



**Board of Directors Meeting
Wednesday, December 17, 2025**

6:00 pm

In Person:

Board Room
Ava Community Energy
1999 Harrison St, Ste 2300
Oakland, CA 94612

Or from the following locations:

- Clipper Club - 5 Captain Dr. Emeryville, CA 94608
- 4917 Knowlson Terrace, Fremont, CA 94555
- 35653 Scarborough Dr., Newark, CA 94560
- 1100 Webster St, 2nd Floor Conference Room, Oakland, CA 94607
- Larch Clover Community Center – 11157 West Larch Road, Tracy, CA 95376
- Stockton City Hall – 425 N El Dorado St., Stockton, CA 95202

Via Zoom:

<https://avaenergy-org.zoom.us/j/87023071843>

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 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)
Webinar ID: 870 2307 1843

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@avaenergy.org.

If you have anything that you wish to be distributed to the Board of Directors, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

2. Pledge of Allegiance

3. Public Comment

This item is reserved for persons wishing to address the Board on any Ava-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 Board are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Board Chair may increase or decrease the time allotted to each speaker.

CONSENT AGENDA

4. Approval of Minutes from November 19, 2025

5. Contracts Entered Into (Informational Item)

6. Proposal to remove opt-out fee

Adopt a resolution to remove customer opt-out fees

7. Fiscal Year 2025-2026 Q1 Financial Statements

Present the 1st quarter financial statements for current fiscal year

8. Maher contract amendment

2026 contract renewal for outsourced accounting services

9. CAC Guide Updates & Term Extensions

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

REGULAR AGENDA

10. CEO Report

11. CAC Report

12. 2025 Legislative Wrap-up and 2026 Preview (Informational Item)

Review the California 2025 legislative session and a preview of the 2026 session

13. Joint Powers Agreement Amendment (Action Item)

Amend the Joint Powers Agreement to add clarifications and to align the Agreement with established Board practice.

14. 2026 Financial Adjustments, including Value Proposition (Action Item)

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

15. Allocation of Surplus Revenue from Fiscal Year 2024-2025 to On-Bill Credits for CARE/FERA Customers (Action Item)

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

16. Board Member and Staff Announcements including requests to place items on future Board of Directors Meeting Agendas

17. Adjourn

The next Ava Board of Directors meeting will be held on Wednesday, January 21, 2026 at 6pm.

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.

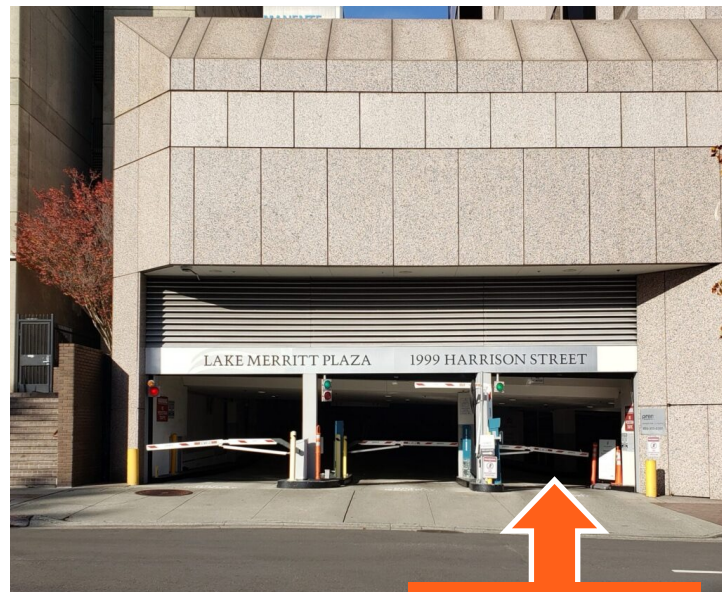
Directions to Parking Garage via Car

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.



Draft Minutes
Board of Directors Meeting
Wednesday, November 19, 2025
6:00 pm

In Person:
Board Room
Ava Community Energy
1999 Harrison St, Ste 2300
Oakland, CA 94612

Or from the following locations:

- One Embarcadero Center, Suite 1050, San Francisco, CA 94111
- Clipper Club – 5 Captain Dr. Emeryville, CA 94608
- AC Hotel Salt Lake City Downtown – 225 West 200 South, Salt Lake City, UT 84101
- 35653 Scarborough Dr., Newark, CA 94560
- 1100 Webster St, 2nd Floor Conference Room, Oakland, CA 94607
- Larch Clover Community Center – 11157 West Larch Road, Tracy, CA 95376
- 1755 Harvest Landing Ln., Tracy, CA 95376

Via Zoom:
<https://avaenergy-org.zoom.us/j/87023071843>

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 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)
Webinar ID: 870 2307 1843

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@avaenergy.org.

If you have anything that you wish to be distributed to the Board of Directors, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

Present: Members: Marquez (Alameda County), Lopez (Albany), Tregub (Berkeley), Morada (Dublin), Kaur (Emeryville), Keng (Fremont), Roche (Hayward), Barrientos (Livermore), Del Catancio (Newark), Brown (Oakland), Rickman (San Joaquin County), Blower (Stockton), Bedolla (Tracy), Sakakihara (Union City), CAC Chair Hernandez (Community Advisory Committee), Vice-Chair Gonzalez (San Leandro) and Chair Andersen (Piedmont)

Not Present: Members: Diallo (Lathrop) and Balch (Pleasanton)

Director Tregub joined the meeting at 7:41pm.

Director Blower served as the alternate for **Director Fugazi** (Stockton).

Director Bedolla serves as the alternate for **Director Nygard** (Tracy).

Chair Andersen announced that due to time constraints, agenda items 11 and 12 would be reordered, with item 12 being heard after item 10.

2. (2:15) Pledge of Allegiance

The board rose for the Pledge of Allegiance.

3. (2:32) Public Comment

This item is reserved for persons wishing to address the Board on any Ava-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 Board are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Board Chair may increase or decrease the time allotted to each speaker.

There were no speakers for public comment.

