



Draft Minutes
Board of Directors Meeting

Wednesday, July 17, 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:

- Clipper Club - 5 Captain Dr. Emeryville, CA 94608
- Dublin City Hall - 100 Civic Plaza, Dublin, CA 94568
- Conference Room - Irvington Community Center 41885 Blacow Rd. Fremont, CA 94538
- The Diplomat Beach Resort, Curio Collection by Hilton – 3555 South Ocean Drive, Hollywood, FL 33019
- 1755 Harvest Landing Lane, Tracy, CA 95376
- 33349 9th Street (back office) Union City, CA 94587

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), Qaadri (Dublin), Kaur (Emeryville), Cox (Fremont), Roche (Hayward), Diallo (Lathrop), Jorgens (Newark), Kalb (Oakland), McCarthy (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: Tregub (Berkeley), Barrientos (Livermore) and Patino (Union City)

Director Qaadri served as the alternate for Director Hu (City of Dublin)

Director McCarthy served as the alternate for Director Andersen (Piedmont)

Director Diallo joined the meeting at 6:33pm.

2. Pledge of Allegiance

(2:47) Director Kalb 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.

(4:09) Public Comment - Audrey Ichinose, representing East Bay Clean Power Alliance and California Alliance for Community Energy, advocated for Ava to explore resilience hubs as a means to support local economic development, protect disadvantaged communities from climate impacts, and potentially serve as community microgrids that supply locally generated electricity.

(6:31) Public Comment – Colin Cook Miller, representing the Reclaim Our Power Utility Justice Campaign, urged the board to maintain Ava’s commitment to 100% local clean renewable energy by rejecting any future offers of nuclear power from PG&E.

(8:37) Public Comment – Celina Feliciano, representing East Bay Clean Power Alliance and Energy Democracy Project, urged the board to reject any future nuclear power allotments. Celina Feliciano also spoke about the need for clean, accessible energy that supports communities without harmful environmental impacts.

(10:43) Public Comment – Jessica Tovar, representing Local Clean Energy Alliance (LCEA), expressed concern that the nuclear allocation had been agendized before PG&E had filed its advice letter. Jessica Tovar also stated that LCEA has a petition with 238 signatures and sign-on letters from 27 organizations opposing the inclusion of nuclear power inclusion in Ava’s energy mix.

(13:04) Public Comment – Susan Silber, representing Collective Resilience and East Bay Clean Power Alliance, urged the board to reject PG&E's nuclear offer and expressed strong support for the board to fund resilience hubs.

(15:08) Public Comment – Beth Weinberger, representing Kehilla Community Synagogue, stated that as a public agency committed to clean energy, Ava should reject PG&E's nuclear offer and all future nuclear power proposals.

(16:40) Public Comment – Emily Ross, representing the Reclaim Our Power Utility Justice Campaign, urged the board to reject any future PG&E nuclear energy offers.

(18:01) Public Comment – Ayla Peters Paz, representing Local Clean Energy Alliance, thanked the board for their interest in resilience hubs and extended an invitation to organize a study session to discuss community resilience work within Ava's service territory.

(20:00) Public Comment – Hernando Sanchez, representing Local Clean Energy Alliance, urged Ava to reject nuclear allotments from PG&E and support in support of funding local resilience hubs.

CONSENT AGENDA

- 4. Approval of Minutes from June 12, 2024**
- 5. Contracts Entered into (Informational Item)**
- 6. Administrative Procurement Policy Update**
Update Ava's Administrative Procurement Policy to more correctly reflect Ava's management structure and to increase the threshold of spend that Vice Presidents and Senior Directors may approve.
- 7. Corsac Station Amendment**
Amendment to Ava's contract with FEC Nevada 1 for Corsac Station geothermal project
- 8. Thrive Mind Collaborative Contract**
Contract amendment to continue services in FY 24-25.
- 9. Extension to Existing Consulting Service Agreement with Gridscape Solutions**
Extend Consulting Service Agreement with Gridscape Solutions for engineering services
- 10. Consulting Service Agreement with Chen Design Associates**
New Consulting Service Agreement with Chen Design Associates for creative services
- 11. Treasurer's Report**
A report on Ava's bank account balances and other treasury items
- 12. "Exempt Surplus" 251 8th Street**
Approve a resolution declaring 251 8th Street to be "exempt surplus" property pursuant to Government Code Section 54221(f)(1)(B) and directing staff to take next steps, including exploring options for disposition of the property

