



Consent Item 11

To:	Ava Community Energy Authority
From:	Michael Quiroz, Senior Regulatory & Data Analyst
Subject:	Notifying the board of an updated start date for Ava’s participation in the Agricultural Hourly Flex Pricing Pilot
Date:	December 18, 2024

Summary/Recommendation

This memo notifies the Board of an updated start date for Ava’s participation in the Agricultural Hourly Flex Pricing (“HFP”) Pilot. For additional background on the HFP Pilots, see Consent Item 12 from the September 2024 Ava Board of Directors Meeting.¹

Financial Impact

Ava staff do not foresee a notable cost increase associated with the updated timeline compared to the financial estimates outlined in Consent Item 12 of the September 2024 Board of Directors Meeting.

Analysis and Context

At the September 18, 2024 meeting, Ava’s Board of Directors authorized Ava to participate in the HFP Pilots in order to comply with the California Energy Commission’s Load Management Standards. The Board’s resolution, as passed at the September 2024 meeting, did not specify a start date for individual pilots or pilot elements. As stated in the staff report accompanying the resolution, Ava staff initially planned to include residential, commercial, and industrial customers in the pilot launch, with agricultural customer participation considered for 2026 when Ava’s service territory may expand to the San Joaquin Valley. Recognizing that minimal incremental

¹ [September 2024 Ava Board of Directors Meeting, Consent Item 12](#)

effort or cost would be required to include all customer classes when the rates become available, Ava staff will consider agricultural customer participation as early as 2025.

Attachments

- A. Resolution No. R-2024-64 Authorizing Participation in the PG&E Hourly Flex Pricing Pilots

RESOLUTION NO. R-2024-64
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING
PARTICIPATION IN THE PG&E HOURLY FLEX PRICING PILOTS

WHEREAS Ava Community Energy Authority (“Ava”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, under the Joint Exercise of Powers 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 was added as a member to Ava in September of 2022. The city of Lathrop was added as a member to Ava in October of 2023. San Joaquin County was added as a member to Ava in July 2024. On October 24, 2023, Ava legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS the California Energy Commission (“CEC”) Load Management Standards (“LMS”), require CCAs to offer customers voluntary participation in hourly marginal cost-based rates (“hourly rates”) by 2027, and

WHEREAS The LMS provide that a CCA may modify compliance with this requirement if implementing hourly rates is found not to be technologically feasible, equitable, safe, or cost-effective, and

WHEREAS Ava does not currently have sufficient information to conclude that proposing and implementing dynamic rates would be cost effective or provide benefits to Ava customers, because significant uncertainties exist related to the level of incremental load shift potential, customer response to market price risks, customer acceptance and adoption of a complex new rate design, the administrative costs of dynamic rate implementation, and potential cost shifts between participants and non-participants, and

WHEREAS Participating in the Vehicle to Grid Integration (“VGI”) and Expanded Pilots with Pacific Gas & Electric (“PG&E”) could inform Ava’s decision of whether to eventually adopt hourly rates and how to otherwise comply with the Load Management Standards.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF AVA COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Ava is authorized to participate in the VGI Pilots and Expanded Pilots in partnership with PG&E and offer customers the associated dynamic rates.

ADOPTED AND APPROVED this 18th day of September, 2024

Signed by:

Jack O. Balch

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Jack Balch, Chair

ATTEST:

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Adrian Bankhead

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Adrian Bankhead, Clerk of the Board