CONSENT AGENDA

4. (3:44) Approval of Minutes from October 22, 2025

5. Contracts Entered Into (Informational Item)

6. Appointing Certain Ava Positions to Serve in the Role of “Prosecuting Authority.”

Appoint specified Ava staff members and General Counsel to serve as Ava’s Prosecuting Authority for purposes of prosecuting any violations of the California False Claims Act.

Member Marquez motioned to approve the Consent Agenda. Member Roche seconded the motion, which was approved 15/0/0/0/3 (yes/no/abstain/recuse/not present):

Yes: Members: Marquez, Lopez, Morada, Kaur, Keng, Roche, Barrientos, Del Catancio, Brown, Rickman, Blower, Bedolla, Vice-Chair Gonzalez and Chair Andersen.

No: none

Abstain: none

Recuse: none

Not Present: Members: Tregub, Diallo and Balch

REGULAR AGENDA

7. (7:16) CEO Report

CEO Howard Chang presented the CEO Report. The written report is available in the November 19, 2025 agenda packet.

Chair Andersen opened the public comment period and there were no speakers for public comment.

8. (15:41) CAC Report

CAC Chair Hernandez presented the CAC Report.

Chair Andersen opened the public comment period and there were no speakers for public comment.

9. (18:41) Fiscal Year 2024-25 Financial Audit, Budget to Actuals, and Deferred Revenues (Informational Item)

Review of FY 2024-25 financial audit, budget to actuals, and allocation of surplus

CFO Rusty Mills introduced the annual audit conducted by Soren CPAs and answered questions from Board members.

Chair Andersen opened the public comment period and there were no speakers for public comment.

10. (36:12) 2026 Financial Forecast and Adjustments (Action Item)

Review 2026 Financial Forecast and approve recommended adjustments to surplus allocation, value proposition, and other measures

CEO Howard Chang introduced the 2026 Financial Forecast and Adjustments item and answered questions from the board.

Chair Andersen opened the public comment period and there was one comment from Jessica Tovar (1:31:44).

Vice-Chair Gonzalez motioned to adopt the staff's recommendations, specifically with respect to the change in the value proposition, so that staff can begin the timeline of facilitating public discussions. Member Barrientos seconded the motion, which was approved 16/0/0/0/2 (yes/no/abstain/recuse/not present):

Yes: Members: Marquez, Lopez, Tregub, Morada, Kaur, Keng, Roche, Barrientos, Del Catancio, Brown, Rickman, Blower, Bedolla, Vice-Chair Gonzalez and Chair Andersen.

No: none

Abstain: none

Recuse: none

Not Present: Members: Diallo and Balch

11. (3:20:50) CSA for Customer Programs Roadmap Consultant (Action Item)

Approve Consulting Services Agreement for consultant to support the Customer Programs Roadmap

Chief Customer Officer Annie Hendersen introduced the item and answered questions from Board members.

Chair Andersen opened the public comment period and comments were heard from Jessica Tovar (3:42:45), Tim Frank (3:46:03), Dohee Kim (3:47:50), Jack Fleck (3:50:50) and Susan Silber (3:52:03).

Member Barrientos motioned to approve the staff recommendation. Member Kang seconded the motion, which was not approved - 7/8/1/0/2

(yes/no/abstain/recuse/not present):

Yes: Members: Keng, Roche, Barrientos, Rickman, Blower, Vice-Chair Gonzalez and Chair Andersen

No: Members: Marquez, Lopez, Tregub, Kaur, Del Catancio, Brown, Bedolla, and Sakakihara

Abstain: Member Morada

Recuse: none

Not Present: Members Diallo and Balch

12. (2:14:24) SmartHome Battery and Resilience Hub Budget Approval and Program Design (Action Item)

Adopt a Resolution Authorizing the Use of Previous Budget Allocation and Program Design for the SmartHome Battery Program

JP Ross, Vice President of Local Development, introduced the item and answered questions from Board members.

Chair Andersen opened the public comment period and comments were heard from Tim Frank (2:59:29), Dohee Kim (3:01:26), Bradley Cleveland (3:03:40), Audrey Ichinose (3:05:50) and Susan Silber (Collective Resilience) (3:08:06).

Member Blower motioned to approve the staff recommendation. Member Tregub seconded the motion, which was approved 16/0/0/0/2 (yes/no/abstain/recuse/not present):

Yes: Members: Marquez, Lopez, Tregub, Morada, Kaur, Keng, Roche, Barrientos, Del Catancio, Brown, Rickman, Blower, Bedolla, Vice-Chair Gonzalez and Chair Andersen.

No: none

Abstain: none

Recuse: none

Not Present: Members: Diallo and Balch

13. (3:20:38) 2025 Legislative Wrap-up and 2026 Preview (Informational Item)

Review the California 2025 legislative session and a preview of the 2026 session

The 2025 Legislative Wrap-up and 2026 Preview was continued to the December 17, 2025 meeting.

14. (4:12:28) Board Member and Staff Announcements including requests to place items on future Board of Directors Meeting Agendas

Board Member announcements were heard from CEO Chang, Member Marquez and Chair Andersen.

15. Adjourn

The meeting was adjourned at 10:16pm.

The next Ava Board of Directors meeting will be held on Wednesday, December 17, 2025 at 6pm.



Consent Item 5

To:	Ava Community Energy Authority
From:	Howard Chang, Chief Executive Officer
Subject:	Contracts Entered Into
Date:	December 17, 2025

RECOMMENDATION

Accept the CEO's report on contracts that Ava Community Energy has entered into, as required by the Administrative Procurement Policy, from November 12th, 2025 through December 12th.

