



Community Advisory Committee Meeting

September 15, 2025

6:00 pm

In Person:

Large Conference Room
Rotunda Building
300 Frank H. Ogawa Plaza
Oakland CA 94612

Or from the following remote locations:

1343 Fairview Ct, Livermore CA 94550
4563 Meyer Park Circle, Fremont, CA 94536
4664 Rousillon Ave, Fremont, CA 94555
1234 W Oak St, Stockton CA, 95204

Via Zoom:

<https://us02web.zoom.us/j/84794506189>

Or join by phone:

Dial(for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929
205 6099 or +1 301 715 8592 or +1 312 626 6799 or 877 853 5257 (Toll Free)
Webinar ID: 847 9450 6189

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 Committee, please email it to the clerk by 5:00 pm the day prior to the meeting.

C1. Welcome & Roll Call

C2. Public Comment

This item is reserved for persons wishing to address the 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 Committee Chair may increase or decrease the time allotted to each speaker.

C3. Approval of Minutes from July 16, 2025

C4. CAC Chair Report

C5. Customer Programs Roadmap Update (CAC Informational Item)

Review of the item that went to Exec Comm on 9/3

C6. Rate Stabilization Fund Policy (Board Action Item)

Adopt a formal Rate Stabilization Fund Policy

C7. Allocation of Budget Surplus (Board Action Item)

Approve an allocation of the 2024-25 budget surplus to the Rate Stabilization Fund

C8. CAC Member and Staff Announcements including requests to place items on future Community Advisory Committee Meeting Agendas

C9. Adjourn

The next Community Advisory Committee meeting will be held on Monday, October 20, 2025 at 6:00 pm.

Rotunda Access Instructions

300 Frank H. Ogawa Plaza, Oakland, CA 94612

Directions

Directions to Parking Garage via Car

Parking is available at the Rotunda Garage, which includes four levels and approximately 350 parking spaces. **Note that the garage's parking fee is \$4/hr with a maximum of \$28 for a full day. Street parking is widely available near the building and free after 6pm.**

There are two garage entrances located on **524 16th St (main entrance)** and **529 17th St**. See a map on the next page and note that both 16th and 17th are one-way streets on either side of the garage.



524 16th St (main entrance):

Turn right from Telegraph onto 16th Street and drive pass SP+ Parking. Look for the entrance with **Rotunda Parking Lot** signage—this is a surface lot with garage access. Enter the garage and park your vehicle. Take the elevator or stairs in the garage to the first floor in order to enter through the Rotunda's 16th street entrance on the second floor.

After parking, walk across 16th Street toward Telegraph Avenue (also called Peter Van Kleeef Way).

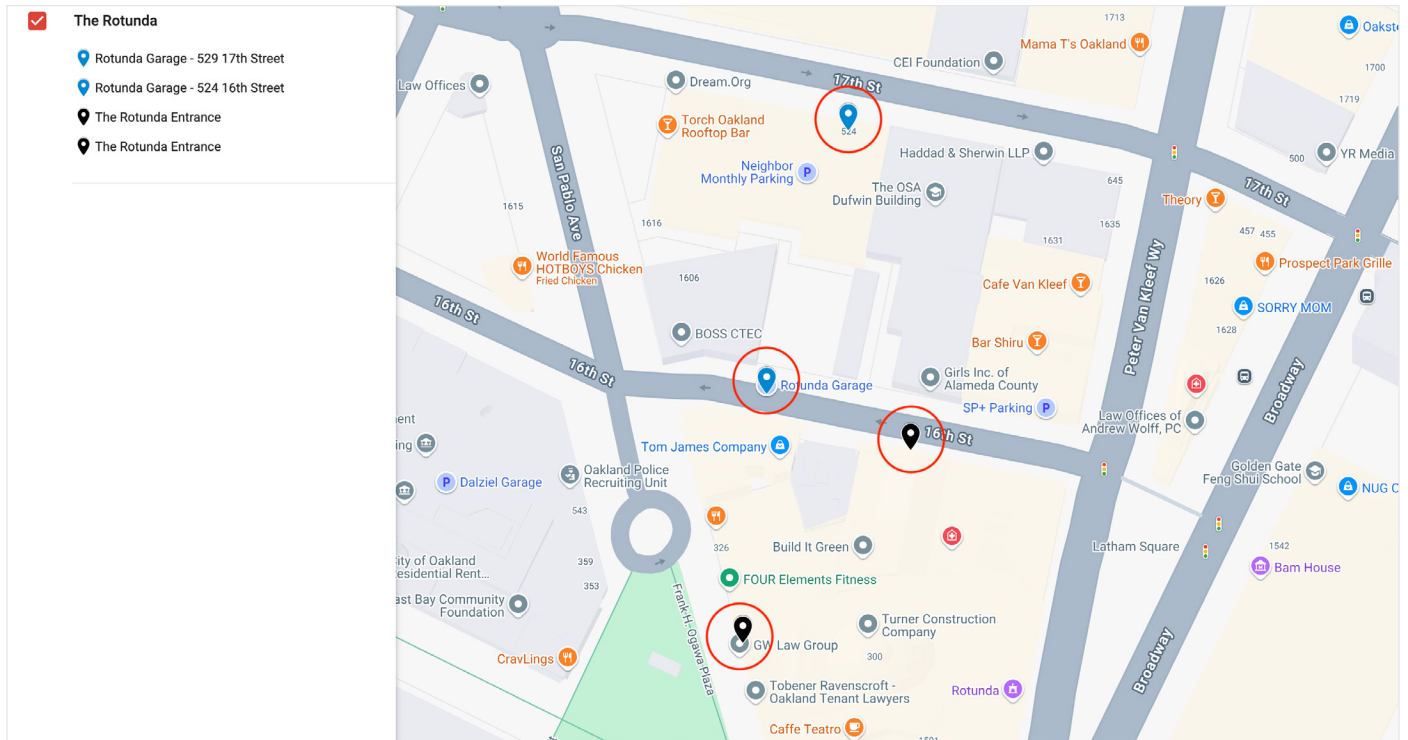


529 17th St (one-way street entrance):

Enter the garage via the 17th Street entrance. Once parked, take the elevator or stairs to the 1st floor of the garage. Exit the garage and walk toward 16th Street (south direction). You will be walking along Telegraph Avenue, which borders the Rotunda Building.

As you approach the corner of 16th Street and Telegraph Avenue (also known as Peter Van Kleeef Way), the Rotunda's main pedestrian entrance will be on your left at 524 16th Street.

Enter through the second-floor glass doors, which lead into the main lobby of the Rotunda Building. From there, check in with security and proceed as directed to the meeting rooms on the lower level.



Directions via BART

The closest BART station to the Rotunda Building is 12th Street / Oakland City Center. From there, it's approximately a 3-minute walk to the building. When exiting the station, use the 14th Street / Ogawa Plaza exit and head towards Frank H. Ogawa Plaza. The Rotunda Building will be in view from the plaza.

