



Executive Committee Meeting
Wednesday, January 8, 2025
9:00 am

In Person:

Conference Room 5
Ava Community Energy
1999 Harrison St., Suite 2300
Oakland, CA 94612

Or from the following locations:

City of Pleasanton, City Council Conference Room, 200 Old Bernal Ave, Pleasanton,
94566
Hayward City Hall, 777 B St, Hayward, CA 94541

Via Zoom:

<https://avaenergy-org.zoom.us/j/88267670367>

Or join by phone:

Dial(for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592
or +1 312 626 6799 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)
Webinar ID: 882 676 70367

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@avaenergy.org.

If you have anything that you wish to be distributed to the Executive Committee, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

2. Public Comment

This item is reserved for persons wishing to address the Executive Committee 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 Committee are customarily limited to three minutes per speaker and must complete an electronic [speaker](#)

slip. The Executive Committee Chair may increase or decrease the time allotted to each speaker.

3. Approval of Minutes from December 4, 2024

4. BAAQMD Rule 9-6 (Informational Item)

Receive an update and provide Feedback to staff regarding the Bay Area Air Quality Management District's amendments to Regulation 9, Rule 6.

5. Building Efficiency Accelerator Funding (Informational Item)

Staff will provide an update on the funding status for the Building Efficiency Accelerator program and seek feedback on a proposed budget reallocation.

6. Committee Member and Staff Announcements including requests to place items on future Executive Committee Agendas

7. Adjourn

The next Executive Committee meeting will be held on Wednesday, February 5, 2025.



Draft Minutes
Executive Committee Meeting
Wednesday, December 4, 2024
9:00 am

In Person:

Conference Room 5
Ava Community Energy
1999 Harrison St., Suite 2300
Oakland, CA 94612

Or from the following locations:

24301 Southland Drive, Suite 101, Hayward, CA 94545
Dublin City Hall - 100 Civic Plaza, Dublin, CA 94568
Balch Enterprises, Inc. – 30960 Huntwood Avenue, Hayward, CA 94544
31 Poynter House, Aberdeen Place, St John's Wood, NW8 8JP

Via Zoom:

<https://us02web.zoom.us/j/88267670367>

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1. (7:43) Welcome & Roll Call

Present: Members: Hu (Dublin), Kalb (Oakland), Marquez (Alameda County), Balch (Pleasanton) and Chair Tiedemann (Albany)

Member Kalb joined the meeting at 9:11am.

2. (8:41) Public Comment

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There was no public comment for this item.

3. (9:05) Approval of Minutes from November 6, 2024

Member Balch motioned to approve the minutes. Member Marquez seconded the motion which was approved 3/0/0/0/1 (yes, no, abstain, recuse, not present):

Yes: Members: Hu, Marquez, Balch and Chair Tiedemann

No: none

Abstain: none

Recuse: none

Not Present: Members Kalb

4. (10:10) Government Fleet EV Charging Grants (Informational Item)

Ava-led initiative resulted in CEC grant funding for government fleet EV charging infrastructure

Zac Thompson presented the outcomes of Ava's Municipal Fleet Electrification Program, a five-year initiative that offered no-cost technical support to local governments for electrifying their vehicle fleets. The program helped identify EV infrastructure needs and secure \$7.6 million in California Energy Commission grants for three jurisdictions. Thompson noted the program's achievements, including avoiding 13,000 metric tons of CO2 annually and assisting local governments with meeting regulatory requirements.

(24:38) Public Comment – Bradley Cleveland, an Oakland resident and consultant with IBEW Local 595 and NorCal NECA, spoke in support of the Municipal Fleet Electrification Program, stating that the program has advanced fleet electrification and created local jobs and apprenticeship opportunities.

(25:44) Public Comment – Jim Lutz asked whether Ava is continuing to collaborate with cities that did not receive California Energy Commission grants to identify additional funding opportunities, and whether the new chargers will support demand flexibility by scheduling charging during periods of the lowest electricity costs.

(26:55) Public Comment – Aya Peters Paz thanked Member Marquez for supporting the funding of local development programs and for advocating for public facing communication about these programs.

The Executive Committee discussed:

- **Member Marquez** asked about the tracking of grant funding and suggested making this data publicly accessible on an annual basis.

- **Member Balch** spoke in support of the program and stated that its technical assistance is vital for municipalities to adapt to evolving state laws.
- **Chair Tiedemann** stated that the program provided value through service initiatives that align with Ava's goals.

