

Inclusion of New Communities:
San Joaquin County
(unincorporated)



Background

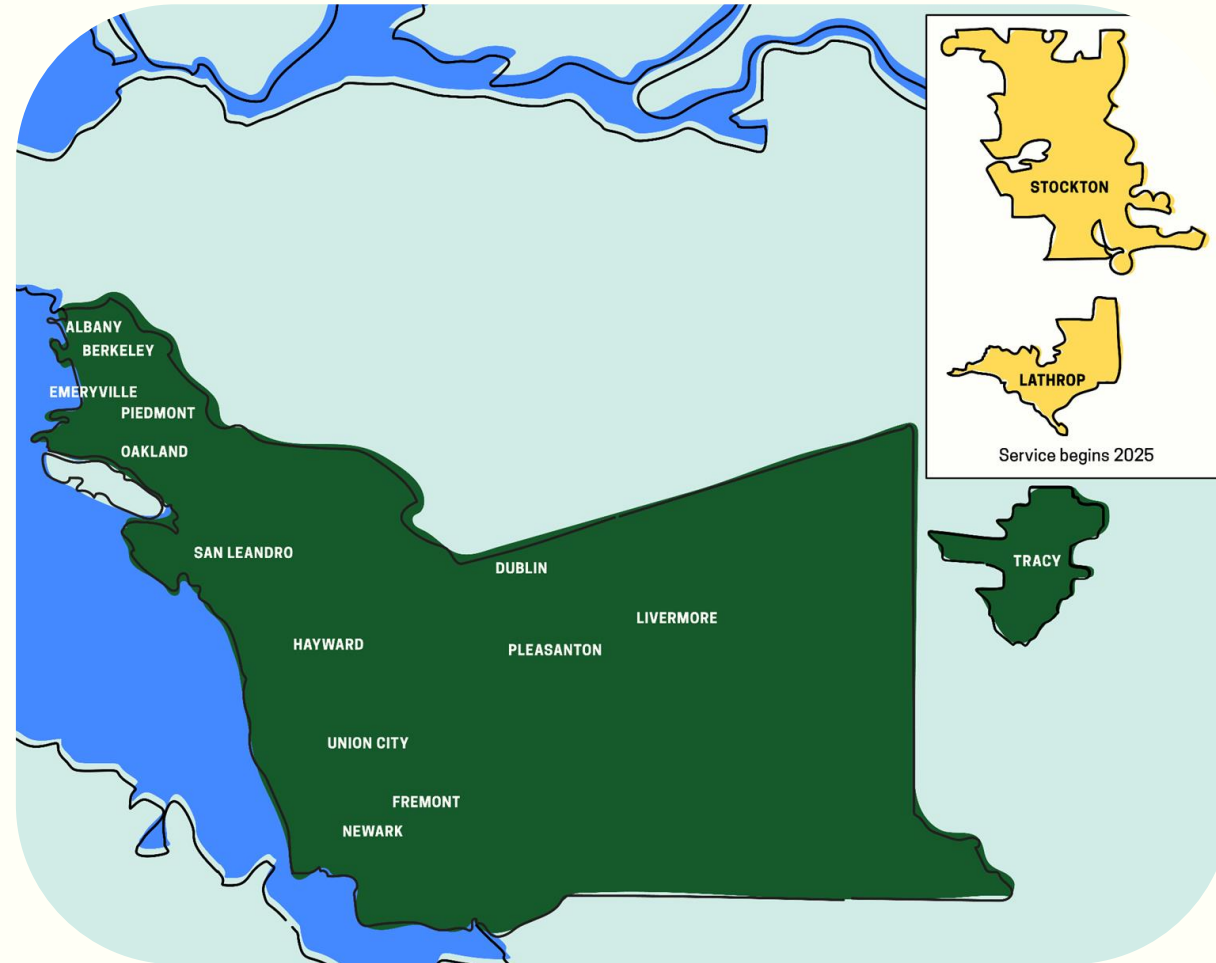
1. Ava Joint Powers Agreement (JPA) Sec. 3.1 ("Addition of Parties")
2. Previously invoked to include the following JPA members:
 - Cities of Newark, Pleasanton, and Tracy (2019)
 - City of Stockton (2022)
 - City of Lathrop (2023)
3. CPUC Reso E-4907: Requires one-year wait between JPA membership/CPUC Implementation Plan submission and start of Ava service to new JPA member-jurisdiction
 - Board approval re JPA membership during CY 2024 = Start of service CY 2026
4. In 2023, CPUC's new Resource Adequacy (RA) requirements delayed Stockton's start of service until 2025
5. Lathrop & Stockton: Ava service scheduled to begin April 2025
6. San Joaquin County (unincorporated): If approved CY 2024, service could begin CY 2026
 - Enrollment could be phased by sector/customer category:
 - E.g., three phases: Q 1/Jan: Muni/Com ----> Q2/April: Res ----> Q4/Oct: Agr (or Q1 '27)



Ava Member Jurisdictions

Ava's current Joint Powers Authority (JPA) and service area include: Alameda County, all AC cities (except the City of Alameda), and the City of Tracy in San Joaquin County (SJC).

