



**Executive Committee Meeting**  
**Wednesday, March 5, 2025**  
3:00 pm

In Person:

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

Or from the following locations:

Hayward City Hall, 777 B St, Hayward, CA 94541  
Balch Enterprises, Inc. – 30960 Huntwood Avenue, Hayward, CA 94544

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](mailto: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 February 5, 2025**

**4. Critical Municipal Facilities Update (Informational Item)**

Update on risks associated with CMF projects

**5. Local Development Business Fund Review (Informational Item)**

Review of the Local Development Business Fund.

**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, April 2, 2025 at 3pm.



**Draft Minutes**

**Executive Committee Meeting  
Wednesday, February 5, 2025**

3:00 pm

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Ava Community Energy  
1999 Harrison St., Suite 2300  
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**1. Welcome & Roll Call**

**Present: Members:** Marquez (Alameda County), Roche (Hayward), Andersen (Piedmont) and Gonzalez (San Leandro)

**Not Present:** Member Balch

**2. Chair and Vice-Chair Appointments**

**Member Marquez nominated Member Andersen as Chair and Member Gonzalez as Vice-Chair. Member Roche seconded the nomination. Member Andersen and**

**Member Gonzalez accepted the nomination, which was approved 4/0/0/0/1 (yes/no/abstain/recuse/not present)**

**Yes: Members: Marquez, Roche, Gonzalez and Andersen**

**No: none**

**Abstain: none**

**Recuse: none**

**Not Present: Member Balch**

Chair Andersen picked up the gavel.

### 3. 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.*

**There was no public comment.**

### 4. Closed Session Public Comment

### 5. Closed Session

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION under California Government Code Section 54957: Performance Evaluation of Chief Executive Officer

### 6. General Counsel Report Out of Closed Session

**There were no items to report out of Closed Session.**

### 7. Approval of Minutes from January 8, 2025

**Member Gonzalez motioned to approve the minutes. Member Marquez seconded the motion, which was approved 4/0/0/0/1 (yes/no/abstain/recuse/not present)**

**Yes: Members: Marquez, Roche, Gonzalez and Andersen**

**No: none**

**Abstain: none**

**Recuse: none**

**Not Present: Member Balch**

### 8. Mid-Year Budget Update (Informational Item)

Review the budget performance through December 2024.

Howard Chang provided a mid-year budget update, reporting a \$57 million increase in total operating revenue, partially offset by a \$15 million rise in energy costs, resulting in a projected budget surplus of \$95 million.

**9. Overview of Fire at Moss Landing (Informational Item)**

Overview of fire at Moss Landing battery facility.

**Joanie Brooke** provided an update on the Moss Landing battery fire and its implications for energy storage safety.

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

- **Howard Chang** introduced **Russell Mills**, Ava's new Chief Financial Officer.
- **Member Roche** requested to agendaize a discussion on the impact of data centers on electrical load and renewable energy in Ava's service territory.

**11. Adjourned at 4:31pm.**

The next Executive Committee meeting will be held on Wednesday, March 5, 2025 at 3pm.

Critical Municipal  
Facilities Update  
March 5, 2025



# Previous Update

- 1) We are at a critical juncture with this CMF portfolio in light of the NEM 2.0 deadline in April 2026, which requires projects to be online prior to this date to preserve maximum cost savings.
- 2) Any opportunity to meet this deadline on the full portfolio requires us to move forward immediately to complete project designs and order long-lead equipment.
- 3) Losing NEM 2.0 status would significantly reduce cost savings, making City portfolios no longer cost neutral
- 4) Our financing counterparty, Green Bridge, is pausing work on this process and re-assessing their risk and ability to continue moving forward.
- 5) **Ava staff to continue to assess this risk and further diligence options presented to provide a recommendation to the board, likely in March.**
  - **A potential recommendation is to focus on NEM 2.0 sites and downsize the portfolio in order to derisk our build timeframe and select the highest margin and most straight forward construction projects. (*Options 2 or 3 from prior slide*)**
  - **Focus diligence on owning and building projects on Ava's balance sheet, Public Works requirements, and the capital costs of such an investment. Further model various downside economic scenarios such as: missing the NEM 2.0 deadline, tariffs, losing ITC/direct pay/federal incentives**