5. **(32:00) Piedmont Pool NSR Amendment (Informational Item)**

Amendment to NSRA w/City to adjust repayment timeline for its electrified community pool

Alex DiGiorgio presented a proposal to amend the electricity service agreement with the City of Piedmont, which includes an interest-free loan for the electrification of the city's municipal pool. Due to construction delays, the city requested to postpone the start of loan repayment until the pool is operational or up to one year, whichever occurs first. The amendment adjusts the repayment schedule without altering the financial terms of the agreement.

The Executive Committee discussed:

- **Member Marquez** spoke in support of the flexible repayment approach, allowing repayment to start six months after the pool's certificate of occupancy or up to a one-year delay.
- **Member Balch** spoke about the need for clear communication on timelines and understanding opportunity costs when supporting projects involving construction delays.
- **CEO Chang** suggested a future discussion on structuring loan programs effectively and aligning them with Ava's overall financial management and mission.

6. **(42:24) CAC Work Plan (Informational Item)**

CAC-approved updates to the CAC Work Plan

Alex DiGiorgio presented updates to the Community Advisory Committee (CAC) work plan. The proposed changes, informed by a strategic planning session and member surveys, would prioritize and categorize tasks into recurring items, less frequent but significant topics, and CAC-initiated projects.

(59:56) Public Comment – Anne Olivia Eldred, former CAC Chair, spoke in support for the proposed changes to the work plan, particularly the formalization of ad hoc committees. Anne Olivia Eldred also spoke about the importance of maintaining the CAC's ability to address emerging community issues and provide input to the board.

The Executive Committee discussed:

- **Member Kalb** asked about the possible impact of the updated work plan on staff time.
- **Member Balch** encouraged focus on key topics like energy affordability.
- **Member Marquez** spoke about the importance of clearly defining roles and time commitments to enhance recruitment and retention of CAC members.
- **Chair Tiedemann** spoke in support of the shift toward ad hoc committees, which would allow CAC members to focus on topics of interest and make contributions beyond oversight.

7. (1:07:49) Committee Member and Staff Announcements including requests to place items on future Executive Committee Agendas

- **Chair Tiedemann** expressed appreciation to staff and the Executive Committee and Board at his last meeting.
- **Member Hu** expressed appreciation to staff and the Executive Committee at her last meeting.
- Thanks were given to **Chair Tiedeman** and **Member Hu** by **Member Marquez, Member Balch, Member Kalb** and **CEO Chang**, and in public comments by **Jessica Tovar** and **Aya Peters Paz**.

8. Adjourned at 10:18am.

The next Executive Committee meeting will be held on Wednesday, January 8, 2024.

Bay Area Air Quality
Management District
Amendments to
Regulation 9, Rule 6



Background

In March 2023, the Bay Area Air Quality Management District Board of Directors adopted amendments to Regulation 9, Rule 4 and Rule 6.

- These amendments set zero nitrogen oxides (NO_x) emissions standards for space and water heating throughout the nine-county Bay Area Air District.
 - Rules would ban the sale of qualifying NO_x-emitting appliances in the Bay Area
 - Does not require replacement of existing appliances
 - Does not mandate jurisdictions to alter building codes



Timeline and Process

BAAQMD proposes to phase implementation across three dates:

- January 1, 2027: water heaters less than 75,000 BTU/hr
 - January 1, 2029: all applicable furnaces
 - January 1, 2031: water heaters between 75,000 BTU/hr and less than 2 million BTU/hr
- BAAQMD staff must present research findings two years before each implementation
 - BAAQMD Board of Directors has opportunity to modify rules and/or timelines

Timeline and Process

In December 2024, BAAQMD staff presented findings related to Rule 9-6 implementation (small water heaters).

- Public engagement and comment to continue into 2025 with more significant public outreach
- BAAQMD staff returning to their BOD in Q2-2025 with update addressing key comments and proposed options for rule modifications

Rule 9-6 Overview

Focus on small tanked water heaters (75 gallons or less) for residential homes

- Proposed implementation milestone: January 1, 2027
- Does not include large tanked water heaters (75 gallons+), gas tankless water heaters, or centralized unitary water heaters found in multifamily buildings
- Heat pump water heaters (HPWH) offer the best solution for compliance