Counterparty Name	Record Name	Contract Purpose	Contract Value	Not To Exceed	Expiration Date	City	State	Ironclad Id
ICF Resources	September 2025 Amendment to the Consulting Services Agreement	Extend Term and increase NTE.	\$166,000	\$312,000	2027-05-31	Reston	Virginia	IC-2055
Alameda County Transportation Commission	Amendment No. 1 to Project Funding Agreement between Alameda County Transportation Commission and the Ava Community Energy Authority for the Ride Electric Program	Extend expiration date and update appendices accordingly.	N/A	N/A	2027-12-31	Oakland	California	IC-2056
Sacramento Municipal Utility District (SMUD)	AMENDMENT 10 TO EXHIBIT A: SCOPE OF SERVICES Task Order 3 - Data Management and Call Center Services	Add additional services and enhancements.	\$12,070	N/A	N/A	Sacramento	California	IC-2105
Sacramento Municipal Utility District (SMUD)	AMENDMENT 9 TO EXHIBIT A: SCOPE OF SERVICES Task Order 3 - Data	Add additional services and enhancements.	\$11,240	N/A	N/A	Sacramento	California	IC-2106

	Management and Call Center Services							
Merrimack Energy Group, Inc.	November 2025 Consulting Services Agreement	Ava is contracting with Consultant to provide a one-time initial review and assessment of the reasonableness of Ava's Confidential Benchmark Value Reference Price (CBVRP) and associated workpapers prior to launching future DAC-GT solicitations.	\$15,000	\$15,000	2027-05-05	Charlestown	Massachusetts	IC-2110
Paul Tuller	November 2025 Consulting Services Agreement	Provides graphic design services to the Ava Marketing team.	\$99,999	\$99,999	2026-06-30	Oakland	California	IC-2116
Jewell Stewart Pratt Beckerson & Carr PC	November 2025 Amendment to the Consulting Services Agreement	Extend the Term.	N/A	N/A	2027-07-01	San Francisco	California	IC-2118
EcoMotion	November 2025 Amendment to the Consulting Services Agreement	Extend the Term and increase the NTE.	\$20,000	\$491,755	2026-05-19	Glendale	California	IC-2128

The Collaborative	First Amendment to the Consulting Services Agreement for Services By And Between Ava Community Energy Authority and The Collaborative, LLC	Extend the Term.	N/A	N/A	2026-03-31	Portland	Oregon	IC-2241
-------------------	--	------------------	-----	-----	------------	----------	--------	---------



Consent Item 6

To:	Ava Community Energy Authority
From:	Kelly Brezovec, Sr Director of Account Services
Subject:	Adopting a Resolution to Remove Customer Opt-out Fees
Date:	December 17, 2025

Summary/Recommendation

Adopt a Resolution eliminating the customer opt-out fee of \$5 for residential customer accounts and \$25 for non-residential customer accounts. The opt-out fee does not appear to deter customers from opting out of Ava service and may create customer confusion or distrust in the Agency.

Financial Impact

Removing the opt-out fee will have a negligible impact on Ava's finances.

Ava has a 95% participation rate, meaning few customers opt out of Ava service. Cumulatively, 60,000 customers have opted out. Of these customers that do depart, we have only collected opt out fees from 15,500 residential customers and 640 non-residential customers. The majority of opt outs happen during the first year of service to a new community, when Ava has historically waived the opt-out fee.

In the past seven years of service, Ava has collected less than \$95,000 in opt-out fees, about \$14,000 annually. Ava has waived approximately \$5,000 in opt out fees.

If the Board adopts the Resolution to remove the opt-out fee, staff will work with Ava's billing agent, Sacramento Municipal Utility District ("SMUD"), to update the automated billing operations, which will cost less than \$8,000. Staff will also remove references to the opt out fee from webforms, emails, and interactive voice recordings, as part of regular work to maintain these services.

Analysis and Context

The opt-out fee was adopted at the February 21, 2018 Board of Directors meeting, as part of the Item - Approval of the Terms and Conditions of Service. The customer Terms and Conditions of Service have been subsequently updated to reflect changes in the service plans, value proposition, and communities served by the Agency. Should the Board adopt this Resolution, staff will make appropriate edits to the Terms and Conditions of Service and the Service Terms and Conditions section of the website to remove references to opt-out fees.

Ava implemented the opt-out fee starting in 2019. The fee is clearly stated in all methods of customer interaction (phone, automated voice, and webform) and in our Service Terms and Conditions on our website. When a customer opts out of Ava service, the fee is applied to their final bill. Ava waives the opt-out fee for customers who opt-out of Ava service within the first 60-days of service or within the first 12-months of service to a new community.

Based on customer interactions with Ava's customer support center, there is no clear evidence that an opt out fee of \$5 to residential customers or \$25 to non-residential customers (per meter) helps deter opt outs nor aids customer retention. On the contrary, staff believes that customers' distrust and frustration over opt-out fees may be harming customers' perception of the agency and, in some cases, may encourage opt-outs.

During the April 2025 enrollment of Stockton and Lathrop, staff found multiple social media posts from residents that encouraged their peers to opt-out of Ava service, citing the opt-out fee both as a reason to leave Ava service early and as an indicator that Ava is a "scam." Removing the opt out fee may help alleviate these customer concerns.

Moreover, there are more effective and meaningful ways to retain customers than through an opt-out fee. Ava's customer service representatives provide the best means of deterring opt-outs. In 2021, staff began tracking how many customers opt-out after speaking with a customer service representative and found that over 7,640 customers who had planned to opt-out chose to stay with Ava after having a conversation with a representative.

While staff does not have a means of verifying if the opt-out fee is a key factor in the decision to opt out of Ava service, it is possible that removing the fee entirely may encourage customers to try Ava service for a number of months, during which time the customer may learn about Ava's benefits and choose to stay.

Comparison to other CCAs

When Ava implemented its opt-out fee assessment in 2019, it was a common practice among Community Choice Aggregators (“CCA”). Today, CCA policy is split. Six CCAs do not assess an opt-out fee. Five CCAs follow the same policy as Ava. One Bay Area CCA does not assess a fee for the entire first year of service. Of the CCAs that do assess fees, the amounts are consistent with Ava’s current policy of \$5 for residential and \$25 per meter for non-residential customers.

Committee Recommendation

The Executive Committee reviewed this item at their meeting on Wednesday, December 3, 2025. The Executive Committee supported the staff recommendation to remove the customer opt-out fee provision, citing the potential harm to the Ava Brand and minimal impact on finances. The Executive Committee supported Staff’s proposal to update both operations and the customer Terms and Conditions in advance of enrolling customers in unincorporated San Joaquin County to facilitate a positive customer experience.