# Recent Activity

## City Updates

- Staff has evaluated sites for those that have the highest probability (based on ease of installation and energy savings) of being connected by April 15, 2026 to meet NEM2.0 deadline
- Staff has talked with City Staff and confirmed interest in Ava continuing to develop a smaller portfolio of projects and is confirming the prioritization of the selected Sites

## Procurement and Schedule

- Issuing Public Works Design-Build RFP to expedite identifying and contracting with a qualified contractor
- The schedule to install projects and meet NEM2.0 is very tight, preliminary discussions with solar installers indicate confidence in being able to install systems by April, 26. The RFP will require a schedule commitment and willingness to agree to Ava's contract terms , which will ultimately determine if the schedule is feasible
- Ava counsel is reviewing the EPC (engineering, procurement and construction) contract that was used by Peninsula Clean Energy to own projects in their Municipal resilience program

# Reduced CMF Portfolio

- Prioritizing two sites per City with Staff feedback, which are a mix of rooftop and carport systems
- Will confirm confidence in ability to install projects by 4/15/26 through RFP
- Evaluating impacts of losing NEM2.0 savings at site level in case contractors are unable to commit to all 12 sites by NEM2.0
- Anticipate offering cities a fixed priced PPA based on EPC costs and Ava's internal cost of capital
  - o Goal is to maximize savings to cities with a minimum floor of net neutral

# of Sites	kW (Solar)	kWh (Battery)	Construction Cost	Fed Tax Credit
12	830	2,028	~\$6-8M*+	\$1.8 -\$2.4M**

\*Pricing estimate, to be confirmed through RFP

\*\* Fed Tax Credit based on 30% of Construction Cost, 40% is possible on some sites

# PPA Pricing Approach

1. Set PPA price based on:
  - Development, Operational, Administrative costs and Contingency, Ava Cost of Capital
2. Calculate base case city savings
3. Quantify risks that could impact Costs or Savings
  - Federal ITC/Direct Pay, Tariffs, grants, NEM2.0 timeline
4. Develop risk sharing approach with Cities that maintains cost neutrality
  - This will account for estimated city savings reductions and Ava cost increases from base case
5. Ava to reserve funds during development and operations to account for risk

# Next Steps

- Qualify respondents to Ava RFQ and issue RFP to selected contractors
- Confirm pricing and schedule from Contractor responses
- Confirming process and for Ava developing and owning Solar + Storage projects
- Develop PPA pricing under Ava ownership and review City Savings
- Determine Ava's ability to allocate funding for Solar and Storage development and operations
- Run downside scenarios based on Federal policy changes (ITC and tariffs)
- Allocate funding for development, operations and reserves
- Evaluate if PV systems can be re-designed to deliver savings under NEM3.0

# Previous Board Summary



# Executive Summary

- Ava has been working with a renewable energy developer, Green Bridge Energy, to design, construct, and operate solar and storage systems across 30 municipal sites by entering power purchase agreements (“PPAs”) with 6 participating cities.
- City project portfolios are designed to deliver energy savings over the contract terms, as well as resiliency benefits to protect against grid outages and extreme weather events.
- Ava has been working towards execution of a master PPA with Green Bridge to enable early-phase projects to kickoff development to support NEM2.0 qualification deadlines, which require online dates by April 2026
- Smaller (20-200kW) solar & storage energy systems have always presented a technical challenge due to the unique nature of the facilities and small sizes with very few installers and solar PPA counterparties focused on this segment
- Combining the portfolio, creating greater scale, and applying the Ava CMF incentive program is intended to enable this portfolio to be built

City	Total sites / NEM2	kW (Solar)	kWh (Battery)	Savings as % of total bill*
Berkeley	2 / 2	186	387	15.7%
Fremont	6 / 2	318	697	14.5%
Hayward	4 / 3	219	387	8.9%
Livermore	5 / 4	2,822	1,754	5.6%
Oakland	8 / 4	909	1,703	6.0%
San Leandro	7 / 5	882	1,780	11.4%

\*Based on last available PPA pricing

- Types of facilities include libraries, senior centers, community centers, city halls, police & fire stations, corporation yards & service centers.