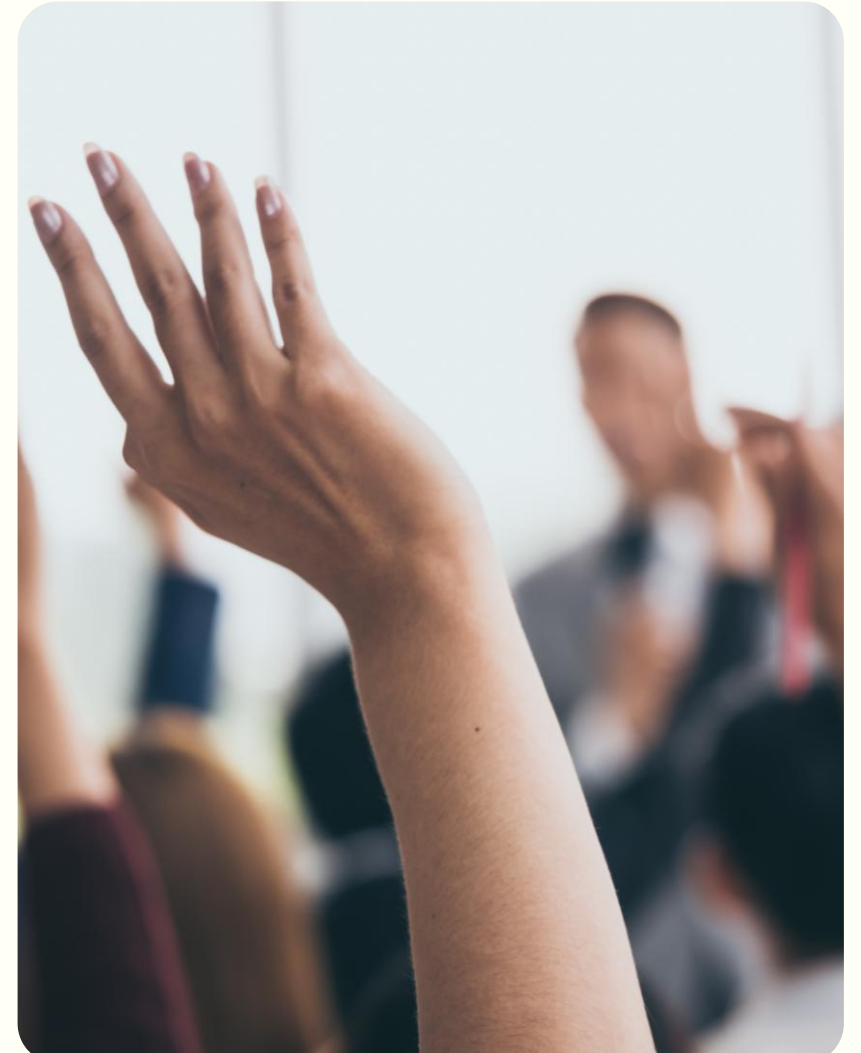
Image courtesy of Hot Water Solutions.

Key Areas of Concern: BAAQMD BOD

- Equity and Affordability
- Operating Cost and Health Considerations
- Edge Cases and Data Analysis
- Enforcement and Compliance
- Space and Installation Challenges
- Emerging Technologies

Public Comment on Rule Changes

- Commenters consisted of advocacy groups, CBOs, jurisdictions, housing, labor and contractors
- Majority of commentors were supportive of the the rules and keeping the proposed timeline
- Personal testimonials about health impacts of inaction, successes using incentive programs
- Assets to success: Incentive programs, contractor and workforce readiness
- Highlighted challenges: Space constraints, upfront costs, permitting, service upgrade wait times, need for more outreach into the community



Takeaways from December BAAQMD Meeting

- Equity and affordability are paramount
- BAAQMD keeping the proposed timeline for now, but ready to pivot pending further findings
- Don't wait on public outreach
- Address permitting – put out model ordinance
- More research is needed to understand incremental cost and edge cases

CCA Involvement

Bay Area CCAs included in BAAQMD's multi-stakeholder Implementation Working Group (IWG) effort.