Directions via Bike

Cyclists may enter through the main building lobby at the lower level to access bicycle parking. Upon arrival, please check in with the building security desk, and you will be provided with directions to the designated indoor bike parking area.

Check-in at Security Desk

When you arrive at the building, please check in with the security desk for directions to the Large Conference Room, where the public meeting will be held. For closed session, please head to the medium conference room, both located next to each other on the lower level. If you have additional questions or need assistance, an Ava representative will be stationed and identifiable in the lobby. They can be reached at: 510-393-0492.

Restrooms

Restrooms are located on the lower level, near both conference rooms.





Draft Minutes
Community Advisory Committee Meeting
July 14, 2025
6:00 pm

In Person:
Large Conference Room
Rotunda Building
300 Frank H. Ogawa Plaza
Oakland CA 94612

Or from the following remote locations:
1343 Fairview Ct, Livermore CA 94550
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C1. Welcome & Roll Call

Present: Members: Landry, Lakshman, Pacheco, Harper, Lutz, Vice-Chair Souza and Chair Hernandez

Not Present: Members: Weiner, Balkissoon, Stephenson and Swaminathan

C2. (1:06) Public Comment

This item is reserved for persons wishing to address the 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 Committee Chair may increase or decrease the time allotted to each speaker.

Chair Hernandez opened the public comment period and comments were no comments.

C3. (1:40) Approval of Minutes from June 16, 2025

Motion: Member Pacheco moved, Member Lutz seconded, to approve the minutes.

Action: Motion carried 7/0/0/0/4 (yes/no/abstain/recuse/not present).

C4. CAC Chair Report

Chair Hernandez and **Vice-Chair Souza** introduced this item and addressed questions from Community Advisory Committee members.

Chair Hernandez opened the public comment period and there were no comments.

C5. Local Development and Customer Programs Strategic Roadmap Development Overview (CAC Informational Item)

Overview of the process to develop a strategic roadmap on local electrification efforts

Annie Hendersen, Chief Customer Officer, introduced this item and addressed questions from Community Advisory Committee members.

Chair Hernandez opened the public comment period and there were comments from members of the public Tim Frank (59:54), Jessica Tovar (1:02:59), Audrey Ichinose (1:06:14) and Ayla Peters Paz (1:10:07).

C6. Ad Hoc Committee Update (CAC Informational Item)

Announcements were made by Chair Hernandez.

C7. CAC Member and Staff Announcements including requests to place items on future Community Advisory Committee Meeting Agendas

C8. Adjourn

The next Community Advisory Committee meeting will be held on Monday, September 15, 2025 at 6:00 pm.

Request to the Ava Community Energy Board regarding the Customer Programs Strategic Roadmap process and Request for Proposals

From: The Community Advisory Committee (CAC)

By: LDBP ad-hoc for presentation at the Community Advisory Committee on Monday, September 15

We appreciate the thoughtful and diligent efforts of Annie Henderson and the Local Development team to create a comprehensive process to develop the next strategic roadmap for Ava. However we do believe the customer programs strategic roadmap RFP process has several serious shortcomings which are discussed below.

We have four serious concerns regarding the process described in the following documents:

- [Request for Proposals \(RFP\) for Customer Programs Roadmap](#)
- [Customer Programs Strategic Roadmap](#)
Item 5. Executive Committee Meeting – 9/3/25
- [Local Development and Customer Programs Strategic Roadmap Development Overview](#)
Item C5. Community Advisory Committee Meeting – 7/14/25
- [Local Development and Customer Programs Strategic Roadmap Development Overview](#)
Item 7. Executive Committee Meeting – 7/2/25

The **first concern** is that it explicitly excludes commodity supply, which is the vast majority of Ava's expenses, and focuses solely on customer programs, a much smaller part of the budget.

The **second major concern** is that it assumes the primary goal of Ava customer programs is decarbonization.

We acknowledge and fully support that clean energy is a foundational reason for the creation of Ava, but it is not the only one, nor was it intended to be realized in a manner isolated from the other primary reasons articulated in the JPA establishment contract.

It is important to note the multi-year process leading to Ava's creation was coincident with the idea of a "Green New Deal" which calls for public policy to address climate change, along with achieving other social aims like job creation, economic growth, and reducing economic inequality.

These first two concerns conflict with the intent of the founding documents of Ava Community Energy. And we risk missing the key opportunities by ignoring the results of the extensive stakeholder engagement leading to its founding.

- [Ava Community Energy Authority - Joint Powers Agreement](#)

The 3rd recital of the JPA states

"The purposes for ... entering into this Agreement include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by reducing energy related greenhouse gas emissions, promoting electrical rate price

stability, and fostering local economic benefits such as jobs creation, community energy programs and local power development."

- [Final Local Development Business Plan July 18, 2018.](#)

The vision laid out in the LDBP is:

"EBCE seeks to deliver economic, environmental, and social benefits to the communities of Alameda County by providing cleaner electricity at competitive rates, developing local resources that drive new investments, and creating increased demand for high-paying jobs. EBCE will offer carbon-free energy with solar, wind, and hydropower sources. Over time, EBCE will increase the amount of solar and wind in the power mix as the community moves towards 100% renewable energy."

The history of the extensive research and the intent of the broad stakeholder coalition is contained in the 71 study reports, public comments, letters of support, presentations from webinars and community engagement symposiums that lead up to the creation of Ava (EBCE at the time) and the LDBP.

- [Previous Drafts LDBP and Background Documents](#)

Here are some important excerpts from those documents to give a sense of what is contained.

A compelling survey uncovered more than 650 MW of solar siting potential in EBCE territory as noted in the [East Bay Community Energy Solar Siting Survey Draft Final Summary Report by Clean Coalition](#)

A quote from the [Energy Efficiency Assessment by The Offset Project](#) expresses the reason for forming a CCA.

"As public agencies established to serve local energy needs and provide enhanced community benefits, they [CCAs] are free to view the provision of energy services as a public good rather than a simple commodity. Providing valued services to customers that help lower their utility bills, increase comfort in their homes and offices, and enhance their overall customer experience can support long-term customer satisfaction and retention and ultimately fulfills a core part of any CCA's mission. ... In other words, CCA's are not businesses seeking to maximize profits, but rather public agencies seeking to maximize community benefit by leveraging the local market for energy services."

Our **third concern** is the lack of early meaningful community engagement contained in the scope of work. *Task 4: Community & Stakeholder Engagement Support* of the [Scope of Work](#) describes key activities that include:

- Stakeholder mapping,
- Advising on a comprehensive engagement approach and timing,
- Facilitating engagement activities that align with key phases of the roadmap process

- Hosting engagement activities that provide information early in the roadmap development process to consolidate an understanding of stakeholder priorities across Ava's service areas
- Hosting program concept and portfolio informational sessions with stakeholders.

