



### Staff Report Item 4

<b>To:</b>	Ava Community Energy Authority Executive Committee
<b>From:</b>	Kelly B Brezovec, Sr. Director, Account Services
<b>Subject:</b>	Providing an informational item regarding the proposed 2026 value proposition options
<b>Date:</b>	December 3, 2025

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#### **Summary/Recommendation**

This item both informs the Executive Committee on the public comment period and invites feedback on the proposed updates to the 2026 Ava value proposition.

#### **Analysis and Context**

At the [May 18, 2022 Board of Directors meeting](#) the Board adopted an update to the Rate Setting Protocol. The protocol identifies a series of public meetings and public workshops required prior to an update to the value proposition, including a presentation to the Executive Committee.

Staff presented a schedule at the [November 19, 2025 Board of Directors](#) meeting, including a schedule for public comment.

## Value Proposition Update Schedule

Ava follows the Board-adopted protocol in updating the Ava value proposition:

Protocol Event	Schedule (approx)
Present to Full Board (Added step to the required protocol)	11/19
Present rates to Executive Committee	12/3
Two community webinars	11/24 - 12/5
Receive written comments.	11/20 - 12/8
Presentation to Community Advisory Committee	12/15
Present findings & feedback from Exec Committee, CAC, public webinar, and written comments to the Board prior to a decision	12/17

Protocol adopted on 5/18/2022

Figure 1: Value Proposition Update Schedule, taken from the November 19, 2025, Ava Board of Directors meeting

Staff began sharing information about the public process via [Ava's website](#), email, and social media on November 20, following the Board of Directors meeting. The first public webinar was on November 25, 2025. Ten customers registered, though none of them attended. The video recording of the webinar will be posted to the website so the public can access the information and educate themselves on the proposed changes. Customers can then participate at a future meeting, such as the December 4, 2025 public webinar, share written comments, or provide comment at the Community Advisory Committee or the December 17, 2025 Board of Directors meeting. Public comments shared prior to December 8, 2025 will be included in the Board documents regarding the value proposition update at the December 17, 2025 meeting.

The public webinar materials are included in the attached presentation.

### **Attachments**

#### A. Power Point Presentation (PPT)

# 2026 Value Proposition Update Proposal: Discussion and Review of Public Materials

Executive Committee Meeting  
December 3, 2026  
Kelly Birdwell Brezovec



# Context

- As part of the Rate Setting Protocol, most recently updated in 2022, Staff will provide at least two public webinars and a set time period for the public to respond to a proposed change to the Ava value proposition
- The webinar is intended to allow for customers to provide public comment on the value proposition change
  - The following slides were presented to the public on November 25 and will be presented again on December 4
  - Comments are recorded and will be included in the Board item regarding the value proposition in December
  - Webinars are recorded and posted to the Ava website
  - The public may also provide written comment to Staff, due Monday, December 8. Comments are also included in Board item

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# January 2026 Ava Value Proposition: Public Comment



# About Ava





# Public Meeting Reminders

- The video and audio from this meeting will be posted on our website
- We will provide a brief introduction to the proposed policy and then allow for your comments
- Everyone will be muted until the public comment period
- Please be prepared to provide:
  - Your name
  - Organization, if applicable
  - City of residence or business location
  - Your comment

Thank you for participating in our public meeting!



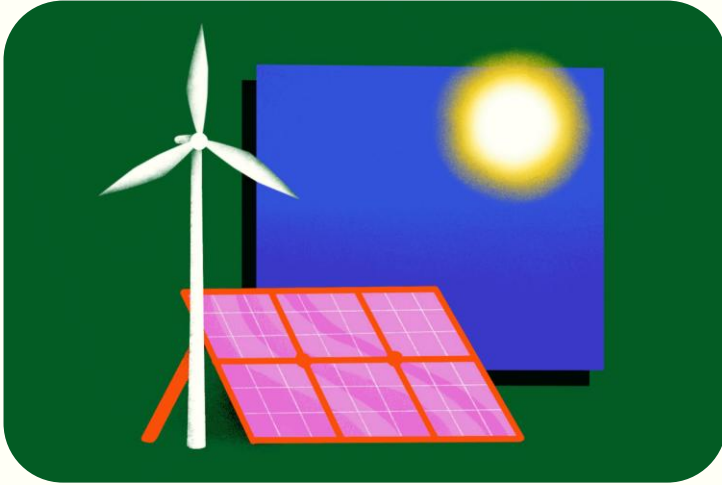
# What is Ava Community Energy?