(23:58) With regards to *Consent Item 6 – Administrative Procurement Policy Update*, **Chair Balch** stated that there is no stacking of authorities or dollar limits. It is à la carte

or individual for each of the authorities granted.

With regards to *Consent Item 12 – “Exempt Surplus” 251 8th Street*, **Chair Balch** stated that Ava would move towards surplus.

(24:30) Director Gonzalez motioned to approve the consent agenda. Director Wright seconded the motion, which was approved 13/0/0/4:

Yes: Directors: Marquez, Qaadri, Kaur, Cox, Roche, Jorgens, Kalb, McCarthy, Gonzelez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Directors: Tregub, Diallo, Barrientos and Patino

REGULAR AGENDA

13. CEO Report

(25:18) CEO Chang began by acknowledging his recent appointment as CEO and Nick's departure. He spoke about his priority to engage more deeply with board members, alternates, city staff, CAC members, and external stakeholders over the coming months.

CEO Chang also spoke about a significant milestone: the ribbon-cutting event for the Scarlet Solar and Storage Project in Fresno County¹. Ava is an off-taker for 100 megawatts of solar and 30 megawatts of storage from this 200 MW solar and 40 MW storage project. He spoke about the project's importance, noting its creation of over 250 union construction jobs and its capacity to power approximately 68,000 California homes.

He summarized recent committee meetings, including the Marketing, Regulatory and Legislative Subcommittee meeting on June 21st, which covered marketing efforts and equity initiatives. Chang detailed several equity programs, such as the California Arrearage Payment Program, which provided nearly \$14 million in COVID debt relief, and \$50 bill credits for CARE/FERA customers totaling over \$12 million. He also discussed ongoing efforts to increase enrollment in CARE/FERA programs through data science and targeted outreach.

CEO Chang mentioned the Finance, Administrative and Procurement Subcommittee meeting on July 10th, which covered topics like the R100 cost allocation methodology, Fremont's R100 citywide opt-up, and San Joaquin County's JPA membership.

Lastly, he introduced new staff members, including Molly Vasquez as HR Operations Manager, and several interns in the public policy (China Duff and Kendall Downey), marketing (Sarah Sprankle), and outreach teams (Avery Kelly). CEO Chang also noted ongoing recruitment efforts to fill additional open roles at the agency.

¹ For more information about the Scarlet Solar and Storage Project please see the July 17, 2024 Ava Press Release at <https://avaenergy.org/news-and-events/edp-renewables-cuts-ribbon-on-scarlet-i-solar-energy-park/>

(34:20) Public Comment – Igor Tregub asked about the possibility of tracking how many customers benefiting from the Net Energy Metering (NEM) adder had existing solar installations compared to those who may have been incentivized to adopt solar due to the adder or other incentives.

CEO Chang responded that it's difficult to distinguish whether the NEM adder was the decisive factor for CARE/FERA customers installing solar or if it was an independent decision. He said that while the adder likely had some impact, multiple factors influence such decisions.

14. CAC Chair Report

(36:37) CAC Chair Hernandez provided a summary of the recent Community Advisory Committee (CAC) meeting, highlighting the following key points:

1. The CAC expressed support for the Fremont R100 default request, new community inclusions, and the e-bike program.
2. The CAC expressed interest in a proposed resilience hub study session offered by the Local Clean Energy Alliance.
3. Member Pacheco provided information about AB 1373, which concerns centralized procurement of long-term resources, particularly 10 gigawatts of offshore wind by 2035.

