

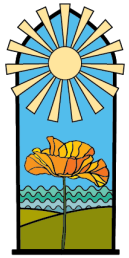


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California
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Subject: Allocate 10% of Ava Community Energy's Budget Surplus for Bill Credits to CARE/FERA Ratepayers and Build Long-Term Energy Affordability.

November 17, 2025

Dear Board of Directors, the Community Advisory Committee, and All Alternates,

At the previous [Board of Directors Meeting on September 17, 2025](#), the motion [to allocate 10% of the projected Ava Budget Surplus of \\$107 million](#) as bill credits for [California Alternate Rates for Energy \(CARE\)](#) and [Family Electric Rate Assistance \(FERA\)](#) ratepayers passed nearly unanimously. Both Ava staff and the Board initially emphasized concern for the anticipated financial headwinds as a result of recent reforms to Power Charge Indifference Adjustments (PCIA)¹ that would directly impact Ava Community Energy, as a Community Choice Energy (CCA) provider, through increased market volatility, disparate effects on low-income customers, and potentially 8 to 9 digit fees that the public agency would have to pay out in the near future². The Board, however, also insisted that in addition to preventing a budget deficit for the years to come, Ava Community Energy is aptly situated to invest the surplus back into our most energy-burdened, low-income, and vulnerable communities. **The Local Clean Energy Alliance (LCEA) fully supports the Board's decision to allocate 10% of the agency's budget surplus for CARE and FERA customers in Ava service territory, especially during a time of an energy affordability crisis³.**

A [bill credit](#) is one way to ensure affordability for families, especially in our most vulnerable, low-income, and disadvantaged communities who are navigating extremely high living expenses. CARE and FERA recipients receive a monthly discount on their gas

¹[Power Charge Indifference Adjustment \(PCIA\)](#) from the CA Public Utilities Commission (CPUC).

²[The Promises and Challenges of Community Choice Aggregation in California](#), a report by the UCLA Luskin Center for Innovation.

³Governor Signs [Berman Bill](#) to Lower Energy Bills and Hold IOUs Accountable. October 11, 2025.

and/or electric bills and would directly benefit from an additional bill credit, since energy-burdened communities can instead allocate money saved towards other essential needs such as food, healthcare, and housing⁴. Those eligible for CARE and FERA include community members who are already eligible for public assistance programs (Medicaid; Medi-Cal; Women, Infants, and Children (WIC) Program; Food Stamps; etc.)⁵. Money that is saved from a lower energy bill can be directed to other essential needs.

Ava staff was tasked with developing a methodology on how the bill credits will be distributed to CARE and FERA customers in Ava service territory, including recently incorporated areas such as [Stockton and Lathrop](#) who have been with Ava for around [3-6 months](#). This transition has notably saved customers [\\$4.4 million](#) in total on their energy bills. Staff returned with a recommendation to the [Financial, Aid, Procurement Meeting](#) as an informational item to the subcommittee, which had no quorum, on the day of November 7th, 2025, stating that \$13,041,710 is available for CARE/FERA customer bill credits based on the FY 2024-25 audit. **Staff recommends providing the same credit amount, approximately \$70, to all active CARE and FERA customers, which would provide meaningful bill relief for Ava's low-income ratepayers.**

As a reminder, this CCA was established to support energy-burdened, low-income, and diverse community members. Ava subscribers from Stockton and Lathrop must be included in the distribution of the upcoming bill credits. Calculating a prorated bill credit for Stockton and Lathrop CARE/FERA customers based on days of received service, as [suggested by a prior board meeting](#), would lead to an inequitable bill credit across your lowest-income customers. Savings should be shared by giving CARE/FERA customers a \$70 bill credit across all the areas for meaningful impact, especially in low-income, energy-burdened communities, which would include around 158,000 Ava Community Energy subscribers.