However, there is no guidance on the number and geographical distribution of stakeholder engagement activities. Nor is there guidance on which phases of the roadmap process provide stakeholder engagement activities, or when they might occur.

No public engagement requirements are included in:

- Task 2: Refine Customer Programs Roadmap Objective,
- Task 5: Market Assessment on External Landscape,
- Task 6: Develop Program Concepts, or
- Task 7: Program Metrics Development

The workshops in Task 8: "Program Concepts and Program Concept Metrics Workshop(s)" include only Ava's internal subject matter experts, and do not include public stakeholders.

Task 10: Portfolio Development includes convening one or more forum(s) with Ava staff, but there is no mention of public forums.

The **fourth major concern** is there was no early and meaningful Board or CAC engagement in the creation of the RFP. The full Board will not get a presentation on the RFP process until the October meeting. This is after the staff have completed the finalist selection and interviews of the submitting teams. No Board or CAC participation occurred in developing or even reviewing the criteria to evaluate submissions. At this time, no Board or CAC participation is planned in the evaluation of proposals.

To remedy these shortcomings:

Local Development ad-hoc committee makes a motion to request the Board to direct staff to:

- Undertake an additional roadmap process, with early meaningful community engagement, to include; a) the entirety of Ava's operations and b) strategic plans to address regulatory, legislative, market, and technological opportunities; as well as risks to Ava Community Energy
- Require public workshops precede, or be the first step, in each of the Market Assessment, Program Concepts Development, and Program Metrics Development tasks listed in the Scope of Work for the Customer Programs Roadmap;
- Require the public workshops be geographically (spread out over Ava territory including Stockton, Tri-Valley, South County, and North County) and virtually accessible
- Include selected Board and CAC members in the review and selection of the consultant in the RFP process.

Customer Programs Strategic Roadmap Development Overview

Executive Committee | September 2025



Objective of Presentation

Provide an overview of the process for developing a strategic roadmap for the next phase of customer programs* within Ava's territory

No action requested at this time

** not including commodity supply*

Purpose of a Customer Programs Roadmap

Looking to create a roadmap for customer programs that helps to:

- Align on high level **goal**
- Set **priorities** in achieving goal
- Identify how to **measure** our goal
- Provide direction with flexibility on what programs to **implement** through 2032
- Provide a living framework that serves as our **guide** when making internal decisions, advising the board, and engaging with stakeholders
- Improve planning and transparency

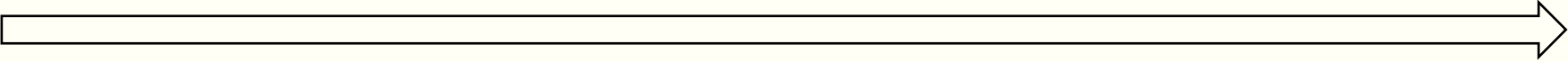
This roadmap will not address:

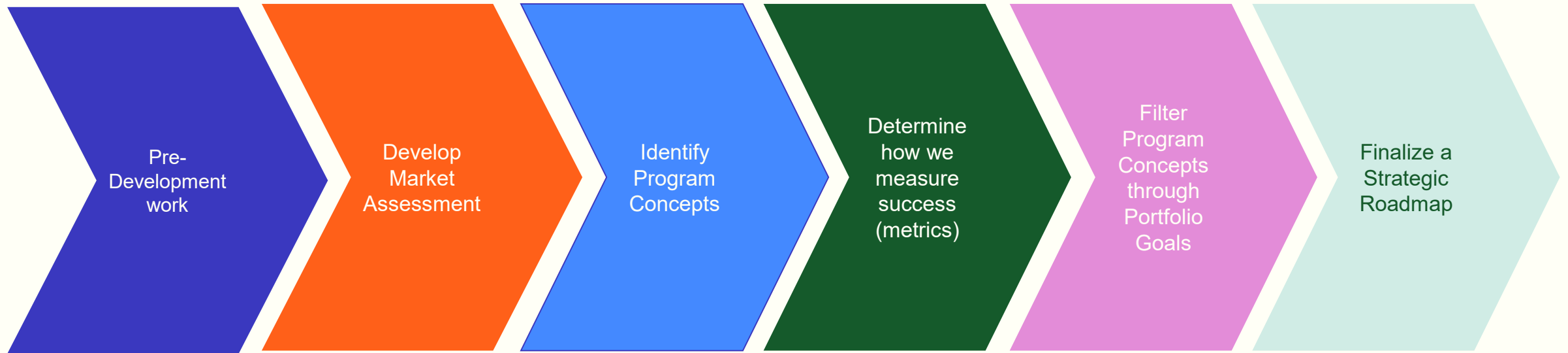
- Strategy and/or planning associated with our wholesale commodity electricity product
- Specific program implementation details

Working Assumption: Primary Goal of Ava Customer Programs = Decarbonization

- One of the main reasons Ava Community Energy exists is to address climate change brought on by greenhouse gas emissions.
- Setting the **goal of decarbonization** aligns with the mission of the agency, local Climate Action Plans, and policy targets set by the State.
- All efforts at Ava support energy **affordability**. This customer programs roadmap will focus on decarbonization as the primary goal.
- As part of upcoming work, we will identify what is most important while achieving the goal of decarbonization - what we are calling our **portfolio priorities**.
- Examples of potential portfolio priorities could include (NOT EXHAUSTIVE):
 - Addressing vulnerable communities
 - Cost effectiveness of measures (both for Ava and for the customer)
 - Public Health
 - Availability of programs for both residential and commercial customers
 - Local Economic Development
 - Resilience
 - Geographic distribution of benefits
 - Local clean power generation
 - Equity
 - Availability of programs in both transportation and building electrification
- While every customer program offered by Ava should contribute to decarbonization, not every program will address every priority.
 - For example, the direct install of induction ranges for income qualified customers in areas of high air pollution may not be cost effective to Ava, but it does contribute to decarbonization and supports vulnerable communities.

Process and Timeline Overview

April '25  October '26



Stakeholder engagement throughout via:

- regular public meetings of the Board and CAC,
- collaboration with municipal staff, and
- engagement with other stakeholders in a format to be determined along with consultant

Work to Date

- Presented to Executive Committee, CAC, & Municipals in July
- Created staff working group to inform the process and a tiger team to manage the initiative
 - Tiger Team:
 - Annie Henderson, CCO
 - JP Ross, VP of Local Development, Electrification and Innovation
 - Feliz Ventura, Sr Program Manager on Local Development team
 - Allison Lopez, Associate on Local Development team
- Will be publishing an RFP for a consultant to support steps in developing a Customer Programs Roadmap with the goal of decarbonization
 - Budget for consultant approved as part of the Local Development allocation for FY25/26
 - Summary outline of scope of work attached to this agenda item

Next Steps

- September 2025
 - RPF issuance (coming soon)
- October 2025:
 - Review and selection of consultant through the RFP process
- November 2025:
 - Consultant contract brought to Board for approval
- Jan/Feb 2026:
 - Update on timing of key work products and initial outline of public engagement based on work with consultant

Appendix of reference slides from July Executive Committee meeting



Background

2018-2023

- Prior to start of electricity service in 2018, a team of external consultants developed the Local Development Business Plan (LDBP).
- It was intended to be a roadmap of efforts to be implemented in the first 5 years of service. It had a broad scope (operations to data architecture to procurement) while also very tactical (risk mitigation strategy to rate design).