In 2019, Tracy became the first SJC jurisdiction to join Ava's JPA. The SJC cities of Stockton and Lathrop joined the JPA in 2022 and 2023, respectively. These latter two SJC cities are scheduled to begin service with Ava in 2025.

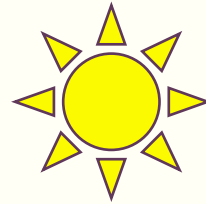


San Joaquin County: Key Ava JPA Membership Milestones

1. **July 28, 2022:** Ava staff invited by SJC Sup. Rickman (former Mayor of Tracy) to meet with County Administrator & staff;
 - PG&E load data forms requested by Ava
2. **Sept. 26, 2023:** Ava staff invited to present to SJC Board of Supervisors (BOS). Unanimous vote to proceed with Ava membership & approve PG&E load data request for Ava's analysis;
3. **October 12, 2023:** County's PG&E Load Data Request forms fully executed by SJC & PG&E
4. **March 12, 2024:** BOS unanimously passes first reading of CCA/Ava ordinance
5. **March 21, 2024:** PG&E provides SJC load data for Ava's analysis (w/errors & missing info)
6. **April 9, 2024:** BOS unanimously passes CCA ordinance and Resolution to join Ava
7. **June 27, 2024:** SJC's executed JPA signature page sent to Ava



Timeline: San Joaquin County's Ava Membership & Service



*Pending Board approval, SJC's 2026 start of service would be scheduled following additional staff analyses to optimize cost, customer experience, and power resource procurement.

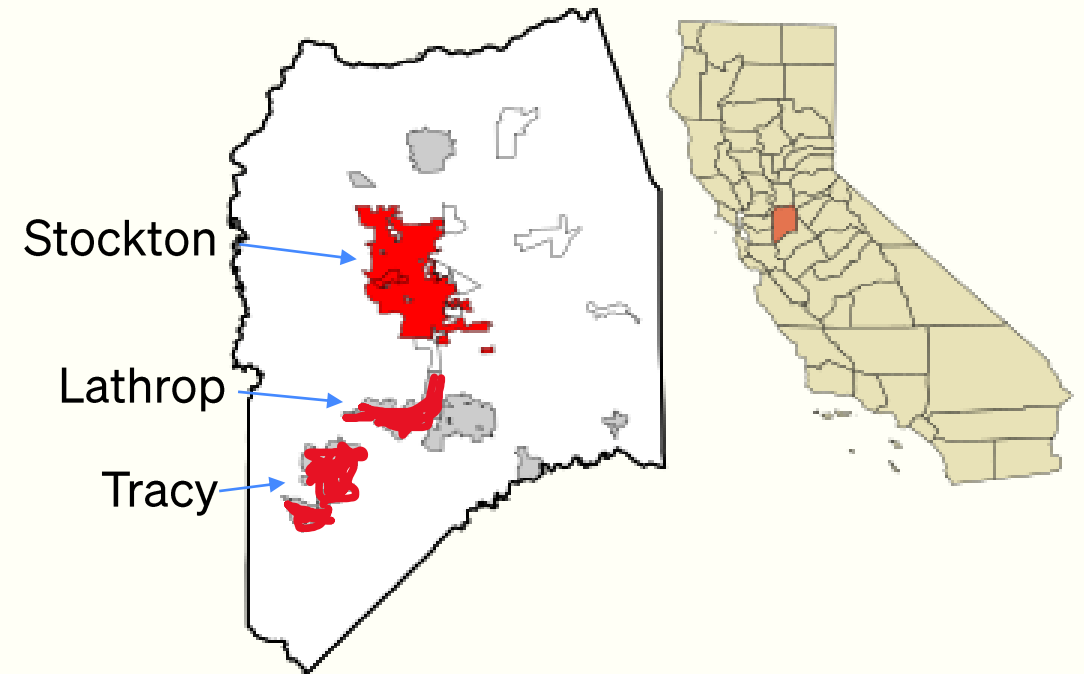
Customer enrollments could occur during a single month/year; or they could be phased by sector.

