



Community Advisory Committee Meeting

December 15, 2025

6:00 pm

In Person:

Board Room

Ava Community Energy

1999 Harrison St, Ste 2300

Oakland, CA 94612

Or from the following remote locations:

1343 Fairview Ct, Livermore CA 94550

4563 Meyer Park Circle, Fremont, CA 94536

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

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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 November 17, 2025

C4. CAC Chair Report

C5. Allocation of surplus revenue from Fiscal Year 2024-2025 to on-bill credits for CARE/FERA customers (Board Action Item)

Adopt a resolution for allocation methodology of on-bill credits for CARE/FERA customers based on FY2024-2025 surplus revenues.

C6. CAC Guide Updates & Term Extensions (Board Consent Item)

Update the CAC Guide to include Unincorporated SJC and other operational improvements. Extend all current terms to 4/30/26.

C7. Statement Regarding the CSA Strategic Roadmap (CAC Action Item)

C8. 2026 Financial Adjustments, including value proposition (Board Action Item)

Approve a portfolio of actions to address 2026 financial forecast

C9. Ad Hoc Committee Update (CAC Informational Item)

C10. CAC Member and Staff Announcements including requests to place items on future Community Advisory Committee Meeting Agendas

C11. Adjourn

The next Community Advisory Committee meeting will be held on Tuesday, January 20, 2026 at 6:00 pm.

Board Meeting Access Instructions

If you need help finding or accessing the building, please call our Ava representative who is stationed in the building lobby: 510-393-0492.

Directions

Directions via BART

If you are taking BART: the 19th Street station is the closest stop to our office and is about a 5 minute walk away. Use the 20th St / Thomas L. Berkeley Way station exit.

Directions via Bike

Bike riders wanting to park their bike inside the parking garage can enter through the main building lobby. Bike parking is available on the parking garage first level right in front of the garage elevators.

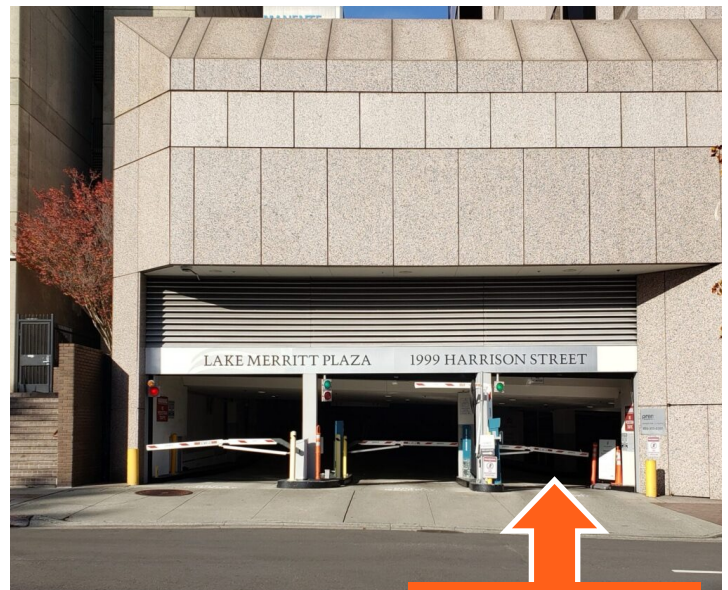
Directions to Parking Garage via Car

The entrance to the building's attached garage is located on Harrison Street. If you're driving northbound on Harrison Street, as soon as you cross 19th St. the garage entrance is 3/4 down on your left-hand side. If you're heading east on Thomas L Berkeley Way/20th St. Continue East then make a right turn on Harrison Street, and the garage entrance is a quarter block up on your right-hand side.

When you arrive, enter via the gate labeled "Public Parkers". There are four floors of the parking garage, and you will need to take the elevator in the parking garage to the first floor. The parking attendant or an Ava representative will provide access into the building lobby.

The parking garage entry gate will be open until 8pm for CAC and BOD meetings. Attendees can exit the parking garage until 11pm.

Note that the garage's parking fee is \$30 per use. Street parking is widely available near the building and free after 6pm.



Public Parkers entrance

Check-in at Security Desk

When you arrive at our building, please check in with the security desk in the lobby to get access to the elevators. If you have questions or need assistance, an Ava representative will be stationed and identifiable in the lobby. They can be reached at: 510-393-0492.



**CAC Item C5
Staff Report Item 15**

To:	Ava Community Energy Authority
From:	Kelly Brezovec, Sr. Director, Account Services
Subject:	Approve Resolution of the Board of Directors of Ava Community Energy Authority Authorizing On-Bill Credit Allocation of OA Portion of Surplus Revenue from Fiscal Year 2024-2025
Date:	December 17, 2025

Summary/Recommendation

Staff requests that the Board adopt a Resolution regarding proposed Fiscal Year 2024-2025 surplus revenue bill credit methodology based on the 2024-2025 Fiscal Year Budget and the Waterfall Allocations of Surplus Revenues Resolution.

The allocation of surplus revenues from the 2024-2025 fiscal year budget, originally set forth by Resolution [R-2024-42](#), was amended at the [September 17, 2025 Board of Directors](#) meeting to allow 90% of the surplus net revenues of the 2024-2025 fiscal year budget actuals as determined by the annual audit to be allocated to the Rate Stabilization Fund, and 10% to on-bill credits for California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) customers to be distributed in the 2025-2026 fiscal year. The 2025 Amendment to the 2024 Resolution, R-2025-42, is attached to this memo for reference.

Based on the FY2024-2025 audit, \$13,041,710 is available for CARE/FERA customer bill credits. The CARE/FERA credit will be applied to bills starting in January 2026 and begin appearing on bills later that month and into February 2026.

Staff recommend providing the same credit amount, approximately \$80, to all active Ava CARE or FERA customers in order to provide meaningful bill relief to Ava's lower-income customers.

Financial Impact

Allocation of surplus funds from fiscal year 2024-25 was approved by the Board in September 2025. The financial impact on customer bills is discussed below in the Analysis section.

Analysis and Context

Staff explored two options for how to distribute funds across CARE/FERA customers, methodologies Option A and Option B. Option A: Share the total available amount equally among all eligible customers. Option B: Since customers in Stockton and Lathrop received Ava generation service for only the final three months of the 2024-2025 fiscal year, customers in these communities receive a prorated amount.

- A. All customers receive the same amount of credit. (\$80)
- B. Stockton and Lathrop will receive $\frac{1}{4}$ of the credit (\$25) that the other communities receive (\$100).

In either scenario, the customer must be an active Ava customer to receive the bill credit; Ava will not apply credits to inactive accounts. Note that the actual credit amount will be determined based on the total eligible customer count prior to application of bill credits.

Key Considerations

- 1) Historic context: in January 2025, CARE/FERA customers received \$100 credits, in November 2023 and August 2022, CARE/FERA customers received \$50 credits. A full bill credit history is available in this Board memo from November 2024.
- 2) Equitable allocation of budget surplus across member cities vs an even distribution across all lower income CARE/FERA customers.
- 3) The number of months of service is not necessarily the most relevant metric.
 - Customers pay different amounts to Ava based on their PCIA vintage, usage, and bill amount. Therefore, contributions to the surplus also differ.
 - For example, April to June 2025, the average CARE customer Ava bill was \$100 for customers in Stockton and Lathrop and \$50 for other Ava customers. The average CARE customer in Stockton and Lathrop used 580 kilowatt-hours per month, compared to 370 kWh by the rest of Ava communities.

Attachments

- A. Resolution on On-Bill Credit Allocation of Surplus Revenue from Fiscal Year 2024-2025
- B. Resolution R-2025-42
- C. PowerPoint

RESOLUTION NO. R-2025-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING ON-BILL
CREDIT ALLOCATION OF A PORTION OF SURPLUS REVENUE FROM
FISCAL YEAR 2024-2025

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, on June 12, 2024, the Board of Directors (the “Board”) approved a plan to allocate Fiscal Year 2024-2025 net position surplus money to reserve funds, a CARE/FERA customer on-bill credit, and to a Net Billing Tariff incentives program; and

WHEREAS, on September 17, 2025, the Board approved an amendment to allocate 90% of the Fiscal Year 2024-2025 net position surplus money to a Rate Stabilization Fund and 10% to a CARE/FERA customer on-bill credit; and

WHEREAS, staff have completed the financial audit for Fiscal Year 2024-2025, and the Board has approved the audit results; and

WHEREAS, approximately \$13 million is available for on-bill credits for CARE/FERA customers, which will be shared through a one-time credit on their Ava bill.

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

Section 1. Authorize Staff to apply credits based on a portion of surplus revenue from Fiscal Year 2024-2025 to customer bills with an equal allocation to all active CARE/FERA customers.

ADOPTED AND APPROVED this 17th day of December 2025.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

RESOLUTION NO. R-2025-42**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 90% 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, and 10% to on-bill credits for CARE/FERA rate-payers to be distributed in the 2025-2026 fiscal year.

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

Signed by:

Betsy S Andersen

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Betsy Andersen, Chair

ATTEST:

DocuSigned by:

Adrian Bankhead

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Adrian Bankhead, Clerk of the Board

FY 2024-2025 CARE/FERA Credit

Kelly Birdwell Brezovec | December 17, 2025



Executive Summary

Recommendation: Staff recommend providing the same credit amount, approximately \$80, to all active Ava CARE or FERA customers to help provide meaningful bill relief to Ava's lower-income customers.

2024-2025 fiscal year budget surplus allocation:

- 90% of the surplus net revenues to be allocated to the Rate Stabilization Fund
- 10% to on-bill credits for CARE/FERA customers (\$13,041,710)

Analysis & Context

Staff explored two options for how to distribute funds across CARE/FERA customers:

Option A

All customers receive the same amount of credit. (\$80)

Option B

Stockton and Lathrop will receive $\frac{1}{4}$ of the credit (\$25) that the other communities receive (\$100)

Note: The customer must be an active Ava customer to receive the bill credit. Final credit amount depends on the total CARE/FERA customer count at the time credits are applied

Key Considerations to Staff Recommendation of a single bill credit amount to all CARE/FERA customers

- Historic context: in January 2025, CARE/FERA customers received \$100 credits, in November 2023 and August 2022, CARE/FERA customers received \$50 credits.
- How to provide an equitable allocation of budget surplus across member cities vs. an even distribution across all lower income CARE/FERA customers
- The number of months of service is not necessarily the most relevant metric.
 - Customers pay different amounts to Ava based on their PCIA vintage, usage, and bill amount, resulting in different contributions to the surplus
 - The average CARE customer in Stockton and Lathrop used 580 kilowatt-hours per month, compared to 370 kWh by the rest of Ava communities.
 - In April to June 2025, the average CARE customer Ava bill was \$100 for customers in Stockton and Lathrop and \$50 for other Ava customers.

Options and Next Steps

- Staff Recommendation: \$80 credit to all CARE/FERA customers
 - Alternative: \$25 credit to Stockton/Lathrop CARE/FERA customers, \$100 credit to remaining CARE/FERA customers
- Credits will be applied to bills in January – February 2026





CAC Item C6

Consent Item 9

To:	Ava Community Energy Authority
From:	Cait Cady, Public Engagement Specialist
Subject:	Community Advisory Committee (CAC) Guide Updates and Term Extensions
Date:	December 17, 2025

Summary/Recommendation

Adopt a Resolution taking the following actions:

- Approve amendments to the Community Advisory Committee (CAC) Guide as outlined below and in Attachment A. The purpose of these updates is to include unincorporated San Joaquin County in the CAC seat allocation methodology and further maximize operational efficiency ahead of the CAC's next appointment cycle.
- Extend all current CAC terms to April 30, 2026. The purpose of this extension is to ensure alignment of all current and future CAC terms, which will improve the efficiency and predictability of Member appointment cycles and allow for the staggering of Member terms.

Financial Impact

This proposal includes adding another seat to the CAC, which would result in a modest financial impact due to an additional stipend and possible parking reimbursements. Current stipends are \$128.00 per meeting, which amounts to approximately \$1,408 per year per member if members attend all scheduled eleven meetings (i.e., one meeting per month, less the August recess). CAC Members are also reimbursed for their parking to attend meetings, which amounts to \$30 per meeting, per Member.