RESOLUTION NO.
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY ON REMOVING CUSTOMER
OPT-OUT FEES FOR AVA SERVICE

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; and

WHEREAS, on February 21, 2018, the Board of Directors (the “Board”) approved Ava’s initial set of customer Terms and Conditions of Service that included an opt-out fee; and

WHEREAS, the customer Terms and Conditions of Service have been subsequently updated to include changes to the value proposition, jurisdictions served, and service plans; and

WHEREAS, staff has identified that the opt-out fee is no longer beneficial to the agency and may encourage early opt-outs.

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

Section 1. The Board hereby directs staff to discontinue the practice of assessing an opt-out fee, effective with this Resolution.

Section 2. Staff is hereby authorized, in consultation with Ava legal counsel, to update Ava’s Terms and Conditions of Service and take all other actions necessary to effect this revision.

ADOPTED AND APPROVED this 17th day of December 2025.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board



Consent Item 7

To:	Ava Community Energy Authority
From:	Russell Mills, CFO
Subject:	Fiscal Year 2025-2026 Q1 Financial Statements
Date:	December 17, 2025

Summary/Recommendation

This memo updates the Board on Ava's financial position as of September 30, 2025.

Financial Impact

This is an informational item

Analysis and Context

Ava's current fiscal year (FY) runs from July 1, 2025, through June 30, 2026. Financial position statements are generated every quarter and are audited annually by a third party. The financial statements presented today represent Ava's financial position and activity for the quarter ending September 30, 2025, and the FY to date. These statements are prepared by Ava's accountant, Maher Accountancy.

Committee Recommendation

Attachments

- A. Fiscal Year 2025-2026 Q1 Financial Statements
- B. Fiscal Year 2025-2026 Q1 Budgetary Comparison Statements



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
AVA Community Energy

Management is responsible for the accompanying financial statements of AVA Community Energy (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 2025, and the related statements of revenues, expenses, and changes in net position, and the statement of cash flows for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. AVA Community Energy's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
November 4, 2025

AVA COMMUNITY ENERGY
STATEMENT OF NET POSITION
As of September 30, 2025

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 438,449,908
Cash and cash equivalents - restricted	2,715,372
Accounts receivable, net of allowance	129,804,349
Accrued revenue	68,390,562
Other receivables	13,885,706
Prepaid expenses	6,034,298
Deposits	5,835,232
Investments	43,158,476
Total current assets	<u>708,273,903</u>
Noncurrent assets	
Deposits	1,135,937
Investments	298,867,687
Loans receivable	2,737,260
Capital assets, net of depreciation and amortization	22,141,481
Total noncurrent assets	<u>324,882,365</u>
Total assets	<u>1,033,156,268</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	156,354,191
Accounts payable	5,058,825
Advances from grantors	2,715,372
Other accrued liabilities	2,248,244
User taxes and energy surcharges due to other governments	10,938,690
Lease liability	297,729
Security deposits - energy suppliers	4,585,670
Total current liabilities	<u>182,198,721</u>
Noncurrent liabilities	
Lease liability	11,818,971
Total liabilities	<u>194,017,692</u>

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>188,014,795</u>
NET POSITION	
Net investment in capital assets	10,024,781
Unrestricted	641,099,000
Total net position	<u>\$ 651,123,781</u>

AVA COMMUNITY ENERGY
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
Three Months Ended September 30, 2025

	<u>Year-to-Date</u>
OPERATING REVENUES	
Electricity sales, net	\$ 332,421,835
Grant revenue	1,306,793
Other operating revenues	2,378,428
Total operating revenues	<u>336,107,056</u>
OPERATING EXPENSES	
Cost of electricity	229,257,457
Contract services	6,010,361
Staff compensation	6,137,542
Other operating expenses	3,836,615
Depreciation and amortization	266,263
Total operating expenses	<u>245,508,238</u>
Operating income (loss)	<u>90,598,818</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	6,865,765
Interest expense	(238,668)
Nonoperating revenues (expenses), net	<u>6,627,097</u>
CHANGE IN NET POSITION	97,225,915
Net position at beginning of period	<u>553,897,866</u>
Net position at end of period	<u><u>\$ 651,123,781</u></u>

AVA COMMUNITY ENERGY
STATEMENT OF CASH FLOWS
Three Months Ended September 30, 2025

	<u>Year-to-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 319,458,477
Receipts from grantors	692,178
Other operating receipts	1,056,256
Receipts of supplier security deposits	1,203,539
Payments to suppliers for electricity	(218,547,159)
Payments for other goods and services	(11,399,327)
Payments for staff compensation	(6,113,006)
Payments of deposits and collateral	(5,840,748)
Payments of taxes and surcharges to other governments	(10,534,256)
Net cash provided by operating activities	<u>69,975,954</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,270,542)
Net cash used by capital and related financing activities	<u>(1,270,542)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	12,593,685
Investment income received	1,999,145
Loan principal received	5,066
Purchase of investments	(19,881,950)
Loan issued	(750,000)
Net cash provided (used) by investing activities	<u>(6,034,054)</u>
Net change in cash and cash equivalents	62,671,358
Cash and cash equivalents at beginning of period	378,493,922
Cash and cash equivalents at end of period	<u><u>\$ 441,165,280</u></u>
Reconciliation to the Statement of Net Position	
Cash and cash equivalents - unrestricted	\$ 438,449,908
Cash and cash equivalents - restricted	2,715,372
Cash and cash equivalents	<u><u>\$ 441,165,280</u></u>

AVA COMMUNITY ENERGY
STATEMENT OF CASH FLOWS (Continued)
Three Months Ended September 30, 2025