At the recent Financial, Aid, and Procurement Meeting, however, Ava staff and CEO suggested that this action item may return to the Board to revisit this distribution and potentially re-allocate the entirety of the surplus into the Rate Stabilization Fund out of concern of financial headwinds based on PG&E's recent [2026 Energy Resource Recovery Account](#) (ERRA). The 2026 rates detailed in this report, according to staff, indicates a significant deficit in 2026 for Ava Community Energy while maintaining the current value proposition. **LCEA requests that the staff detail and break-down the impacts of the 2026 PG&E ERRA, the current Ava budget audit and its near future financial projections, and PCIA reform analysis for public clarity and understanding. We urge the Board to conscientiously consider the impact of potentially taking away 10% (\$13,041,710) of the budget surplus to current CARE/FERA subscribers in Ava territory.**

LCEA and the People's Clean Power Alliance ask that the Board consider the ramifications of excluding or prorating the bill credits to 158,000 customers who are low-income and

⁴[Understanding Energy Burden: Why Some Communities Pay More](#) by Uche Ajene from Initiative for Energy Justice (IEJ) published on June 12, 2025.

⁵[CARE/FERA Program](#): Discounts on energy bills for low-income qualified households from the CPUC.

energy-burdened at this time. In fact, for San Joaquin County, nearly 13% of residents live in poverty, children have a poverty rate of over 17%, and more than 1 in 10 residents aged 65 years or older live in poverty⁶. We urge the Board to approve a fair and just methodology for bill credits that would include all 158,000 CARE/FERA customers in Ava service territory that is equitable for those who depend on affordable energy bills. While Stockton and Lathrop customers are our newest members, they will continue to subscribe to Ava Community Energy and will benefit drastically from an equal bill credit for all CARE and FERA ratepayers. We urge Ava staff and the Board of Directors to include Stockton and Lathrop for the CARE/FERA bill credits allocation equally across all Ava service territory and continue to meaningfully support our low-income, energy burdened communities.

The Board's decision to continue a one-time bill credit, specifically for CARE/FERA customers, is certainly aligned with the the monumental [Local Development Business Plan \(LDBP\)](#) and foundational [Joint Powers Authority \(JPA\) agreement](#), which holds Ava Community Energy accountable to its original commitment to build community wealth and health, reduce pollution, provide affordable rates, maintain high standards for clean energy jobs, make smart and clean local energy investments, etc. Based on this recent decision, the Local Clean Energy Alliance urges Ava's Board of Directors to approve staff's recommendation to provide the same bill credit amount of around \$70 to all active CARE and FERA customers in Ava service territory.

LCEA additionally requests that the Board and Ava Community Energy seriously consider long-term energy affordability goals for low-income customers as part of a long-term strategic plan, such as need-based, debt-relief programs that instead rely on local appropriations, provide regular relief, and is accessible to all based on income eligibility, in addition to [other policy opportunities](#) as shared this year by RMI. A one-time bill credit is insufficient for the financial headwinds incoming and attacks on affordable clean energy on all fronts, which would adversely impact the most energy-burdened, pollution-burdened, and historically disinvested communities in Ava service territory. Not all those who are eligible for CARE/FERA are successfully enrolled in these low-income assistance programs, due to [a real need for ongoing targeted outreach](#) in vulnerable communities. Ava Community Energy would benefit as a CCA to proactively navigate risks, challenges, and opportunities in the energy landscape with the Investor-Owned Utilities (IOUs) and the CA Public Utilities Commission (CPUC) by proactively responding to community needs, fostering community buy-in, and strategically investing in community benefits long-term.

Thank you for your public service and vital support.

Clean Power to the People,

⁶[San Joaquin County 2025 Health Needs Assessment](#) published in April 2025.



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

Organizational Sign-Ons

People's Clean Power Alliance

Kenneth Tang, Oakland Organizing Director for Asian Pacific Environmental Network (APEN)

Susan Silber, Project Director for Collective Resilience

Gregory Stevens, Northern California Director for California Interfaith Power & Light