Analysis and Context

Section 4.9 of the Joint Powers Agreement called for the Board of Directors to establish a Community Advisory Committee. On November 20, 2019, the Board of Directors approved the first Community Advisory Committee Guide and appointment process, which outlined membership qualifications and the process to appoint new Members.

On October 21, 2020, the Board of Directors approved updates to the CAC Guide and appointment process to accommodate Ava's growing service area. These updates were made to provide proper representation and engagement of the CAC, particularly given the inclusion of Ava's new communities in the cities of Newark, Pleasanton, and Tracy. The updates included the following structural changes as well: the addition of three seats (increasing the CAC to twelve active seats, corresponding with the concept of "voting shares" in Sec. 4.12.2 of Ava's JPA Agreement); configuring the apportionment of CAC seats to Ava Service Area Regions; appointing one Alternate for each Ava Service Area Region, for a total of five; and engaging the Alameda County Mayors' Conference to appoint two At-large Members.

On December 20, 2023, the Board of Directors approved additional updates to the Guide to incorporate the cities of Stockton and Lathrop and make several administrative updates. These updates included: setting a limit of two terms for At-large members, assigning the Board of Directors the authority to appoint at-large members, mandating that vacancies are to be filled on a semi-annual basis, establishing staggered terms, and instituting a six-month residency 'grace period' when Members move outside of the service area.

Unincorporated San Joaquin County joined Ava's JPA in July 2024 and is not currently represented in the CAC's seat allocations. On October 1, 2025, the Ava Executive Committee received a presentation of recommended updates to the CAC Guide aimed at incorporating the new jurisdiction and improving the CAC's operations. Executive Committee Members were generally supportive of the proposal to add an additional seat to the Committee and many of the edits outlined in Attachment A. There was renewed interest in creating a structure of staggered Member terms, as well as an emphasis on the importance of predictability and equity in appointment cycles.

Under the CAC's current structure, 10 of the 12 seats are distributed regionally across Ava's service area in Alameda and San Joaquin counties. There are five regions (North, East, South, and central Alameda County, as well as San Joaquin County). There are five Alternates with an Alternate representing each of the five regions. Additionally, the Committee includes two At-large Members, bringing the CAC to a total of 12 seats and five Alternates. Each region is allocated its number of seats according to its approximate, cumulative electricity load. As previously noted, this corresponds to the JPA's allocation of Voting Shares votes among the Board of Directors (per [JPA Sec. 4.12.2 and Exhibit C](#)).

Table 1: Current CAC Membership consists of the following:

Member	Region	Current Term Start	Current Term End	Current Term #
Cynthia Landry	North	Jan 1, 2024	Dec 31, 2025	4
Indira Balkissoon	North	Mar 20, 2024	Mar 20, 2026	1
Peter Weiner*	North	Oct 15, 2024	Dec 31, 2025	1
Shiva Swaminathan	South	Jan 1, 2024	Dec 31, 2025	2
Vijay Lakshman	South	Jan 1, 2024	Dec 31, 2025	2
Ernesto Pacheco	Central	Jan 1, 2024	Dec 31, 2025	3
Mickey Souza	Central	Jan 1, 2024	Dec 31, 2025	2
Rachel DiFranco (Alt)	Central	Mar 20, 2024	Mar 20, 2026	1
Pete Stephenson	East	Mar 20, 2024	Mar 20, 2026	1
Jill Gile (Alt)	East	Mar 20, 2024	Mar 20, 2026	1
Davis Harper Zapata	SJC	Mar 13, 2024	Mar 13, 2026	1
Ed Hernandez	At-large	Jan 1, 2024	Dec 31, 2025	2
Jim Lutz	At-large	Jan 1, 2024	Dec 31, 2025	2

**Member Weiner was appointed as an Alternate March 20, 2024, and then appointed to a regular Member following a mid-term resignation (in compliance with the CAC Guide).*

Recommendation 1: Update CAC Regional Seat Allocations

With the addition of unincorporated San Joaquin County, the San Joaquin County region's combined JPA Vote Share increases to 29.5%, the largest of any region. To avoid removing seats from other regions and ensure an equitable distribution of seats across Ava's service area, staff's recommendation is to add a seat to the Committee and allocate it to the San Joaquin County region. This would bring the total number of CAC seats up to 13.

Approval of the proposal would be followed by a CAC Member application and appointment cycle, in which Ava staff work with Board Members to 1) solicit potential applicants; 2) facilitate nominations by regional Board Members (or by Executive Committee Members, in the case of At-large CAC member nominations); and 3) seek Board approval to appoint a CAC member to this proposed new seat for San Joaquin County, as well as appointments and/or reappointments to fill any other CAC vacancies.

Table 2: Proposed CAC seat allocations with the addition of Unincorporated San Joaquin County

Region	JPA Vote Share*	CAC Seat Allocation	Alternate Seat Allocation
North Albany, Berkeley, Oakland, Emeryville, and Piedmont	25.6%	3	1
East Dublin, Livermore, and Pleasanton	11.1%	1	1
South Fremont, Union City and Newark	17.6%	2	1
Central Hayward, San Leandro, and Alameda County Unincorporated	16.3%	2	1
San Joaquin County Tracy, Stockton, Lathrop, and San Joaquin County Unincorporated	29.5%	3	1
At-large		2	

* JPA Vote Shares reflect Ava's most recently amended JPA (Sec. 4.12.2 and Exhibit C), effective July 17, 2024. Cumulative annual load is based on 2023 usage.

Recommendation 2: Administrative updates to CAC Guide

To further optimize efficiency and better reflect current operating procedures on the Committee, staff recommend the edits in the redlined CAC Guide attached (Attachment A).

Substantive updates include:

- **Defining CAC terms:** The current Guide sets term length and limits for CAC Members, but does not define, nor standardize, when terms start and end. To help align CAC Member terms, implement the staggering of these terms, and maximize the efficiency of CAC appointment cycles, staff recommend including specific language that defines terms as beginning in the Spring of the calendar year. The proposed update calls for all terms to start May 1 of their appointment year and end two years later on April 30. This will create cohesion, standardization, and predictability for CAC terms. The staggering of terms would be implemented following the next CAC application and appointment cycle (tentatively planned for Q1/Q2 2026).
- **Add flexibility to recruitment windows:** The current Guide requires filling vacancies on a semi-annual basis. This requirement has become both unnecessary and overly

prescriptive. Facilitating CAC application and appointment processes require a great deal of staff and Board Member capacity. Updating this to occur on an annual basis, with the option to facilitate additional recruitment and appointments as needed, gives staff and the Board flexibility to schedule recruitments to avoid redundancy and streamline the process.

Recommendation 3: Extend all current Member terms to April 30, 2026

In accordance with the recommendation to standardize CAC terms in Recommendation 2, staff recommend extending all current CAC terms to April 30, 2026. This will establish uniform, standardized CAC terms going forward and ahead of the next appointment cycle in early 2026. The additional time will not count towards any Member's term limits. As seen in Table 1, current Members have terms that end December 31, 2025, or March 2026, so this will be an extension of one-to-four months.

Attachments

- A. Resolution
- B. Redline CAC Guide with proposed updates
- C. Clean CAC Guide including proposed updates
- D. Presentation

RESOLUTION NO. R-202x-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE AVA COMMUNITY ENERGY AUTHORITY TO UPDATE THE
COMMUNITY ADVISORY COMMITTEE (CAC) GUIDE AND REALLOCATE
REGIONAL SEATS

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 the Board of Directors approved the Community Advisory Committee (“CAC”) Guide and Appointment Process (“Guide”) on November 20, 2019, which outlines the committee seats, qualifications, and appointment process;

WHEREAS the Guide has been amended by the Board each time Ava expanded its service territory, in 2020 as well as 2023, to include the new Ava service area. The Board has also revised the Guide over the years to modify committee seat qualifications appointment methodology, and member term lengths, and to provide additional operational efficiencies;

WHEREAS In 2024, unincorporated San Joaquin County joined Ava’s Joint Powers Authority and staff subsequently sought direction from Ava’s Executive Committee on proposed updates to the CAC’s seat allocations and other administrative updates.

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

Section 1. The terms of current CAC Members are hereby extended through April 30, 2026, if desired. This additional time will not count toward term limits;

Section 2. The Amendments to the Guide attached to this agenda item are hereby approved, and authorize the Chief Executive Officer, with approval by the General Counsel, to make any nonsubstantive clarifying or clerical revisions necessary.

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

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board



Community Advisory Committee Guide

Purpose

Advise the Board of Directors on ~~all~~ subjects related to the operations of the CCA program as set forth in the work plan adopted ~~on October 18, 2019~~ by the Board of Directors.

Authority

Established by the Board of Directors. See JPA section 4.9

Agency

Ava Community Energy (Ava)

Qualifications

Ava service area resident; ~~or shall those who~~ have owned ~~or and~~ actively operated a business in Ava service area for a period of at least ~~5-five~~ years prior to appointment and shall do so for the entire period of appointment. Applicants will be considered with an interest in maintaining diversity of representation by geography, population, work experience and community.

If a sitting Member moves out of the service area, they will have ~~6six~~ months to reestablish residency before no longer meeting eligibility requirements.

Staff Person

~~Adrian Bankhead (abankhead@avaenergy.org) and Cait Cady (ccady@avaenergy.org)~~ The Clerk of the Board and Ava's Public Engagement team (contact: cob@avaenergy.org).

Composition

The Advisory Committee consists of ~~110 planning area regional~~ seats and two ~~(2)~~ at-large seats for a total of ~~132~~ seats. Regional seats are allocated by the Board based on JPA Voting Shares in Sec. 4.12.2 and Exhibit C of the JPA. The ~~101 regional~~ seats each represent the following areas:

<u>Region</u>	<u>JPA Vote Share</u>	<u>CAC Seat Allocation*</u>	<u>Alternate Seat Allocation</u>
North Albany, Berkeley, Oakland, Emeryville, and Piedmont	27.7%	3	1
East Dublin, Livermore, and	12.8%	1	1

Pleasanton			
South Fremont, Union City and Newark	20.1%	2	1
Central Hayward, San Leandro, and Alameda County Unincorporated	18.5%	2	1
San Joaquin County Tracy, Stockton, and Lathrop, <u>and San Joaquin County Unincorporated</u>	20.9%	3 2	1
At-Large		2 4	
At-Large		4	

*CAC seat allocations are based on the corresponding Voting Shares Vote described in JPA Sec. 4.12.2

Application Process

The application process will occur at least once a year and should be held early in the calendar year. If subsequent, unanticipated vacancies emerge on the Committee that prevent a quorum, additional application and appointment cycles may be held later in the calendar year at any time at the discretion of staff or the Board. Any person residing or owning and actively operating a business in the Ava service area interested in serving on the Advisory Committee should complete the Advisory Committee application during the specified application period. Ava will announce the start of the application window via meeting announcements, Ava email distribution list, and the Community Advisory Committee site: <https://avaenergy.org/governance/>. The application period will be last for at least 30 days from the time it is first announced ment of the vacancy.

Sitting CAC Members who are eligible to serve another term can submit a request for reappointment that will affirm their eligibility and interest in seeking reappointment. Staff will share the reappointment form with eligible Members ahead of the upcoming appointment cycle and distribute responses to Board Members for consideration.

Applicants will receive an automated email response to their application submission with the appointment target date. Ava staff will review applications for completeness and qualifications. Once the applications have been reviewed, applicants will be notified via email if they will or will not advance.

The Executive Committee and/or an ad hoc committee of the Board will review applications and recommend the appointment of members to the full Board for approval. Executive or ad hoc committee members have the option to interview applicants and/or call references as part of their review. Once selected applicants have completed the interview process, interviewees will be notified of their appointment status.

Once the Executive Committee or ad hoc committee has finalized their recommended appointment(s), staff will notify the applicants and confirm their continued interest in the

appointment. If a selected applicant declines the appointment invitation, another candidate may be selected from the same pool of ~~interviewees~~applicants. Applications will be retained for 30 days after appointments are made. In the event a vacancy is created during these 30 days, Ava may use the same pool of applicants.

No applications will be retained for future application periods. Applicants not selected may resubmit an application when the next application period opens.

Appointment

~~The Committee is~~Committee Members are appointed by the Board of Directors based on the qualifications outlined above.

