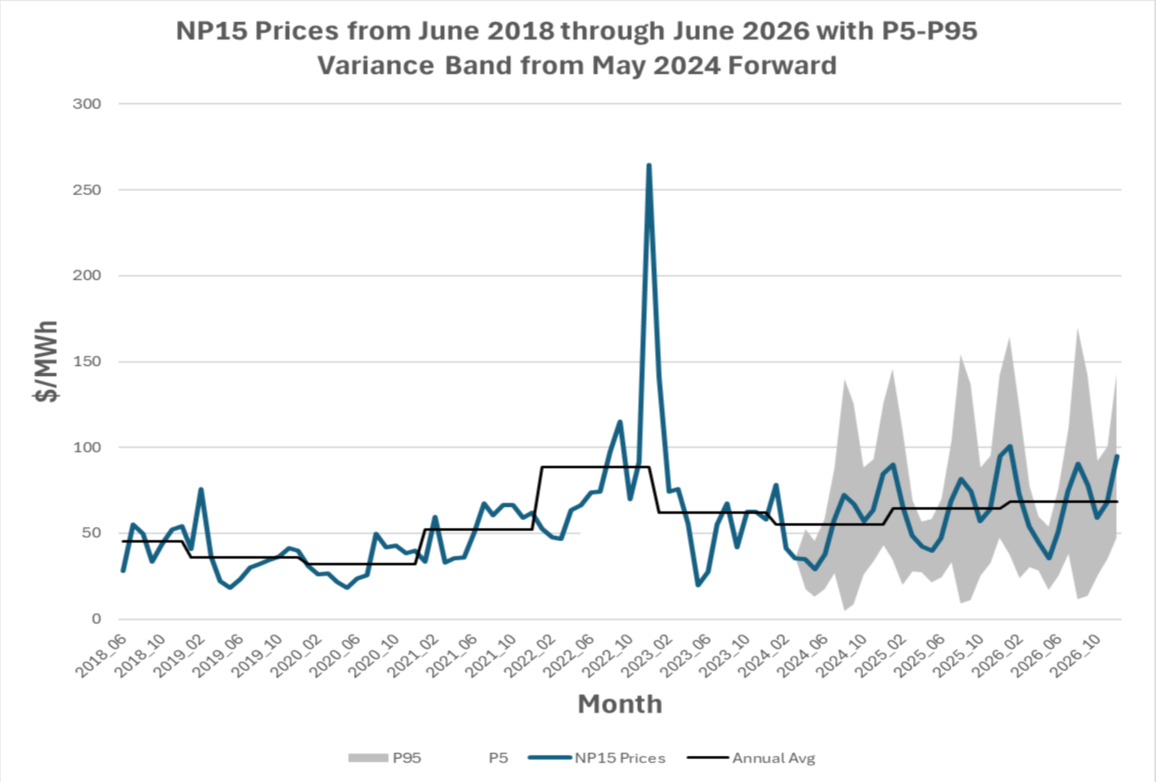
How Ava Works—Energy Delivery

- 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 it's 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





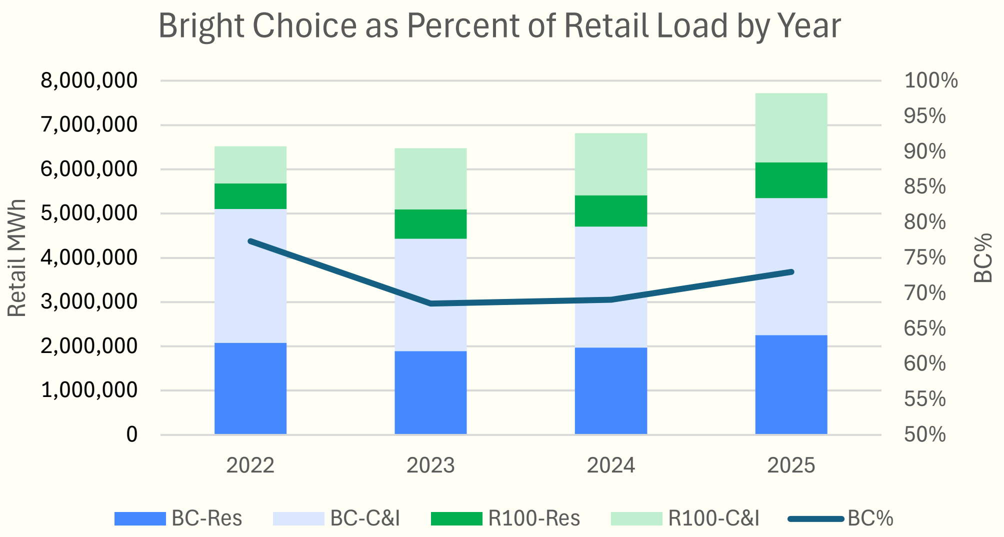
Hourly average day ahead prices

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 increased 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

Attachment Staff Report Item 13A

- 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%

		2022		2023		2024	
Year	Path Target	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%**

- 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%

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

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

- 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

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

Note: Feedback from FAP recommends a 60% (bill credits) / 40%(Incentive) split to align with current fiscal year approval on budget surplus

Draft Budget: Operating Revenues

	FY 2025 BUDGET	FY 2024 BUDGET	FY Delta	FY %D	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 ERRA 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