# Local Development Fund Reconciliation

Annie Henderson | March 2025



# Methodology

- **Budget time frame start date** : starting FY20 with first specific budget allocation to the Local Development Fund, year in which fund was established
  - FY18 and FY19 had funding for local development but it was not placed into a fund and unspent budget did not roll over
- **Budget time frame end date**: through FY25
- **Expenses time frame**: Starting in July 2019 through September 2024
- This presentation focuses on budget, actual expenses through September 2024, and anticipated spending (called "Earmarked") under current contracts and programs in development or already launched.

# Methodology/Assumptions: Budget Notes

- Some "spent" and/or "earmarked" funds will eventually be reimbursed
  - Expenses are eligible for reimbursement under a CPUC program
    - Disadvantaged Community Green Tariff (DAC-GT)
    - Building Efficiency Accelerator
  - Expenses that will be repaid as part of a loan
    - Residential Electrification Program Loan (BlocPower)
    - MHD Drayage Loan (Forum Mobility)
    - Beneficial Municipal Electrification Loan (City of Piedmont)

# Original Budget Allocation FY19/20 through FY24/25

Category	Total
Transportation Electrification	\$42,070,000
Building Electrification	\$24,790,000
Resilience**	\$13,740,000
Grants	\$7,400,000
Other*	\$1,565,000
<b>Grand Total</b>	<b>\$89,565,000</b>

\* legal, marketing, sponsorships and memberships, admin

\*\*Does NOT include any surplus budget allocations

# Major Budget Centers - Original

Category	Program Area	Total
Transportation Electrification	Ava Charge (DCFC)	\$14,350,000
	Ava Bike Electric	\$6,000,000
	Drayage Loan	\$5,250,000
	EV Adoption	\$5,000,000
	CaleVIP	\$3,896,000
	Municipal Fleet CaaS	\$2,000,000
Building Electrification	Health-e Communities	\$10,000,000
	Electrification Incentives	\$3,850,000
	Electrification Install Network	\$2,000,000
	Municipal Electrification	\$2,000,000
Resilience	Critical Municipal Facilities	\$8,140,000
	Resilience Hub Tech Asst	\$2,000,000
	VPP Manager	\$2,000,000
Grants	Grants: Community	\$7,400,000

- Total of **\$73,886,00**, accounting for ~**83%** of the original budget.
- Remaining budget covers individual items <\$2M such as:
  - Workforce Training
  - Energy Efficiency
  - Managed Charging
  - Legal expenses
  - Induction lending

# Original Budget Allocation, YoY

Category   FY	20	21	22	23	24	25	Total
Building Electrification	\$1,250,000	\$1,340,000	\$2,000,000	\$4,700,000	\$8,500,000	\$7,000,000	<b>\$24,790,000</b>
Resilience**	\$600,000	\$400,000	\$580,000	\$660,000	\$4,000,000	\$7,500,000	<b>\$13,740,000</b>
Transportation Electrification	\$2,000,000	\$4,600,000	\$5,470,000	\$12,250,000	\$11,750,000	\$6,000,000	<b>\$42,070,000</b>
Grants	\$600,000	\$-	\$-	\$4,200,000	\$1,400,000	\$1,200,000	<b>\$7,400,000</b>
Other*	\$65,000	\$-	\$300,000	\$250,000	\$250,000	\$700,000	<b>\$1,565,000</b>
<b>Grand Total</b>	<b>\$4,515,000</b>	<b>\$6,340,000</b>	<b>\$8,350,000</b>	<b>\$22,060,000</b>	<b>\$25,900,000</b>	<b>\$22,400,000</b>	<b>\$89,565,000</b>

\* legal, marketing, sponsorships and memberships, admin

\*\*Does NOT includes any surplus budget allocations

# Why an Updated Budget?

- Over time some initially proposed budget areas:
  - Achieved savings through efficient execution
  - Did not go beyond a pilot project
  - Were not relevant/necessary due to changes in regulatory policy
  - Transitioned to other departments/SG&A related budget line items
  - Were better allocated to a different category within the Local Development Fund
  - Were consolidated
  - Did not end up being an execution priority
  - Additional budget assigned as part of surplus budget allocation
- This reconciliation is intended to identify and report changes between original budget presentation to the board and current strategy and priorities.