Ava Community Energy (Ava) is a local community choice power supplier committed to providing Alameda County and the Cities of Lathrop, Stockton, and Tracy with clean, green electricity at competitive rates.

As a not-for-profit public agency, Ava reinvests revenue back into the community through local electrification programs, clean power projects, and community organizations.

# How It Works



## 1. Ava buys and generates clean power

Ava buys from, and is building, clean power plants. Ava sells the power to customers at competitive rates.



## 2. PG&E delivers the power to homes and businesses

Ava's power is delivered to customers by PG&E. Customers pay PG&E for delivery as they always have.



## 3. Customers get the power and local benefits

Customers benefit from clean energy, local governance, and innovative programs.

# Ava Customer Savings and Value

**\$174 million**

**Total customer savings  
since 2018**

**\$115 million**

**Reinvested in our  
communities since 2018  
through programs:**

- Local infrastructure
- Programs
- Local sponsorships
- Community grants
- Local vendor spending

**\$40 million**

**Paid for local generation,  
driving economic  
development, local union  
jobs, and tax revenue:**

- Scott Haggerty Wind Energy Center
- Kola Battery Storage System

# Definitions



# Current Service Plan Options



## Bright Choice

62% eligible renewable energy priced at 5% below PG&E rates.



## Renewable 100

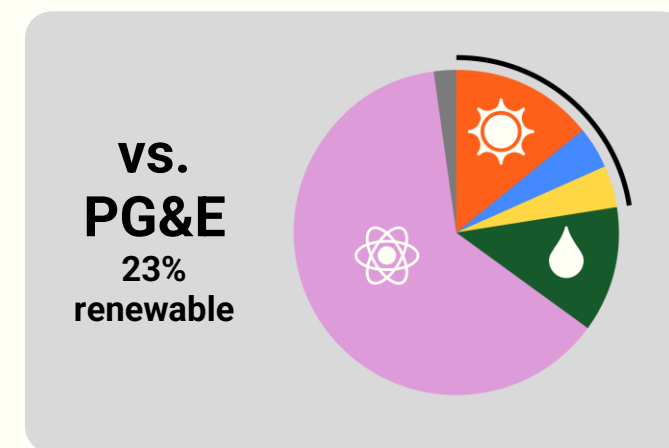
100% renewable energy priced at 1/4 cent per kWh above PG&E rates

### Renewable:

- Wind
- Solar
- Biomass & Biowaste, Eligible Hydroelectric, Geothermal

### Other:

- Hydro
- Nuclear
- Other or Unspecified



# Default Service Plan

Jurisdiction	Residential	Commercial	CARE/FERA/ Medical Baseline
<b>Albany, Berkeley, Dublin, Emeryville, Hayward, Pleasanton, San Leandro</b>	Renewable 100	Renewable 100	Bright Choice
<b>Piedmont</b>	Renewable 100	Bright Choice	Bright Choice
<b>Lathrop, Livermore, Newark, Oakland, Stockton, Tracy, Union City, and Unincorporated Alameda County</b>	Bright Choice	Bright Choice	Bright Choice
<b>Fremont</b>	Renewable 100	Bright Choice <i>In August 2026: Renewable 100</i>	Bright Choice

# Rates and Value Proposition

## Rates

- What Ava charges customers for electricity, currently updated when PG&E changes their generation rates or fees

## (Rate) Value proposition

- The cost comparison to PG&E rates based on Ava product
  - Ava brings additional value to our community. This is only about the direct financial value to our customers.