- E.g., three phases: Q1/Jan: Muni/Com ---> Q2/April: Res ---> Q4/Oct: Agr (or Q1 '27)



San Joaquin County: Background

- **Features:** Highly agricultural economy; demographic diversity; major transportation corridors (highways and rail lines); Port of Stockton; rich culture/history
- **Pop:** ~800,000 (cities + unincorporated areas) in 2023
 - Unincorporated pop: ~200,000 (smaller than Fremont; larger than Hayward)
 - Growing population & development of new homes (especially Lathrop)
- **Incorporated cities:** Escalon, **Lathrop**, Lodi, Manteca, Ripon, **Stockton**, **Tracy**...Mountain House (tbd)
- **Notes:**
 - County Seat: Stockton
 - Mountain House in process of incorporating
 - [Valley Link](#) (hydrogen-powered train connecting AC & SJC—under construction 2025-2027)
 - Altamont = major commuter corridor of AC & SJC



Qualitative Considerations: SJC re Ava's Mission & Strategy

1. Mission: Ava service to SJC accelerates progress toward JPA's express purpose

- Expand access to competitively-priced renewable energy
- Reduce greenhouse gas (GHG) emissions
- Provide lower rates than PG&E
- Catalyze local development & innovative programs
- Advance environmental justice

2. Strategy: Ava service to SJC creates strategic opportunities for the agency

- Economies of scale re long-term power procurement and retail rate savings
- Broader policy/political network re State/Federal legislative & regulatory issues
- Sector-specific programs & project development
 - e.g. AgFIT; Valley Link fuel cell (green hydrogen) train
- Transportation corridors for EV charging network
 - I 5; I 205; I 580; Hwy 4; Hwy 12; Hwy 26; Hwy 88; Hwy 99; Hwy 120
- Expanded stakeholder engagement in historically marginalized communities



Unincorporated SJC : Membership Analysis Summary

Notable Features of unincorporated SJC

- Similar in size to Stockton (load) and Hayward (number of accounts);
- Compared to unincorporated Alameda Co, SJC has ~12% more accounts—and ~2.5 times the load;
- Higher percentage of Agricultural (Agr) load
 - Agr represents nearly ~28% of load (but only 13% of accounts)
- Would nearly *triple* Ava's Agr load (from ~1.5% to 4.4%)
- Residential load is ~30% & Commercial (non-Agr) load is nearly 40%
- High solar adoption = potential for negative usage during certain hours of the day/year

Parameters of Analysis

- Based on current Ava overhead costs and 10-year average energy market values/forecasts;
- Assumes 7% account opt out rate (slightly above Ava's current service area-wide opt out rate)
- Applies Ava's 2025 rates from 2024-25 budget development
- Data excludes ineligible loads (e.g., Irrigation Districts and Direct Access customers);
- Applies 2023 PG&E load data for County customers (the most recent available)



Summary Data

	Customer Count	Annual Load (GWh)	Peak Load (Wholesale MW)	Peak Date & Time (Hour Starting)
Existing Ava	642,529	6,512	1233	2023-08-23 18:00
Stockton & Lathrop	118,089	1,221	391	2023-08-15 18:00
SJC Unincorporated	58,003	1,006	275	2023-08-15 18:00
Combined	818,621	8,739	1875	2023-08-15 18:00

