



Draft Minutes

Board of Directors Meeting

Wednesday, June 12, 2024

6:00 pm

In Person

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

Or from the following remote locations:

- **Member 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 Diallo (Lathrop)** – Marriott Sacramento Rancho Cordova 11211 Point East Drive, Rancho Cordova, CA 95742
- **Member Bedolla (Tracy)** – 1755 Harvest Landing Lane, Tracy, CA 95376

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

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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), Kaur (Emeryville), Cox (Fremont), Roche (Hayward), Barrientos (Livermore), Jorgens (Newark), Andersen (Piedmont), Gonzalez (San Leandro), Wright (Stockton), Bedolla (Tracy), CAC Chair Hernandez (Community Advisory Committee), Vice-Chair Tiedemann (Albany) and Chair Balch (Pleasanton)

Not Present: Directors: Bartlett (Berkeley), Hu (Dublin), Diallo (Lathrop), Kalb (Oakland), and Patino (Union City)

2. Pledge of Allegiance

(6:58) Member Roche led the body in reciting the Pledge of Allegiance.

Chair Balch stated that the agenda would be reordered

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.

(8:22) Public Comment – Jessica Tovar asked Board members to refrain from considering the nuclear issue without full transparency and proper information.

(10:44) Public Comment – Ayla Peters-Paz spoke in support of Board-organized study sessions on resilience hubs and stated that Ava has a significant opportunity to support resilience hubs through funding and investment in climate and energy programs.

(12:54) Public Comment – Audrey Ichinose spoke in support of the Board's efforts regarding resilience hubs and stated that Ava should help low-income and disadvantaged communities to obtain solar systems, in addition to batteries.

(14:50) Public Comment – Hernando Sanchez, an energy democracy organizer, spoke about the crucial role of resilience hubs in providing services like food distribution, disaster preparedness, and support for immigrants, and urged Ava to increase funding for these services.

(17:10) Public Comment – Carli Yoro, representing Emerald City's Collaborative, urged the board to adopt a community-supported, comprehensive, and equitable resilience hub program that provides support for community's energy and non-energy needs.

(18:56) Public Comment – John McKinna recommended a recent webinar, "Code Red for Humanity: Clean Air Healthy Bay Area,"¹ held on May 9, 2024, the purpose of which

¹ The Code Red for Humanity: Clean Air Healthy Bay Area webinar is available at <https://acterra.org/events/code-red-for-humanity-clean-air-healthy-bay-area/>

was to provide local governments with ideas and resources for electrification and the preparation for new air quality rules.

(21:11) Public Comment – Bradley Cleveland, an Oakland resident and consultant with IBEW Local 595, spoke in support of developing a critical municipal facilities program (CMFP), and about the need for the board to resolve questions around definitions, funding, and labor standards, while also ensuring that developers meet with labor representatives before approving a CMFP.

(22:31) Public Comment – Emily Ross, from the Reclaim Our Power Utility Justice Campaign, asked the Board to reject PG&E's nuclear energy allocation and to invest in clean, local energy instead.

(24:04) Public Comment – Alice Sung, a climate justice advocate, urged the board to support climate resilience hubs and to oppose the purchase of nuclear energy.

(26:03) Public Comment – Barbara Stebbins, representing the California Alliance for Community Energy, urged the board to reject PG&E's nuclear allocation.

(27:52) Public Comment – Dr. Robert Gould, representing San Francisco Bay Physicians for Social Responsibility, urged the board to reject PG&E's nuclear allocation, citing safety hazards, the proliferation of nuclear weapons, and the stifling of alternative energy sources.

(30:10) Public Comment – Beth Weinberger, representing Kehilla Community Synagogue, spoke against accepting the nuclear allocation, stating that cities like Oakland, Berkeley, and Hayward have repeatedly rejected it.

4. Closed Session Public Comment

There were no speakers for public comment.

5. Closed Session

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

6. General Report Out of Closed Session

(1:10:03) There were no Items to report out of closed session.

(1:10:17) Chair Balch announced that the agenda would be reordered: Item 19 "Appointment of CEO and Approval of Employment Agreement (Action Item) would become Item 7b.

REGULAR AGENDA

7. CEO Report

(1:10:49) CEO Chaset reported on the June 5th Executive Committee meeting where budget updates and Renewable 100 pricing dynamics were discussed. CEO Chaset

also reported that a Special Board Retreat for Power Resources was held on May 29th. **CEO Chaset** also introduced a new employee, Cassandra Dreer, a content strategist for the marketing team.

As it was his last CEO Report, **CEO Chaset** reflected on his seven years with Ava Community Energy, from its inception to serving nearly two million customers, and highlighted the upcoming expansion to Stockton in 2025.