- CCA staff and leadership have held regular meetings since 2023 to discuss rules
- CCA leadership have meet with BAAQMD leadership once per quarter (Next meeting January 27)
- CCAs are not directly involved in rulemaking outside of acting in an advisory role



CCA Opportunities

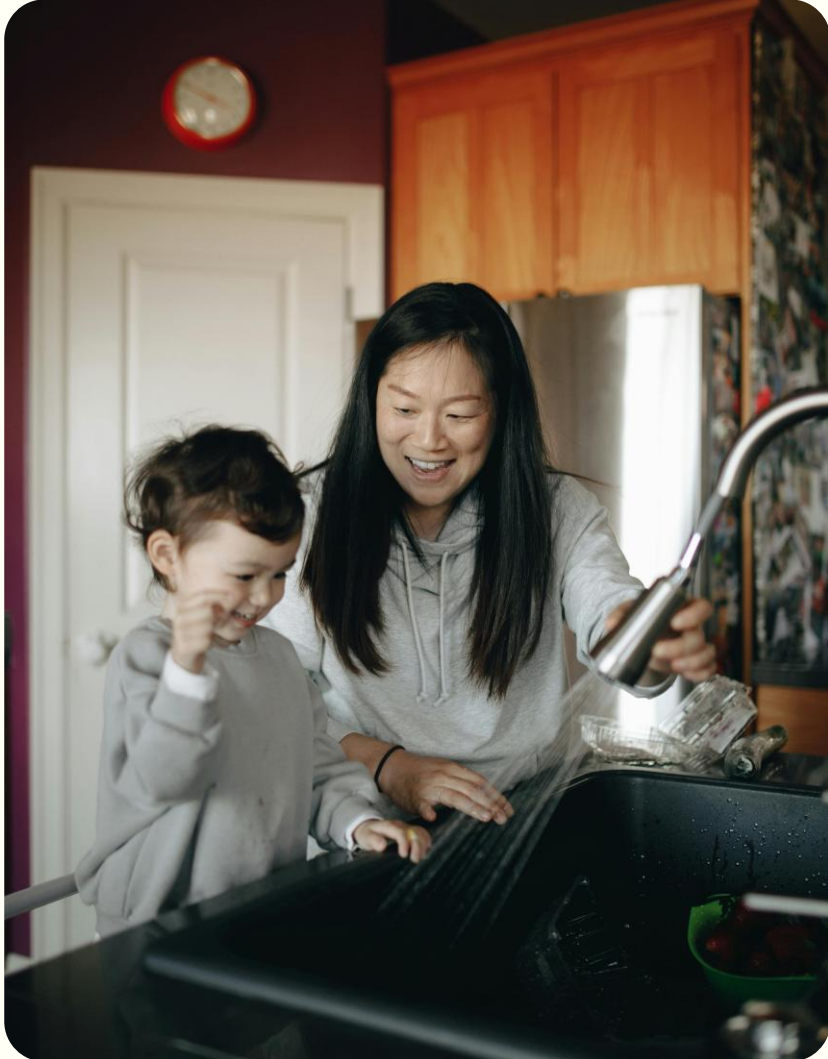


Image courtesy of Hot Water Solutions.

- Rapid acceleration of building electrification
- Significant GHG, NO_x, and PM_{2.5} emissions reductions throughout Bay Area
- Reduction in avoidable healthcare costs and premature death
- CCAs can demonstrate value through customer assistance programs

Key Areas of Concern for CCAs

Impacts to low-income communities

- Need for additional, sustained funding sources to offset incremental costs for low-income community members
- Pass through costs pushed down to renters and tenant protections
- Energy affordability
- May push rule subversion/avoidance with unpermitted work
- Reliance on CCA program funding
- Lack of representation
- Lack of community awareness

Key Areas of Concern for CCAs

Exceptions for hard to install/space constrained water heaters

- Tanked water heaters that are 30 gallons or less
- Exceptionally high cost to electrify due to necessary structural modifications
- Ability to accommodate exceptions through compliance framework, if adopted

Public relations and marketing

- CCAs role to communicate rules to customers
- Separation from rule enforcement

Energy Efficiency Program Funding

Executive Committee Meeting 1/8/2025



Background

Program Inception

- Ava filed a program plan with the CPUC to access Public Purpose Program (PPP) funds under the Elect to Administer (ETA) pathway in 2021.
- In September 2022, the CPUC approved Resolution E-5215 allowing Ava to administer a commercial energy efficiency (EE) program with a budget of \$13.4 M over three years
- In May 2023, Ava launched a program called the Building Efficiency Accelerator in partnership with our program implementer, Cascade Energy, to operate until May 2026.

Program Performance

To date, the Building Efficiency Accelerator Program has:

- enrolled 30 buildings belonging to our largest C&I and public sector customers, providing free technical assistance on opportunities for energy savings and incentives, and
- identified ~15 GWh of potential savings from energy efficiency.



