



Consent Item 8

To:	Ava Community Energy Authority
From:	Allison Lopez, Energy Efficiency Associate
Subject:	Approving a Resolution for CEO to negotiate and execute an Amendment to Main Services Agreement (MSA) with Lunar Energy Limited
Date:	January 15, 2024

Summary/Recommendation

This memo proposes extending the Main Services Agreement (“MSA”) with Lunar Energy Limited to January 2028 to align the distributed energy resources systems (“DERMS”) platform services with updated program timelines. Additionally, this Amendment proposes including an operational Scope of Work and a Service Level Agreement for Ava’s managed charging program, to document performance expectations for device control and dispatch consistent with managed charging program design. Lastly, this memo proposes clarifying administrative contract provisions.

Financial Impact

- Given the adjusted launch timelines of the managed charging program (initially Q4 of 2024 to now Q1 2025) and solar and storage program (initially Q2 of 2025 to now later in 2025), Ava recommends extending the term of this MSA without increasing the not to exceed (“NTE”) of the MSA, since the changes will not impact costs incurred by Ava.

Analysis and Context

In July 2024, Ava Energy executed an MSA with Lunar Energy Limited to implement a DERMS platform. This platform enables Ava to communicate and manage distributed energy resources (“DERS”) throughout our service territory. The objective of this effort is to develop virtual power plants (“VPPs”) that can optimize customer cost savings, while advancing Ava’s load management priorities. The MSA includes Addendums comprised of separate scopes of work:

- Addendum A: DERMS platform – A software-as-a-service (“SAAS”) solution to operate the DERMS platform.
- Addendum B: Battery Storage Operational Service Level Agreement – Defines the dispatch parameters for the battery storage program.
- Addendum C: Solar and Storage Program – Professional services providing administrative and program design support for the solar and storage program.
- Addendum D: Electric Vehicle Managed Charging (“EVMC”) Program – Professional services to launch and manage the EVMC program, with Optiwatt serving as the subcontractor.

The initial term of the MSA is two (2) years, and may be renewed up to three (3) successive one (1) year terms. Based on the date of contract execution, the initial term concludes in July 2027. The managed charging program and battery program timelines have adjusted to later in 2025, which would fall outside of this initial term limit. Ava recommends extending the MSA term to January 2028 to better align with updated program timelines and ensure sufficient time for implementation.

Ava also seeks to amend the MSA to include an “Addendum E: Managed Charging Program Operational Service Level Agreement.” This would include an operational Scope of Work for the managed charging program. This Addendum establishes clear performance expectations for asset management by Lunar Energy Limited, within the DERMS platform. This Scope establishes a transparent framework for Ava and Lunar Energy to align on objectives and measurable outcomes. Key elements of the scope include:

- Load management parameters: Describes the operational parameters for the managed charging programs and a process for adjusting as necessary,
- Performance metrics: Provides the calculations and rationale used to measure program success, and
- Capacity calculation methodology: Describes the method for calculating delivered capacity, which informs the variable capacity fee.

Lastly, Ava proposes revising the invoicing instructions detailed in the Scope of Work to provide additional clarity on the process for submitting invoices and calculating fees.

Ava staff recommend these MSA amendments to establish clear expectations, alignment on timeline, and transparent performance metrics, to ensure the success of our VPP programs.

Committee Recommendation

N/A

Attachments

- A. Resolution Authorizing CEO to Negotiate and Execute First Amendment with Lunar Energy
- B. Draft Amendment Template

RESOLUTION NO. R-2025-xx
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY APPROVING AMENDMENT
TO MAIN SERVICES AGREEMENT WITH LUNAR ENERGY LIMITED

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 In July 2024, Ava executed a Main Services Agreement (“MSA”) with Lunar Energy Limited to implement a distributed energy resources management system (“DERMS”) to manage distributed energy resources (“DERs”) throughout Ava’s service territory;