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

	<u>Year-to-Date</u>
Operating income (loss)	\$ 90,598,818
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation and amortization expense	266,263
(Increase) decrease in:	
Accounts receivable	(37,157,547)
Other receivables	(7,161,630)
Accrued revenue	(7,213,304)
Prepaid expenses	(833,443)
Deposits	(5,813,539)
Increase (decrease) in:	
Accrued cost of electricity	18,539,799
Accounts payable	(915,902)
Other accrued liabilities	11,093
Advances from grantors	(975,865)
Deferred revenue	(29,560)
User taxes due to other governments	2,483,452
Security deposits from energy suppliers	(212,461)
Rate Stabilization Fund	18,389,780
Net cash provided (used) by operating activities	<u><u>\$ 69,975,954</u></u>

NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ 4,993,065
Change in interest receivable	\$ (126,445)



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
AVA Community Energy

Management is responsible for the accompanying special purpose Budgetary Comparison Schedule – Operating Fund of AVA Community Energy (a California Joint Powers Authority for the three months ended September 30, 2025, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of the Authority.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. AVA Community Energy's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
November 4, 2025

**AVA COMMUNITY ENERGY
BUDGETARY COMPARISON SCHEDULE
OPERATING FUND
Three Months Ended September 30, 2025**

	2025/26 YTD Budget	2025/26 YTD Actual	2025/26 YTD Budget Variance Over (Under)	2025/26 YTD Actual/ Budget %	2025/26 Annual Budget	2025/26 Budget Remaining
REVENUE						
Electricity Sales	\$ 354,648,000	\$ 335,779,631	\$ (18,868,369)	95%	\$ 869,170,000	\$ 533,390,369
GASB 62 Revenue (Deferral)	-	-	-	N/A	35,327,000	35,327,000
Uncollectible	(3,546,480)	(3,357,796)	188,684	95%	(8,692,000)	(5,334,204)
Total Revenue and Other Sources	351,101,520	332,421,835	(18,679,685)	95%	895,805,000	563,383,165
EXPENDITURES AND OTHER USES						
CURRENT EXPENDITURES						
Cost of energy	232,374,839	229,257,457	(3,117,382)	99%	836,970,000	607,712,543
Energy Services						
Data Management/CRM	2,455,801	2,495,253	39,452	102%	10,081,000	7,585,747
Billing & Metering	781,391	804,046	22,655	103%	3,208,000	2,403,954
Scheduling	187,194	183,789	(3,405)	98%	767,000	583,211
Total Energy Services	3,424,386	3,483,088	58,702	102%	14,056,000	10,572,912
Overhead Operating Expenses						
Personnel	7,409,750	6,137,542	(1,272,208)	83%	29,639,000	23,501,458
Marketing & Communications	968,000	388,123	(579,877)	40%	3,872,000	3,483,877
Legal, Policy, & Regulatory Affairs	1,060,750	778,465	(282,285)	73%	4,243,000	3,464,535
Other Professional Services	879,500	640,126	(239,374)	73%	3,518,000	2,877,874
General & Administrative	1,773,750	1,198,481	(575,269)	68%	7,095,000	5,896,519
Total Overhead Operating Expenses	12,091,750	9,142,737	(2,949,013)	76%	48,367,000	39,224,263
Total Current Expenditures	247,890,975	241,883,282	(6,007,693)	98%	899,393,000	657,509,718
OTHER SOURCES AND USES						
Investment Income	3,369,000	6,816,168	3,447,168	202%	15,066,000	8,249,832
Other Income	12,300	1,321,295	1,308,995	10742%	49,000	(1,272,295)
Interest and Financing Costs	(240,000)	(225,205)	14,795	94%	(1,087,000)	(861,795)
Local Development (Transfer to LD Fund Budget)	-	-	-	N/A	(10,190,000)	(10,190,000)
Capital expenditures	(250,000)	(523,951)	(273,951)	210%	(250,000)	273,951
Total Other Sources and Uses	2,891,300	7,388,307	4,497,007	0%	3,588,000	(3,800,307)
Net Increase (Decrease)	\$ 106,101,845	\$ 97,926,860	\$ (8,174,985)	92%	\$ -	

LOCAL DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Three Months Ended September 30, 2025

	<u>2025/26 Annual Budget</u>	<u>2025/26 YTD Actual</u>	<u>2025/26 Budget Remaining</u>
REVENUE AND OTHER SOURCES			
Transfer from Operating Fund	\$ 10,190,000	\$ -	\$ 10,190,000
Grants/Credits	-	2,363,926	(2,363,926)
Interest income	-	49,597	(49,597)
Total Revenues and other sources	<u>10,190,000</u>	<u>2,413,523</u>	<u>7,776,477</u>
EXPENDITURES AND OTHER USES			
CURRENT EXPENDITURES			
Program expenses	<u>10,190,000</u>	<u>3,936,506</u>	<u>6,253,494</u>
Total Expenditures and other uses	<u>10,190,000</u>	<u>3,936,506</u>	<u>6,253,494</u>
Net Increase (Decrease)	-	(1,522,983)	
Fund balance at beginning of period	<u>78,261,745</u>	<u>78,261,745</u>	
Fund balance at end of period	<u><u>\$ 78,261,745</u></u>	<u><u>\$ 76,738,762</u></u>	



Consent Item 8

To:	Ava Community Energy Authority
From:	Russell Mills, Chief Financial Officer
Subject	Adopting a Resolution to Renew the Maher Accountancy Consulting Services Agreement
Date:	December 17, 2025

Summary/Recommendation

Adopt a Resolution authorizing the Chief Executive Officer (CEO) to negotiate and execute a renewal of Ava's existing Consulting Services Agreement with Maher Accountancy for outsourced accounting services. The current agreement, extended by its Fourth Amendment, expires December 31, 2025. We are recommending a one-year renewal with a not-to-exceed amount of \$377,300 for the calendar year of 2026.

Financial Impact

This Consulting Services Agreement with Maher Accountancy will cover the calendar year beginning January 1, 2026 and ending December 31, 2026, with a maximum contract cost of \$377,300.

Analysis and Context

Since June 1, 2018, Maher Accountancy has been Ava's outsourced accounting firm. Maher Accountancy provides support for Ava's financial functions, including invoicing, payments, reporting, and annual audit support.