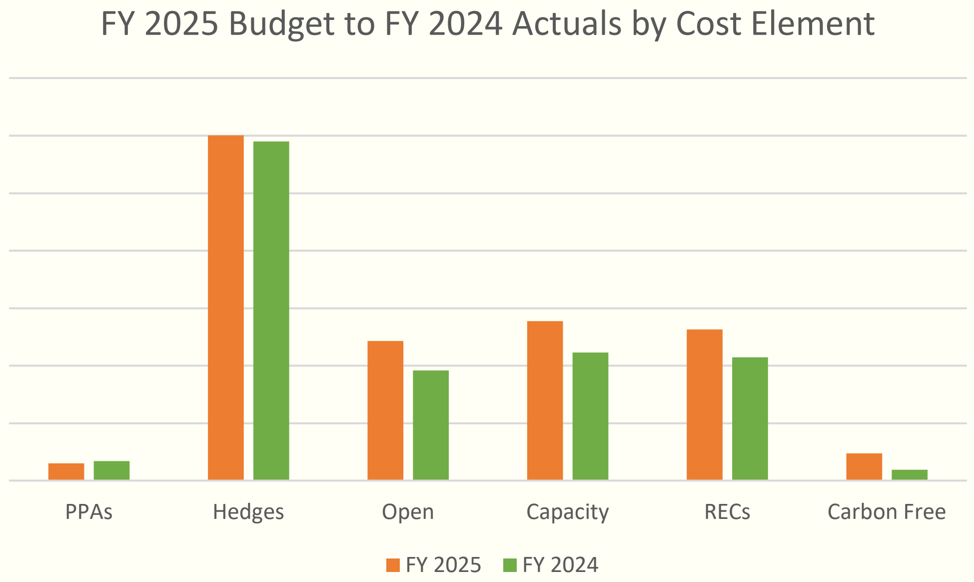
Attachment Staff Report Item 13A

	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

	FY 2025 BUDGET	FY 2024 BUDGET	FY 2024 ACTUALS
EXPENSES & OTHER USES			
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



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 componentsc

Draft Budget: Personnel

	FY 2025 DRAFT BUDGET	FY 2024 BUDGET	FY 2023 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!

Ava Community Energy

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Social PoweredWithAva

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 Community Energy

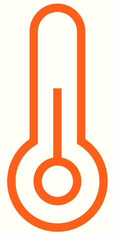
Ava DERMS Provider Recommendation

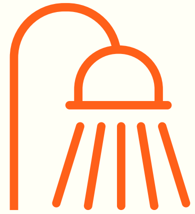
What is a DERMS?

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).

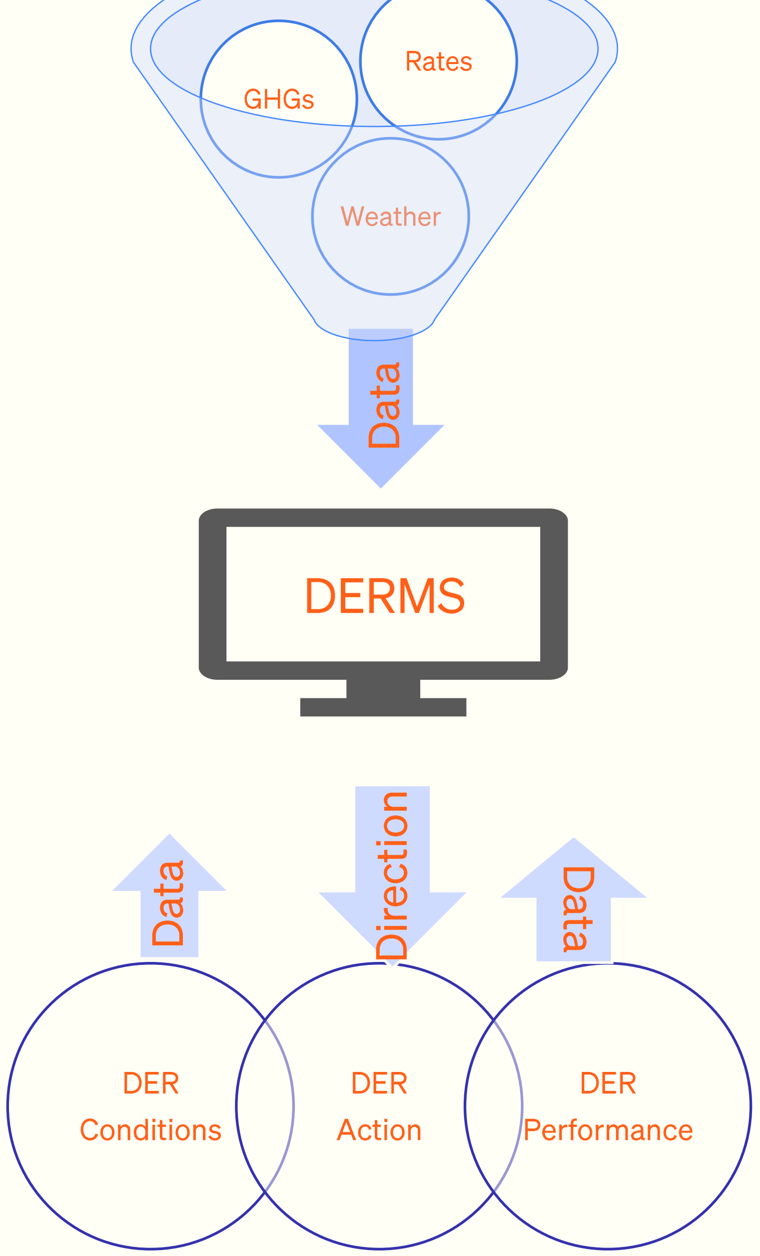
Ava needs a DERMS to communicate with and optimize DERs together.

DERMS features

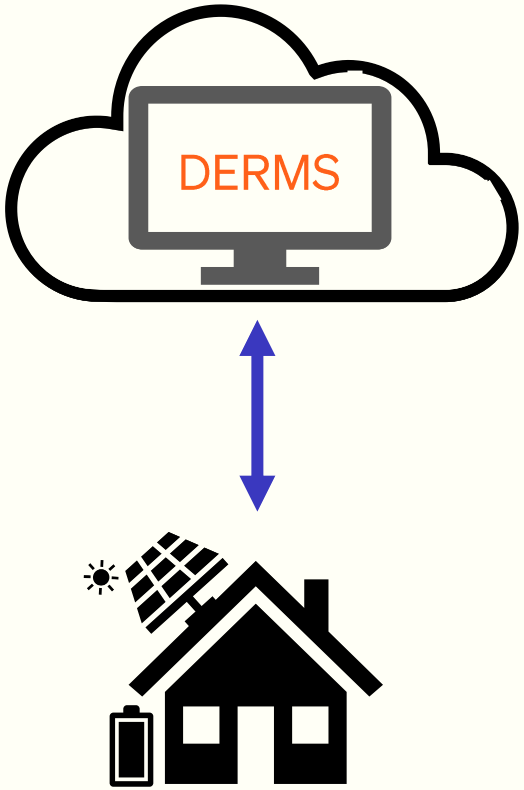
- Real-time monitoring and optimization of DERs
- Optimization of devices to maximize customer savings + support Ava's carbon free commitment