# Cumulative Comparison of Original to Updated Budgets

Category	Original	Updated	Differential
Transportation Electrification	\$42,070,000	\$41,870,000	\$(200,000)
Building Electrification	\$24,790,000	\$22,190,000	\$(2,600,000)
Resilience*	\$13,740,000	\$28,603,130	\$14,863,130
Grants**	\$7,400,000	\$10,100,000	\$2,700,000
Other***	\$1,565,000	\$1,765,000	\$200,000
<b>Grand Total</b>	<b>\$89,565,000</b>	<b>\$104,528,130</b>	<b>\$14,963,130</b>

\*Includes \$14,963,130 in FY24 from surplus budget allocation as indicated in Nov-2024 board meeting

\*\*Grants may be associated with Ava Program areas like Resilience

\*\*\* legal, marketing, sponsorships and memberships, admin

# Details of Original to Updated Budget

Building Electrification		
Original		\$24,790,000
Resilience	Municipal Electrification to CMF	-\$150,000
	Rate Pilot to Medical Baseline Battery	-\$50,000
Grants	Workforce Training to Workforce	-\$1,650,000
	Electrical Showcase to COVID	-\$50,000
	NEM Enhancements to COVID	-\$350,000
	Demand Response to COVID	-\$250,000
	Connected Communities to AMP	-\$100,000
Updated		\$22,190,000

Resilience		
Original		\$13,740,000
Building Electrification	Municipal Electrification to CMF	\$150,000
	Rate Pilot to Medical Battery	\$50,000
Grants	Collaborative Procurement to COVID	-\$300,000
FY24 Budget Surplus	Solar + Storage Upfront Incentives	\$14,963,130
Updated		\$28,603,130

Grants		
Original		\$7,400,000
Building Electrification	Workforce Training to Workforce	\$1,650,000
	Electrical Showcase to COVID	\$50,000
	NEM Enhancements to COVID	\$350,000
	Demand Response to COVID	\$250,000
	Connected Communities to AMP	\$100,000
Resilience	Collaborative Procurement to COVID	\$300,000
Updated		\$10,100,000

Transportation Electrification		
Original		\$42,070,000
Other	Asset Ownership to Legal	-\$200,000
Updated		\$41,870,000

Other		
Original		\$1,565,000
Transportation Electrification	Asset Ownership to Legal	\$200,000
Updated		\$1,765,000

This slide shows the details on how funding was moved between categories and program areas from original budget to updated budget.

# Major Budget Centers - Updated

Category	Program Area	Total
Transportation Electrification	Ava Charge	\$14,350,000
	Managed Charging	\$6,000,000
	Ava Bike Electric	\$6,000,000
	Drayage Loan	\$5,250,000
	EV Adoption	\$5,000,000
	CaleVIP	\$3,896,000
	Other	\$4,624,000
Building Electrification	Health-e Communities	\$10,000,000
	Other	\$5,500,000
Resilience	Critical Municipal Facilities	\$8,850,000
	Resilience Hub Tech Asst	\$2,000,000
	VPP Manager	\$2,000,000
	Upfront S+S Incentives	\$14,963,130
Grants	Grants: Community	\$7,400,000

- Total of **\$90,833,000**, accounting for **~87%** of the updated budget.
- Remaining budget covers items <\$2M such as:
  - Legal Expenses
  - Energy Efficiency
  - COVID Grants
  - Workforce Grants
  - Municipal Fleet Electrification
  - Municipal Electrification Loan