2024-2025

- Assessment: In December 2024, staff provided an [overview](#) of the work completed under this initial plan and recommended that a future plan be more focused and based on stated priorities. Staff also provided an [update](#) on the Local Development Fund in March 2025.
- Execution: Staff has been focused on ongoing operations, expansion, and execution of committed programmatic initiatives for last several years.
- Initial Planning: Ava staff has strategic goals that drive our annual objectives. The goals are focused on: electrification, affordability, culture & workplace, and agency health (financial, regulatory).

2025-2026

- Strategy and Planning: Focus of this presentation is on the planning for efforts under the electrification goal - crafting a vision for what work Ava will focus on starting in 2027 specific to customer programs. The strategic Roadmap will guide programmatic decisions, funding, and resourcing to meet Ava's goal.

2027-2032

- Implementation: Staff will design and execute on programs and associated services guided by the strategic Roadmap. Implementation plans will be brought to the board as part of budget and other approvals.

Current Committed Roadmap of Programs

2024	2025	2026	2027	2028	2029	2030
Ava Charge						(to ~2037)
Ava Bike Electric			June 2027			
Building Efficiency Accelerator		May 2026				
Health-e Communities Pilot	Dec 2025					
HPWH support	Mar 2025					
CMF		April 2026				PPAs to 2051
SmartHome Charging			April 2027			
Solar + Storage						(to 2035)

Proposed Priority Areas for Market Assessment

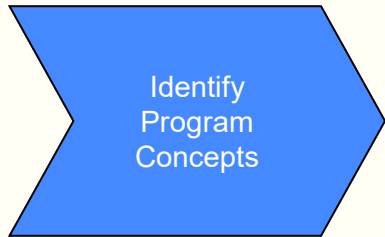


These are the core areas to target decarbonization:

- Transportation Electrification
- Building Electrification
- Energy Efficiency
- Load Management
- Resilience




Within Priority Areas, what program concepts or mechanisms can be applied to achieve goals?




- Staff, along with consultant and stakeholder feedback, will develop a list of potential program concepts
- An example program concept could be:
 - *Mechanism*: Financing for used EVs
 - *Metrics*: \$\$ financed or # EVs financed which lead to resulting emissions reduction
 - *Timeline*: 3 year program
 - *Audience*: Low-moderate income residential customers



Identify Appropriate Metrics



Determine how
we measure
success
(metrics)



Filter Program
Concepts
through Portfolio
Goals

The Roadmap should be informed by outcome metrics. Program concept metrics may include considerations such as:

- Total CO2 reduction
- Total reduction in NG usage
- # customers benefited
- \$\$ savings for Ava
- \$\$ savings for customers

The Roadmap should also consider the composition of programs at a portfolio level and equitable offerings, such as:

- Customer segment/account type
- Market sector/priority area
- Demographic considerations including communities of concern
- Geographic diversity

Primary metrics may vary between programs in order to balance the objectives of the portfolio.

- For example, if decarbonization was the primary metric for all programs, the focus would likely be on our largest commercial customers. We would want to balance our portfolio with programs for residential customers in order to bring benefits to a larger number of customers.



Summary Outline – Ava Customer Programs Roadmap Scope of Work

Overall Approach

- Provides structure for developing a long-term strategic roadmap, while allowing flexibility for iteration.
- Local expertise and context are considered essential, especially in market assessment and stakeholder engagement.
- Timeline: Final Roadmap by October 2026.

Task 1: Project Management & Facilitation

- Oversee the entire planning effort, align with Ava’s goals.
- Coordinate consultant team and Ava staff inputs.
- Facilitate kickoff meeting, regular check-ins, strategic direction meetings.
- Conduct interviews with Ava functional team leads.
- **Deliverables:** Work plans, project schedule.

Task 2: Refine Roadmap Objectives

- Synthesize existing work into clear roadmap objectives.
- Develop a memo and create a “long list” of potential performance metrics.
- **Deliverables:** Objectives memo, metrics long list.

Task 3: Internal Assessment

- Review Ava’s capacity and competitive advantages.
- Consider budget, staffing, risk appetite, innovation, constraints.
- **Deliverable:** Memo summarizing capacity and advantages.

Task 4: Community & Stakeholder Engagement

- Develop and implement engagement strategy.
- Include engagement and information sharing touchpoints throughout the development process.
- Focus: strategic direction and values, not program design.
- **Deliverables:** Stakeholder map, engagement strategy/timeline, materials, input summaries.

Task 5: Market Assessment

- 5.1 Program Landscape & Gap Analysis
 - Inventory existing electrification/EE/load mgmt./transport programs in Ava’s territory.
 - Deliverable: Program Inventory.
- 5.2 National & Global Program Scan

- Identify successful programs elsewhere.
 - Deliverable: National/Global Scan.
- 5.3 Ava Operational Context Analysis
 - Assess regulatory, technology, customer trends, and Ava's roles (CCA, LSE, JPA, local agency).
- 5.4 Internal Workshop
 - Validate findings with Ava staff, gather insights.
- 5.5 Programmatic Gaps
 - Identify gaps and contextualize opportunities.
- **Summary Deliverable:** Market Assessment Memo (territory inventory, program scan, gaps summary).

Task 6: Develop Program Concepts

- Build a "long list" of high-level program concepts across four focus areas.
- Concepts include: focus area, delivery, target audience, outcomes, budget, challenges.
- **Deliverable:** Program concepts long list.

Task 7: Develop Program Metrics

- Define high-level metrics to evaluate program impacts.
- **Deliverable:** Draft program concept metrics.

Task 8: Workshops – Program Concepts & Metrics

- Host workshops with Ava staff to refine concepts and metrics.
- **Deliverables:** Agendas, materials, summaries, refinement approach.

Task 9: Refine Program Concepts

- Produce a "short list" of program concepts based on workshop feedback and metrics.
- **Deliverable:** Short list with estimated performance.

Task 10: Portfolio Development

- Build a balanced portfolio aligned with Ava's goals and operational envelope.
- Convene forum(s) to propose decarbonization targets and evaluate portfolios.
Deliverables: Draft and final portfolios, workshops, summaries.