DERMS benefits

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



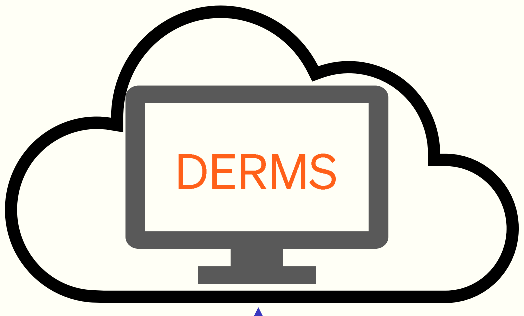
How does a DERMS work? Pt. 1



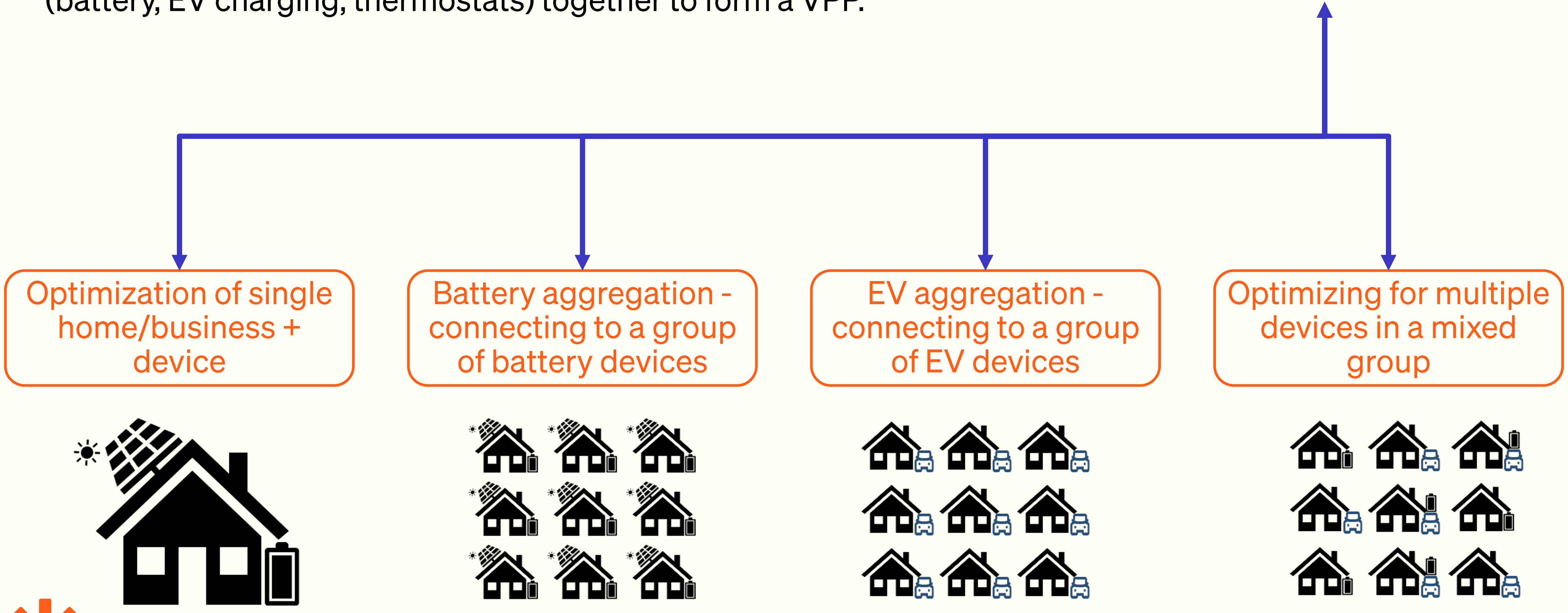
Single home optimization:

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.



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!

Ava Community Energy

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Email customer-support@AvaEnergy.org

Social PoweredWithAva

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 Decision[1] that extended operations at DCPP 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 DCPP'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 DCPP 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 DCPP, 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.

<u>Scenarios for Board Consideration:</u>
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.

<u>Bright Choice Power Content Impacts</u>
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 DCPP
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

Attachment Staff Report Item 15B

Ava Community Energy

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%

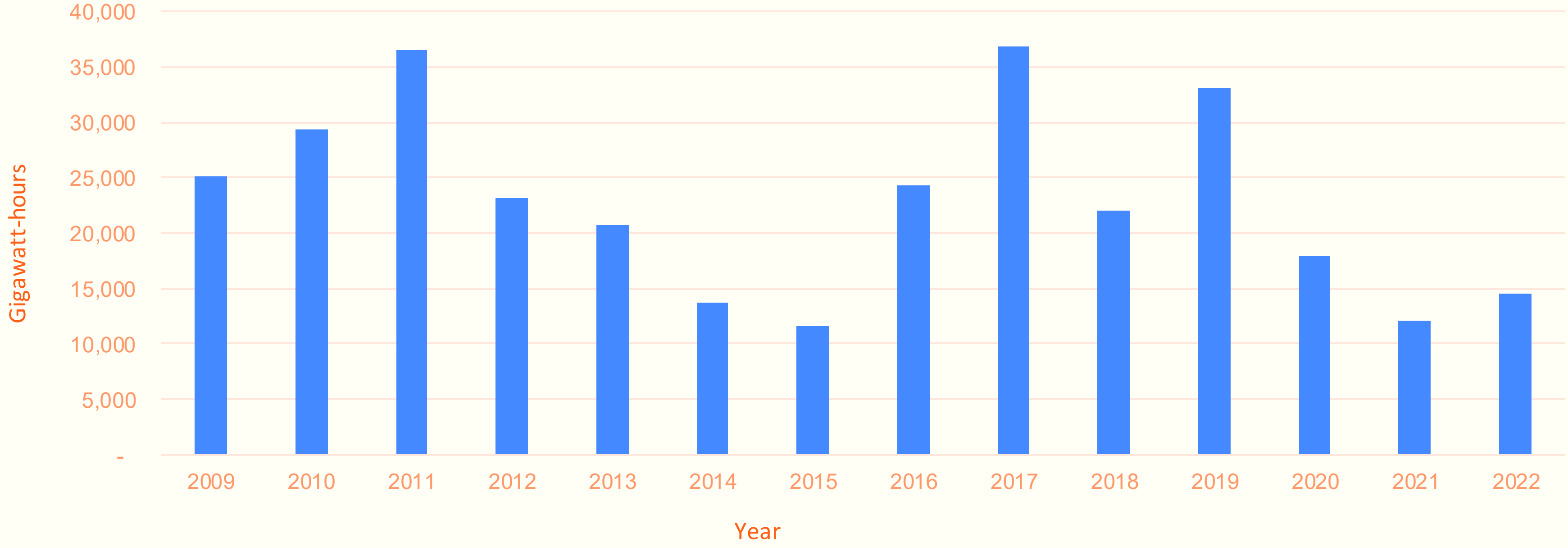
Source: Board Item from October 18, 2023

