



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.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board