Term

Appointments shall be for ~~staggered~~ two (2)-year terms, with each term beginning on May 1 and ending on April 30 of their respective appointment years. ~~With the exception of the initial committee which had three (3) members serving a shorter term to stagger the term end dates.~~
~~begin~~Members in regionally allocated seats may serve up to four ~~(4)~~ full terms or any combination thereof for a total of eight ~~(8)~~ years, or at the pleasure of the Board, from the date of appointment. No appointee to a regional seat shall serve more than a total of ~~eight (8) years-~~
four terms.

In the event of a CAC Member resignation, an Alternate or off-cycle appointee who completes one year (i.e., half the term) of the previous appointee's term will remain eligible for another seven years of CAC service.; Those who complete less than one year of the previous appointee's term will remain eligible for another eight years of CAC service. with the exception of those assigned an extra year to establish staggered terms.

At-large Members may serve up to two ~~(2)~~ consecutive terms and ~~at the same~~ CAC region cannot be represented in an ~~a~~At-large seat for more than two ~~(2)~~ consecutive terms. In the event of an At-large Member resignation, an off-cycle appointee who completes one year (i.e., half the term) of the previous appointee's term will remain eligible for another three years of CAC service. Those who complete less than one year of the previous appointee's term will remain eligible for another eight years of CAC service.

Chair and Vice-Chair

The Committee shall elect a new Chair and Vice-Chair annually ~~at the June meeting~~. Members may serve as Chair or Vice-Chair for one ~~(1)~~ year and for no more than two ~~(2)~~ consecutive years.

Ex Officio Board Member

The Committee Chair will serve as a non-voting member of the Board of Directors as described in section 4.2.2 of the Joint Powers Authority Agreement. The Ex Officio Board member may not serve on the Executive Committee or participate in Closed Session Meetings of the Board.

Stipends

Committee members are eligible to receive a ~~\$123.55~~ stipend per meeting with a maximum of four meetings per month. Stipends are set and adjusted by the Board of Directors, with regular

adjustments for inflation.

For Committee members to be eligible for stipends, the Committee must have a quorum and members must arrive no later than 30 minutes after the meeting start time. Please see Board of Directors' Resolution R-2018-17 for additional information.

Attendance

Members are expected to attend every regular CAC meeting, which occur on a monthly basis up to two (2) meetings per month. Members must inform the Clerk of the Board of a planned absence.

Absences may not be communicated solely through the Chair, although the member should include the Chair in any attendance communications with the Clerk. Members are also expected to coordinate directly with the Alternate for their region when they cannot attend a meeting. Members with excessive absences may potentially be dismissed from the committee. The decision to dismiss a member will be made by the Board of Directors.

Vacancies

Vacant Regional and At-large seats on the Committee will be filled on an annual basis early each calendar year, or more frequently when Vacancies will be filled on a semi-annual basis, from the time the vacancy occurs, unless required necessary to achieve quorum. When there is a vacancy on the committee during During an semi-annual recruitment window application and appointment cycle, Ava will announce the vacancy and the start of the application window period via meeting announcements, Ava email distribution list(s), and the Community Advisory Committee site: avaenergy.org/governance/. If the seat vacated is a regular Regional seat, an aAlternate may be appointed immediately following the vacancy announcement to fill the seat and complete the remaining term.

Removal from Committee

A member of the Community Advisory Committee may be removed by the Board of Directors for any reason by majority vote. See JPA section 4.9. A Member's attendance record may also be taken into account if/when they seek reappointment for additional terms.



Community Advisory Committee Guide

Purpose

Advise the Board of Directors on subjects related to the operations of the CCA program as set forth in the work plan adopted by the Board of Directors.

Authority

Established by the Board of Directors. See JPA section 4.9

Agency

Ava Community Energy (Ava)

Qualifications

Ava service area resident; or those who have owned and actively operated a business in Ava service area for a period of at least five years prior to appointment and shall do so for the entire period of appointment. Applicants will be considered with an interest in maintaining diversity of representation by geography, population, work experience, and community.

If a sitting Member moves out of the service area, they will have six months to reestablish residency before no longer meeting eligibility requirements.

Staff Person

The Clerk of the Board and Ava's Public Engagement team (contact: cob@avaenergy.org).

Composition

The Advisory Committee consists of 11 regional seats and two At-large seats for a total of 13 seats. Regional seats are allocated by the Board based on JPA Voting Shares in Sec. 4.12.2 and Exhibit C of the JPA. The 11 regional seats each represent the following areas:

Region	CAC Seat Allocation*	Alternate Seat Allocation
North Albany, Berkeley, Oakland, Emeryville, and Piedmont	3	1
East Dublin, Livermore, and Pleasanton	1	1
South Fremont, Union City and Newark	2	1
Central	2	1

Hayward, San Leandro, and Alameda County Unincorporated		
San Joaquin County Tracy, Stockton, Lathrop, and San Joaquin County Unincorporated	3	1
At-large	2	

*CAC seat allocations are based on the corresponding Voting Shares Vote described in JPA Sec. 4.12.2

Application Process

The application process will occur at least once a year and should be held early in the calendar year. If subsequent, unanticipated vacancies emerge on the Committee that prevent a quorum, additional application and appointment cycles may be held at any time at the discretion of staff or the Board. Any person residing or owning and actively operating a business in the Ava service area interested in serving on the Advisory Committee should complete the Advisory Committee application during the specified application period. Ava will announce the start of the application window via meeting announcements, Ava email distribution list, and the Community Advisory Committee site: avaenergy.org/governance/. The application period will last for at least 30 days from the time it is first announced.

Sitting CAC Members who are eligible to serve another term can submit a request for reappointment that will affirm their eligibility and interest in seeking reappointment. Staff will share the reappointment form with eligible Members ahead of the upcoming appointment cycle and distribute responses to Board Members for consideration.

Applicants will receive an automated email response to their application submission with the appointment target date. Ava staff will review applications for completeness and qualifications. Once the applications have been reviewed, applicants will be notified via email if they will or will not advance.

The Executive Committee and/or an ad hoc committee of the Board will review applications and recommend the appointment of members to the full Board for approval. Executive or ad hoc committee members have the option to interview applicants and/or call references as part of their review.

Once the Executive Committee or ad hoc committee has finalized their recommended appointment(s), staff will notify the applicants and confirm their continued interest in the appointment. If a selected applicant declines the appointment invitation, another candidate may be selected from the same pool of applicants. Applications will be retained for 30 days after appointments are made. In the event a vacancy is created during these 30 days, Ava may use the same pool of applicants.

No applications will be retained for future application periods. Applicants not selected may resubmit an application when the next application period opens.

Appointment

Committee Members are appointed by the Board of Directors based on the qualifications

outlined above.

Term

Appointments shall be for staggered, two-year terms with each term beginning on May 1 and ending on April 30 of their respective appointment years. Members in regionally allocated seats may serve up to four full terms, or any combination thereof, for a total of eight years, or at the pleasure of the Board, from the date of appointment. No appointee to a regional seat shall serve more than a total of four terms.

In the event of a CAC Member resignation, an Alternate or off-cycle appointee who completes one year (i.e., half the term) of the previous appointee's term will remain eligible for another seven years of CAC service. Those who complete less than one year of the previous appointee's term will remain eligible for another eight years of CAC service.

At-large Members may serve up to two consecutive terms and the same CAC region cannot be represented in an At-large seat for more than two consecutive terms. In the event of an At-large Member resignation, an off-cycle appointee who completes one year (i.e., half the term) of the previous appointee's term will remain eligible for another three years of CAC service. Those who complete less than one year of the previous appointee's term will remain eligible for another eight years of CAC service.

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Vacancies

Vacant Regional and At-large seats on the Committee will be filled on an annual basis early each calendar year, or more frequently when necessary to achieve quorum. During an application and appointment cycle, Ava will announce the vacancy and the start of the application period via meeting announcements, Ava email distribution list(s), and the Community Advisory Committee site: avaenergy.org/governance/. If the seat vacated is a Regional seat, an Alternate may be appointed immediately following the vacancy announcement to fill the seat and complete the remaining term.

Removal from Committee

A member of the Community Advisory Committee may be removed by the Board of Directors for any reason by majority vote. See JPA section 4.9. A Member's attendance record may also be taken into account if/when they seek reappointment for additional terms.

Community Advisory Committee Guide Updates & Term Extensions

December 17, 2025

Ava Community
Energy



Recommendation

Adopt a Resolution approving the following:

1. Add an additional seat to the Committee assigned to the San Joaquin County region to reflect the inclusion of unincorporated San Joaquin County.
2. Approve administrative updates to the CAC Guide to improve operational efficiency (such as standardizing terms and appointment cycles).
3. Extend all current CAC terms to April 30, 2026, to establish standardized terms.

Community Advisory Committee (CAC): Background

- Established in Section 4.9 of Ava's Joint Powers Agreement
- Function: To advise the Board of Directors on subjects related to Ava operations and act as a liaison between the Board and community stakeholders
- Structure: 10 regionally allocated seats, 2 at-large seats, and 5 Alternates (one Alternate for each region)
- Current vacancies: 1 Regional Member (San Joaquin County) and 3 Alternates
- The CAC meets every month on the Monday before Board meetings



CAC Guide Overview

2019

Board of Directors approves first CAC Guide, which outlined membership qualifications and process for appointing Members

2020

The Board of Directors approved first round of updates in order to include the new communities of **Newark, Pleasanton, and Tracy**. Structural changes included: adding three new seats, configuring the allocation of seats to service area regions, appointing Alternates for each region, and requiring engagement with the Alameda County Mayors' Conference to appoint At-Large Members

2023

The Board of Directors approved additional updates to the Guide to include the new communities of **Stockton and Lathrop**. The following administrative changes were also included: setting a limit of two terms for At-Large members; assigning the Board of Directors the authority to appoint At-Large members; providing that vacancies are to be filled on a semi-annual basis; establishing staggered terms; and establishing a residency 'grace period'.

2024

Unincorporated San Joaquin County joined JPA

Current CAC Membership

Attachment Consent Item 9D

Member	Region	Appointment Date	Current Term Start Date	Current Term End Date	Current Term #	Eligible for another term?
Cynthia Landry	North	Jun 7, 2017	Jan 1, 2024	Dec 31, 2025	4	No
Indira Balkissoon	North	Mar 20, 2024	Mar 20, 2024	Mar 20, 2026	1	Yes
Peter Weiner	North	Oct 15, 2024	Oct 15, 2024	Dec 31, 2025	1	Yes
Shiva Swaminathan	South	May 19, 2021	Jan 1, 2024	Dec 31, 2025	2	Yes
Vijay Lakshman	South	May 19, 2021	Jan 1, 2024	Dec 31, 2025	2	Yes
Ernesto Pacheco	Central	Jun 3, 2019	Jan 1, 2024	Dec 31, 2025	3	Yes
Mickey Souza	Central	May 19, 2021	Jan 1, 2024	Dec 31, 2025	2	Yes
Rachel DiFranco (Alt)	Central	Mar 20, 2024	Mar 20, 2024	Mar 20, 2026	1	Yes
Pete Stephenson	East	Mar 20, 2024	Mar 20, 2024	Mar 20, 2026	1	Yes
Jill Gile (Alt)	East	March 20, 2024	Mar 20, 2024	Mar 20, 2026	1	Yes
Davis Harper Zapata	SJC	Mar 13, 2024	Mar 13, 2024	Mar 13, 2026	1	Yes
Ed Hernandez	At-large	Nov 17, 2021	Jan 1, 2024	Dec 31, 2025	2	Yes
Jim Lutz	At-large	Nov 17, 2021	Jan 1, 2024	Dec 31, 2025	2	Yes

Proposed CAC Seat Allocations

Attachment Consent Item 9D

Regions	*Current* CAC JPA Vote Share	*Current* CAC Seat Allocation	New JPA Vote Share	Proposed New CAC Seat Allocation	Alternate Seat Allocation
North Albany, Berkeley, Oakland, Emeryville, Piedmont	27.7%	3	25.6%	3	1
East Dublin, Livermore, Pleasanton	12.8%	1	11.1%	1	1
South Fremont, Union City, Newark	20.1%	2	17.6%	2	1
Central Hayward, San Leandro, Unincorporated Alameda County	18.5%	2	16.3%	2	1
San Joaquin County Tracy, Stockton, Lathrop, Unincorporated San Joaquin County	20.9%	2	29.5%	3	1
All		2		2	
	100%	12	100%	13	5

Summary of Recommendations

Recommendation 1

Update CAC Regional seat allocations to include unincorporated San Joaquin County, which results in allocating an additional Committee seat to the San Joaquin County region.