2022 Power Content

(most recent reporting year)

	EBCE – Bright Choice	PG&E	CA
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 CO_2e/MWh)	**496**	**56**	**422**

Large Hydro Production in California

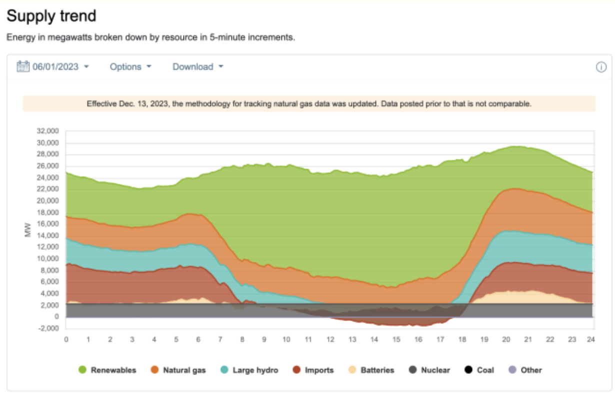


Source: California Energy Commission "Total_System_Electric_Generation_2009-2022_with_totals_ada.xlsx"

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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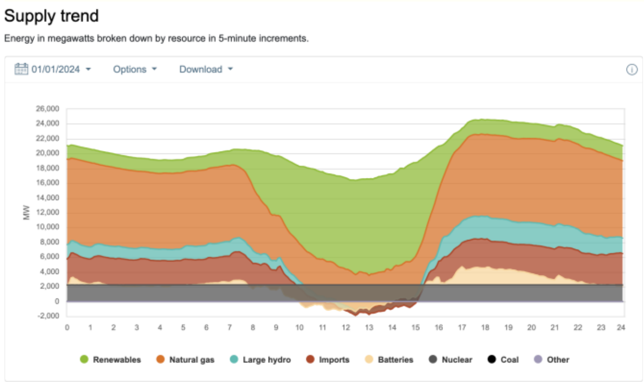

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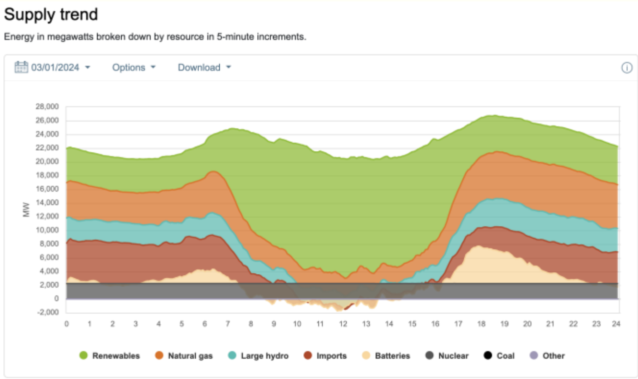

Source: California Independent System Operator (CAISO) Supply Trend Data

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%

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%**

Source: https://www.energy.ca.gov/sites/default/files/2024-02/2022_Power_Content_Labels_Sortable_Table_ada.xlsx

Scenarios for Board Consideration

Scenarios for Board Consideration

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
Reference: Current Plan Unspecified	*24%*	*19%*	*15%*	*10%*	*5%*	*0%*

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
Reference: Current Plan Unspecified	*24%*	*19%*	*15%*	*10%*	*5%*	*0%*

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.dcisc.org/
5. https://www.dcisc.org/annual-reports/

Gmail

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.

Letter #1

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)

Letter #1

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

Letter #3

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

Subject: Need for Increased Funding for Community Driven Resilience Hubs w/ attachment of Community Based Organizations definitions of "Resilience Hubs"

May 13, 2024

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

We call for the Board of Directors of Ava Community Energy to invest **$15 million of any budget surplus or fiscal year budget into a Community Resilience Hub program, beyond solar and storage assistance.** Such funding can support community based organizations (CBOs) in planning, microgrid readiness, day to day resources and immediate needs in face of climate disaster or other unforeseen crises.

We appreciate Ava Community Energy's proposal to include solar and storage technical assistance for resilience hubs in the surplus budget allocation, but we know that is not enough to meet CBOs where they are at with resilience needs. Solar and storage is just one piece of a resilience hub. Although renewable energy and solar provisions are very important for communities in the fight against climate change, we want to ensure that resilience hubs have other forms of resilience as well.

Food refrigeration, cooling centers, air filtration, and portable solar battery access are a few of many needs that resilience hubs meet. We call on Ava Community Energy to fulfill its larger responsibility to their constituents by funding a diverse set of resilience hub programming in community trusted locations that support environmental justice community needs. We also urge Ava Community Energy to provide this funding regardless of the resilience hub's municipal ownership status.

We also ask Ava Community Energy to utilize the attached definitions of resilience hubs. These definitions are rooted in community-led efforts and shared with the Local Development Business Plan staff. These definitions define resilience hubs beyond the proposed solar and storage technical assistance.