(1:18:37) Public Comment – Jessica Tovar spoke about the Local Clean Energy Alliance’s long-standing commitment to ensuring that the right thing is done in local communities.

7b. (1:19:56) Appointment of CEO and Approval of Employment Agreement (Action Item)

(1:19:56) Vice-Chair Tiedeman introduced the CEO selection process and announced that Howard Chang was the unanimous choice for the position.

(1:24:29) Public Comment – Jessica Tovar congratulated Howard Chang on his new role.

(1:25:23) Vice-Chair Tiedemann motioned to approve the CEO Agreement. Member Marquez seconded the motion, which was approved 12/0/0/0/5:

Yes: Members: Marquez, Kaur, Cox, Roche, Barrientos, Jorgens, Andersen, Gonzalez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Members: Bartlett, Hu, Diallo, Kalb and Patino

(1:27:21) CEO Chang expressed his gratitude for the board's support, praised Nick Chaset for his leadership and mentorship, and committed to engaging with the board, community members and staff to achieve Ava's goals and priorities.

(1:29:15) Chair Balch expressed gratitude to the ad hoc selection committee and appreciation for both the outgoing and incoming CEOs.

8. CAC Chair Report.

(1:29:59) CAC Chair Hernandez provided the following updates from the June 10, 2024 CAC meeting:

- The CAC voted against utilizing the nuclear allotment;
- Howard Chang presented a budget showing a 65.5% decrease in net revenues; and
- Chair Hernandez spoke about three unanimously supported items: the Long Road Rosemary IPA projects, the DERMS OP Lunar presentation, and an incentive program for heat pumps.

9. 2024-2025 Budget (Action Item)

Consider approval the fiscal year budget for 2024-2025

(1:31:39) CEO Chang provided a detailed update on the budget, stating that softer energy prices between January and April 2024 led to lower rates in 2025 and a significant reduction in the net revenue. He recommended maintaining a 5% discount relative to PG&E rates, removing the \$50 CARE and FERA credits due to budget constraints, and adjusting the reserve allocation and budget surplus waterfall. CEO Chang emphasized the need to balance lower customer rates with budget impacts and outlined the changes in reserve allocation and financial strategies to address these new conditions.

(1:46:46) Member Gonzalez asked why revenues decreased by 10%. **CEO Chang** explained to that the revenue decrease was due to a PG&E Energy Resource Recovery Account (ERRA) forecast update, which incorporated significantly lower actual energy prices from January to April 2024. This resulted in a roughly 10% decrease in PG&E's rates for 2025. **CEO Chang** also stated the 10% rate decrease was due to the softer energy prices during a mild winter, although PG&E's transmission and distribution charges generally increased. **Member Gonzalez** noted the potential for customer confusion about the difference between energy prices and their overall bills.

(1:49:40) Member Andersen asked about Ava's reserve goal. **CEO Chang** responded that Ava's reserve policy aims for 50% of annual operating expenses with a range of 25% to 75%.

(1:50:24) Member Roche asked if Ava's fiscal stability could improve by setting its own energy rates instead of tying them to PG&E's rates. **CEO Chang** confirmed that Ava setting its own rates could reduce volatility but noted that customers would still face PCIA charges. **Member Roche** also asked if rate decoupling is a trend in the industry. **CEO Chang** acknowledged that while some CCAs have taken this route, most still index their rates to investor-owned utilities for cost competitiveness.

(1:53:28) Public Comment – Jessica Tovar spoke in support of the creation of a debt relief program for eligible but unenrolled individuals in CARE/FERA programs. Jessica Tovar also spoke regarding the need for more funding and support for grassroots resilience hubs.

(1:55:41) Public Comment – Jim Lutz asked if there is a way for Ava to predict PG&E's future purchase prices, and when the PCIA will expire. **CEO Chang** explained that the PCIA will start to decrease generally within 15 years, as it is based on PG&E's contracted resources, including utility-owned assets and long-term PPAs, with a significant portion still affecting current customers who departed from PG&E within the last seven years.

(1:57:55) CAC Chair Hernandez stated that the CAC had a detailed discussion about the budget focusing on the waterfall distribution. The CAC suggested reducing the reserve allocation from \$50 million to \$30 million, providing \$25 bill credits for CARE/FERA customers, and splitting the remaining funds between on-bill credits and the net billing tariff incentive. Additionally, the CAC proposed adding up to \$20 million for the local development business plan and allocating any extra revenue to reserves.

(2:02:06) Member Gonzalez spoke regarding the need to communicate clearly to the public about utility bill changes, as people see overall bill increases despite falling generation prices. He asked for CEO Chang's thoughts on the CAC's recommendation to reduce the reserve allocation to \$30 million. **CEO Chang** explained that maintaining a robust reserve is crucial given the agency's growing annual operating expenses and the policy target of a 50% reserve.