(38:26) Public Comment – Woody Hastings, representing the Climate Center, stated that the original intention of Community Choice aggregation was to move away from polluting central station models like nuclear power, and instead focus on advancing local, clean energy resources that create jobs and promote environmental justice.

15. Renewable 100 Cost Allocation Methodology (Informational Item)

Review and discuss Renewable 100 and Bright Choice Cost Allocation Methodology

(41:12) CEO Chang presented three different R100 cost allocation methodologies (options A, B, and C). He explained that Option A maintains a blended REC price across both Bright Choice and R100 products, while Options B and C allocate higher marginal costs more towards R100, potentially widening the price differences between the two products. CEO Chang stated that the chosen methodology could have significant implications for Ava's value proposition, customer affordability, and operational complexity.

(1:02:11) Member Roche expressed concern about separating the R100 cost allocation methodology discussion from the Fremont opt-up decision, stating that the two topics are interconnected. **CEO Chang** clarified that the Fremont decision is primarily about approving the opt-up, not setting specific rates, and that any pricing changes wouldn't take effect until the next fiscal year. **Member Roche** also asked about alternative pricing models not based on PG&E's baseline. **CEO Chang** responded that while a few CCAs use different models, most index to their local investor-owned utility, and those using alternative models typically don't offer significant discounts.

(1:07:42) Member Kalb requested that the staff report for the September decision include an analysis of the environmental and climate impacts of different cost allocation options, not just financial considerations. **CEO Chang** acknowledged the difficulty in predicting customer behavior based on price changes but agreed to attempt some scenario analysis to address **Member Kalb's** request.

(1:11:53) Member Marquez asked about the implementation timeline for any new cost allocation methodology, which **CEO Chang** confirmed would not take effect until the next fiscal year. She inquired about customer outreach plans and potential opt-down rates, to which **CEO Chang** explained Ava's notification procedures and noted that historically, more customers choose to opt down rather than opt out when cities default to R100. **Member Marquez** also requested a comprehensive overview of all possible options and their implications when the matter is brought back for decision in September.

(1:15:31) Member Gonzalez asked about the market for Renewable Energy Certificates (RECs), their pricing trends, and how battery storage projects might affect REC prices. **CEO Chang** explained that REC prices are currently high but expected to decrease in the future. He also clarified that battery storage doesn't directly increase renewable energy generation but can serve as a financial hedge. **Member Gonzalez** also asked about the potential impact of different cost allocation options on customer utility bills. **Howard Chang** responded that Option A maintains the status quo while Options B and C would widen the price differential between products.

(1:22:14) Member Cox requested more detailed information about the potential phased implementation of different cost allocation options and their impacts on customer rates. **CEO Chang** explained that the presentation was intentionally simplified in order to focus on the structural impacts rather than specific phasing scenarios.

(1:25:25) Chair Balch asked about the potential for municipalities to opt down due to budgetary concerns and whether this was factored into the analysis of different cost allocation options. **CEO Chang** acknowledged that they had considered this and explained that while it would somewhat offset the impacts, the overall trends across options A, B, and C would remain directionally the same.

(1:27:56) Public Comment – Jessica Tovar spoke about the importance of investing in local renewable energy production as outlined in the local development business plan, arguing that this approach would reduce market dependency, stabilize prices, and generate wealth for local municipalities while transforming communities.

(1:30:21) Public Comment – Igor Tregub asked about the mix and cost implications of bundled versus unbundled RECs and suggested considering the avoided costs and benefits associated with local renewables and distributed energy resources in the 100% renewable alternatives.

(1:32:52) Member Roche asked for more detailed financial analysis of the costs associated with adding new cities like Fremont to the R100 program, particularly in relation to the agency's reserves. **CEO Chang** responded that the current analysis is based on short-term pricing, and that future price changes could significantly alter the

impact of different methodologies. **Member Roche** followed up that she is interested in seeing specific dollar amounts and budget impacts, similar to previous budget projections, to understand if the costs could be absorbed by the agency's reserves.