Recommendation 2

Administrative updates to the CAC guide, as stated in the redlined CAC Guide, including:

- Standardize terms (all terms will begin May 1 of appointment year)
- Add flexibility to application periods (minimum of one application/appointment process per year)

Recommendation 3

Extend all current CAC terms to April 30, 2026.

Next Steps

2026 CAC Application and Appointment Cycle

Attachment Consent Item 9D

- January 2026: Open CAC application
 - Public engagement & outreach to announce Application Period
- February 2026: Close application
- April 2026: Board considers/approves new CAC appointments & reappointments
- Orientation for new CAC Members
- Implement staggered terms, in accordance with CAC Guide

Thank you!



Online

AvaEnergy.org

Phone

833-699-3223

Email

customer-support@AvaEnergy.org

Social

[PoweredWithAva](#)

Dear Ava Board,

We want to express our appreciation for the efforts of the staff on Ava's "Customer Programs Strategic Roadmap." The CAC considers this program to be a high priority. This work encompasses critical projects, including:

1. Ava Bike Electric Rebate Program
2. Ava SmartHome Charging – Managed Sharing Program
3. Ava Charge (DC fast charging sites)
4. Critical Municipal Facilities
5. Health-e Communities Pilot
6. Building Efficiency Accelerator
7. SmartHome Battery (solar and storage incentive program)
8. The Resilience Hub initiative
9. Any new programs that will come out of the public workshops

We support the BOD's decision to not move forward with the proposed contractor. The CAC feels that this is the best course of action for Ava customers and the community.

The CAC supports the overall goals of the Customer Program Strategic Roadmap which is structured to attract customers and encourage community input and ownership of Ava's programs. We also agree with the idea of developing a policy or a framework of policies and actions that promote no fear in support of future requests for proposals.

Our clear intention is to get the Customer Programs Strategic Roadmap back on track as quickly as possible with an organization that respects immigrants as a core constituent. If Ava cannot find a contractor, Ava could consider developing the program in-house.

We would like to present this matter as an action item for the greater CAC, serving as an adjunct to the original proposal offered by staff during the November 2025 CAC meeting.

Thank you for your attention to this urgent matter.

Best regards.

The CAC

Energy Affordability Ad Hoc Committee Meeting Summary - November 18, 2025

Attendees: Davis Harper, Jim Lutz, and Indira Balkissoon. Mickey Souza set up the meeting.

Topics discussed:

1. How can the CAC assist Ava with being drawn down by the utility death spiral.
2. Identify a role for this Ad Hoc Committee in support of Ava's mission.

Discussed:

1. There was a concern that Ava will be impacted by increasing prices because of the gap between Ava and PG&E. When Ava provides a service that cuts electricity use (bills outside the meter) it saves the customer money. The bulk kwhr Ava buys 5 to 6 cents per kwhr the rest of the charges D&T .50 cents. Ava savings from not buying electricity are overwhelmed because the mark up is so high.
2. Discussion at the last CAC meeting related to solar and batteries storage shows that Ava is aware of the importance of doing outside the meter/energy efficiency actions that support the customer and communities. Reducing energy use will reduce the customers overall energy bill.
3. A need for structured education on cost benefit analysis and need for community engagement was identified.
4. Ava needs to invest in community leaders. The committee recommended activities including quarterly meetings with community leaders to continue to provide information on "What is a CCA?" Also to seek input on program design. This is especially important in Ava's new service territories where the community is learning about Ava. The goal is to prevent opt outs.
5. Also recommended that Ava should go to the different communities for Board and CCA meetings periodically.

Suggested Role for

1. Energy affordability ad hoc committee wants Ava to succeed and be healthy and could support Ava by reviewing CCA policies and programs for an affordability check and for impacts on vulnerable customers.
2. Energy affordability ad hoc committee could assist Ava by communicating with community leaders to prevent opt outs.



CAC Item C8

Staff Report Item 14

To:	Ava Community Energy Authority
From:	Howard Chang, CEO
Subject:	Request for Board authorization to take rate-setting and budget-management actions to mitigate a forecasted budget deficit.
Date:	December 17, 2025

Summary

Staff requests Board authorization to take designated rate-setting and budget-management actions to mitigate a forecasted budget deficit.

Staff is presenting on the financial forecast for calendar 2026 and reviewing several scenarios of recommended measures to offset a forecasted deficit of \$250MM from July 2025 to December 2026. This Staff Report relies upon the comprehensive presentation detailing the calendar year 2026 financial forecast and measures available to allow Ava to reduce customer bills, remain competitive to PG&E, and offset a forecasted financial deficit.

Important context for this review is that Fiscal year 2024-25 actualized with a strong budget surplus of ~\$130.4MM serving to provide a significant Rate Stabilization Fund. Additionally, 2026 residential generation rates (Ava generation + PG&E PCIA charges) are forecasted to decrease by ~30% from 2025 levels. Reducing Ava's rates has been a critical focus to address affordability concerns in the face of rising electricity prices, primarily driven by PG&E's transmission & distribution charges.

Staff seeks Board authorization to take the following actions on a portfolio of adjustments to bridge the \$250MM budget deficit that is forecasted for July 1, 2025 – December 31, 2026 including:

1. Apply the full Rate Stabilization Fund of \$150MM in 2026 toward closing the budget gap. By applying the Rate Stabilization Fund in this manner, Ava can minimize increases to Bright Choice and Renewable 100 rates.
2. Increase Ava's rates by reducing Bright Choice discount to 0.5% compared to PG&E's generation rate and increasing the Renewable 100 premium to 1.5 cents per kilowatt-hour, in order to increase revenues by an estimated \$61.5MM, effective January 1, 2026.
3. Reduce renewable energy procurement targets for calendar year 2026 by an estimated 8.4% to reduce expenses by an estimated \$10MM.
4. Reallocate \$10MM of unused and un-earmarked funds from the Local Development budget (accrued from its inception to FY26) toward reducing the forecasted deficit, where such funds were not applied to any active or planned initiative.
5. Reduce operating expenditures by an estimated \$3.5MM relative to the FY25/26 Board-approved budget by implementing operational efficiencies including but not limited to deferring net-new consultant engagements and select marketing initiatives.
6. Apply up to \$30MM from Reserves toward the budget deficit (with an estimate of applying approximately \$15MM but the authorization to apply more if needed).

This Staff Report serves as a very succinct summary and reference should be made to the presentation for further details.

Attachments

- A. Resolution #1: Authorize Designated Rate-Setting and Budget-Management Actions to Mitigate a Forecasted Budget Deficit
- B. Appendix 1: Public comment period in detail
- C. Appendix 2: Public value proposition proposal webinar slide deck
- D. PowerPoint Presentation

RESOLUTION NO. R-2025-xx

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY TO AUTHORIZE RATE-
SETTING AND BUDGET-MANAGEMENT ACTIONS TO MITIGATE A
FORECASTED BUDGET DEFICIT**

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 At the November 2025 board meeting, Staff notified the Board of a forecasted budget deficit for the period of July 2025 to December 2026, and

WHEREAS At the December 2025 board meeting, Staff presented various scenarios of financial adjustments that included use of the Rate Stabilization Fund, changes to the value proposition for Bright Choice and Renewable 100 services, use of Reserves, and reductions in operating expenditures, Local Development funding, and renewable energy credit procurement to address forecasted budget shortfalls through December 2026.

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

Section 1. To authorize staff to take the following actions to mitigate the \$250MM budget deficit that is forecasted for July 1, 2025 – December 31, 2026:

1. Apply the full Rate Stabilization Fund of \$150MM in 2026 toward closing the budget gap.
2. Increase Ava’s rates by reducing Bright Choice discount to 0.5% compared to PG&E’s generation rate and increasing the Renewable 100 premium to 1.5 cents per kilowatt-hour.
3. Reduce renewable energy procurement targets for calendar year 2026 by an estimated 8.4%.
4. Reallocate \$10MM of unused and un-earmarked funds from the Local Development budget (accrued from its inception to FY26) toward reducing the

forecasted deficit, where such funds were not applied to any active or planned initiative.

5. Reduce operating expenditures by an estimated \$3.5MM relative to the FY25/26 Board-approved budget by implementing operational efficiencies including but not limited to deferring net-new consultant engagements and select marketing initiatives.
6. Apply up to \$30MM from Reserves toward the budget deficit.

ADOPTED AND APPROVED this 17th day of December 2025.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

**2026 Value Proposition Proposal Public Comment Period:
November 22, 2025 - December 8, 2025**

Overview of Public Process and Summary of Comments

As part of Ava Community Energy's rate-setting process, staff hosted an open public comment period that featured two webinars discussing our proposed value proposition changes for calendar year 2026. Staff opened the public comment period with the email shown in Image 1, below. The email includes an option to translate content into Spanish, Hindi, simplified Chinese, and Russian, reflecting the most common languages requested by Ava contact center customers.

In addition to the email to Ava's email list subscribers, staff promoted two webinars and the public comment period through various social media platforms, including Facebook, Instagram, and Bluesky. The engagement statistics for these platforms are provided in Table 1, below.

Following the webinars, all recordings were uploaded to Ava's rates page on our website at avaenergy.org/your-energy-options/plans-and-rates/rates/ and Ava's YouTube channel.



Ava Community Energy

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Ava's Proposed 2025-2026 Mid-Year Value Proposition: Public Comment Period

Ava is considering changing our rates in relation to PG&E's rates for 2026. We are committed to a participatory and transparent rate-setting process, which includes input from our community. We invite you to share your thoughts on the proposed changes using one or more of the following three methods:

1. Attend an Online Webinar

- Tuesday, November 25, 2025, at 12pm** – [Register for the 11/25 webinar](#)
- Thursday, December 4, 2025, at 11am** – [Register for the 12/4 webinar](#)

These webinars will be recorded and shared on the [Rates](#) page on our website.

on2. Submit a Written Comment

Written comments may be emailed to PublicComment@AvaEnergy.org.

Written comments shall not exceed 1,500 words. All comments will be posted to the [Rates](#) page on our website for six months. Written comments are only accepted via email. **Please provide your written comments no later than 8:00 am on Monday, December 8, 2025.** A summary of public comments received will be presented to Ava's Board of Directors at the public meeting on **Wednesday, December 17, 2025.**

3. Attend a Public Meeting

See the public meeting schedule, as well as directions for how to participate, at: AvaEnergy.org/meetings

Background Documents

2025–2026:

- 2026 Financial Forecast and Adjustments Presentation, presented at the Board of Directors Meeting on Wednesday, November 19, 2025. Video posted [here](#).

Historic:

- 2025-2026 Budget Presentation, video from June 18, 2025, Board of Directors Meeting
- 2024-2025 Budget Presentation, video from June 12, 2024, Board of Directors Meeting
- 2023-2024 Budget Presentation. video from June 21, 2023, Board of Directors meeting
- Rate Setting Protocol Amendment, video from May 18, 2022, Board of Directors meeting
- Bright Choice Renewables Procurement, video presented at the April 20, 2022 Board of Directors Meeting
- Power Content Procurement Floor, video from April 22, 2020, Board of Directors Meeting

Image 1: Introduction and webinar invitation email, sent on November 20, 2025

Webinar and Public Comment Marketing and Communications

Marketing & Communications Reach (As of December 8, 2025)			
Date	Source	Content	Reach
Thursday, November 20, 2025 at 11 am	Email	Value proposition invitation email	Sent to: 4,475 Opens: 3,412 Clicks: 287
11/20 at 10:58 am 11/24 at 9:05 am 12/3 at 9 am	Facebook	Post 1 Post 2 Post 3	Views: 147 Interactions: 3
Thursday, November 20 at 10:58 am	Instagram	Instagram post (pinned to the top of our profile for entirety of public comment period)	Views: 315 (63% followers, 37% non-followers) Interactions: 4
Thursday, November 20 at 10:58 am	Bluesky	Bluesky post (pinned to the top of our profile for entirety of public comment period)	n/a
Tuesday, November 25, 2025, at 12:00 pm	Webinar 1	Registered: 8	Attended: 1 Public Comment: 0
Thursday, December 4, 2025, at 11:00 am	Webinar 2	Registered: 3	Attended: 0 Public Comment: 0
Tuesday, November 25, 2025	YouTube Video of Webinar 1	2025-2026 Mid-Year Value Proposition Webinar 1	Views: 21
Thursday, December 4, 2025	YouTube Video of Webinar 2	2025-2026 Mid-Year Value Proposition Webinar 2	Views: 10
11/20 - 12/8	Website	Rates page	Views: 257 Engagements: 172

Table 1: Marketing and Communications Reach

Summary Overview of Comments

No verbal comments and three written comments were received, summarized below.
Comments and questions were received from the following individuals and/or organizations:

Summary of Comments:

- **Commenter Name:** Julie Casino, Community Member, Submitted November 20, 2025
The community member expressed their dissatisfaction about electricity rates and feels unsure about Ava's benefits to the community.
- **Commenter Name:** Pauline Anthony, Community Member, Submitted November 20, 2025
The community member expressed that gas and electricity rates are too expensive, that rates have increased at too fast a pace, and questioned Ava's value proposition.
- **Commenter Name:** David Wolfson, Community Member, Submitted November 25, 2025
The community member is concerned about the new P&GE Base Services Charge structure, which they believe penalizes small electricity users and encourages increased electricity use.