We have witnessed an overwhelming amount of support and need for resilience hubs across the Bay, including Ava Community Energy territory. These are some of the most scalable models of support—ones that work with trusted community spaces to provide services to communities on a day-to-day basis. They provide resources on housing, job opportunities, language learning, and resources for the unhoused. They can be living learning labs for climate solutions.They also provide services directly related to clean energy access such as portable solar power and information on government renewable energy assistance programs. We urge the Ava Community Energy Board of Directors to prioritize energy justice and equity by:

1. Creating a definition of what resilience hubs are in collaboration with the CBOs who lead resilience efforts on the ground, and base this definition on community resilience needs. This definition should look beyond just renewable energy and disaster support, but also include a social and environmental justice lens.
2. Committing at least $15 million of any budget surplus or fiscal year budget to a Community Resilience Hub program, and ensuring that part of that funding is accessible to less resourced CBOs and community groups. The funding should target accessible and trusted community spaces independent of their municipal ownership status.
3. Developing a community feedback process for site selection in the Resilient Municipal Critical Facilities program that works with local community-based organizations and prioritizes sites in low income BIPOC communities.
4. Providing funding for a network approach, with training, best practices, and coalition building between resilience hubs to ensure these spaces are built up to be robust, effective community spaces.
5. Providing a small grants program accessible to CBOs at $50,000 per year over 3 years (totalling $150,000 per grant). This compliments the current $100,000 grants over 3 years that Ava Community Energy is currently administering.
6. Integrating existing Ava Community Energy offerings for the resilience hubs such as e-bikes, induction cooktops, and other services.

As climate related crises will increase, there will be increased need for access to emergency energy services. As California nears the summer wildfire season and the risk of year-round wildfires increases, communities will need stronger infrastructure to withstand destabilizing climate events. Not only that, but we also need to invest strongly in programming to meet the day-to-day needs of communities. BIPOC and low-income communities often are the first and the most vulnerable victims of climate crises due to racism, aging services, and systemic injustice. We are at a make or break point in history, and we need to invest in holistic, outside-the-box solutions that meet community needs.

Clean Power to the People,

Jessica Guadalupe Tovar, East Bay Clean Power Alliance
Ayla Peters Paz, Local Clean Energy Alliance
Carli Yoro, Emerald Cities Collaborative
Susan Silber, Collective Resilience

Definition of Resilience Hubs
Community spaces that can include buildings or facilities, community spaces, neighborhoods, or individual residences that support community members before, during, and after natural and climatic disasters. Resources can include, but are not limited to access to fresh food and clean water, hygenie facilities, community gardens, community transportation, renewable energy and energy back up//storage, community events including concerts, events, etc.
Place of refuge and source of essential supplies in face of any community disaster
Working on our definition
I like APEN's definition: Trusted community spaces where community members can access services for disaster response and recovery, as well as “to gather, organize, and access resilience-building social services on a daily basis.” Rooted in the following pillars: ** Preparing vulnerable community members for extreme weather challenges: ** Becoming a Model for Climate Solutions: Resilience hubs can directly address the Climate Crisis by prioritizing renewable energy, zero waste systems and other green building practices and programming to showcase climate solutions. ** Building Trust and Relationships to Strengthen Community Cohesion: With crime, racism, bullying and everything else related to our social systems unraveling on the rise, resilience hubs can serve as safe and inclusive places, with opportunities for community members to build and strengthen relationships.
A faith-based Resilience Hub is a House of Worship designed to help congregants and their neighborhoods prepare for and recover from climate disaster by providing safe hospitality, clean energy through solar panels and battery storage, clean air through air filtration, and so many other critical resources needed when disaster strikes. Power outages, wildfires, earthquakes, flooding, and so many of the terrible effects of climate change are here: we need to prepare ourselves, our loved ones, and our communities.
USDN summary - Community-serving facilities and spaces where community members can access services for disaster response and recovery, as well as gather, organize, and access resilience-building social services on a daily basis.
We support community-led definitions of hubs that serve their resiliency needs. Also, would like to see hubs that do the following: provide health information regarding climate, air and other pollution, benefits of electrification; include clean air during wild fire red-air quality days; cooling to protect residents from extreme heat which is the most deadly weather event; provide support for emergency water heater replacement and help to replace gas heaters with electric; and resources to help with an equitable transition to electrify homes, particularly to help families with asthma to replace their gas stove (which can trigger asthma) with an electric stove. Hubs can be so much more, but these are some areas we are most concerned with. Park community buildings and libraries could all be electrified and become resiliency centers. And of course, we live in earthquake country and should think about how these hubs would help when the Big One hits.
A filtered air and cool shelter open during days of extreme heat, power loss and polluted air days. Including refrigeration to store medication, charging stations for wheelchairs and other medical devices, and phone chargers.
more discussion of resilience hubs, community solar and microgrids

Dear Ava Community Energy Board members,

We are writing as clean energy advocates to urge you to support the inclusion of Diablo Canyon's GHG-free electricity in your planning procurement portfolio and power content label. The customers of Ava Community Energy have an opportunity for lower electricity bills and higher GHG-free electricity in their service plans if this nuclear generation allocation is accepted. The CCA's mission is to transition to a cleaner, more efficient energy supply, and accepting Diablo Canyon's low-carbon energy supports this goal and will allow for more clean energy to be developed.

This decision will signal to customers and other CCAs your commitment to reducing GHG emissions. Ava has the ability to cast off its dirty unspecified power mix which comes from mainly natural gas. In taking the carbon-free allocation credit, Ava could achieve a 100 percent carbon-free generation portfolio five years earlier than planned, while achieving financial savings in the tens of millions of dollars, as projected by the objective analysis from Ava staff. With Diablo Canyon's power, you will have more clean energy and more money to invest in local community programs, grants, scholarships, electrification efforts, clean power projects, or spot windfall savings back to customers. It's a win-win and would be a monumental victory for customers.

Opposition to this decision has repeatedly referenced the SB100 policy, stating that it calls for 100% renewables, disqualifying nuclear energy - but this is incorrect. The bill text states that "it is the policy of the state that eligible renewable energy resources AND zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045." And according to bill SB846 nuclear energy is a zero-carbon electricity source that "currently supplies approximately 17 percent of California's zero-carbon electricity supply and 8.6 percent of California's total electricity supply."

In a state recovering from an energy crisis, plagued with the second-highest electricity prices in the nation, and not on track to meet its climate mandates, we have the duty to deliver clean affordable energy.

Ava commits itself under its Joint Powers Formation Agreement to pursuing a lower total amount of greenhouse gas emissions for its power portfolio than comparable service from PG&E, calling for 10% greater zero-carbon resources than PG&E in its CPUC-filed implementation plan. Though, ironically, by not accepting nuclear in its portfolio, Ava has fallen behind PG&E in this pursuit. In fact this year, PG&E announced in its 10-K filing with the United States Securities and Exchange Commission that it has reached a zero carbon power content label for 2023.