Committee Recommendation

N/A

Attachments

- A. Resolution Authorizing CEO to Negotiate and Execute a Renewal of the Consulting Services Agreement with Maher Accountancy
- B. Consulting Services Agreement Amendment Template

RESOLUTION NO. R-2025-xx

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO
EXECUTE A CONSULTING SERVICES AGREEMENT WITH MAHER
ACCOUNTANCY**

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’s Board of Directors delegated authority to Ava's Chief Executive Officer (“CEO”) to select an accounting firm in April 2018, after Ava solicited bids; and

WHEREAS Ava entered into a Consulting Service Agreement (“CSA”) with Maher Accountancy for a term of one year from May 31, 2018 through June 30, 2019. Ava then entered into another CSA with Maher Accountancy from July 1, 2019 through December 31, 2019; and

WHEREAS Ava executed a First Amendment to the July 1, 2019 CSA with Maher Accountancy, extending the CSA term by one year from January 1, 2020 through December 31, 2020; and

WHEREAS Ava executed a Second Amendment to the July 1, 2019 CSA with Maher Accountancy, extending the CSA term by one year from January 1, 2021 through December 31, 2021; and

WHEREAS Ava entered into a CSA with Maher Accountancy for a term of one year from January 1, 2022 through December 31, 2022; and

WHEREAS Ava executed a First Amendment to the January 1, 2022 CSA with Maher Accountancy, extending the CSA term by one year from January 1, 2023 through December 31, 2023. Then, Ava entered into a Second Amendment on May 17, 2023 to add additional compensation.

WHEREAS Ava executed a Third Amendment to the January 1, 2022 Consulting Services Agreement with Maher Accountancy, extending the CSA term by one year from January 1, 2024 through December 31, 2024; and

WHEREAS Ava executed a Fourth Amendment to the January 1, 2022 Consulting Services Agreement with Maher Accountancy extending the CSA term by one year from January 1, 2025 through December 31, 2025.

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

Section 1. Ava's Board of Directors hereby authorizes Ava's CEO to negotiate and execute a new Consulting Services Agreement with Maher Accountancy for accounting and audit support services for a term from January 1, 2026 to December 31, 2026, and with total compensation not to exceed \$377,300 for the one year term of the CSA.

ADOPTED AND APPROVED this 17th day of December 2025.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

[Month] [Year] Consulting Services Agreement

Ava Community Energy Authority ("Ava")	Signature:	
	By:	
	Date:	
	Approval as to Form:	
	Address:	1999 Harrison Street, Suite 2300 Oakland, CA 94612
	Ava Notice Emails:	legal@avaenergy.org with a cc to: [Ava representative email]
	Relationship Manager:	[Ava representative]
[Counterparty] ("Consultant")	Signature:	
	By:	
	Date:	
	Notice Attn:	[Counterparty representative]
	Phone:	
	Notice Address:	
	Notice Email(s):	
Effective Date		
Expiration Date		
Not To Exceed ("NTE")		
Summary		

June 2025 template.

This Consulting Services Agreement (the "Agreement") is made by and between Ava Community Energy Authority, a joint powers authority formed under the laws of the State of California ("Ava"), and the counterparty set forth above ("Consultant") as of the Effective Date. Ava and Consultant are herein referred to as "Parties" or individually as a "Party."

1. Recitals

- 1.1. Ava Recitals. Ava is an independent joint powers authority duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) with the power to conduct its business and enter into agreements.
- 1.2. Consultant Recitals. Consultant possesses the skill, experience, ability, background, certification and knowledge to complete the Work described in Section 3 of this Agreement pursuant to the terms and conditions described herein.

NOW THEREFORE, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties to this Agreement, agree as follows:

2. Term. The term of this Agreement begins as of the Effective Date of this Agreement ends as of the Expiration Date, unless terminated earlier pursuant to Section 8 (Termination).
3. Scope of Work/Compliance with Laws and Regulations.
 - 3.1. Work. Consultant agrees to perform the scope of work (the "Work") in Exhibit A in accordance with the schedule in Exhibit B.
 - 3.2. Requirements. Consultant represents and warrants that it has the skill and expertise to perform the Work. Consultant agrees to obtain any and all necessary licenses, approvals or permits necessary to perform the Work.
 - 3.3. Legal Compliance. Consultant and its contractors, consultants, sub-suppliers, affiliates, agents and any other person or entity with whom the Consultant contracts in furtherance of this Agreement (collectively "Subconsultants") must comply with all federal, state and local laws and regulations in performing the Work under this Agreement. Without limiting the foregoing, if work required to be performed by the Consultant is a "public work" as defined in California Labor Code Section 1720, then pursuant to the provisions of Labor Code Sections 1725.5 and 1771, the Consultant shall be registered with the Department of Industrial Relations ("DIR"), and will pay and require subcontractors to pay the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to perform this Agreement, as established by the DIR. As of the execution of this Agreement, these rates may be obtained at: <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>. Consultant shall provide a copy of prevailing wage rates to any staff, contractor and/or Subconsultant hired by Consultant for this Agreement and shall pay the adopted prevailing wage rates as a minimum. Consultant shall comply with the provisions of Sections 1773.8, 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Consultant shall forfeit to Ava, as a penalty, the sum of \$200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, is paid less than the applicable prevailing wage rates for any work done under this Agreement, by them or by any subcontractor under them, in violation of the provisions of the Agreement.
4. Consultant Staffing. Exhibit C contains a list of Consultant's principal and all team members. Consultant will not change or substitute the principal or any team members or add additional team members without consultation with Ava.
5. Subconsultants.
 - 5.1. Approved Subconsultants. Consultant agrees to use only those Subconsultants listed on Exhibit D. Consultant shall notify Ava within a reasonable period of time of any changes, additions, or removals of a Subconsultant.
 - 5.2. Subconsultant Compliance. Consultant agrees to require all Subconsultants to comply with the terms of this Agreement, including without limitation, the public works requirements in Section 3.3, the insurance obligations under Section 9, the confidentiality requirements under Section 11, and the requirement to indemnify Ava as provided in Section 12.
6. Invoicing and Payment.
 - 6.1. Time and Materials. If the Work under this Agreement is to be performed on a time and materials basis, Consultant must submit invoices to Ava on a monthly basis, complete with the name of the individual that conducted the Work, the time spent, and a brief description of the tasks performed

during that time. If requested by Ava, Consultant must include the contract number provided by Ava and the total compensation remaining on the Agreement on each monthly invoice. Notification to Ava should be provided once the contract budget has been used up by 80% (including invoiced work and work that may not have been invoiced yet) the amount of which is set forth in Exhibit E. Invoices must be submitted to Ava by the 20th of the month following the month in which Consultant performed the Work.