Task 11: Customer Programs Roadmap

- Synthesize all prior tasks into an actionable Roadmap (by Oct 2026).
- Includes: long-term goals, program portfolios, metrics, implementation guidance. Templates for assessment and realignment included.
- **Deliverables:** Roadmap + 2-page Final Summary Report



CAC Item C6
Staff Report Item 10

To:	Ava Community Energy Authority Board of Directors
From:	Russell Mills, CFO
Subject:	Rate Stabilization Fund Policy
Date:	September 17, 2025

Summary/Recommendation

Adopt a resolution renaming the existing GASB 62 Budget Stabilization Fund as the Rate Stabilization Fund (RSF) and approving a Rate Stabilization Fund Policy.

Financial Impact

Renaming the GASB 62 Budget Stabilization Fund and approving RSF Policy will have no material impact on Ava's current fiscal year approved budget, net position, or financial operations.

Analysis and Context

Ava currently maintains a GASB 62 Budget Stabilization Fund (the "Fund"). This Fund was established by a resolution from the Board of Directors (the "Board") in September of 2020—resolution R-2020-26. This resolution allowed the accrual and deferral of excess revenue, identified as budget surplus revenues, to be recognized in successive periods to offset uncontrolled cost variations and preserve positive net position for Ava. The balance of the Fund is accounted separately from all other Ava funds, and the mechanisms of accounting are governed under the Governmental Accounting Standards Board (GASB).

The benefits of having the Fund are important for Ava and its customers. The Fund stabilizes rates and protects the value proposition, among other things. Counterparties

also view it as a credit positive which helps Ava receive more favorable terms and covenants with contracts and margin allowances. The Fund is an integral part of Ava's liquidity resources that maintains our ability to operate and supports our "A" credit rating.

Ava's current levels of liquidity utilization are represented as a waterfall from available funds:

1. Working Capital—Operational cash flow retained for expected business cycle liquidity needs
2. Budget Stabilization Fund—Deferred revenues available for short-term budget cycle liquidity challenges, or for other financial matters necessary for maintaining budget stability year-to-year
3. Credit Facility—Posting letters of credit to retain working capital and only drawn if necessary for operating maintenance
4. Reserve Funds—Financial strength base layer set aside and used only in case of extremely dire emergencies ("Disaster/Earthquake") and with Board approval

At the July Board meeting, staff presented details from a recent survey of reserve policies from 22 similar agencies. The goals of the survey were to discover how many maintained rate stabilization funds, how those funds integrated with reserve policies, comparative RSF sizes, contribution and utilization practices, and other relevant best practices.

The following is a summary of the results:

- Six held separate RSF policies. Four set RSF sizes as a percentage of operating & maintenance costs at an average of 20%. The other two set RSF sizes at 20% of expected gross revenues
- Nine mentioned using Operating Reserves for rate stability but did not mention having a distinctly separate RSF
- An additional six mentioned allowing use of reserves in general for stabilizing rates
- Eight of those that mentioned using reserves for stabilizing rates allowed CEO discretion for utilization, four required board approval, and the remaining three did not specify
- One of those that allowed CEO discretion granted unlimited use of reserves to maintain the rate threshold to PG&E to the CEO as long as days cash on hand did not fall below 90 days.

Staff Recommendations

To be consistent with industry usage and convention, staff's first recommendation is formally renaming the GASB 62 Budget Stabilization Fund to the Rate Stabilization Fund (RSF).

Whereas previously, the Board had approved a resolution establishing a rate stabilization mechanism, no formal policy was specifically outlined. Staff's second recommendation is for the Board to approve a formal Rate Stabilization Policy. The original resolution gave guidance for management contributions to the RSF. This new policy gives specific management guidance for utilization of the RSF, including the establishment of an RSF target of 20% of operating expenses, consistent with industry standards.

Approving these recommendations will make Ava consistent with best industry practices, improve upon how rate stabilization practices complement with other financial liquidity resources (working capital, line of credit, and reserves), and allow greater flexibility for Ava to maintain its value proposition to customers when encountering short term financial stresses.

Committee Recommendation

This item was brought forth to the Full Board on July 16, 2025 and to the Finance, Administrative, and Procurement Subcommittee on September 8, 2025, with the recommendation to approve renaming the Budget Stabilization Fund to the Rate Stabilization Fund and approve the Rate Stabilization Fund Policy as presented.

Attachments

- A. Resolution Adopting a Rate Stabilization Fund and Policy
- B. Rate Stabilization Fund Policy
- C. Rate Stabilization Fund Policy PPT

RESOLUTION NO. R-2025-xx
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY ADOPTING A RATE STABILIZATION FUND
AND POLICY

WHEREAS The Ava Community Energy Authority (“Ava”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power 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 JPA in March of 2020. The city of Stockton, located in San Joaquin County was added as a member of Ava and party to the JPA in September of 2022. The city of Lathrop, located in San Joaquin County, was added as a member to Ava and party to the JPA in October of 2023. On October 24, 2023, the Authority legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS Ava currently maintains a GASB 62 Budget Stabilization Fund (the “Fund”) established by resolution R-2020-26, which allows for the accrual and deferral of excess revenue, identified as budget surplus revenues, to be recognized in successive periods to offset uncontrolled cost variations and preserve positive net position for Ava by mechanisms of accounting governed under the Governmental Accounting Standards Board (GASB).

WHEREAS the Fund is an integral part of Ava’s waterfall of liquidity resources and is used for short-term budget cycle liquidity challenges and other financial matters necessary for maintaining rate stability year-to-year for Ava’s customers.

WHEREAS similar agencies refer to funds that provide a similar rate stability mechanism as a Rate Stabilization Fund (RSF).

WHEREAS similar agencies that maintain a RSF have specific policies established that give guidance for management of the RSF.

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

Section 1. The GASB 62 Budget Stabilization Fund is hereby renamed the Rate Stabilization Fund (RSF).

Section 2. The Rate Stabilization Fund Policy attached to the staff report associated with this Resolution, is hereby approved.

ADOPTED AND APPROVED this 17th day of September, 2025.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

RATE STABILIZATION FUND POLICY

Policy Number: XX

Approval Date: 9/17/2025

Agenda Item: {To be added by Clerk}

Approved by Resolution: {To be added by Clerk}

PURPOSE:

The purpose of this Policy is to set guidelines for the processes for funding, utilizing, and managing the Rate Stabilization Fund (RSF) as a source of liquidity to manage financial and operational risk.

POLICY OBJECTIVES:

The establishment of the RSF will allow Ava to defer revenue in years when fiscal results are strong and to apply deferred revenue in years when financial results are negatively impacted by uncontrollable events. The RSF will provide Ava with a mechanism to protect customers from risks related to energy market volatility, extreme events, and regulatory changes, as well as maintain financial covenants, achieve annual budget objectives, and other such fiscal matters.