Ava has saved customers over **\$174 million** since 2018 through lower rates and bill credits



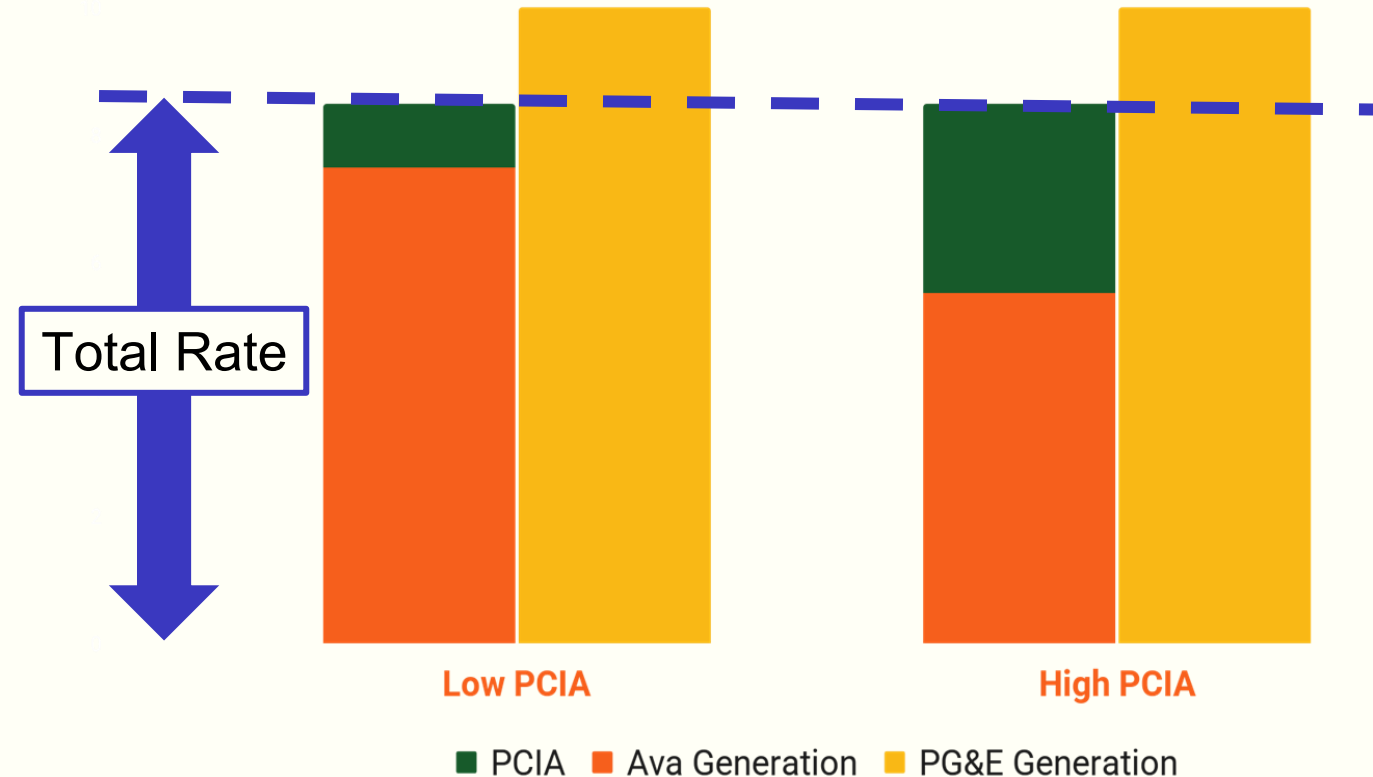
## Power Charge Indifference

**Adjustment (PCIA):** A per kilowatt-hour fee that PG&E assesses to a customer that allows PG&E to recuperate costs for long-term above-market costs electricity generation contracts.

- Ava's value proposition includes the PCIA, since it is added as line item on the PG&E page of the bill.