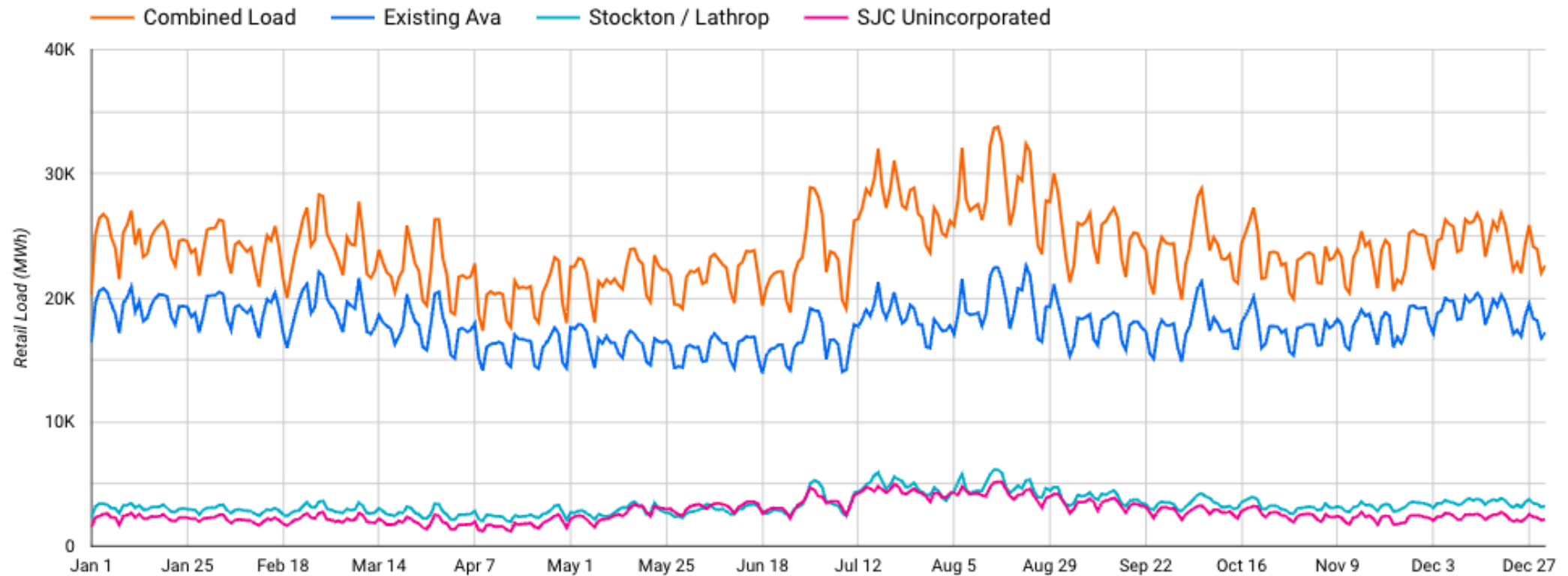
Historical Load in 2023 (MWh)

Rate Class	Existing Ava		Stockton & Lathrop		SJC Unincorporated		Combined Load	
	2023 MWh	%	2023 MWh	%	2023 MWh	%	2023 MWh	%
A1	908,883	13.96%	139,081	11.39%	77,985	7.75%	1,125,949	12.88%
A10	946,153	14.53%	156,089	12.78%	68,099	6.77%	1,170,341	13.39%
AGR	96,789	1.49%	2,324	0.19%	282,028	28.04%	381,141	4.36%
E19	1,331,972	20.46%	241,138	19.74%	101,640	10.10%	1,674,750	19.16%
E20	597,945	9.18%	145,526	11.91%	153,006	15.21%	896,477	10.26%
RES	2,519,344	38.69%	519,306	42.51%	320,789	31.89%	3,359,439	38.44%
LS	40,771	0.63%	8,511	0.70%	237	0.02%	49,519	0.57%
TC	7,074	0.11%	1,015	0.08%	557	0.06%	8,645	0.10%
BEV	62,724	0.96%	8,478	0.69%	1,504	0.15%	72,706	0.83%
Total	6,511,655	100.00%	1,221,468	100.00%	1,005,844	100.00%	8,738,967	100.00%