(2:07:16) CAC Chair Hernandez asked if the current year's increased revenue is benefiting CARE/FERA programs. **CEO Chang** confirmed, explaining that a healthy budget surplus this year means that an increased number of on-bill credits can be made available.

(2:08:30) Member Cox asked if the budget accounts for a phased-in approach to Fremont's potential opt-up to Renewable 100, or if it assumes all customers opt-up in one year. **CEO Chang** responded that the current budget doesn't include any opt-up by Fremont or other cities since nothing has been formally passed. **CEO Chang** explained further that even if opt-up decisions occur, they would take effect towards the end of the fiscal year, impacting only three months of the current budget year and having a more significant impact on the 2025-2026 budget year.

(2:10:21) Member Gonzalez motioned to approve the staff recommendation. Member Andersen seconded the motion, which was approved 12/0/0/0/5:

Yes: Members: Marquez, Kaur, Cox, Roche, Barrientos, Jorgens, Andersen, Gonzalez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Members: Bartlett, Hu, Diallo, Kalb and Patino

10. Long-Term Offtake Agreements (Action Item)

Consider approval and execution of the purchased power agreement for Rosemary Solar+Storage Contract and Aypa Storage Contract

(2:11:35) Scott Harding, Director of Origination for Ava, presented two new projects from the 2023 long-term RFO: a 70 MW solar and 70 MW storage project in Fresno County and a 100 MW standalone storage project in Los Angeles County. He highlighted the successful track records of the developers, Long Road Energy and Aypa Power,

noting their significant contributions to renewable energy projects and their commitment to using union labor and prevailing wages.

(2:20:07) Member Cox motioned to approve the staff recommendation. Member Gonzalez seconded the motion, which was approved 12/0/0/5:

Yes: Members: Marquez, Kaur, Cox, Roche, Barrientos, Jorgens, Andersen, Gonzalez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Members: Bartlett, Hu, Diallo, Kalb and Patino

CONSENT AGENDA

- 11. Approval of Minutes from May 15, 2024 and May 29, 2024**
- 12. Contracts Entered into (Informational Item)**
- 13. Legal Vendor Approval**
Allow spend on specific legal vendors up to budgeted amount
- 14. CSA with Celery Design Collaborative**
New Consulting Services Agreement with Celery Design Collaborative
- 15. FY 2023-2024 Q3 Financial Statements**
Present the third quarter financial statements for the current fiscal year
- 16. Managed Charging Program Scope under DERMS Contract**
Action item to include a managed EV charging services scope under the existing authorization for the CEO to negotiate and execute Lunar Energy DERMS contract
- 17. Additional Funding to The Energy Council (“Stopwaste”) to Administer the Bay Area Regional Heat Pump Water Heater Contractor Incentive Program**
Add funding to existing Heat pump water heater program
- 18. Aiqueous Contract Extension**
Extension of Aiqueous contract with amendment to budget
- 19. (2:20:53) With regards to Consent Item 17 – “Additional Funding to The Energy Council (“Stopwaste”) to Administer the Bay Area Regional Heat Pump Water Heater Contractor Incentive Program”, Chair Balch disclosed that he sits on the Stopwaste Energy Council. Ava General Counsel Khalsa stated that Chair Balch is required to disclose that he sits on the Stopwaste Board, but he is not required recuse himself from the vote.**

(2:21:28) General Counsel Khalsa noted that there is a typographic error in the Consent Item 13 —Legal Vendor Approval memo: There is an incorrect reference to fiscal year 2022-2023. The action is for the fiscal year 2024-2025.

(2:22:54) Member Marquez motioned to approve the Consent Agenda pending correction to Consent Item 13. Vice-Chair Tiedemann seconded the motion, which was approved 12/0/0/0/5:

Yes: Members: Marquez, Kaur, Cox, Roche, Barrientos, Jorgens, Andersen, Gonzalez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Members: Bartlett, Hu, Diallo, Kalb and Patino

END OF CONSENT AGENDA

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

(2:23:41) Member Wright thanked the staff for the opportunity to attend the Clean Energy Procurement Conference.

(2:24:15) CAC Chair Hernandez stated that CAC members are discussing the possibility of facilitating a study session on resilience hubs involving local community organizations such as the East Oak Collective, the Asian Pacific Environmental Network or the Lincoln Square Recreational Center.

21. Adjourned at 8:25 pm.

The next Board of Directors meeting will be held on Wednesday, July 17, 2024 at 6:00 pm.

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Oakland, CA 94607