## PCIA Effect on Ava's Rates

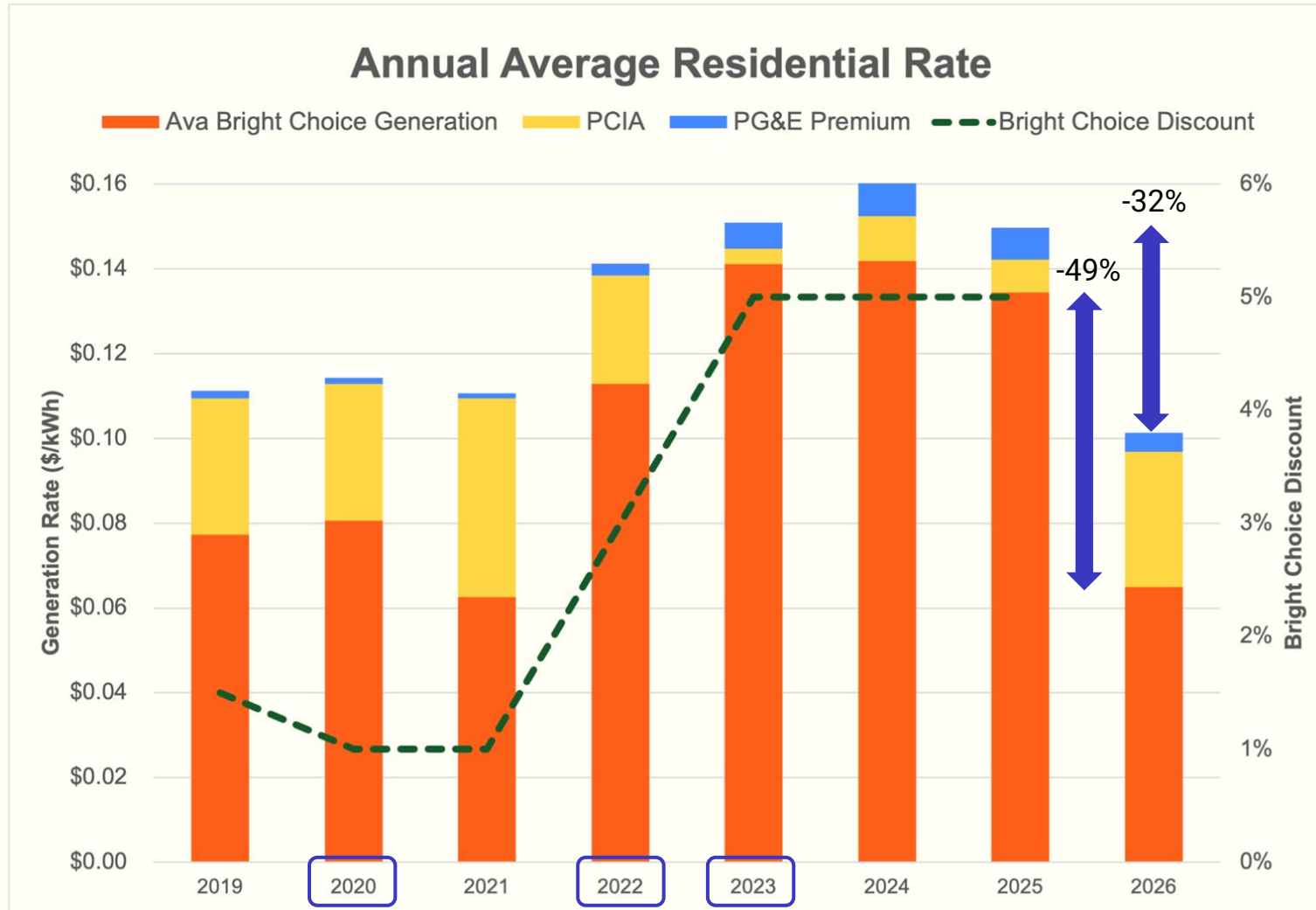
*Chart is for illustration purpose only and is not representative of actual electricity rates.*



# 2026 Context and Proposal



# Historic Generation Rates



Note: Chart reflects 2018 PCIA vintage TOU-C (Ava's most common residential rate)

Ava value proposition July update

- Ava is seeking to reduce its 2026 Bright Choice generation rates by ~40-50% from 2025 levels
- 2026 generation rates (including PCIA) are expected to decrease by ~32% from 2025 levels
- PG&E's 2026 delivery rates are projected to increase ~4% from 2025 levels
- 2026 overall electricity bills are projected to decrease by ~11% from 2025 levels