Verbal Public Comments

Public comment periods were available at the following two webinars:

- Tuesday, November 25, 2025, at 12:00 pm
- Thursday, December 4, 2025, at 11:00 am

Links to the staff presentation and the comments can be found on our website at avaenergy.org/your-energy-options/plans-and-rates/rates/

November 25, 2025 Webinar: Public Comments

- No public comments

December 4, 2025 Webinar: Public Comments

- No public comments

Written Public Comments

Written comments, as submitted to publiccomment@avaenergy.org:

- **Commenter Name:** Julie Casino, Community Member, Submitted November 20, 2025
Subject: "Changing prices"

Comment: "Wasn't this new company supposed to to be here to help the community? To help people who can't afford pg&e's crazy prices?,and now your saying you want to raise your prices to the same,what a ripoff,scam and an all out lie!!Just to get people in and then you go do that s***** a** s****!This company should be ashamed of themselves.So your NOT about helping people,but just about YOURSELVES!YOU KNOW GOD DOES NOT LIKE UGLY,which means STOP being GREEDY!!!!If it's going to be like that I would have never switched,and you can rest assured I will be going back,just for the purpose that I was lied to !!!!SHAME on YOU!!!!"

- **Commenter Name:** Pauline Anthony, Community Member, Submitted November 20, 2025

Subject: "Cut the rate"

Comment: The rates of gas and electric are too high for the 30 amp service provided to the residents in this mobile home senior park. When I first moved here more than 15 years ago, my electric and gas bill were about \$50 combined each during the summer months and about \$100 combined during the winter months. Ever since Hayward has chosen to use clean energy, the rates haven't been lower than \$200 for gas and electric combined during the summer months and at least \$300-\$400 during the winter months. It may be cleaner, but definitely NOT cheaper energy costs that were advertised to the consumers. Whatever happened to TRUTH in ADVERTISING. Even the bi-annual energy credits are dismal and only offer a credit on a monthly basis about the cost of a loaf of bread. The math on the consumers' bills says the cost is 100% or more increase in costs. I think it is well past the initial upstart time to cut the rates progressively downward to pre-clean energy levels.

- **Commenter Name:** David Wolfson, Community Member, Submitted November 25, 2025

Subject: "pge rates comment"

Comment: "Hi; I live in Berkeley and use AVA. Presumably, you are bound by the PGE \$24 a month flat fee starting next year, and maybe by their new rate which encourages large electricity consumption. I don't like either one, as it penalizes small electricity users. The assumption that it will encourage transition to a green electricity based consumption model doesn't add up to me. In general, those with the resources will transition, by buying evs, induction stoves, heat pumps, etc. It will also encourage large consumption of inefficient appliances, including air conditioning. If you have any flexibility, I would suggest setting rates that don't penalize small consumers.

Thanks, David Wolfson"

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!

2



About Ava



3

What is Ava Community Energy?

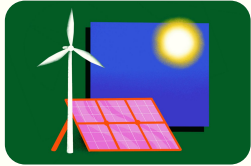


Ava Community Energy (Ava) is a local community choice power supplier committed to providing Alameda County and the Cities of Lathrop, Stockton, and Tracy with clean, green electricity at competitive rates.

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

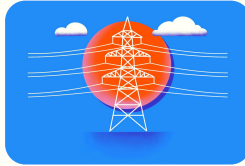
4

How It Works



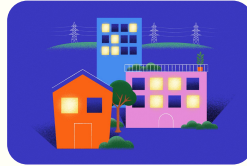
1. Ava buys and generates clean power

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.

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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



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Current Service Plan Options



Bright Choice

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



Renewable 100

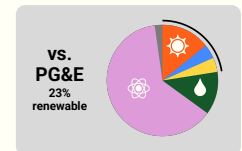
100% renewable energy priced at 1/4 cent per kWh above PG&E rates

Renewable:

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

Other:

- Hydro
- Nuclear
- Other or Unspecified



Figures reflect our actual power mix from 2024 (most recently published). Power mixes are published annually each summer for the preceding year.

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Default Service Plan

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

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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

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PCIA

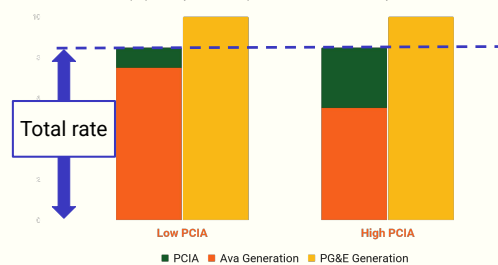
Power Charge Indifference

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.



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2026 Context and Proposal



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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

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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
Option 1	1%	1.25¢
Option 2	0%	1.5¢

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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

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Ava Value Proposition History

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	¾¢ 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

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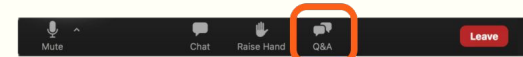
Public Comment Period



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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.

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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
- 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



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

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3-Minute Public Comment Timer

03:00



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Thank you!



Comments Welcome at:
PublicComment@AvaEnergy.org

Online	AvaEnergy.org
Phone	833-699-3223
Email	customer-support@AvaEnergy.org
Social	PoweredWithAva

Request for Board authorization to take
designated rate-setting and budget-
management actions to mitigate a
forecasted budget deficit

December 17, 2025



Agenda

- Introduction & Background
- 2026 Financial Forecast
- Recap of November meeting
- Summary of Scenarios
 - Rate Stabilization Fund
 - Value Proposition Changes
 - Renewable Energy Adjustments
 - Local Development Fund Adjustments
 - Operating Expenditures
 - Reserves
- Conclusion & Recommendation

Introduction

- In May/June 2025 staff introduced 2026 financial forecast as part of the fiscal 2025-26 budget approval, which previewed PCIA reform, electricity rates, and financial impacts to Ava
- With PG&E's October 2025 ERRR (Energy Resource Recovery Account) filing, we received firm 2026 PCIA and rate numbers
 - Final numbers to be filed in the AET (Annual Energy True-up) late Dec - no material adjustments expected
- Staff presented updated 2026 financial forecast with recommended actions at [Nov 19 Board](#) and updates to the value proposition at the [Dec 3 Exec Comm](#)
- Staff is now providing updated analysis and measures to manage the 2026 financial deficit and **seeking approval for a set of actions**
- While some of these recommendations are undesirable, they will help **ensure financial stability** in order to continue to provide long-term value and services to our customers
- Importantly, the recommended actions are intended to **allow Ava to reduce customer generation rates by 25-30%**, an essential affordability goal for Ava

Brief Background

Budget Overview and Forecast

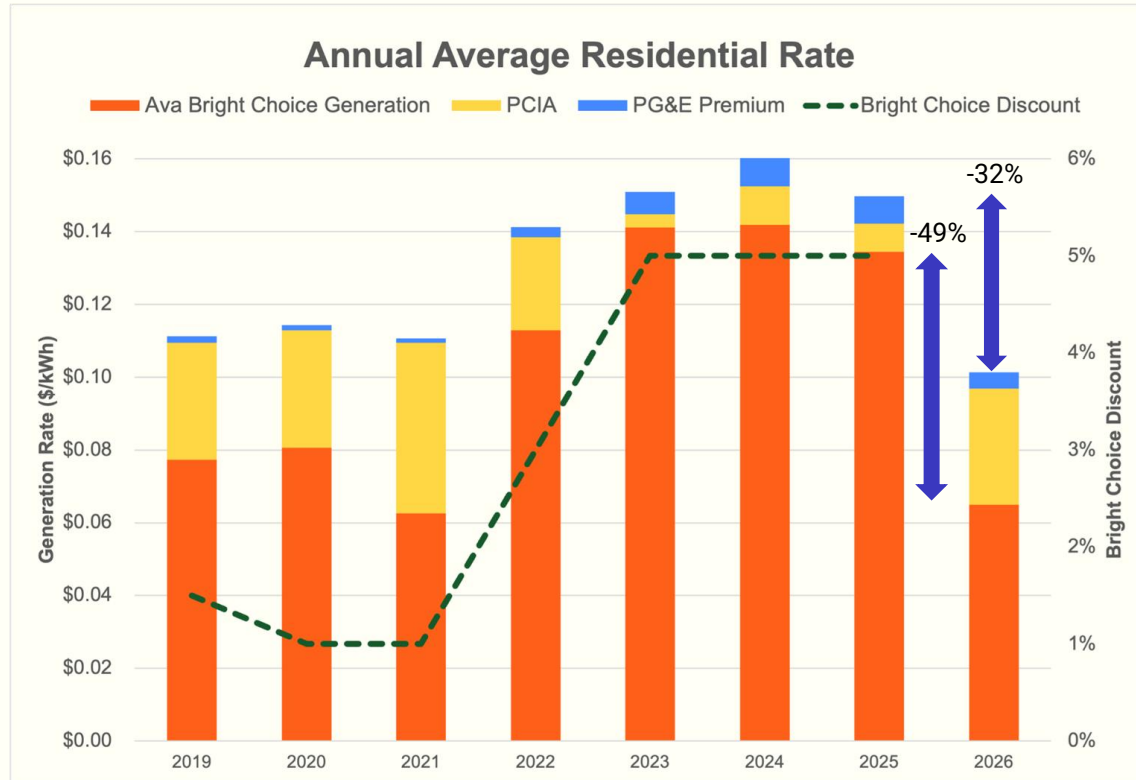
- Fiscal year 2024-25 actualized with a budget surplus of ~\$130.4MM
- 2026 residential generation rates (Ava generation + PG&E PCIA charges) are forecasted to decrease by ~30% from 2025 levels
- Projected deficit for July 2025 through Dec 2026 is (**\$250MM**)

November Board Actions:

- Board direction to move forward on value proposition changes
- Board did not move the staff recommendations:
 - Allocate 100% of FY24-25 budget surplus to Rate Stabilization Fund
 - Reduce \$10MM in non-earmarked local development funds
- Request for additional information on various measures presented and risk analysis

Historic Generation Rates

Attachment Staff Report Item 14D



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

- 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 T&D rates are projected to increase ~4% from 2025 levels
- 2026 overall electricity bills are projected to decrease by ~11% from 2025 levels

2025 to 2028 Forecasted Budget Impacts

OPERATING ACTIVITY	2025 Jul-Dec	2026 Jan-Jun	2026 Jul-Dec	2027* Jan-Dec	2028* Jan-Dec
TOTAL OPERATING REVENUE	597,713,000	251,746,000	350,605,000	986,650,000	1,162,497,000
EXPENSES & OTHER USES					
Total Energy Operating Expenses	461,757,000	392,265,000	533,546,000	958,252,000	1,107,941,000
Total Overhead Operating Expenses	24,184,000	24,184,000	25,158,000	50,317,000	52,429,000
NET NON-OPERATING POSITION	2,618,000	2,003,000	6,799,000	11,330,000	11,330,000
TOTAL NET REVENUES	114,390,000	(162,700,000)	(201,300,000)	(10,589,000)	13,457,000
<i>* Full Calendar Year</i>			= (249,610,000)		

Note: 2028 does not include PCIA Track 2 potential impacts, which would lower Net Revenues