With the inclusion of electricity procurement from Diablo Canyon, Ava can maintain a competitive advantage of price and clean energy portfolio; without it, your portfolio's fossil fuel portion will be higher.

Despite statements claiming low support for Diablo Canyon and nuclear energy, recent polling suggests otherwise, finding that:

- Support for Diablo Canyon is highest in the Bay Area at **66%**
- Nearly ⅗ citizens support the continued operation and in SLO County **76%** support
- California voters have become more comfortable with nuclear energy over time, with solid majorities saying they approve of the use of nuclear energy to generate electricity and that its benefits outweigh its risks.

The local YTT Northern Chumash tribe, whose land the plant lies on, is also supportive of the continued operation of Diablo Canyon. But your acceptance of this power does not necessarily mean you support the extension of Diablo but demonstrates an understanding that for the next five years, communities can benefit from its clean and affordable electricity.

As California does its part alongside the United States and the rest of the world to continue the energy transition, there is consensus among the top energy and climate organizations that nuclear does and will continue to play a major role in decarbonization.

- In the latest IPCC WG3 Climate Report, it states that a doubling of nuclear capacity is needed by 2050 to limit the warming to 1.5 degrees.
- According to the UN Economic Commission for Europe, “nuclear energy is demonstrably a source of low carbon energy and a vital tool for successfully helping the world mitigate the effects of climate change.”
- In a report by the International Atomic Energy Agency, they found that nuclear energy has made significant contributions to carbon avoidance in the past, and in order “to

support the Paris Agreement 2°C goal, nuclear capacity must more than double the current level worldwide."

- In a summary by the World Economic Forum, they conclude, "Nuclear technology could sustain the deployment of renewables, provide a stable and secure baseload, and allow the planet to meet the necessary carbon-free targets set by the Paris Agreement."
- In 2021, the European Commission's research center, the JRC, conducted a report and found no scientific evidence that nuclear power harms people and nature more than other energy sources - including wind and solar power.

On May 15th, Ava can secure savings benefits and accelerate its carbon-free generation and emissions reductions to its customers by accepting the carbon-free allocation from nuclear generation. We urge you to demonstrate thought leadership and financial rigor towards this decision and vote **in favor** of Scenario 1 (*Accept Nuclear*) or Scenario 2 (*Accept Nuclear + Further Reduce Carbon Intensity w/Additional Large Hydro or Nuclear*).

Sincerely,

STAND UP FOR NUCLEAR

mothers for nuclear

GENERATION ATOMIC

THE BREAKTHROUGH INSTITUTE

1. Paris Ortiz-Wines - Albany 94706
2. Kevin Pannell - Albany 94706
3. Brendan Pittman - Berkeley 94704
4. Ryan Pickering - Berkeley 94709
5. James Hopf - Tracy 95376
6. Francisco Porcel Rodriguez - Dublin 94568
7. Hannah Doan - Dublin 94568

8. Dinara Ermakova - Alameda 94501
9. Carlos Noreña - Berkeley 94704
10. Brenna Marcoux - Oakland 94610
11. Karis Russell - Oakland 94619
12. Jennifer Klay - San Luis Obispo 93401
13. Wesley Schon - Oakland 94610
14. Casey Tompkins - Alameda, 94501
15. Daeseong Kim - Oakland 94607
16. Emil Mejares - Oakland 94612
17. Grant Mills - Berkeley 94709
18. Sam Nathanson - Oakland 94610
19. Taylor Jaszewski - Oakland 94610
20. Rohan Reddy - Berkeley 94720
21. Karen Haga - Pleasanton 94566
22. Mount - 95117
23. Lucas Beveridge - Commerce City, 80640
24. Stephanie Wise - Livermore, 94551
25. Kurt Cabrera - Livermore, 94551

Gmail Adrian Bankhead <abankhead@avaenergy.org>

Letter for Board & CAC

Jessica Tovar <jessica@localcleanenergy.org> Wed, May 15, 2024 at 10:50 AM
To: Adrian Bankhead <abankhead@ebce.org>

Please distribute this letter from John Geeseman circa 2020.
The bottomline here is we should not be bailing out PG&E by taking its bad investments like Diablo Canyon nuclear.
I would like to see our agency not legitimize the PCIA - PG&E's ongoing fee to Community Choice customers.
Let's stick to clean energy and being better than this ruthless corporation; PG&E.
Jessica

Jessica Guadalupe Tovar,

Local Clean Energy Alliance, Energy Democracy Director

East Bay Clean Power Alliance, Coordinator

339 15th Street Suite 208 Oakland CA, 94612

jessica@localcleanenergy.org 415-766-7766

Set up a brief phone call with me or **Set up a meeting with me**

Check out **LCEA's 2023 Year-End Review** & **Support our work with a donation**

We are hiring an Experienced Campaign Organizer more info here.

Community Choice, Community Power video, Community vision for Solutions video, EBCE fund asthma prevention now!
Twitter Instagram Facebook Youtube
Book: Energy Democracy Advancing Equity in Clean Energy Solutions

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John Geeseman - EBCE and Diablo Canyon (1).pdf
120K