FUNDING MECHANISM:

Funding the RSF is accounted for under Governmental Accounting Standards Board (GASB) rules which codify and standardize the accounting management of revenue recognition for public agencies. Deferrals of revenue as a transfer to the RSF reduces net revenue recognized on budget statements, and net position in that period of deferral, by the same amount.

The Board of Directors (the "Board") has authorized the Chief Executive Officer (CEO) and the Treasurer, or their designee, to defer revenue to the RSF from time to time such amount as may be determined as appropriate from any source designated as surplus in accordance with the budget previously approved by the Board, as established by resolution R-2020-26.

UTILIZATION MECHANISM:

Recognition of contributions to the RSF is also governed by GASB rules. Recognition of revenues as a transfer from the RSF increases net revenues recognized on budget statements, and net position in that period of recognition, by the same amount.

The Board has authorized the CEO and the Treasurer, or their designee, to utilize deferred revenues from the RSF from time to time in such amounts as necessary to stabilize rates, satisfy financial covenants, achieve budget objectives, and to implement direction provided by the Board.

REPORTING:

The RSF balance is recorded on Ava's Statement of Net Position. Transfers to and from the RSF are recorded in the Statements of Revenues, Expenses, and Changes in Net Position. Both statements are presented quarterly, and audited annually, in Ava's financial statements.

TARGET FUND BALANCE:

The RSF balance target is 20% of operating expenses.

RSF HOLDINGS AND INVESTMENTS:

RSF balances are not required to be held in a separate account and may be commingled with other funds held by Ava for investment purposes but will be accounted for and reported separately. All Ava fund balances, including the RSF, are subject to Ava's Board-approved and State Government Code compliant investment policy.



Rate Stabilization Fund Policy Board Meeting

Russell Mills| September 17, 2025



Introduction & Background

- Ava currently maintains a Budget (Rate) Stabilization Fund, established in 2020 by Resolution R-2020-26
 - The Board approved establishing, allocating funds and maintaining a GASB 62 Budget Stabilization Fund (RSF) to provide a contingency available to satisfy financial covenants, stabilize customer rates, fulfill local development, among other uses
 - To authorize the CEO and Treasurer, or their designee, to make deposits into the fund from any surplus from a Board approved budget as appropriate and prudent; Recognition of deposits for necessary financial functions are to be approved by the Board
- The fund is intended to create a more stable short-term financial position by deferring revenue in years when financial results are strong and be recognized in years when financial results may be negatively impacted by uncontrollable events
- The fund has primarily been maintained to allow matching of timing for on-bill credits, the solar & storage incentive program, and a one-time allocation towards long-term renewable energy & clean energy storage investments
- A formal policy was not created after the resolution was passed. Because of its growing importance, staff proposes formalizing the adoption of a Policy and renaming the fund to a "Rate Stabilization Fund (RSF)".

How Ava Utilizes Rate Stabilization Funds

- Stabilizes Ava's rates charged to customers, helping preserve the value proposition
- Fosters strong financial covenant agreements with counterparties
- Funds are an integral part of Ava's waterfall of liquidity resources that maintain our ability to operate and supports our financial strength and "A" ratings
 - Ava also maintains a Reserve Fund, established in 2018 and amended in 2021, and is intended to provide financial stability for long-term business sustaining objectives
 - Currently, fund utilization is considered along with other layers of protection to provide mitigation against potential risks related to energy market volatility, extreme events and regulatory changes

The waterfall consists of four distinct levels for utilization:

1. **Working Capital – Ongoing Operational Cash Flow**
2. **Rate Stabilization Fund – Smooth out cash flows during challenging budget cycles**
3. **Credit Facility – Post LOCs to operate and only draw if necessary**
4. **Reserve Funds – Financial strength base layer set aside as a "Disaster/Earthquake" fund**

Survey of Comparable RSF Best Practices

In considering the adequacy of Ava's current authority and funding, staff has completed a broad survey of 22 public agencies to discover comparable best practices for RSF policies and management

The goals of the survey were as follows:

- Discover how many companies have an RSF and how it integrates with reserve policies
- Compare RSF fund sizes and triggers for utilization
- Discover best practices for RSF utilization discretion

Agencies Surveyed

- AC Transit
- Alameda Municipal Power
- Ava Community Energy
- Central Coast Community Energy
- City of Burbank Water & Power
- Clean Energy Alliance
- Clean Power Alliance
- Clean Power SF
- Desert Community Energy
- EBMUD
- LADWP
- MCE
- Orange County Power Authority
- Peninsula Clean Energy
- Pico Rivera IME
- Pioneer Community Energy
- Redwood Coast Energy Authority
- SMUD
- San Diego Community Power
- Silicon Valley Clean Energy
- Sonoma Clean Power
- Valley Clean Energy

Results of the Survey of Comparable Best Practices

Statistics of Respondents:

- 6 (27%) Respondents had a separately outlined Rate Stabilization Fund Policy
 - 4 respondents set RSF levels as a percent of Operating and Maintenance costs
 - The average percent of O&M costs was about 20%
 - 2 respondents set RSF levels as a percent of expected gross revenues
 - Both respondents use 20% of gross revenues
- 9 (41%) Respondents had mentions in the Operating Reserves for rate stability, but did not have a distinctly separate fund or policy or Rate Stabilization
- 15 (68%) Respondents talked about using reserves as a tool for rate stability
- Respondents that mentioned using reserves for rate stability had the similar withdrawal restrictions as their operating reserve fund policy:
 - 8 agencies allow CEO discretion for utilization of reserves, 4 require board approval, and 3 do not specify.
- 1 respondent specifically granted the CEO unlimited use of reserves to maintain the rate threshold to PG&E, as long as days cash on hand did not fall below 90 days.

Policy Adoption Recommendation

Recommendation

- Formally establish a "Rate Stabilization Fund Policy (RSF)"
 - Renames fund established in 2020 to "Rate Stabilization Fund" from GASB 62-Budget Stabilization
- Authorizes funding and utilization to the CEO and Treasurer consistent with Board authorization and with similar objectives and uses
- Includes a funding level target
 - Target 20% of operating expenses
 - Consistent with best practices and complementary to other levels in financial resource waterfall (working capital, line of credit and reserves)
- The RSF target will be considered with the Reserve Policy target and range when considering recommendations to the board for allocating funds into either account.
 - May lead staff to evaluate modifications to the reserve policy in the future

Questions and Discussion?



CAC Item C7
Staff Report Item 11

To:	Ava Community Energy Authority Board of Directors
From:	Russell Mills, CFO
Subject:	Allocation of Net Revenues to the Rate Stabilization Fund
Date:	September 17, 2025

Summary/Recommendation

Adopt a resolution contributing 100% of the net revenue surplus from Fiscal Year 2024-2025 to the Rate Stabilization Fund (RSF).