WHEREAS the MSA included four Addenda, representing four Scopes of Work for the: 1. DERMS platform, 2. Managed charging program, 3. Battery program, and 4. Battery program Operational Service Level Agreement;

WHEREAS the initial term of the MSA is two (2) years, and may be renewed up to three (3) successive one (1) year terms;

WHEREAS the program timelines for the managed charging program and the battery program have adjusted to later dates in 2025; and

WHEREAS Ava recommends extending term of the MSA to January 2028, to align with adjusted program timelines and adding an Operational Service Level Agreement for the managed charging program to ensure alignment on performance expectations and measurement of performance metrics.

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

Section 1. The CEO is hereby authorized to negotiate and execute an Amendment to the MSA with Lunar Energy Limited to 1) extend the term to January 2028, 2) add an Operational Service Level Agreement for the managed charging

program, and 3) clarify administrative contract provisions.

ADOPTED AND APPROVED this 15th day of January, 2025.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

First Amendment to Main Services Agreement by and Between Ava Community Energy Authority and [Vendor]

This [Number] Amendment to the Agreement with [Vendor] for Services (“[Number] Amendment”) is made this [day] day of [month], [202X], by and between the Ava Community Energy Authority, a Joint Powers Agency formed under the laws of the State of California (“Ava”) and [Legal Name of Vendor] (“[Vendor]”), for the purposes of adding additional compensation, adding additional services to the scope, extending the termination date, and updating the hourly rates of compensation.

Recitals

- A. Ava and [Vendor] entered into that certain Main Services Agreement dated [date] (“Agreement”), wherein [Vendor] agreed to provide [service] to Ava, with compensation not to exceed \$[amount].
- B. Ava and [Vendor] entered into that certain [Number] Amendment to the Main Services Agreement on [date] to add additional compensation, increasing the not-to-exceed amount by \$[amount] for a total amount not to exceed \$[amount], to update the scope of services, to extend the term, and to update the hourly rates of compensation.
- C. Ava and [Vendor] entered into that certain [Number] Amendment to the Main Services Agreement on [date] to add additional compensation, increasing the not-to-exceed amount by \$[amount] for a total amount not to exceed \$[amount], to update the scope of services, to extend the term, and to update the hourly rates of compensation.
- D. Ava and [Vendor] now desire to amend the Agreement to add additional compensation, increasing the not-to-exceed amount by \$[amount], to add additional services to the scope of services [to include additional services], to extend the term, and to update the hourly rates of compensation.

Now therefore, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Section [#] of the Agreement (“Term”) is amended to extend the term of the Agreement through [new date].
2. Section [#] of the Agreement (“Compensation and Payment”) is amended in part to increase the total compensation of the Agreement by \$[amount] for a total amount not to exceed [new amount spelled out] (\$[new amount]).
3. Section [#] of the Agreement (“Notices”) is amended in part to include Legal@avaenergy.org as an additional recipient.

4. Exhibit A (“Scope of Work”) of the Agreement is replaced in its entirety by Exhibit A, attached hereto.
5. Exhibit B (“Schedule”) of the Agreement is replaced in its entirety by Exhibit B, attached hereto.
6. Exhibit E (“Compensation/Budget”) of the Agreement is replaced in its entirety by Exhibit E, attached hereto.
7. All other terms and conditions in the Agreement not otherwise modified by this [Number] Amendment will remain in full force and effect.

In witness whereof, the Parties have entered this Amendment on the date written above.

Ava Community Energy Authority,
A Joint Powers Authority

[Vendor],
A [Legal form of entity]

[Name]
[Title]

[Name]
[Title]

Date: _____

Date: _____

Approved as to form:

[Name]
[Title]

Date: _____

Ava General Counsel

Exhibit A

Scope of Work

[Insert text here]

Exhibit B

Schedule

[Insert text here]

Exhibit E

Compensation/Budget

[Insert text here]