# 2026 Value Proposition Proposals

- Historically, when rates are high, Ava's Bright Choice discount has increased. When rates are low, the discount has decreased.
- 2026 rates are forecast to be 40–50% lower than 2025
  - 30% lower for customers, when PCIA is included
- Staff seeks to maintain a balanced budget for the agency through an updated value proposition, among other budget actions
- At the November Board meeting, staff recommended Option 1

	Bright Choice Generation Rate Discount to PG&E	Renewable 100 Generation Rate Premium to PG&E, per kWh
<b>Option 1</b>	1%	1.25¢
<b>Option 2</b>	0%	1.5¢

# Sample Residential Customer Ava Bill

	2025 Rates	2026 Proposed Rates			
	Bright Choice discount: 5% R100 premium: 0.25¢/kWh	Bright Choice discount: 0% R100 premium: 1.5¢/kWh	Percent Difference from 2025 Rates	Bright Choice discount: 1% R100 premium: 1.25¢/kWh	Percent Difference from 2025 Rates
Average Residential Bright Choice Generation Cost	\$50	\$35	-29%	\$35	-30%
Average Residential Renewable 100 Generation Cost	\$53	\$41	-24%	\$40	-25%

**Renewable 100 in 2026 is approximately 20% lower than Bright Choice in 2025.**

Based on an average residential (ETOU-C) customer using 350 kWh per month

# Value Proposition Proposals vs. 2025 Rates

	Average 2025 residential rate (¢/kWh)	Proposed for 2026		
		BC discount: 0% R100 premium: 1.5¢	BC discount: 1% R100 premium: 1.25¢	BC discount: 0.5% R100 premium: 1.5¢
<b>Bright Choice avg residential rate (¢/kWh)</b>	14.2	10.1	10.0	10.1
<b>Renewable 100 avg residential rate (¢/kWh)</b>	15.2	11.6	11.4	11.6
<b>BC % decrease vs. avg 2025 rate</b>	-	29%	29%	29%
<b>R100 % decrease vs. avg 2025 rate</b>	-	24%	25%	24%

Including this slide for the Executive Committee to highlight rate differences, in addition to bill differences

# Ava Value Proposition History

## Ava Value Proposition Over Time:

Ava Service Plan	June 2018– June 2020	July 2020– June 2022	July 2022– June 2023	July 2023– Present
Bright Choice	1.5% below PG&E	1% below PG&E	3% below PG&E	5% below PG&E
Renewable 100	1¢ per kWh above PG&E	1¢ per kWh above PG&E	¾¢ per kWh above PG&E	¼¢ per kWh above PG&E

- Historically, the value proposition has been inversely related to rates
- Relatively high rates are correlated with an ability to offer a higher discount
  - Lower rates typically mean a lower discount

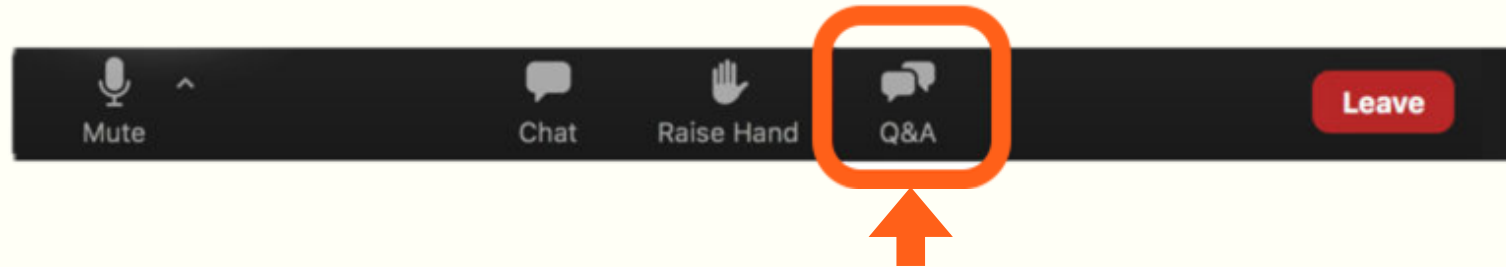


# Public Comment Period



# How to Participate

## Instructions



1. Click on the **"Q&A" bubble** to start
2. Enter your **name**, **city**, and **organization** into the text box
3. Click the **"Send"** button to Submit your request for comment

### Please note:

- Everyone on the call will see what you type into the chat box.
- We will call on each speaker in the order we received the chat, we'll then disable the mute feature for each speaker.
- Please be conscientious of the time. Every speaker will be allowed three minutes.
- This webinar is being recorded and will be posted to our website.

