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Subject: Ava Community Energy - Allocate a Portion of the Agency's Budget Surplus to Establish an Annual Community Foundation Grant Fund for Community-Based Organizations

September 15, 2025

Dear Board Members, Community Advisory Committee & Alternates,

We support the agency's recommendation to establish a policy and allocate funding for rate stabilization by utilizing surplus revenues to lessen the burden of price volatility. However, we urge that a portion of the estimated \$107M surplus is dedicated to benefit community needs in the face of an ongoing affordability, climate, and energy crisis.

We urge the Board to continue prioritizing community programs, benefits, and investments in alignment with the foundational agency roadmap as established prior by the Local Development Business Plan (LDBP). Market volatility or financial stress should not be mutually exclusive priorities from environmental justice, climate resilience, and pressing community needs, especially when the energy landscape is threatened and as climate change worsens for our frontline, low-income, historically disinvested, and disadvantaged communities. Cost increases, dwindling state funds, and federal rollbacks have also impacted non-profit clean energy and equity efforts. **Your support to allocate a portion of the FY 2024-2025 budget surplus of \$107 million and invest in the needs of your constituents aligns with the purpose of Ava Community Energy since its inception.**

We ask the Board to establish an annual Ava Community Energy "Foundation Grant Fund" to support local non-profit organizations, their services, and the community they serve, which would directly benefit from continued programming. This new fund is independent and separate from the "[Community Grants](#)" offered by Ava Community Energy, which are tailored to the agency's marketing priority areas with specified outcomes and deliverables. These funds require a competitive Request for Proposals (RFP) application process and are fielded by Ava staff.

We propose Ava Community Energy's annual "Foundation Grant Fund" for consideration because this model would help increase community empowerment in design, ownership, and assets towards a healthier, resilient, and more sustainable clean energy future based on more flexible, unrestricted funding use for potential recipients who have been leading impactful community change.

While the specific allocation of Ava's surplus budget funds is to be determined, **we urgently ask the Board to consider whether a full 100% allocation to the Rate Stabilization Fund (RSF) is necessary, strategic, and aligned with the purpose of this CCA. Even allocating only 5-10% of the current \$107 million surplus budget would yield \$5-11 million set aside for a community foundation grant**, leaving the agency roughly \$100M left to dedicate to the stabilization fund. Not only is this proposed grant fund financially viable, but establishing an Ava Community Energy "Foundation Grant Fund" would be financially strategic: the agency will be able to improve its financial standing over time, create more buy-in from customers, and expand opportunities for collaboration, while improving affordability and directly meeting the needs of our communities who are already advancing critical local clean energy work.

We ask that Ava Community Energy collaborate directly with Community Foundations like the [East Bay Community Foundation](#) and the [San Joaquin Community Foundation](#), or even pass grants to organizations like the [National Association of Climate Resilience Planners](#) (NACRP), who are known to support local resilience hub efforts, in order to provide funding for projects, programs, and services that guide communities towards a just transition into a greener economy, community resilience, and cleaner energy ecosystem. With \$5-10 million, 10% of the funds can easily cover administrative costs for the community foundation to administer the grants, thereby not impacting the capacity of Ava Community Energy staff or burdening any additional resources from the agency.

As a compelling precedent case, in 2024, another Community Choice Aggregator, [San Diego Community Power \(SDCP\)](#), funded the [San Diego Community Foundation](#), allocating **\$1.2 million to the joint Community Clean Energy Grant Program and awarding grants for nonprofits within the agency territory from \$25-\$100K**. Program eligibility focuses on new and existing project proposals that would bring economic, environmental, and health benefits to the local communities within the service territory for a just, equitable, and resilient San Diego. Notably, the grants provide a 2-year deadline of completion, and the funds may be used for personnel, supplies, equipment, capital purchases, administrative or indirect costs, and any other program costs tied to effectively executing the proposed project, ultimately providing more flexibility and opportunities for success in community-led initiatives.

San Diego's Community Clean Energy Grant focuses on the following objectives:

- Increasing overall energy literacy of SDCP customers.
- Energy-focused educational programming that encourages clean energy use, particularly for youth.
- Improvements in indoor and/or outdoor air quality related to electrification.
- Workforce development opportunities that support careers in the clean energy industry.
- Improved energy resilience to ensure communities can avoid, prepare for, minimize, adapt to, and recover from energy disruptions.

You can learn more about the San Diego Community Foundation grant fund program [here](#). **Ava Community Energy can easily model after what already exists without reinventing the wheel.**

The People's Clean Energy Alliance is committed to the longevity of Ava Community Energy and its driving purpose to reinvest in local communities for a just and equitable, clean energy future together. As Ava Community Energy gears up to distribute their anticipated solar and storage incentive for Community Resilience Hubs (RHs) early next year, we must ensure that the agency successfully sees through the promise of \$15 million to build community resilience in Ava service territory, while expanding critical support to invest in local clean energy resources and improve local green economies as we face ratcheting climate disasters in this time of socioeconomic and political uncertainty and instability.

We urge the Ava Board of Directors to:

- **Establish an “Annual Community Foundation Grant Fund”** from the \$107 million surplus instead of a 100% allocation of the budget surplus to the Rate Stabilization Fund (RSF). We strongly recommend that the established grant fund be managed in collaboration with local community foundations to provide critical funding for projects and programs that guide local communities toward a healthier, resilient, and more sustainable clean energy future.
- **Center Community Design** in the proposal for an “Annual Community Foundation Grant Fund” supported by Ava Community Energy. The scope of the grant program and its design should allow community foundations and community-based organizations to work in direct partnership with Ava Community Energy so that grants maximize community impact and funding is distributed equitably.

We understand that the financial stability of Ava Community Energy is important, especially as higher PCIA rates endanger CCAs across the state. Investing in community benefits not only helps Ava Community Energy withstand current and future challenges, but also helps maintain affordability and accessibility as a CCA. By centering community-driven energy leadership, community resilience, and community investments, Ava Community Energy can pioneer how a CCA directly meets the needs of struggling local communities. **Establishing an Ava Community Energy “Foundation Grant Fund” at this critical time will generate lasting impact, improve health outcomes, and foster prosperity**, as we work together to justly and equitably transition into a clean, renewable, and local energy future.

Clean Power to the People,

A handwritten signature in grey ink, appearing to read 'Dohee', with a long horizontal flourish extending to the right.

Dohee Kim, Campaign Organizer with the Local Clean Energy Alliance (LCEA)