Letter #6

Gmail

Jessica Tovar <jessicalocalcleanenergy@gmail.com>

EBCE and Diablo Canyon

John Geesman <john@dicksongeesman.com> Thu, Apr 16, 2020 at 4:04 PM
To: "al.mendall@hayward-ca.gov" <al.mendall@hayward-ca.gov>, "Elisa.Marquez@hayward-ca.gov" <Elisa.Marquez@hayward-ca.gov>, "dkalb@oaklandnet.com" <dkalb@oaklandnet.com>, "rkaplan@oaklandca.gov" <rkaplan@oaklandca.gov>, "Mayor@CityofBerkeley.info" <Mayor@cityofberkeley.info>, "KHarrison@cityofberkeley.info" <KHarrison@cityofberkeley.info>, "msutter91@gmail.com" <msutter91@gmail.com>, "lmei@fremont.gov" <lmei@fremont.gov>, "shaggert@acgov.org" <shaggert@acgov.org>, "dan.arriola@cityoftracy.org" <dan.arriola@cityoftracy.org>, "EHernandez@sanleandro.org" <EHernandez@sanleandro.org>, "pkmunro@cityoflivermore.net" <pkmunro@cityoflivermore.net>, "jpentin@cityofpleasanton.gov" <jpentin@cityofpleasanton.gov>, "Jaimep@unioncity.org" <Jaimep@unioncity.org>, "melissa.hernandez@dublin.ca.gov" <melissa.hernandez@dublin.ca.gov>, "al.negy@newark.org" <al.negy@newark.org>, "Npilch@albanyca.org" <Npilch@albanyca.org>, "trood@ci.piedmont.ca.us" <trood@ci.piedmont.ca.us>, "dmartinez@emeryville.org" <dmartinez@emeryville.org>, "jfranch@numitea.com" <jfranch@numitea.com>, "vbacon@vbacon.com" <vbacon@vbacon.com>, "bosdist4@acgov.org" <bosdist4@acgov.org>, "v.vargas@cityoftracy.org" <v.vargas@cityoftracy.org>, "clopez@sanleandro.org" <clopez@sanleandro.org>, "rwcarling@cityoflivermore.net" <rwcarling@cityoflivermore.net>, "knarum@cityofpleasanton.gov" <knarum@cityofpleasanton.gov>, "GaryS@UnionCity.org" <GaryS@unioncity.org>, "arun.goel@dublin.ca.gov" <arun.goel@dublin.ca.gov>, "Mike.Hannon@newark.org" <Mike.Hannon@newark.org>, "pmcquaid@albanyca.org" <pmcquaid@albanyca.org>, "jcavenaugh@ci.piedmont.ca.us" <jcavenaugh@ci.piedmont.ca.us>, "sdonahue@emeryville.org" <sdonahue@emeryville.org>, "cob@ebce.org" <cob@ebce.org>

Dear Board members of East Bay Community Energy:

I write at the suggestion of Jessica Tovar of the Local Clean Energy Alliance to share some pertinent facts about the Diablo Canyon Nuclear Power Plant that have emerged recently from proceedings at the California Public Utilities Commission. My law firm has represented the Alliance for Nuclear Responsibility ("A4NR") in state regulatory proceedings concerning Diablo Canyon since 2011.

- PG&E has acknowledged in data responses to A4NR that Diablo Canyon's annual "above-market costs" -- as calculated by the CPUC's Power Charge Indifference Adjustment ("PCIA") methodology -- have soared to $1.258 billion in 2020 (up from $1.168 billion in 2019 and $410 million in 2018).
- PG&E collects the majority of these "above-market costs" through exit fees on departed generation customers, like EBCE's constituents, since the company's generation market share within the PG&E service territory has eroded to 43% in 2020.
- PG&E told the CPUC in 2017 that in a "low load" scenario where its generation market share dropped to 44%, only 26% of the output from Diablo Canyon would be needed by PG&E bundled customers.
- Diablo Canyon supplied 45% of the electricity used in 2019 by PG&E's dwindling number of bundled customers, according to the company's February 2020 Form 10-K filing. In the CPUC's bankruptcy investigation, PG&E's CEO admitted under oath that PG&E bundled customers could face a risk of over-dependence on a single plant: "more than 60 percent would be a problem, I think, somewhere in that range."

Letter #6

- The California Energy Commission's current mid-case electricity demand forecast (completed before the COVID-19 pandemic) projects PG&E's bundled load from 2020—2022 at levels that indicate Diablo Canyon's annual output will comprise 61.9% (2020), 67.8% (2021), and 70.3% (2022) of the electricity used by PG&E's bundled customers.

I chaired the California Energy Commission's Renewables Committee in 2002 when we implemented AB 117 (Migden), and I recall the intense pushback from PG&E over our funding the first feasibility studies for Community Choice Aggregation. I was a primary opponent in 2010 to PG&E's $46 million ballot measure that would have imposed a voter approval prerequisite for participation in a CCA. In 2018, PG&E cleverly found a means to prop up an uneconomic white elephant by persuading the CPUC to include Diablo Canyon in the PCIA—and that cross-subsidy is the only thing keeping the plant operating today. Now, to stave off economic obsolescence for a short while longer, PG&E approaches its former nemeses (the CCAs) with offer of a "free" gift.

I trust each of you has the common sense to see through that ruse and will reject it. Nothing from PG&E is ever "free." They're not in that type of business. While EBCE wouldn't be the first hostage to be seduced by its captor, a more productive response to your unjust cost predicament would be to utilize your latent strength in Sacramento to have Diablo Canyon statutorily removed from the PCIA.

John L. Geesman

Dickson Geesman LLP

Attorney for A4NR

Letter #6

Gmail **Adrian Bankhead <abankhead@avaenergy.org>**

Fwd: Public Comment - Tonight's Agenda Items 15 and 13

Jean Merrigan <jnmwem@gmail.com> Wed, May 15, 2024 at 11:38 AM
To: cob@avaenergy.org, bod@avaenergy.org, bodpubliccomment@avaenergy.org

To the Clerk: The below email I sent to the board of directors regarding tonight's meeting was rejected. Will you please deliver to the correct email address?
Thank you.

---------- Forwarded message ---------
From: **Jean Merrigan** <jnmwem@gmail.com>
Date: Wed, May 15, 2024 at 11:31 AM
Subject: Public Comment - Tonight's Agenda Items 15 and 13
To: <bodpubliccomment@avaenergy.org>

To the Board of Directors, Ava Community Energy:

I work with Women's Energy Matters, a non-profit advocacy group that has participated in CPUC proceedings related to California's nuclear power plants for more than two decades.
Most recently, WEM has been a party to R2301007, the CPUC's SB846 implementation (Diablo Canyon extended operations) proceeding. I was so disappointed that CalCCA, which lobbies on behalf of all CCAs, did nothing to oppose the proposed Diablo Canyon extension. Instead, CalCCA focused solely on making sure that, contrary to the actual language of SB846, CCA's will continue to receive nuclear allotments from PG&E should extended operations go forward.

The vast majority of CCAs in California were founded to provide customers with alternatives to fossil fuels and nuclear energy. Ava's Community Advisory Board has clearly informed the Board that the community vigorously rejects nuclear power, due to its environmental harms. Nuclear power is *not* clean energy. I urge the board to reject nuclear allocations from Diablo Canyon during extended operations. Further, I urge the Board to make its wishes known to CalCCA, and request that CalCCA use its lobbying efforts to oppose, rather than support, the Diablo Canyon extension.