- 6.2. Milestone. If the Work under this Agreement is to be performed on a task or project basis, the Consultant will submit an invoice within thirty (30) days of completing the project to the satisfaction of Ava for full payment, unless other arrangements have been made.
- 6.3. Markups. Ava will not agree to pay any markups on Subconsultant services or supplies unless such markups are included in Exhibit E, Compensation/Budget and such markups were included in Consultant's bid, if applicable.
- 6.4. Payment Processing. The following are conditions on Ava's obligation to process any payments under this Agreement:
 - 6.4.1. If the Consultant is a U.S. based person or entity, the Consultant must provide to Ava a properly completed Internal Revenue Service Form W-9 before Ava will process payment. If the Consultant is a U.S. based person or entity but has neither a permanent place of business in California nor is registered with the California Secretary of State to do business in California, the Consultant must provide Ava with a properly completed California Franchise Tax Board form related to nonresident withholding of California source income before Ava will process payment.
 - 6.4.2. If the Consultant is not a U.S. based person or entity, the Consultant must provide Ava with the applicable Internal Revenue Service form related to its foreign status and a California Franchise Tax Board form related to nonresident withholding before Ava will process payment.
- 6.5. Payment. Ava agrees to pay undisputed invoices within forty-five (45) days of receipt. Invoices may be sent to Ava by U.S. mail or electronic mail to AP@avaenergy.org. Invoices will be deemed received on the next business day following the date of receipt via electronic mail or three days after receipt via U.S. mail. Notwithstanding anything to the contrary in this Agreement or any related document, Ava shall have no obligation to remit payment for fees in excess of the NTE.
- 6.6. Members. Ava, as a joint powers authority, is a separate public entity from its constituent members and will be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant acknowledges that it will have no rights and agrees not to make any claims, take any actions or assert any remedies against any of Ava's constituent members in connection with this Agreement.

7. Records Retention and Ownership of Work Product.

- 7.1. Records. The Consultant must retain all ledgers, books of accounts, invoices, vouchers, cancelled checks, background materials, or other records relating to its performance under this Agreement for a period of three (3) years following termination of this Agreement.
- 7.2. Ownership. Ava owns all rights, including without limitation, all licenses, copyrights, service marks and patents, in and to all Work Product(s), whether written or electronic, without restriction or limitation upon their use and immediately when and as created by the Consultant, any Subconsultants, or any other person engaged directly or indirectly by the Consultant to perform under this Agreement. "Work Product(s)" means all writings, reports, drawings, plans, data, video, media, photographs, renderings, plans, software, models, and other similar documents and materials developed or created by Consultant or its Subconsultants on behalf of or for use by Ava under this Agreement. All Work Product(s) will be considered "works made for hire," and together with any and all intellectual property rights arising from their creation will be and remain the property of Ava without restriction or limitation upon their use, duplication or dissemination by Ava. Consultant agrees not to obtain or attempt to obtain copyright protection in its own name for any Work Product.

8. Termination.

- 8.1. Upon Notice. Ava may terminate this Agreement for any reason by giving Consultant written notice. The termination notice may set the date of termination, but if no such date is given, termination is effective seven (7) days following the date of the written notice.
- 8.2. For Breach. Ava may terminate this Agreement immediately upon written notice for any material breach of this Agreement by Consultant or any of its Subconsultants. If Ava terminates this Agreement for cause and obtains the same services from another consultant at a greater cost, the Consultant is responsible for such excess costs in addition to any other remedies available to Ava.
- 8.3. Completion Option. Upon termination for any reason, Ava has the option of requiring the Consultant to complete work up to the date of termination or to cease work immediately. Ava has the further option to require Consultant to provide Ava any finished or unfinished Work or Work Product prepared by the Consultant up to the date of termination.
- 8.4. Payment. Ava will pay Consultant the reasonable value of services satisfactorily rendered by the Consultant to Ava up to the date of written notice of termination. If Ava authorizes Consultant to continue performing the Work through the date of termination, Ava will pay Consultant the reasonable value of services satisfactorily rendered up through the date of termination, providing such services are in compliance with the Compensation/Budget in Exhibit E.
- 8.5. Return of Work Product. Upon termination of this Agreement, and at no cost to Ava, Consultant, its Subconsultants and anyone working for Ava under control of Consultant must return all Work Product to Ava and cooperate with any subsequent consultant during any transition. Consultant may only retain copies of the Work Product by express written permission of Ava.

9. Insurance

- 9.1. Proof of Insurance. Consultant must procure, maintain and comply with the insurance requirements in Exhibit F throughout the full term of this Agreement. Consultant must provide proof of insurance either in the form of a certificate of insurance or, if requested by Ava, a copy of the insurance policy, prior to performing any work under this Agreement.
- 9.2. Ongoing Coverage. Consultant agrees to stay in compliance with the insurance coverage requirements during the term of this Agreement. Consultant must give Ava ten (10) days written notice and obtain Ava's written approval prior to making any modifications that would reduce its insurance coverage.
- 9.3. Subconsultant Coverage. Consultant must either include Subconsultants under its insurance policies or require each Subconsultant to comply with the insurance obligations in Exhibit F.

10. No Discrimination or Conflict of Interest

- 10.1. Non-Discrimination. Consultant represents and warrants, on behalf of itself and its Subconsultants, that it has not and will not discriminate against anyone based on his/her age, color religion, sex, sexual orientation, disability, race, national origin, or any other protected category under state or federal law.
- 10.2. Conflict of Interest. Consultant represents and warrants, on behalf of itself and its Subconsultants, that it is familiar with local, state and federal conflict of interest laws, that in entering into this Agreement it is not violating any of the conflict of interest laws, that it will avoid any conflicts of interest during the term of this Agreement, and that it will notify Ava immediately if it identifies any conflicts of interest Consultant understands that violations of this Section 10 could result in immediate termination of this Agreement and disgorgement of compensation.

