



Consent Item 11

To:	Ava Community Energy Authority
From:	Allison Lopez, Energy Efficiency Associate
Subject:	<i>Approving a Resolution of the Board of Directors of Ava Community Energy Authority Authorizing the Chief Executive Officer to Negotiate and Execute of a First Amendment to Cascade Energy Consulting Services Agreement</i>
Date:	February 19, 2025

Summary/Recommendation

This Staff Report proposes adjusting Cascade Energy’s Consulting Services Agreement budget via an Amendment to align with the CPUC’s revised funding allocation. The Amendment will also update the scope of work to ensure continued program delivery and customer support within the new budget constraints.

Financial Impact

We are reducing Cascade Energy’s budget from \$11,569,528 to \$5,992,682.80. This revised budget reflects the adjusted CPUC allocation and includes the additional \$1 million reallocated from unused Local Development funds, as approved by the Board in January 2025.

Analysis and Context

In September 2022, the California Public Utilities Commission (CPUC) approved Resolution E-5215 allowing Ava to administer a Commercial Energy Efficiency Program for \$13,463,049 for three years, beginning May of 2023 through May of 2026.¹ With these funds, Ava launched a program called the Building Efficiency Accelerator program (hereafter referred to as the “Accelerator” program) in May 2023, with the support of our program implementer, Cascade Energy. The program is set to end in May 2026.

The Accelerator program is designed to save Ava's largest commercial and industrial customers energy through low-to-no cost energy efficiency measures and provides generous incentives based on energy savings. Customers that enroll in the program benefit from services such as: 1) site assessment to identify energy savings opportunities, 2) 12-24 months of one-on-one support from an energy coach, and 3) costs savings from lower energy bills and incentives for saving energy. To date, 30 customers have enrolled in the program. The types of customers include hospital, biotech, food production, municipal sites, etc.

In December 2024, the CPUC issued Draft Resolution E-5366, identifying an error in the budget calculations for Ava and several other CCAs. Per the Resolution, Ava's corrected budget should be \$5,568,488 instead of the \$13,463,049 that was previously approved. In response, Ava presented this Draft Resolution to the Board in January 2025 and requested allocating \$1 million in unused Local Development funds to help maintain program resources for active participants, which the Board approved.

In January 2025, the CPUC approved Resolution E-5366, finalizing Ava's corrected program budget at \$5,568,488. This budget also supports other program expenses, including Ava's contract with Frontier for regulatory reporting, totaling \$575,805. After accounting for the non-Cascade expenses, the remaining CPUC-allocated funds for Cascade total \$4,992,682.80. With the additional \$1 million in approved Ava funds, the revised not-to-exceed (NTE) is \$5,992,682.80. Therefore, staff recommend amending Cascade's contract to align with the adjusted budget and updating the scope of work to ensure the most effective use of available funds.

Committee Recommendation

- The CPUC Draft Resolution and the \$1 million shift of unused local development funds were presented to the Executive and Community Advisory Committee in January and received their support.

Attachments

- A. Resolution Authorizing CEO to Negotiate and Execute a First Amendment to the Consulting Services Agreement with Cascade Energy
- B. Ava Contract Amendment Template

RESOLUTION NO. R-2025-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

OF AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER to NEGOTIATE AND EXECUTE A FIRST AMENDMENT TO CASCADE ENERGY CONSULTING SERVICES AGREEMENT

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 September 2022, Ava was approved through Resolution E-5215 for a \$13.4 million ratepayer funded Commercial Energy Efficiency Program administered under the auspices of the California Public Utilities Commission (CPUC);

WHEREAS in March of 2023, Ava’s Board of Director’s authorized the CEO to negotiate and execute a Consulting Services Agreement with Cascade Energy for the implementation of the Commercial Energy Efficiency Program, with compensation not to exceed \$11,569,528;

WHEREAS a Consulting Services Agreement with Cascade Energy was executed for those services and that amount;

WHEREAS In May of 2023, Ava launched its Commercial Energy Efficiency Program called the Building Efficiency Accelerator in partnership with Cascade Energy;

WHEREAS Ava has enrolled 30 large commercial and industrial customers in the program, totaling 15 GWh of potential energy savings;

WHEREAS In August 2024, Ava learned of an error in the funding determination calculation for elect-to-administer (ETA) CCAs, with Ava being over allocated approximately \$8 million;

WHEREAS the CPUC issued Draft Resolution E-5366 proposing a corrected budget for Ava of \$5,568,488 and the Resolution was approved in January 2025;

WHEREAS in January 2025, the Ava’s Board approved reallocating \$1 million in unused Local Development funds to the Building Efficiency Accelerator program, bringing the total budget to \$6,568,488;

WHEREAS Ava prioritizes the efficient and effective use of the remaining CPUC funds and seeks to amend Cascade Energy’s contract to align with the revised budget.

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

Section 1. The Board authorizes the CEO, in consultation with staff and legal counsel, to negotiate and execute a First Amendment to Cascade Energy’s Consulting Services Agreement to reduce the not to exceed budget to \$5,992,682.80 and to adjust the scope of work to accommodate the new budget.

ADOPTED AND APPROVED this 19th day of February, 2025.

Jack Balch, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

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

This [Number] Amendment to the Agreement with [Vendor] for Consulting 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 Consulting 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 Consulting 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 Consulting 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.
- E. On October 24, 2023, East Bay Community Energy Authority legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

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

- 1. All references to East Bay Community Energy (“EBCE”) in the Agreement are hereby amended to Ava Community Energy (“Ava”).
- 2. Section [#] of the Agreement (“Term”) is amended to extend the term of the Agreement through [new date].

3. 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]).
4. Section [#] of the Agreement (“Notices”) is amended in part to include Legal@avaenergy.org as a required additional recipient for Ava.
5. Exhibit A (“Scope of Work”) of the Agreement is replaced in its entirety by Exhibit A, attached hereto.
6. Exhibit B (“Schedule”) of the Agreement is replaced in its entirety by Exhibit B, attached hereto.
7. Exhibit E (“Compensation/Budget”) of the Agreement is replaced in its entirety by Exhibit E, attached hereto.
8. 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]

Ava General Counsel

Date:

Exhibit A
Scope of Work

[Insert text here]

Exhibit B

Schedule

[Insert text here]

Exhibit E

Compensation/Budget

[Insert text here]