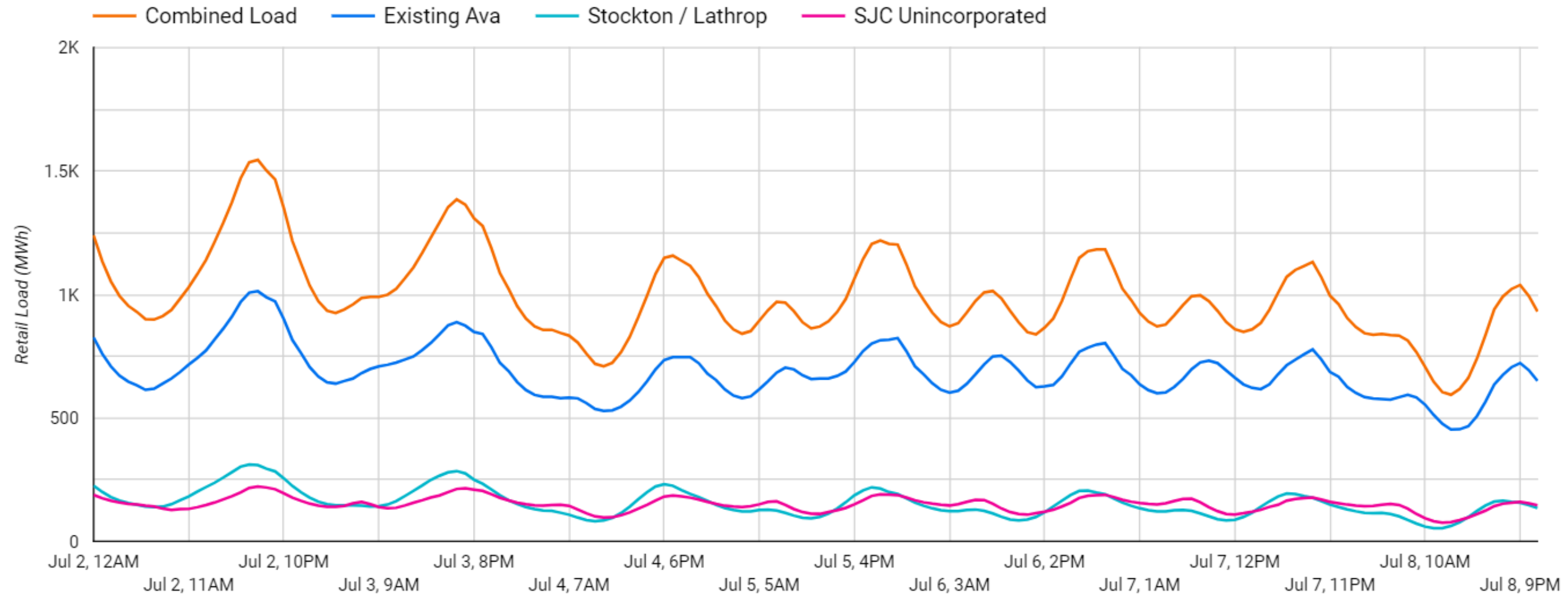


2023 Daily Load

2023 Historical Retail Load Comparison



Summer Hourly Load Shape



Quantitative Analysis: Base-Case

- Financial Base-Case scenario is based upon expected forward looking estimates for revenues and power resource/energy costs ("PR" = Power Resource)
- The table provides Base-Case assumptions and results for 2026; and are based on estimates as of July 2024
- Data reflects service to SJC for full CY 2026. Exact enrollment timing may be adjusted to optimize cost impacts

	SJC (applying Ava's historical average PR costs)	SJC 2026 (high PR costs)	SJC 2026 (low PR costs)	Ava 2026 (w/out SJC)	Ava w/SJC 2026 (high PR costs)	Ava w/SJC 2026 (low PR costs)
Accounts	58,003	58,003	58,003	760,618	818,621	818,621
Annual Load (GWh/yr)	1,030	1,030	1,030	8,034	9,064	9,064
Peak Load (MW)	314	314	314	1,859	2,173	2,173
Net Position %	+7.95%	-23.4%	-4.6%	+4.6%	+1.9%	+4.1%
Net Position \$	\$10.3M	-\$30.3M	-\$5.7M	\$51.0M	\$20.7M	\$45.3M



Staff Recommendation

1. **Extend JPA membership to unincorporated San Joaquin County; and**
2. **Authorize staff to update Ava's Implementation Plan (IP) to reflect SJC's membership & resubmit IP to the CPUC by end of 2024.**
 - Expected service in CY 2026, based on CPUC certification by EOY 2024
 - Consider phasing SJC enrollment through 2026 by customer sector
 - Additional analysis needed to optimize phasing

Timing: Bring to BOD for vote @ **July 17, 2024**, meeting

- To allow time for staff to submit updated Implementation Plan for CPUC certification by **Sept 30, 2024**.
 - CPUC has 90 days to certify Ava's updated plan
- December CPUC certification needed to make the 2026 Resource Adequacy (RA) filing including new County load;
- Back up timeline: Sept 18, 2024, BOD meeting (requires preemptive draft of updated IP)



Thank you!



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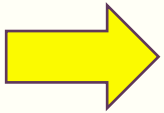
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Additional slides



Process of Joining Ava

1. Initial meetings with City/County staff & elected officials
 - PG&E load data request forms
2. Presentations to City Council/BOS;
 - Discussion item --> PG&E load data request forms
 - Vote #1 - CCA Ordinance & Resolution to join Ava
 - Vote #2 - Second CCA Ordinance vote (*best completed by June to make Sept 30 RA deadline*)
3. Ava staff conducts quantitative membership analysis
4. **Ava Board/committees review analysis and Board considers including new community**
5. Pending Board approval, Ava updates JPA and files updated Implementation Plan with the CPUC before 9/30 for preferable RA compliance
6. Next CY: Initial community outreach in new community (e.g., meetings w/CBOs, Chambers, et al)
7. CY+1: Ava enrolls customers in new community, typically April (could be phased)



2023 Hourly Load

2023 Historical Retail Load Comparison