(1:35:01) Member Gonzalez spoke about the importance of presenting financial impacts in dollar amounts rather than percentages or cents, both for typical customers and the overall budget. He also expressed concern about potential cross-subsidization between different customer groups, particularly highlighting the need to be sensitive to lower-income communities in the Central Valley as the agency expands its service area.

(1:39:33) Chair Balch shared that Pleasanton recently considered switching from Renewable 100 to Bright Choice for budgetary reasons, ultimately voting to maintain Renewable 100 as their default. He suggested that similar discussions may become more common in other municipalities if economic conditions worsen. **Chair Balch** spoke about the importance of carefully considering pricing strategies, given constituents' concerns about electricity costs and reliability issues. He also questioned the agency's approach of basing revenue on PG&E's pricing while using cost-based tracking for expenses.

16. Fremont R100 Default Request (Action Item)

Request from the City of Fremont to opt up some or all customers to R100

(1:41:46) Alex DiGiorgio presented Fremont's request to default all its customers to the Renewable 100 (R100) program. Alex noted that Fremont, with about 17% of Ava's load, would be the largest jurisdiction to date to make this switch. He explained that the board needs to decide on the implementation timeline, either as a single enrollment in 2025 or a phased approach over 2025-2026, with the phased approach potentially mitigating cost impacts.

(1:53:28) Member Roche asked about the breakdown of residential versus commercial customers in Fremont and how phasing the R100 implementation might affect procurement decisions. **Alex DiGiorgio** explained that Fremont has a unique 70/30 split favoring commercial load and suggested that a phased approach could help mitigate cost impacts and allow for more gradual procurement adjustments.

(1:57:57) Member Cox, representing Fremont, expressed gratitude for the collaborative effort between Fremont city staff and Ava staff in planning the R100 default change. She advocated for a phased approach to the R100 implementation, suggesting that residential customers transition in 2025 and commercial in 2026.

(2:00:53) Public Comment – Jessica Tovar spoke about the need for a more coordinated and ongoing debt relief program to help eligible customers enroll in CARE/FERA/Medical Baseline programs. She stated that many qualified individuals are not currently enrolled due to lack of awareness or assistance. She also spoke in support of investing in local energy development to reduce reliance on market purchases.

(2:04:04) CAC Chair Hernandez reported that the Community Advisory Committee supports Fremont's inclusion in the R100 program and recommends that Ava staff and Fremont align on the best implementation strategy, potentially through phasing. He also

conveyed the CAC's encouragement for aggressive legislative and regulatory actions to reduce connectivity delays, lower energy costs, and explore debt relief programs to help vulnerable populations cope with escalating energy bills.

Director Cox motioned to approve the staff recommendation, and that the CEO is authorized to work with Fremont to identify and agree upon a timeline for a phased enrollment of residential customers in 2025 and commercial customers in 2026.

Director Marquez seconded the motion, which was approved 14/0/0/3:

Yes: Directors: Marquez, Qaadri, Kaur, Cox, Roche, Diallo, Jorgens, Kalb, McCarthy, Gonzelez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Directors: Tregub, Barrientos and Patino

17. New Community Inclusion – San Joaquin County (Action Item)

JPA membership request from San Joaquin County, and analysis

(2:15:20) Alex DiGiorgio presented San Joaquin County's request to join Ava Community Energy, explaining that this would include only the unincorporated areas of the county and could potentially begin service in 2026. He highlighted the qualitative benefits of inclusion, such as expanding access to renewable energy and advancing environmental justice, as well as the unique characteristics of the county's energy profile, including high solar adoption and significant agricultural load. DiGiorgio also presented financial projections for including San Joaquin County, noting that while historically such additions have been favorable to Ava's net position, current high energy costs could present challenges,

(2:32:47) Member Wright spoke about the unincorporated county pockets within Stockton's physical boundaries. He recommended bringing all county pockets into Ava's service area simultaneously and as close as possible to Stockton's launch date. He also spoke about the strong local support for Ava and the potential complications of staggered implementation.