- Cal Year 2026 deficit of (\$364MM), net with 2nd half 2025 surplus of \$115MM = **(\$250MM)**
- FY 2025-2026 estimates are updated from the board approved budget on June 18, 2025
 - Actuals: July to September; Updated projections: October to June
- CY 2027 & 2028 forecast intended to provide high level indicative results:
 - Energy market forecasts are based on October ERRA and industry derived forward prices
 - Maintains current value proposition (5% Bright Choice discount / 0.25cent R100 premium)
 - \$0 allocated to incremental Local Development Funding
 - \$0 contribution to RSF or Reserves

Measures to Consider, as presented in November

Attachment Staff Report Item 14D

Measure	Approximate Value	Cumulative Value
Rate Stabilization Fund (RSF)	\$149.5MM	\$149.5MM
Value Proposition Change in January 2026 <i>Bright Choice: 5% → 1%</i> <i>Renewable 100: ¼¢ → 1.25¢ per kWh</i>	\$51.7MM	\$201.2MM
2024-25 Budget Surplus On-bill credits moved to RSF	\$13.0MM	-----
2025-26 Local Development budget reduction (non earmarked funding)	\$10.0MM	\$211.2MM
Reduce REC procurement	\$4-12MM	\$215.2MM

- Cumulative value of budget considerations dropped from \$228MM to \$215MM, in retaining the CARE/FERA on-bill credits

Budget Adjustment Scenarios

Attachment Staff Report Item 14D

	Scenario A:	Scenario B:	Scenario C:
Rate Stabilization Fund	\$149.5	\$149.5	\$149.5
Value Proposition Change	0% Bright Choice discount 1.75 cents/kWh Renewable 100 premium	0.5% Bright Choice discount 1.5 cents/kWh Renewable 100 premium	1% Bright Choice discount 1.25 cents/kWh Renewable 100 premium
	\$71.2	\$61.5	\$51.7
REC Procurement Reduction*	\$15	\$10	\$5
Local Development Fund Reduction	\$15	\$10	\$5
Operating Expenditure Reduction	\$4.5	\$3.5	\$2.5
Reserves	\$0	\$15	\$35
Cumulative Value	\$255	\$250	\$250

All dollar figures in millions of dollars.

Other possible adjustments:

- Other sensitivities of the above measures can be considered
- Set Bright Choice rate at a premium to PG&E generation rate
- Sale of Ava-owned real estate
- Reduce and/or eliminate bill credits

Rate Stabilization Fund and On-bill Credit Balances

	As of June 30, 2025	Added	Current
RSF	32,129,726	117,375,392	149,505,118
On-bill Credits	-	13,041,710	13,041,710
Totals	32,129,726	130,417,102	162,546,828

- Current RSF balance is \$149.5MM with \$13MM authorized from the 2024-25 budget surplus for CARE/FERA on-bill credits to be issued in the Jan/Feb 2026 timeframe
- 2025-26 approved budget included utilization of \$35.3MM to manage the forecasted fiscal year deficit
- Staff is seeking Board authorization to allow the CEO to utilize the full RSF of \$150MM in calendar year 2026 to address the forecasted deficit

Value Proposition process and comments summary

Attachment Staff Report Item 14D

- Following the [rate setting policy](#) last updated in 2022, staff has
 - Information posted on website
 - Facilitated two online webinars
 - Tuesday, November 25, 2025, at 12pm - 4 staff, 1 public attendee
 - Thursday, December 4, 2025, at 11am - 1 staff, no public attendees
 - Provided directions for submitting written public comment via email from November 20th to December 8th
 - Presented information at the December Executive Committee and Community Advisory Committee meetings
- Staff received no written or verbal comments during the webinars
- Trends in comments received via email:
 - Request to see lower electricity rates
 - Request for Ava to reconsider use of new, clean energy sources if they are more expensive than previous technologies

Ava's Proposed 2025-2026 Mid-Year Value Proposition: Public Comment Period

Ava is considering changing our rates in relation to PG&E's rates for 2026. We are committed to a participatory and transparent rate-setting process, which includes input from our community. We invite you to share your thoughts on the proposed changes using one or more of the following three methods.

1. Attend an Online Webinar

- Tuesday, November 25, 2025, at 12pm | [Webinar Recording](#)
- Thursday, December 4, 2025, at 11am | [Register for the 12/4 webinar](#)

These webinars will be recorded and shared on this webpage.

2. Submit a Written Comment

Written comments may be emailed to PublicComment@AvaEnergy.org.

Written comments shall not exceed 1,500 words. All comments will be posted to this webpage for six months. Written comments are only accepted via email.

Please provide your written comments no later than 8:00 am on Monday, December 8, 2025. A summary of public comments received will be part of the report to the Board on **Wednesday, December 17, 2025.**

3. Attend a Public Meeting

See the public meeting schedule, as well as directions for how to participate and a link for the Public Comment Speaker Form at: AvaEnergy.org/meetings

Background Documents

2025-2026:

- [2026 Financial Forecast and Adjustments Presentation](#), presented at the Board of Directors Meeting on Wednesday, November 19, 2025. Video posted [here](#).

Historic:

- [2025-2026 Budget Presentation, video](#) from June 18, 2025, Board of Directors Meeting
- [2024-2025 Budget Presentation, video](#) from June 12, 2024, Board of Directors Meeting
- [2023-2024 Budget Presentation, video](#) from June 21, 2023, Board of Directors meeting
- [Rate Setting Protocol Amendment, video](#) from May 18, 2022, Board of Directors meeting
- [Bright Choice Renewables Procurement, video](#) presented at the April 20, 2022, Board of Directors Meeting
- [Power Content Procurement Floor, video](#) from April 22, 2020 Board of Directors Meeting

Adjustments to Value Proposition - Summary

	Scenario A	Scenario B	Scenario C
Bright Choice	0%	0.5%	1%
Renewable 100	1.75¢	1.5¢	1.25¢
Total Contribution	\$71.2MM	\$61.5MM	\$51.7MM

Adjustments to Value Proposition- Details

Attachment Staff Report Item 14D

Generation Rate Discount to PG&E	2026 Revenue Contribution - Bright Choice (\$MM)
4%	\$6.3
3%	\$12.6
2%	\$18.8
1%	\$25.1
0.5%	\$28.3
0%	\$31.4
+1%	\$37.7

¢ per kWh Adder to PG&E	2026 Revenue Contribution - Renewable 100 (\$MM)
0.5¢	\$6.6
0.75¢	\$13.3
1.0¢	\$19.9
1.25¢	\$26.5
1.375¢	\$29.9
1.5¢	\$33.2
1.75¢	\$39.8

Bright Choice Discount, Renewable 100 Adder	2026 Revenue Contribution (\$MM)
4%, 0.5¢	\$12.9
3%, 0.75¢	\$25.8
2%, 1.0¢	\$38.7
1%, 1.25¢	\$51.7
0.5%, 1.5¢	\$61.5
0%, 1.75¢	\$71.2
+1%, 1.75¢	\$77.5

- Highlighted cells are included in the proposed scenarios, which do not recommend moving Bright Choice to a premium
- Given an anticipated higher percentage of clean energy, Bright Choice set at a premium to PG&E could be justifiable
- Other CCAs have at various times set rates above PG&E based on greener power content

Comparing Renewable 100 and PG&E Solar Choice

Renewable 100 is open to all Ava customers

- Priced at a uniform per-kWh premium to PG&E
- Powered by a mix of clean energy sources, such as wind and solar

PG&E's renewable rate option is Solar Choice

- [Following a PUC decision](#), as of December 2021, PG&E's Solar Choice rate is *closed to new subscribers*
 - Remains available to customers that are already enrolled
- Customers can participate at 100% or 50% of their usage
- Customers are assessed a PCIA and program fee, provided with a generation credit
- Today, Solar Choice is a **3 to 7¢** premium (depending on vintage) to PG&E's standard residential rate

Recommended Adjustments to Value Proposition

Staff recommends adjusting the value proposition, effective January 2026 to:

- **0.5%** savings for Bright Choice and **1.5¢** premium for R100 to PG&E
- Historically, when rates are high Ava's Bright Choice discount has increased and when rates are low, the discount has decreased
- Renewable 100 at a 1.5¢ premium in 2026 is 18% lower than 2025's Bright Choice rate

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¢		$\frac{3}{4}$ ¢	$\frac{1}{4}$ ¢

Value Proposition Rate Information

Attachment Staff Report Item 14D

	Average 2025 residential rate (¢/kWh)	Proposed Scenarios for 2026		
		Scenario A BC discount: 0% R100 premium: 1.75¢	Scenario B BC discount: 0.5% R100 premium: 1.5¢	Scenario C BC discount: 1% R100 premium: 1.25¢
Bright Choice avg residential rate (¢/kWh)	14.22	10.13	10.08	10.03
Renewable 100 avg residential rate (¢/kWh)	15.22	11.88	11.63	11.38
BC % decrease vs. avg 2025 rate	-	28.8%	29.1%	29.5%
R100 % decrease vs. avg 2025 rate	-	21.9%	23.6%	25.2%

Renewable Energy Credit Procurement Reduction - Summary

	Scenario A	Scenario B	Scenario C
Reduction Savings	\$15MM	\$10MM	\$5MM
Reduction %	10.7%	8.4%	4.4%
Resulting RE+CF Power Content	54.8%	62.2%	66.2%

- Ava Compliance Period Procurement covers 2024-2027
 - 2024/25 excess procurement = 15.3%
 - o RE: 7.3% (in 2026 volumes)
 - o Hydro: 8% (in 2026 volumes)
- Current Policy
 - o 2026 RE + Hydro Ava target: 81%
 - o 2027 RE + Hydro Ava target: 85%

*Note: savings and Power Content are estimates.
Realized savings and Power Content will be
impacted by actual market conditions*

Renewable Energy Procurement Adjustments Details

Attachment Staff Report Item 14D

	Scenario A	Scenario B	Scenario C
Estimated Savings	\$15MM	\$10MM	\$5MM
Total RE reduction	10.7%	8.4%	4.4%
Resulting RE+CF Power Content	54.8%	62.2%	66.2%
Renewable	42.0%	44.3%	48.3%
Hydro	12.9%	17.9%	17.9%
Nuclear	6.4%	6.4%	6.4%
Unspecified	38.7%	31.3%	27.3%
GHG Emis. intensity	449	383	352
Excess '24 RE applied	7.3%	7.3%	7.3%
Excess '24-'25 Hydro applied	8.1%	3.1%	3.1%

Notes

- Scenario A fully utilizes RE and CF excess procurement from 2024-2025, Scenarios B and C fully utilize RE and partial CF excess procurement from 2024
- Scenarios are estimates; exact savings, PCL %, & emissions to be determined by actual transactions

Local Development Budget Reduction

Potential Areas for Amendment	Scenario A	Scenario B	Scenario C
FY26 - “Future Roadmap Programs” allocation not assigned to a specific program (per June 2025 presentation to the Board)	\$4MM	\$4MM	\$4MM
FY20-25 - Un-earmarked Funds not assigned to a specific program (per March 2025 presentation to the Board)	\$9.5MM	\$6MM	\$1MM
Cost reductions achieved through efficiencies and program effectiveness	\$1.5MM	-	-
Total Reduction	\$15MM	\$10MM	\$5MM

Operating Expenditure Reduction

- Previous presentation incorporated OpEx reductions of \$3.5MM - now called out in Scenario B
- Total Fiscal 2025-26 Budgeted Overhead OpEx: \$48.4MM
 - Total OpEx / Total Annual Expenses: 5.3%
 - Total Personnel costs / Total Annual Expenses: 3.3%
- Note: All local development expenses are excluded from these figures and allocated to the local development fund, with the exception of all personnel related costs

	Scenario A	Scenario B	Scenario C
Description	Eliminates or defers workflows such as rate design consultant, marketing campaigns, data integration, AI integration	Captures operational efficiencies while maintaining all material work deliverables	Retains \$1MM for contingency opex
% Reduction out of Total Overhead OpEx	9.3%	7.2%	5.0%
Total \$ Reduction	\$4.5MM	\$3.5MM	\$2.5MM

Use of Reserves Within Ava Financial Waterfall

Attachment Staff Report Item 14D

Ava maintains a Reserve Fund and Policy, established in 2018 and amended in 2021 intended to provide financial stability for long-term business sustaining objectives