Financial Impact

The contribution of net revenues to the RSF will have no material impact on Ava's current fiscal year approved budget, net position, or financial operations. The contribution will have an impact on Fiscal Year 2024-25 net revenues and the waterfall allocation of net revenues as revenues are deferred into the RSF for recognition in a future year. Separate action has been taken by the Ava Board to utilize the RSF for potential Fiscal Year 2025-26 financial needs with resolution R-2025-23.

Analysis and Context

The previous item was brought forth to the Board of Directors (the "Board") in today's meeting whereby the RSF was established in name and in policy by a resolution. Please refer to this item for further details on the history and mechanisms for management, including funding target of 20% of operating expenses in the RSF.

The present balance of the fund is approximately \$57.2MM with three Board approved recognitions pending against the balance:

1. Resolution R-2025-23 authorized the recognition of up to \$35.3MM to be used to balance the Fiscal Year 2025-2026 Budget, with about \$3.2MM being a required contribution from the 2024-25 fiscal year
2. Resolution R-2024-26 recognizes about \$10.5MM in the 2027 calendar year for long-term contract renewable energy premium
3. Resolution R-2024-2 authorized an amount from audited net revenues from Fiscal Year 2023-2024 to be allocated to future solar and storage incentives equaling about \$15MM

The full record of recognition and utilization by fiscal year (FY) is presented in the table below.

FY Contribution Recognition			Balance	Purpose
2020	12,680,000	-	12,680,000	R-2020-26 establishes method to stabilize Local Development balance until Fund is established
2021	15,814,000	12,680,000	15,814,000	R-2020-26 recognizes LD balance with fund establishment via Budget. Contributed to PCIA PUBA balance through December 2023 as allocated by Audit
2022	-	-	15,814,000	No Activity
2023	37,200,000	-	53,014,000	R-2023-37 contributes ~\$10.5MM each for on-bill credits and PPA premium plus \$16.2MM for rate stabilization as allocated by audit
2024	37,407,824	10,504,837	79,916,987	R-2024-2 contributes for on-bill credits and NBT from FY 23-24 surplus revenue as allocated by audit. R-2023-58 recognizes on-bill credits from FY 2023 contribution
2025	3,197,274	22,319,294	60,794,967	Bold contribution is minimum contribution to meet FY 2026 approved recognition by R-2025-23. R-2024-73 recognizes net on-bill credits from previous FY contribution
2026	-	35,327,000	25,467,967	Bold recognition is Board approved for balancing FY 2025-26 budget by R-2025-23
2027	-	10,504,837	14,963,130	R-2024-26 recognize PPA premium contribution from 2023
2027	-	14,963,130	-	Possible recognition of NBT incentives contributed in FY 2024 by R-2024-2

Fiscal Year 2024-2025 Waterfall of Budget Net Revenues

With resolution R-2024-42, the Board approved the 2024-2025 fiscal year (FY) budget and a methodology of distribution of any net revenues—aka “the Waterfall”. This Waterfall was approved as follows:

1. The first \$50MM is to be applied to Ava’s reserve funds
2. For any additional surplus, the allocations will be:
 - a. \$25 CARE/FERA customer on-bill credits
 - b. \$25MM to be divided 60/40 to customer on-bill credits and solar storage incentives, respectively
 - c. Any surplus beyond would be added to reserve funds

Recent best estimates of forecasted surplus revenue from FY 2024-2025 is about \$107MM. Based on this strong performance staff recommends allocating the full amount to the RSF. This would increase the RSF balance to about \$129.4MM, or about 14.4% of current FY operating expenses. This will allow approximately \$104MM to be available for rate stabilization for the 2026-2027 fiscal year net of other pre-approved RSF utilizations. Note that future operating expenses are anticipated to increase due to expansion to San Joaquin County.

Staff Recommendation

Allocation of the full surplus to the RSF will serve Ava customers by working to preserve Ava’s value proposition against upcoming headwinds. Such headwinds include uncertainty in areas such as PCIA reform, energy markets volatility, and federal policy uncertainty.

Being sensitive to the various interest Ava provides to the community it serves, additional allocation scenarios were requested by the Board. The following table outlines a few alternative amended Waterfall scenarios.

Scenario	Contribution*	Balance	Pct OpEx**
Budget Waterfall As Approved			
Reserves	77,851,000	408,724,400	45.4%
Solar & Storage Incentives	10,000,000	24,963,130	
Customer Credits	19,258,000	19,258,000	
Rate Stabilization Fund***	-	(3,197,274)	-0.4%
100% Allocation to RSF			
Reserves	-	330,873,400	36.8%
Rate Stabilization Fund	107,109,000	103,911,726	11.6%
90% RSF/10% Reserves			
Reserves	10,710,900	341,584,300	38.0%
Rate Stabilization Fund	96,398,100	93,200,826	10.4%
90% RSF/10% Customer Credits			
Customer Credits	10,710,900	10,710,900	
Rate Stabilization Fund	96,398,100	93,200,826	10.4%
80% RSF/20% Reserves			
Reserves	21,421,800	352,295,200	39.2%
Rate Stabilization Fund	85,687,200	82,489,926	9.2%

* Contributions to Reserves and RSF is based on 6/30/2025 estimates

** Operating Expenses for FY 2025-26

*** Balance of RSF net of all outstanding, currently approved utilizations

Approval of staff recommendation of 100% allocation of net revenues to the RSF would amend the Waterfall to meet current balance requirements and set aside a material amount of revenues to protect Ava's value proposition to customers.

Committee Recommendation

This item was brought forth to the Full Board on July 16, 2025 and to the Finance, Administrative, and Procurement Subcommittee on September 8, 2025, with the recommendation of approving an allocation to the RSF.

Attachments

- A. Resolution to Approve the Allocation of Net Revenues to the Rate Stabilization Fund
- B. Allocation of Surplus PPT

RESOLUTION NO. R-2025-xx
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY APPROVING AN ALLOCATION OF NET
REVENUES TO THE RATE STABILIZATION FUND

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 Ava currently maintains a Rate Stabilization Fund (RSF), which allows for the accrual and deferral of excess revenue, identified as budget surplus revenues, to be recognized in successive periods to offset uncontrolled cost variations and preserve positive net position for Ava by mechanisms of accounting governed under the Governmental Accounting Standards Board (GASB).

WHEREAS the RSF is an integral part of Ava’s waterfall of liquidity resources and is used for short-term budget cycle liquidity challenges and other financial matters necessary for maintaining budget stability year-to-year.

WHEREAS the 2025-26 fiscal year (FY) budget approved by the Board of Directors (the “Board”) requires amending the allocation of net revenues from FY 2024-25 to allow for a contribution to meet approved expenses as set forth by resolution R-2025-23.

WHEREAS the FY 2024-25 net revenues are forecasted to be near \$107 million.

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

Section 1. The allocation of surplus revenues from the 2024-2025 fiscal year budget, originally set forth by resolution R-2024-42, is hereby amended to allow 100% of the surplus net revenues of the 2024-2025 fiscal year budget actuals as determined by the annual audit to be allocated to the RSF.