(2:35:37) Member Roche asked about the potential phasing of San Joaquin County's inclusion in Ava Community Energy, particularly regarding agricultural load and specific projects like Valley Link. **Alex DiGiorgio** clarified that the quantitative analysis presented was based on a full year of service and that decisions about phasing and specific service plans were not being made at this meeting. **CEO Chang** added that while including San Joaquin County would increase the challenge of meeting Ava's 2030 renewable energy goals, it wouldn't directly change those goals.

(2:39:25) Public Comment – Woody Hastings, representing the Climate Center, spoke in support of San Joaquin County's inclusion in Ava Community Energy, citing their previous work with the county and the potential for local development and job creation.

Director Wright motioned to approve the staff recommendation. Director Roche seconded the motion, which was approved 14/0/0/3:

Yes: Directors: Marquez, Qaadri, Kaur, Cox, Roche, Diallo, Jorgens, Kalb, McCarthy, Gonzelez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Directors: Tregub, Barrientos and Patino

18. E-Bike Program Implementation Contract (Action Item)

Approve and execute a contract with APTIM

(2:43:34) Brett Wiley presented Ava's plans to relaunch their e-bike program with a new vendor, APTIM, after canceling a previous contract. The \$10 million program, funded by previously approved budgets and a grant from Alameda County Transportation Commission (ACTC), aims to distribute around 88,200 e-bikes (40% to income-qualified participants), making it one of the largest e-bike programs in California. Brett spoke about APTIM's experience in implementing similar programs, their proposed staffing plan, and the program's focus on equitable distribution and positive customer experience, with a planned launch in December 2024.

(2:56:33) Member Roche asked about the average e-bike voucher cost, to which **Brett Wiley** explained that the program offers two tiers of vouchers: \$400 for standard e-bikes and \$900 for cargo or adaptive e-bikes. **Brett Wiley** also noted that CARE/FERA customers would receive an additional \$500 on top of these amounts, potentially covering 80-100% of the average e-bike cost for income-qualified participants.

(2:58:03) Member Gonzalez asked about the actual cost of e-bikes in the program, rather than the subsidy amount. **Brett Wiley** explained that the program will offer a range of certified e-bikes sold through local bike shops, with prices ranging from \$1,000-\$1,300 for more affordable options to \$3,500-\$4,000 for premium models.

(2:59:37) Member Cox asked questions about the e-bike program, including safety training, repair services, equipment allowances, and charging infrastructure. **Brett Wiley** explained that while formal safety training isn't mandatory for purchasers, safety information will be provided, and the program will work with local bike shops across the service area for sales and repairs. He also clarified that e-bikes can be charged using standard 120-volt outlets, addressed concerns about APTIM's diverse business operations, and stated that Ava's program will be the most prominent e-bike initiative in the region.

Director Gonzalez motioned to approve the staff recommendation. Vice-Chair Tiedemann seconded the motion, which was approved 14/0/0/3:

Yes: Directors: Marquez, Qaadri, Kaur, Cox, Roche, Diallo, Jorgens, Kalb, McCarthy, Gonzelez, Wright, Bedolla, Vice-Chair Tiedemann and Chair Balch

No: none

Abstain: none

Recuse: none

Not Present: Directors: Tregub, Barrientos and Patino

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

(3:18:10) Member Gonzalez requested:

- Information on how account balances are changing over time (possibly last 24 months) in the Treasury Report
- A discussion on the potential changes to emissions computation methodology and its impacts

20. Adjourned at 9:19pm.

The next Board of Directors meeting will be held on Wednesday, September 18, 2024 at 6:00 pm.

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Oakland, CA 94607