Excerpt from [RSF Board item](#) approved on September 17, 2025

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 needs
2. Rate Stabilization Fund – Deferred revenues for 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**
 - a. Supports our "A" Credit Rating
 - b. Supports our Line of Credit Covenants

Using Reserves vs. Line of Credit to manage deficit and cash flows:

- Cost comparison:
 - Cost to draw on line of credit (approx 4.45%) vs. budget interest forecast 3% (2026), 2.75%(2027)
- Most prudent to use cash on hand vs. deficit financing through debt
 - Higher cost to service and payback debt - raises budgeted costs to amortize draw
 - Debt primarily used for acquiring or building long-lived assets
 - Draws for cash flow seen externally as a lifeline to continue operating, not a budget balancing mechanism

Staff recommends using small amounts of reserves, if necessary and if all other measures exhausted

Reserve Policy

Attachment Staff Report Item 14D

- Reserve Policy is 25% to 75% of annual operating expenses with a target of 50%
- Risks of using Reserves
 - Less liquidity for volatile power market events
 - Effects from PCIA Reform -Track 2 changes are anticipated to be implemented in 2028
 - Potential credit rating impact if using larger amounts
 - Earlier draws will need to be replenished to remain at 25% or above as OpEx increases

	FY 25/26	FY 26/27	FY 27/28
Current Reserve Balance (\$MM)	\$330	\$330	\$330
Operating Expenses (\$MM)	\$899	\$959	\$1,083
<u>% (Reserve / OpEx)</u>	<u>36.7%</u>	<u>34.4%</u>	<u>30.5%</u>
Reserve minimum @25% (\$MM)	\$225	\$240	\$271
Reserve Target @50% (\$MM)	\$450	\$480	\$542
Reserve maximum @75% (\$MM)	\$674	\$719	\$812

Reserves Summary

	Scenario A	Scenario B	Scenario C
Reserves (\$MM)	\$0.0	\$15.5	\$41.3
Remaining Balance (\$MM)	\$330.0	\$314.5	\$288.7
% Opex FY25/26	36.71%	34.98%	32.11%
% Opex FY26/27	34.41%	32.79%	30.10%
% Opex FY27/28	30.47%	29.04%	26.66%

Energy Market Risk in Cal 2026

Attachment Staff Report Item 14D

- Despite best efforts to forecast, energy prices will actualize differently. Power prices and various energy products can vary year to year within +/-1 to 2 standard deviations
- Any scenario that the board approves should include authorization to utilize reserves with a stress case to allow for deficit management
- An increase in power prices would increase energy expenses in 2026, which could true up to higher rates in 2027 and increase financial headroom. This presents a cash flow risk for 2026
- A decrease in power prices would decrease energy expenses in 2026, which could true up to lower rates in 2027 and create more financial risk
- Multiple scenarios can trigger energy price risk

Event	1 Standard Deviation Risk	2 Standard Deviation Risk
Geopolitical event, enduring impact	\$85MM	\$170MM
Bad Winter	\$15MM	\$30MM
Hot Summer	\$30MM	\$60MM

Who does Ava Serve?

- 2 counties and 16 cities
- Population of over 2 million people and ~750,000 accounts
 - 61% is non-residential load and 39% is residential load
 - 10% of total load is enrolled in CARE/FERA programs
 - 70% of load is on Bright Choice and 30% of load is on Renewable 100
- Ava is the default energy generation provider operating in a quasi competitive environment to PG&E
 - Retain 95% of customers and load
 - Need to continue to remain competitive in providing clear value to our customers
- Strive to represent our diverse customers' and communities' values in terms of rates, programs, power content, and other key energy topics
- As a local government agency operating in the energy commodities market Ava's top priority is to maintain strong financial standing to ensure that Ava can continue to provide this value into the long-term future

Request of the Board/Staff Recommendation Attachment Staff Report Item 14D

Authorize staff to take the following actions to mitigate the \$250MM budget deficit that is forecasted for July 1, 2025 – December 31, 2026

1. Apply the full **Rate Stabilization Fund** of \$150MM in 2026 toward closing the budget gap. By applying the Rate Stabilization Fund in this manner, Ava can minimize increases to Bright Choice and Renewable 100 rates.
2. Increase Ava's rates by reducing **Bright Choice discount to 0.5%** compared to PG&E's generation rate and increasing the **Renewable 100 premium to 1.5 cents** per kilowatt-hour, to increase revenues by an estimated \$61.5MM, effective January 1, 2026.
3. Reduce **renewable energy procurement targets** for calendar year 2026 by an estimated 8.4% to reduce expenses by an estimated \$10MM.
4. Reallocate \$10MM of unused and un-earmarked funds from the **Local Development budget** (accrued from its inception to FY26) toward reducing the forecasted deficit, where such funds were not applied to any active or planned initiative.
5. Reduce **operating expenditures** by an estimated \$3.5MM relative to the FY25/26 Board-approved budget by implementing operational efficiencies including but not limited to deferring net-new consultant engagements and select marketing initiatives.
6. Apply up to \$30MM from **Reserves** toward the budget deficit (with an estimate of applying approximately \$15MM but the authorization to apply more if needed).

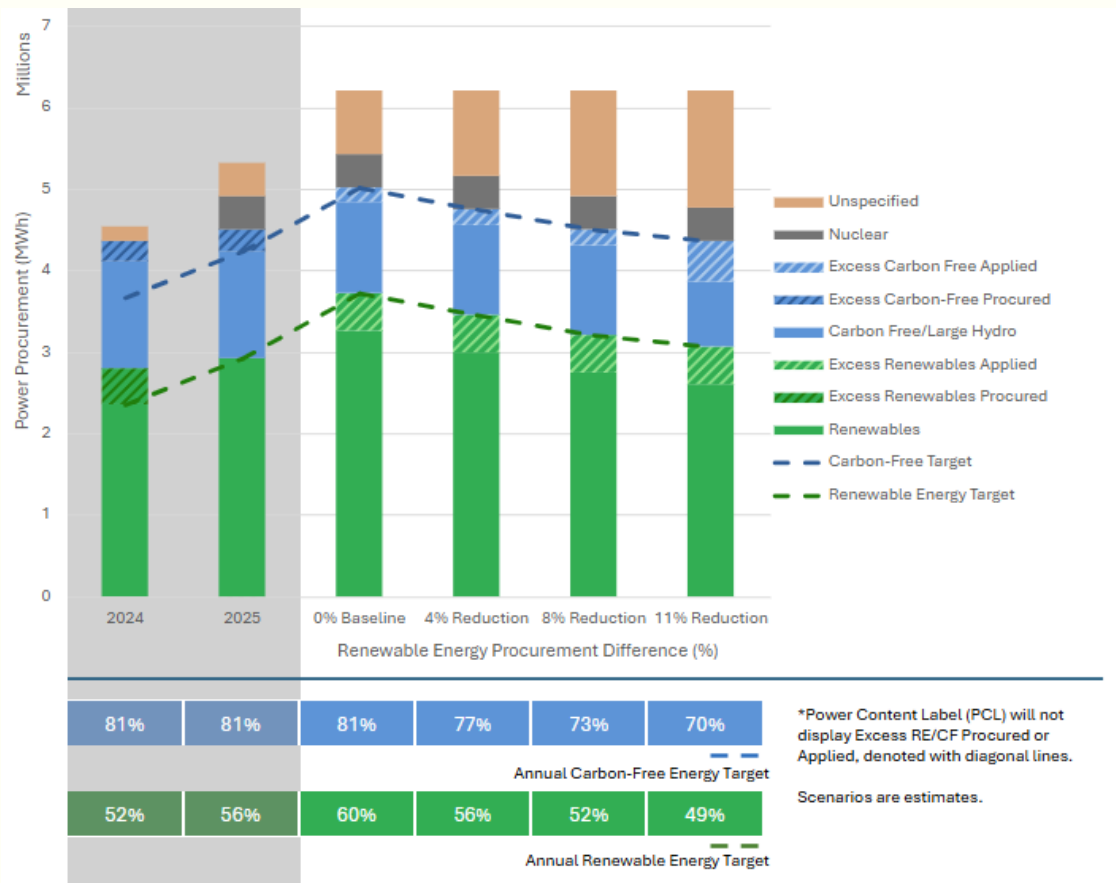
	Scenario B	Net Result
Rate Stabilization Fund	\$149.5MM	\$0MM remain
Value Proposition Change	\$61.5MM	Gen rate reduction of 24-29% vs. 2025
REC Procurement Reduction	\$10MM	Board approved renewable / hydro target reduced to 73%
Local Development Budget Reduction	\$10MM	Total amount in Local Dev Fund is ~\$92MM
Operating expenditures Reduction	\$3.5MM	Total Overhead OpEx: \$48.4MM
Reserves	\$15-\$30MM	\$300MM to \$315MM Remain
Cumulative Value	\$250-\$265MM	

Appendix



2026 RE Power Procurement Adjustment Scenarios

Attachment Staff Report Item 14D



Presentation to the Board November 17, 2025



Introduction

- Fiscal year 2024-25 actualized with a strong budget surplus of ~\$130.4MM
- 2026 residential generation rates (Ava generation + PG&E PCIA charges) are forecasted to decrease by ~30% from 2025 levels
- Review calendar year 2026 financial forecast and consider different measures to allow Ava to reduce customer bills, remain competitive to PG&E, and offset a forecasted financial deficit of \$247MM from July 2025 to December 2026
 - 2025 PCIA and energy market price changes
 - Historical generation rates
 - 2026 Financial Forecast
 - Measures to consider
- Staff is recommending a number of measures for board consideration, some of which require action in Nov/Dec: Adjustments to value proposition, changes to 2024-25 budget surplus allocation, and changes to local development funding
- With the established RSF, substantial Reserves, Compliance Period Procurement Method, \$300MM line of credit, and the value that we have created for our customers since launching in 2018, we are well positioned to work through challenges in 2026 and significantly reduce customer rates

PCIA and Market Price Changes

June 2025 CPUC PCIA Reform (Track 1)

- CPUC adopted a decision ([D.25-06-049](#)) under an accelerated 4-month schedule revising how Market Price Benchmarks (“MPBs”) are calculated for Resource Adequacy (“RA”).
 - Note: Ava and CalCCA’s requests for rehearing to the CPUC were denied ([D.25-10-061](#)).*
- RA MPBs now use multi-year averaging instead of single-year data, among other changes. This smooths the effect of price volatility, lowers MPBs for 2025 and 2026, and increases the Power Charge Indifference Adjustment (“PCIA”).
- This change is being implemented to 2026 rates and includes a retroactive true-up on 2025 rates
- Track 2 (2026-27) will examine potential changes to renewable and brown power MPB calculations

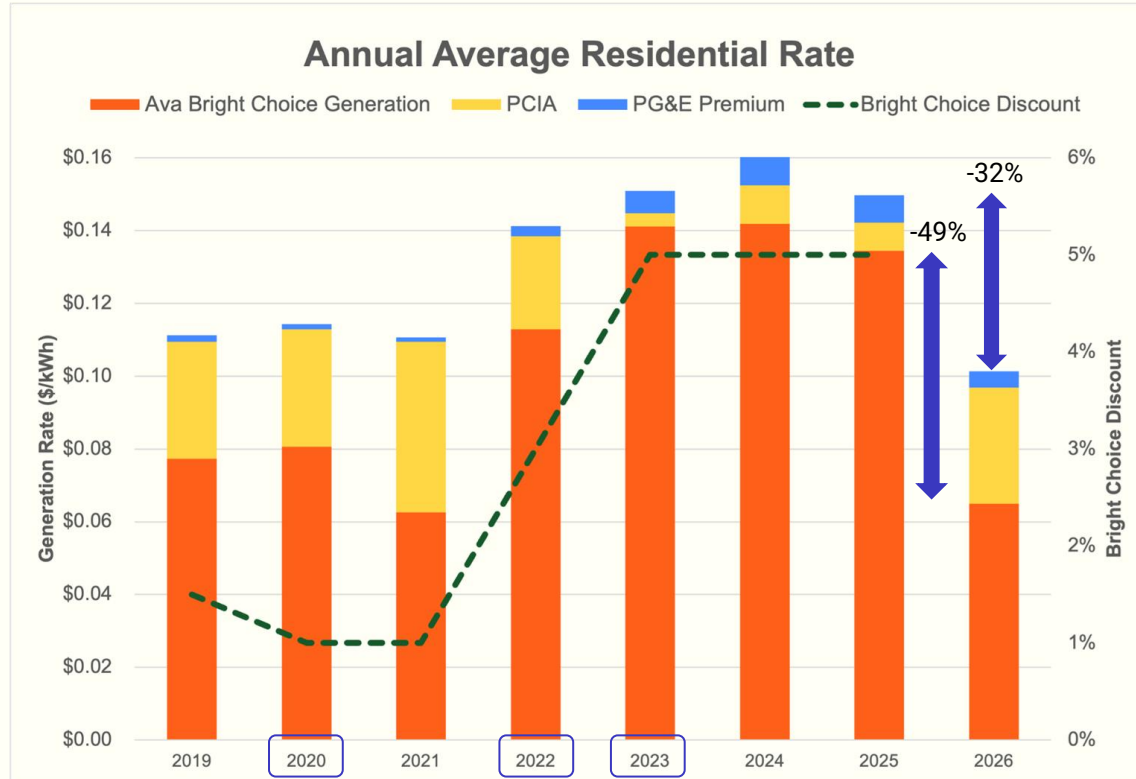
October 2025 PG&E ERRA Filing

- PG&E’s Energy Resource Recovery Account (ERRA) filing provided revised revenue requirements, PCIA MPBs, and 2026 rates
- RA MPBs decrease materially due to PCIA reform while Renewables and Brown Power decrease due to softening prices

