



### **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

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#### **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:**

Section 1. 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 15<sup>th</sup> day of May, 2024.

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Jack Balch, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board