CPUC Budget Allocation

Funding Issue

In August 2024, Peninsula Clean Energy (PCE) alerted Ava to an error in the budget calculation. This miscalculation was identified across all ETA CCAs budgets, yet all were reviewed and approved by CPUC through the resolution process.

Erroneous Calculation = *Total electricity NBC collections from the CCA's customers – total electricity NBC collections from the CCA's customers * % of the applicable IOU EE budget*

Corrected Calculation = *Total electricity energy efficiency NBC collections from the CCA's customers – total electricity energy efficiency NBC collections from the CCA's customers * % of the applicable IOU EE budget*

- Energy efficiency program costs are not shown as a standalone nonbypassable charge (NBC) on customers' bills, but are rolled into Public Purpose Program (PPP) NBCs.
- The total PPP rate on bills includes multiple rate components for programs, not just energy efficiency.
- The error occurred from the use of the **total PPP NBC** in the CPUC's budget calculation equation, instead of a percentage that only applied to the energy efficiency rate component.

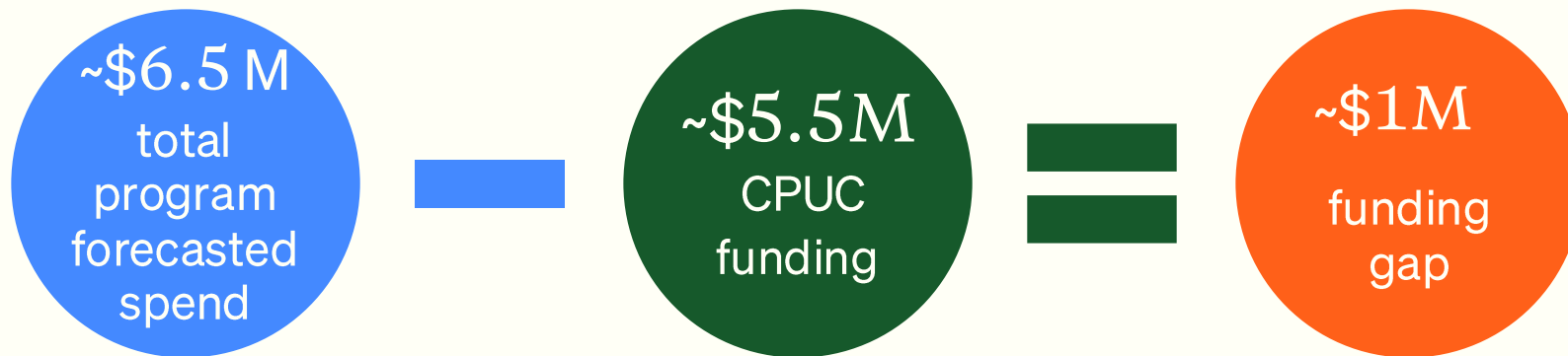
 Based on the corrected input, Ava should have only received ~\$5.5 M instead of \$13.4 M

CPUC Budget Reduction Risk to Ava

Ava and all affected CCAs identified the issue for the CPUC. On 12/24/24 the CPUC issued a draft resolution E-5366 proposing a corrected budget for Ava of \$5.56M. If the Resolution is approved, Ava will face an overall program budget reduction of \$7.9M.

Ava has paused enrollment in the program to minimize financial risk based on a reduction in CPUC funding and identified a revised maximum program spend given the existing level of enrollment.

Based on the existing 30 buildings enrolled in the program, Ava's forecasted maximum fees over the program term to 2026 are ~\$6.5M, split between administration and participant incentive costs.



Recommendation

Ava recommends shifting \$1M of unused funds from the Local Development Building Electrification budget into the Building Efficiency Accelerator, making the new budget \$6.5 M.

The rationale for this proposal is:

- Ava has identified ~\$4M of unspent funding from previously allocated Building Electrification budgets. Ava will return to the Board with a full reconciliation of Local Development funding in the coming months
- Ava needs to confirm the available budget now in order to continue delivering program offerings to customers
- Ensure the enrolled customers maintain access to the resources and incentives offered
- Contribute to a **positive program experience** for commercial and industrial customers.
- Support the implementation of energy efficiency measures – such as equipment replacements, controls optimization, electrification projects – while providing incentives that help customers reduce energy usage and achieve up to 10% savings on their bills.

Ava will prioritize ensuring enrolled customers have the necessary funding to complete their projects and will continue to monitor enrollment and new project costs to ensure they remain within the adjusted amount.