ADOPTED AND APPROVED this 17th day of September, 2025.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board



Allocation of Budget Surplus Board Meeting

Russell Mills| September 17, 2025



Current Status of Deferred Revenue Allocations

- Ava established a "GASB 62 Budget Stabilization Fund" in 2020 by Resolution R-2020-26 that functions as a Rate Stabilization Fund (the “Fund”)
- The prior board item sought to formalize a Policy Document and a renaming to the Rate Stabilization Fund (RSF)
- The current balance of the Fund is approximately \$57.6MM
 - Up to \$35.3MM may be utilized to balance the current fiscal year budget by resolution R-2025-23
 - \$10.5MM approved for recognition in 2027 for renewable energy as deemed by resolution R-2023-58
 - \$15MM approved for recognition at a later date for solar + storage incentives by resolution R-2024-26

Ava Rate Stabilization Fund Record of Utilization

- The current balance is approximately \$57.6MM
- The Rate Stabilization Fund is intended to be used to balance surplus and deficit reflecting over and under-collection year to year to stabilize customer rates
- Currently the Fund requires a \$3.2MM contribution from the forecasted surplus for 2024-25 to balance with obligations
- Based on the strong forecasted surplus of >\$107MM, staff proposes a recommendation to allocate all to the Fund
- Allocating the full surplus would increase available funds in the Rate Stabilization Fund to \$129.4MM at end of the current fiscal year

FY Contribution		Recognition	Balance	Purpose
2020	12,680,000	-	12,680,000	R-2020-26 establishes method to stabilize Local Development balance until Fund is established
2021	15,814,000	12,680,000	15,814,000	R-2020-26 recognizes LD balance with fund establishment via Budget. Contributed to PCIA PUBA balance through December 2023 as allocated by Audit
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2023	37,200,000	-	53,014,000	R-2023-37 contributes ~\$10.5MM each for on-bill credits and PPA premium plus \$16.2MM for rate stabilization as allocated by audit
2024	37,407,824	10,504,837	79,916,987	R-2024-2 contributes for on-bill credits and NBT from FY 23-24 surplus revenue as allocated by audit . R-2023-58 recognizes on-bill credits from FY 2023 contribution
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2027	-	14,963,130	-	Possible recognition of NBT incentives contributed in FY 2024 by R-2024-2

Utilization of Ava's Rate Stabilization Fund

- Stabilizes Ava's rates charged to customers, helping preserve the value proposition
- Fosters strong financial covenant agreements with counterparties
- Funds are an integral part of Ava's waterfall of liquidity resources that maintain our ability to operate and supports our financial strength and "A" ratings

The waterfall consists of four distinct levels for utilization:

1. Working Capital – Ongoing Operational Cash Flow
2. Rate Stabilization Fund – Smooth out cash flows during challenging budget cycles
3. Credit Facility – Post LOCs to operate and only draw if necessary
4. Reserve Funds – Financial strength base layer set aside as a "Disaster/Earthquake" fund

Recommended Allocation of Budget Surplus

Attachment Staff Report Item 11B

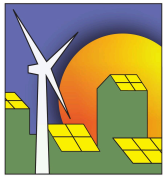
Staff forecasts a Fiscal Year 2024-25 surplus of \$107 million

Staff recommends allocating 100% of the FY2024-25 Surplus to the Rate Stabilization Fund

- Note that the % OpEx is anticipated to decrease in the following fiscal year due to expansion to San Joaquin County in 2026

Scenario	Contribution*	Balance	Pct OpEx**
Budget Waterfall As Approved			
Reserves	77,851,000	408,724,400	45.4%
Solar & Storage Incentives	10,000,000	24,963,130	
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90% RSF/10% Customer Credits			
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Reserves	21,421,800	352,295,200	39.2%
Rate Stabilization Fund	85,687,200	82,489,926	9.2%
* Contributions to Reserves and RSF is based on 6/30/2025 estimates			
** Operating Expenses for FY 2025-26			
*** Balance of RSF net of all outstanding, currently approved utilizations			

Questions and Discussion?



LOCAL
CLEAN
ENERGY
ALLIANCE

Dohee Kim
Local Clean Energy Alliance
339 15th Street Suite 208 Oakland, CA 94612
dohee@localcleanenergy.org

Subject: [Item 5. Customer Programs Strategic Roadmap \(Informational Item\)](#)

September 3, 2025

Dear Executive Committee of the Ava Community Energy Board,

Given the upcoming Customer Programs Strategic Roadmap, the Local Clean Energy Alliance (LCEA) appreciates Ava Community Energy's commitment to decarbonize while maintaining energy affordability for our local communities during this critical time of state and federal deregulation and rollbacks that are directly harming our renewable energy ecosystem.

As established by the monumental [Local Development Business Plan \(LDBP\)](#) and foundational Joint Powers Authority (JPA) agreement, we urge Ava Community Energy to uphold its original commitment to develop local renewable energy resources with emphasis on healthier and sustainable communities, clean energy jobs and local workforce development, and smart investments in local energy projects that will result in more reliable and self-sufficient energy supplies for our communities.

The transformative LDBP was a landmark strategy, led by a dedicated project team that connected with stakeholders and industry professionals, which continues to guide how Ava Community Energy can meet the public's energy needs boldly and equitably. But LCEA is deeply concerned by the limited scope, structure, and ambition of the agency's approach for the Customer Programs Strategic Roadmap.

While the energy landscape shifts dramatically, we must not abandon the objectives of the LDBP, but instead expand upon this visionary roadmap with the proposed customer programs.

We ask the agency to:

- Fully integrate community stakeholders to guide all phases of the RFP. We support the Community Advisory Committee's (CAC) request in its participation in the selection of a contractor.
- Include review, analysis, and expertise from the initial project team of the LDBP.
- Foster high-road training partnerships, clean energy jobs, family-sustaining wages, and local workforce development for those in the Ava service territory.
- Develop local energy supply and distributed energy resources (DERs).
- Design programs beyond electrification, such as solar installations and community resilience hubs, that directly reinvest into our communities, especially in environmental justice communities, including disadvantaged, disinvested, and heavily pollution-burdened neighborhoods.
- Secure financial stability for the long-term beyond ratepayer dependence.

- Commit to a strong political strategy that counters PG&E and CPUC rate hikes and other challenges.
- Include opportunities in San Joaquin County for local clean energy programs and projects that bring the above community benefits.

The goal to decarbonize must not come at the expense of ratepayer affordability, equity, community design, public health, climate resilience, and local economic development for our communities to truly thrive. Thank you for your continued support.

Clean Power to the People,

A handwritten signature in black ink, appearing to read "Dohee Kim", with a long horizontal flourish extending to the right.

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



Dohee Kim
339 15th Street Suite 208
Oakland, CA 9412
dohee@localcleanenergy.org

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)