# Thank You for Participating

## Ava staff's next steps:

- Post this webinar, including the audio recording of your comments, on our website at:  
[AvaEnergy.org/your-energy-options/plans-and-rates/rates](https://AvaEnergy.org/your-energy-options/plans-and-rates/rates)
- Summarize all public comments in the staff report to Board
- Present summary and value proposition recommendation at Board of Directors meeting on **December 17th, 2025** as part of the update to next year's budget.

## Additional comment opportunities:

- Written comments may be emailed to:  
[PublicComment@AvaEnergy.org](mailto:PublicComment@AvaEnergy.org)



**All comments are due by  
Monday, December 8th,  
2025 at 8:00 AM**

# 3-Minute Public Comment Timer

**03:00**



# Thank you!



Comments Welcome at:  
[PublicComment@AvaEnergy.org](mailto:PublicComment@AvaEnergy.org)

**Online**

[AvaEnergy.org](https://AvaEnergy.org)

**Phone**

833-699-3223

**Email**

[customer-support@AvaEnergy.org](mailto:customer-support@AvaEnergy.org)

**Social**

[PoweredWithAva](#)

## Next Steps

- Staff will compile comments on the proposed value proposition from
  - Executive Committee meeting,
  - Comments made during webinars, and
  - Written public comments received via email through Monday, December 8
- Comments will be included in the staff report for the December Board of Directors regarding the value proposition and 2026 budget management

# Measures to Consider for 2026 Budget Management

- As presented at the 11/19 board meeting, the projected deficit for July 2025 through Dec 2026 is **(\$247MM)**
- Additional measures and scenarios to offset the deficit will be presented at the 12/17 board meeting for discussion & action. Adjustments to the value proposition will be included in this board item.

Measure	Approximate Value	Cumulative Value
Rate Stabilization Fund (RSF)	\$149.5MM	\$149.5MM
Value Proposition Change in January 2026 <i>Bright Choice: 5% → 1% and Renewable 100: 0.25¢ → 1.25¢ per kWh</i>	\$51.7MM	\$201.2MM
<del>2024-25 Budget Surplus On-bill credits moved to RSF</del>	<del>\$13.0MM</del>	<del>\$214.2MM</del>
2025-26 Local Development budget reduction (non earmarked funding)	\$10.0MM	\$211.2MM
Reduce REC procurement	\$4-12MM	\$215.2MM to \$223.2MM



# Adjustments to Value Proposition

Bright Choice and Renewable 100 value proposition adjustments scenarios

Generation Rate Discount to PG&E	2026 Revenue Contribution - Bright Choice (\$MM)	¢ per kWh Adder to PG&E	2026 Revenue Contribution - Renewable 100 (\$MM)	Bright Choice Discount, Renewable 100 Adder	2026 Revenue Contribution (\$MM)
4%	6.3	0.5	6.6	4%, 0.5¢	12.9
3%	12.6	0.75	13.3	3%, 0.75¢	25.8
2%	18.8	1.0	19.9	2%, 1.0¢	38.7
1%	25.1	1.25	26.5	1%, 1.25¢	51.7
0%	31.4	1.5	33.2	0%, 1.5¢	64.6

Ava has updated the value proposition three times. Bright Choice was at a 1% savings 2020-2022 years.

Service Plan	Start Service 2018	July 2020	July 2022	July 2023 - Current
Bright Choice % below PG&E	1.5%	1%	3%	5%
Renewable 100 Premium	1¢		0.75¢	0.25¢





Community Energy