# Updated Budget Allocation, YoY

Category   FY	20	21	22	23	24	25	Total
Building Electrification	\$550,000	\$1,040,000	\$1,900,000	\$4,700,000	\$7,000,000	\$7,000,000	<b>\$22,190,000</b>
Resilience**	\$350,000	\$550,000	\$580,000	\$660,000	\$18,963,130	\$7,500,000	<b>\$28,603,130</b>
Transportation Electrification	\$2,000,000	\$4,400,000	\$5,470,000	\$12,250,000	\$11,750,000	\$6,000,000	<b>\$41,870,000</b>
Grants	\$1,550,000	\$150,000	\$100,000	\$4,200,000	\$2,900,000	\$1,200,000	<b>\$10,100,000</b>
Other*	\$65,000	\$200,000	\$300,000	\$250,000	\$250,000	\$700,000	<b>\$1,765,000</b>
<b>Grand Total</b>	<b>\$4,515,000</b>	<b>\$6,340,000</b>	<b>\$8,350,000</b>	<b>\$22,060,000</b>	<b>\$40,863,130</b>	<b>\$22,400,000</b>	<b>\$104,528,130</b>

\* legal, marketing, sponsorships and memberships, admin

\*\*Includes \$14,963,130 in FY24 from surplus budget for solar and storage incentives allocation as indicated in Nov-2024 board meeting

NOTE: figures do not include any forecasted budget surplus allocation from FY 2025

# Original Budget that is not currently planned for deployment

Other	Program Area	Budget
Transportation Electrification	EV admin/staffing	\$704,000
	L2 Workplace/Public Charging	\$500,000
	Medium-Heavy Duty Vehicles	\$1,420,000
	Muni Fleet Charging as a Service	\$2,000,000
<b>Transportation Electrification Total</b>		<b>\$4,624,000</b>
Building Electrification	Electrification	\$400,000
	Electrification Incentives	\$3,150,000
	Electrification Install Network	\$1,950,000
<b>Building Electrification Total</b>		<b>\$5,500,000</b>

# Cumulative Comparison of Original to Updated Budgets with Expenses and Earmarks

- There are deficits in individual line items that result in an overall negative remaining budget. The most significant is within the Other category because of legal expenses.
- **Take away:** There is approximately **\$9.5M** in un-earmarked funding.

Category	Total Budget	Expenses through		Variance
		Sep-24	Earmarked	
Transportation Electrification	\$41,870,000	-\$4,478,000	-\$32,800,000	\$4,592,000
Building Electrification	\$22,190,000	-\$5,818,000	-\$10,540,000	\$5,832,000
Resilience	\$28,603,130	-\$3,204,000	-\$25,399,130	\$0
Grants*	\$10,100,000	-\$1,436,000	-\$8,664,000	\$0
Other**	\$1,765,000	-\$2,720,000		-\$955,000
<b>Grand Total</b>	<b>\$104,528,130</b>	<b>-\$17,656,000</b>	<b>-\$77,403,130</b>	<b>\$9,469,000</b>

# Earmarked Funds

Category	Program Area	Earmarked	Status
Transportation Electrification	CALeVIP	-\$2,400,000	Committed per grant
	Ava Charge (DCFC)	-\$13,150,000	Initial phase launched
	MHD Drayage Loan	-\$5,250,000	Contracted but not dispersed
	Ava Bike Electric	-\$6,000,000	Program launch in FY25
	Ava SmartHome Charging (Managed Charging)	-\$6,000,000	Program launch in FY25
Building Electrification	BlocPower Loan	-\$540,000	In repayment
	Health-e Communities	-\$10,000,000	~\$2M committed to Pilot
Resilience	Resilience Hub TA	-\$1,940,000	Contracted
	Virtual Power Plant manager	-\$2,000,000	Contracted
	Critical Municipal Facilities	-\$5,960,000	Program in progress
	Ongoing Solar + Storage Incentives	-\$500,000	Program launch in FY26
	Upfront Solar + Storage Incentives	-\$14,963,130	Program launch in FY26
Grants	Grants: Community	-\$6,650,000	Contracted and planned
	Grants: Workforce	-\$1,650,000	Contracted and planned
<b>TOTAL</b>		<b>-\$77,003,130</b>	

# Next Steps

- March-May: Staff will be working on overall FY25/26 budget, including any funding for Local Development work
  - Staff will bring a proposal to the board on how to allocate the ~\$9.5M in funds as part of the next budget cycle discussions.
  - Additional longer term strategic planning is also underway through calendar year