<u>PG&E PCIA Adders</u>	<u>Forecast 2025**</u>	<u>Final 2025**</u>	<u>Forecast 2026**</u>	<u>% Δ 2025 Forecast vs. Final</u>
RA (\$/kW-month)				
System RA	\$42.54	\$11.21	\$11.53	(73.6%)
Local RA (PG&E)	\$13.29	\$11.21	\$11.53	(15.7%)
Flex RA	\$14.16	\$11.21	\$11.53	(20.8%)
Renewables (\$/MWh)	\$71.24	\$63.86	\$62.45	(10.4%)
Brown Power (\$/MWh)				
On Peak	\$55.02		\$50.20	(9.6%)
Off Peak	\$53.18		\$52.31	(1.6%)

****Source:** [PG&E-06, \[2024\] Fall Update Testimony, \(A.24-05-009\), Table A & B, pp. 10–11](#); [Exhibit PG&E-06, \[2025\] Fall Update Testimony, \(A.25-05-011\), Table A & B, pp. 16-17](#).

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 T&D rates are projected to increase ~4% from 2025 levels
- 2026 overall electricity bills are projected to decrease by ~11% from 2025 levels

2025 to 2026 Forecasted Budget Impacts

	2025	2026	2026
OPERATING ACTIVITY	Jul-Dec	Jan-Jun	Jul-Dec
TOTAL OPERATING REVENUE	597,713,000	251,746,000	350,605,000
EXPENSES & OTHER USES			
Total Energy Operating Expenses	461,757,000	392,265,000	533,546,000
Total Overhead Operating Expenses	21,368,000	24,185,000	25,158,000
NET NON-OPERATING POSITION	2,618,000	2,003,000	6,799,000
TOTAL NET REVENUES	117,206,000	(162,701,000)	(201,300,000)

- Cal Year 2026 deficit of (\$364MM), net with 2nd half 2025 surplus of \$117MM = **(\$247MM)**
- FY 2025-2026 estimates are updated from the board approved budget on June 18, 2025
 - Actuals: July to September; Updated projections: October to June
- FY 2026-2027 budget has the following assumptions:
 - Energy market forecasts are based on October ERRA and industry derived forward prices
 - 4% increase in operating expenses
 - \$0 allocated to Local Development

Measures to Consider

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
2024-25 Budget Surplus On-bill credits moved to RSF	\$13.0MM	\$214.2MM
2025-26 Local Development budget reduction (non earmarked funding)	\$10.0MM	\$224.2MM
Reduce REC procurement	\$4-12MM	\$228.2MM

- Projected deficit for July 2025 through Dec 2026 is **(\$247MM)**
 - ~\$20MM deficit remains following all recommended actions
- Staff recommends very prudent management of expenses and close monitoring of actuals & liquidity
 - Consider further action in 2026 as 2nd half carries the largest proportion of deficit

Summary of RSF and Reserve Balances

- **Staff recommends utilization of RSF in full in 2026 to offset the deficit**
- Staff does not recommend any material use of Reserves
 - Maintain sufficient liquidity and credit stability
- Utilization of RSF will lead to a significant reduction in cash levels
 - Ava has a \$300MM line of credit for short-term liquidity needs, if necessary
 - \$257MM is available, net of planned posted letters of credit

	As of June 30, 2025	Added	Current
RSF	32,129,726	117,375,392	149,505,118
Reserves	330,873,400	-	330,873,400
Totals	363,003,126	117,375,392	480,378,518

Adjustments to Value Proposition

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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¢

Recommended Adjustments to Value Proposition

Staff recommends adjusting the value proposition, effective January 2026 to:

- 1% savings for Bright Choice
- Renewable 100 at a 1.25¢ premium to PG&E

Note:

- Historically, when rates are high Ava's Bright Choice discount has increased and when rates are low, the discount has decreased
- Renewable 100 at a 1.25¢ premium in 2026 is 20% lower than 2025's Bright Choice rate

Ava Generation Plus PCIA	Average Residential Rate (\$/kWh)			Percent Rate Decrease	
	2025	2026, Current	2026, Proposed	2025 to 2026, Current	2025 to 2026, Proposed
Bright Choice	0.1422	0.0969	0.1003	32%	29%
Renewable 100	0.1522	0.1038	0.1138	32%	25%

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

Ava Customer Savings and Value

\$174 million

Total customer savings since 2018

\$115 million

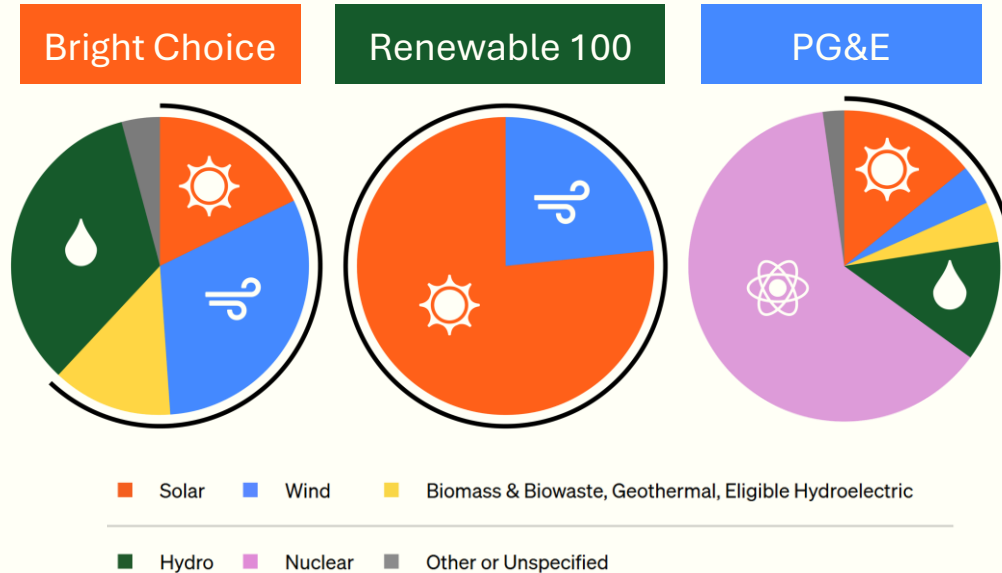
Reinvested in our communities since 2018 through programs, such as:

- Local Infrastructure
 - Critical Municipal Facilities
 - Ava Charge
- Programs
 - Ava Bike Electric
 - SmartHome Charging
 - Health-e Communities
- Local sponsorships
- Community grants
- Local vendor spending

\$40 million

Paid to date for local generation, driving economic development, local union jobs, and tax revenue

- Scott Haggerty Wind Energy Center
- Kola Battery Storage System



In 2024, Bright Choice was 60% eligible renewable energy (96% carbon-free) at lower rates than PG&E

2024-25 Budget Surplus On-bill credits moved to RSF

Staff recommends directing 100% of the 2024-25 budget surplus to RSF

Fiscal Year 2024-25 budget surplus allocation was amended at Sept 17, 2025 Board meeting

- 90% of surplus net revenues to be allocated to the Rate Stabilization Fund
- 10% to on-bill credits for CARE/FERA customers \$13,041,710
 - Potential for one-time \$80 on-bill credit

Previous on-bill credits provided to CARE/FERA customer bills:

- \$100 in January 2025
- \$50 in November 2023 and August 2022

Generation rates (inclusive of PCIA) are expected to decrease by 30% in 2025

- Avg monthly CARE Ava generation charges in 2025: \$54
- Avg monthly CARE Ava generation charges in 2026 (@ 1% discount): \$38
- Estimated annual generation bill reduction in 2026: \$192
- Customer savings is greater through rate reduction compared to a one-time bill credit
- Note: This does not account for any changes in PG&E's T&D charges

Local Development Budget reduction

- **Staff recommends reducing Local Development funding by \$10MM,**
 - \$6MM from previously non-earmarked funding
 - \$4MM from 2025-26 non-earmarked budget
- Ava has allocated a total of \$104.5MM historically 2019-2025
 - ~\$17.1MM has been fully expensed, the remainder to be spent over the life of the program
 - Larger budget programs are in execution or late stages of design with most program dollars to be fully spent in next 5-10 years
 - ~\$9.5MM of funding is currently not earmarked for a specific program
 - Detailed Fund accounting was provided in the March 2025 Board meeting
- 2025-2026 budget includes an allocation of \$10.2MM to Local Development with \$4MM that was not earmarked to a specific program, but intended for future programs

Renewable Energy Procurement Adjustments

Attachment Staff Report Item 14D

2026 (Base Case)	
Renewable	52.7%
Hydro	17.9%
Nuclear	6.5%
Unspecified	22.9%
GHG Emis. intensity	299
Excess '24 RE applied	7.3%
Excess '24 Hydro applied	3.1%

Base Case:

- Renewable + Hydro = 70.6%
- Utilizes excess procurement from 2024/2025 to meet target
- Retains ~5% excess hydro for 2027

Estimated savings: n/a

2026 (5% RE/Hydro Reduction)	
Renewable	47.7%
Hydro	12.9%
Nuclear	6.5%
Unspecified	27.9%
GHG Emis. intensity	352
Excess '24 RE applied	7.3%
Excess '24 Hydro applied	8%

5% Renewable Energy Reduction:

- Renewable + Hydro = 65.6%
- Fully utilizes excess procurement from 2024/2025
- Requires 5% additional renewables in 2027

Estimated savings: \$8MM

- **Staff recommends future consideration of adjustments to lower 2027 procurement targets**
- Ava Compliance Period Procurement covers 2024-2027
- 2024/25 excess procurement = 15.3%
 - RE: 7.3% (in 2026 volumes)
 - Hydro: 8% (in 2026 volumes)
- 2026 RE + Hydro Ava target: 81%
- 2027 RE + Hydro Ava target: 85%
- A 5% reduction in 2027 renewable procurement is ~\$6MM savings

Note: Scenarios are estimates; exact savings, PCL %, & emissions to be determined by actual transactions

Conclusion

- Ava is seeking to reduce overall generation charges by 25-30% in 2026 with Ava's generation component going down 40-50%
- Such a significant rate reduction is projected to lead to a forecasted deficit of ~\$247MM for the July 2025 to Dec 2026 timeframe
- Staff is recommending several measures to allow Ava to reduce customer bills and remain competitive to PG&E, while offsetting the forecasted financial deficit
- Staff is seeking approval to:
 - Direct 100% of the 2024-25 budget surplus to RSF
 - Reduce local development funding by \$10MM from non-earmarked funding
 - Move forward on the process to adjust the value proposition, effective January 2026 to:
 - 1% savings for Bright Choice and Renewable 100 at a 1.25¢ premium to PG&E
 - To be formally voted out by Board on Dec 17, 2025 following public comment
 - Utilize up to the full Rate Stabilization Fund in 2026 to manage the financial deficit (a formal review and authorization to come with the 2026-27 budget cycle)
 - Consider future adjustments to 2027 energy procurement targets