WEM further urges the Board to adopt the Community Advisory Board's recommendations regarding Community Resilience Hubs, including committing a minimum of $15 million from the annual surplus budget for a Community Resilience Hub Program. By respecting the Community Advisory Board's leadership on this issue, Ava Community Energy can make a real difference in the lives of its community members, and create a strong, vibrant Community Resilience Hub model that other CCA's can implement as well..

Thank you.

Jean Merrigan
Executive Director
Women's Energy Matters
(925) 957-6070

Letter #7

Respected members of the board of AVA,

After listening to your Advisor Committee meeting on Monday May 13th of 2024, I am dismayed by the votes against procuring power from Diablo Canyon. As a climate activist that understands the severity of our situation, it's heartbreaking to see so many of you dismissing a way to quickly reduce carbon emissions and instead relying on improbable projections.

The energy policy that you are pursuing, based on 100% "renewables" is not new. It has been attempted before, and failed to reduce carbon emissions. Germany invested $600 billion in solar, wind and energy efficiency while also shutting down their nuclear power plants. As a result, renewable power ended replacing nuclear power, rather than fossil fuels. Carbon emissions per Kwh in Germany are on average almost **10 times higher** than those of France, where most of the electricity comes from nuclear power.

Germany has possibly the most advanced industrial infrastructure in the world. Germany has some of the best engineers and energy experts, as well. Germany has a government fully committed to this energy policy, and yet, despite these favorable circumstances, Germany has failed in achieving a meaningful reduction of their carbon emissions.

If the board of AVA insists on refusing nuclear power as part of their energy mix, they need to answer a very important question: **What makes you think that you can succeed where the Germans failed, lacking the resources they have available?.** During the meeting I saw nothing that answers the question, just blind faith on the targets being met by 2030. Neither you nor I can predict the future, but we can have alternate plans in case things don't work as expected. When our state as a whole is set to miss its 2030 climate goals, it is arrogant beyond belief to reject low carbon electricity based on ideology, not on facts. It is the ultimate hubris to think that you can do better than Germany without even justifying how. We are facing an existential threat. We need to get serious about reducing our carbon emissions by any possible means, not just by those that are palatable to your particular ideology.

In the Joint Powers Agreement that established AVA it states the signing parties seek to "Develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of the parties' greenhouse gas reduction goals and the comparable goals of all participating jurisdictions". According to the data presented on the meeting, AVA's carbon intensity is **496** pounds CO2eq/Mwh. PG&E's carbon intensity in their 50% solar choice plan is **46** pounds CO2eq/Mwh. AVA's emissions are **more than** 10 times higher than the emissions from PG&E. if AVA rejected the allocation of power from Diablo Canyon, it would be violating the mandate of its own Joint Powers Agreement, and showing callous indifference to our climate emergency.

You could use some of the income from the allocation to help your customers in need, especially those from vulnerable communities, minorities, immigrants like myself. I am grateful not to need the help, but I am privileged, and millions of others are struggling right now with some of the highest electricity prices in this country, right here in California. I do believe that you have a moral duty to help them and by rejecting the allocation you would be doing a disservice to them. The fact that nuclear power is unacceptable to some people is not an excuse to ignore this moral duty.

More than 30% of our power is imported from out of state, making us the largest importer of electricity in the US. When you have a Berkshire Hathaway subsidiary like Pacificorp lobbying the CPUC to the tune of 2 million dollars per year and coal plants like Intermountain supplying 20% of the power to Los Angeles, you can be certain that a lot of our “unspecified” power comes from coal. This is the power that you are choosing over Diablo Canyon, at a time when last year was the hottest year in the last 2000 years, when there was an incredible and shocking jump in the concentrations of CO_2.

Even one of the greatest, most influential climate activists of our times, Greta Thurnberg, has supported keeping existing nuclear power plants, over using coal. If the allocation from Diablo is rejected, instead of following her advice, you would be following the steps of Germany, the country that arrested her twice last year, for her activism against coal. Using Greta’s words: How dare you?

I apologize if my words sound harsh, but I am moved to the point of desperation. While our planet is burning, I see complacency, hubris and irrational optimism instead of pragmatism and a commitment to solutions. It is beyond me how can a CCA with **ten times** the emissions of PG&E can reject low carbon electricity and embrace coal. I urge you to change course and accept the allocation from Diablo Canyon, to send the world the message that you are taking climate change as seriously as it deserves, rather than using it conveniently for ideological purposes.

Sincerely,

Guido Núñez-Mujica
Climate Activist
Data Scientist
Computational Biologist

Gmail

Adrian Bankhead <abankhead@avaenergy.org>

Public Comments Agenda Item 13 and 15

Gabrielle Sloane Law <rockymcrockerson@gmail.com> Wed, May 15, 2024 at 4:41 PM
To: cob@avaenergy.org

To the Ava Community Energy Board:

My name is Gabrielle Sloane Law. I am a resident of East Oakland (within Ava's operating area) and an organizing intern with Communities for a Better Environment (CBE), where my work focuses on building resiliency in my community. I am writing to urge you to take the following actions on agenda items 13 and 15.

First, I ask you to collaborate with CBOs that are rooted in low-income BIPOC communities to develop a definition of Resilience Hubs that is not defined only by technical parameters, but which directly centers climate justice, environmental justice, and racial and social justice. We ask you to commit at least $15 million from your annual budget for a Community Resiliency Hub program supporting our communities, with some of this funding to be allocated to smaller CBOs, which will ensure that these resources are accessible to and trusted by the communities in which they operate. More specifically, we ask Ava to provide a grants program for smaller CBOs at $50,000/year for the next 3 years, which will allow these organizations to leverage existing, trusted community spaces as resilience hubs and—crucially—keep them in operation during this time. Resilience hubs only work when they are known to and trusted by the communities they serve. This is only possible when the community is able to have ownership over these spaces.

Second, I urge you to soundly reject any nuclear energy from PG&E. Nuclear energy has no place in Oakland or anywhere else. Ava Community Energy made a commitment to 100% clean, renewable energy, and nuclear energy is neither clean nor renewable. Nuclear energy is unacceptably dangerous to people and the environment. We ask you to reject nuclear energy and instead focus on building a truly sustainable clean energy infrastructure, which will usher in a just transition to clean energy while creating jobs and a growing our economy.

Thank you for your consideration,

Gabrielle Sloane Law