11. Confidentiality

- 11.1. Non-Disclosure. Except as authorized by Ava or as otherwise required by law, Consultant shall not disclose to any third party any draft or final Work Product, discussions or written correspondence between Consultant and its Subconsultants or discussions or written correspondence between Consultant and Ava staff. In the event Consultant receives a request from any third party requesting disclosure of any Work Product, discussions, communications or any other information Consultant is

prohibited from disclosing, Consultant will immediately notify Ava and wait for direction from Ava before disclosing the information.

- 11.2. Third Parties. For the purposes of this Section 11, "third party" refers to any person or group other than Ava staff and Board members. For example, "third parties" include community groups, Board advisory groups, other governmental agencies, other consultants or members of the community.
- 11.3. Confidentiality Survival. This Section 11 will survive the expiration or termination of this Agreement.
- 11.4. Public Records Act. **The Parties understand and agree that (1) this Consulting Services Agreement is subject to public disclosure under the California Public Records Act ("CPRA"); (2) a request pursuant to the CPRA may obligate Ava to disclose this Agreement, in whole or in part, to the requestor; and (3) Consultant is solely responsible for the inclusion of any information herein that Consultant may consider sensitive and should not include sensitive information within this Agreement.**

12. Indemnity

- 12.1. General Indemnity. Except with regard to any matter involving professional negligence, Consultant agrees, at its sole cost and expense, to indemnify, defend with counsel reasonably approved by Ava, and protect and hold harmless Ava, its officers, directors, employees, agents, attorneys, designated volunteers, successors and assigns, and those Ava agents serving as independent contractors in the role of Ava staff (collectively "Ava Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, penalties, judgments, liens and losses of whatever nature ("Claims") that arise, directly or indirectly, in whole or in part, out of or are in any way related to Consultant's or Subconsultant's performance or failure to perform the Work under this Agreement, regardless of whether the Consultant or its Subconsultants acted or failed to act intentionally, willfully, recklessly or negligently. Consultant agrees that its indemnity and defense obligations include all costs and expenses, including all attorney fees, expert fees, mediation, arbitration, or court costs in connection with the defense. Consultant further agrees to indemnify, defend, protect and hold harmless Indemnitees from and against any breach of this Agreement and any infringement of patent rights, trade secret, trade name, copyright, trademark, service mark or any other proprietary right of any person(s) caused by Ava's use of any services, Work Product or other items provided by Consultant or its Subconsultants under this Agreement.
- 12.2. Professional Negligence. With regard to any matter involving professional negligence, Consultant agrees, at its sole cost and expense, to indemnify, defend with counsel reasonably approved by Ava, and protect and hold harmless the Ava Indemnitees from and against any and all Claims to the extent arising out of or resulting from Consultant's or Subconsultant's negligence, recklessness, or willful misconduct. In no event shall the cost to defend charged to Consultant exceed the Consultant's proportionate percentage of fault.
- 12.3. Exceptions. Consultant's obligations in Subsections 12.1 and 12.2 do not apply to the extent any Claim results from the negligence or willful misconduct of the Ava Indemnitees.
- 12.4. Indemnitees. Except as limited by Subsection 12.2, Consultant's obligation to defend Ava applies to the maximum extent allowed by law and includes defending Indemnitees as set forth in California Civil Code sections 2778 and 2782.8.
- 12.5. Insurance. The Consultant's obligations under Section 12 apply regardless of the existence or amount of insurance the Consultant carries or has made available to Ava.
- 12.6. Indemnification Survival. The Parties agree that this Section 12 survives the expiration or earlier termination of the Agreement.

13. Consultant is an Independent Contractor

- 13.1. Relationship of the Parties. Consultant and its Subconsultant(s) are and at all times will be independent contractors. Consultant has complete control over its operations and employees and is not an agent or employee of Ava and must not represent or act as Ava's agent or employee.

Consultant agrees, on behalf of itself and its employees and Subconsultants, that it does not have any rights to retirement benefits or other benefits accruing to Ava employees, and expressly waives any claim it may have to any such rights.

- 13.2. Relationship of Subconsultants. As an independent contractor, Consultant has complete control over its Subconsultants. Subject to the requirements of Section 5 of this Agreement, Consultant is solely responsible for selecting, managing and compensating its Subconsultants, and for ensuring they comply with this Agreement.

14. Miscellaneous Terms and Conditions

- 14.1. Ava Authority. The Chief Executive Officer or his/her designee is authorized to take all actions under this Agreement, including without limitation, amendments that fall within the Chief Executive Officer's signing authority, termination or modification of terms.
- 14.2. Waiver. Waiver by either party of any one or more conditions, Sections, provisions or performance of this Agreement will not be a waiver of any other provision; nor will failure to enforce a provision or Section in one instance waive the right to enforce such provision or Section in the future. In no event will payment by Ava to Consultant constitute or be construed as a waiver by Ava of any breach or default of this Agreement, nor will such payment prejudice any of Ava's other rights or remedies.
- 14.3. Governing Law. Consultant and Ava agree that this Agreement will be interpreted under the laws of the State of California.
- 14.4. Venue. Any litigation resulting from this Agreement will be filed and resolved by a state court in Alameda County, California, or if appropriate, the federal courts in the Northern District of California located in San Francisco.
- 14.5. Audit Rights. All records or documents required to be kept pursuant to this Agreement must be made available for audit at no cost to Ava, at any time during regular business hours, upon written request by Ava. Copies of such records or documents shall be provided to Ava at Ava's offices unless an alternative location is mutually agreed upon.
- 14.6. Recitals and Exhibits. The Recitals in Section 1 above are intentionally made a part of this Agreement. All Exhibits and any other documents incorporated by reference are a part of this Agreement.
- 14.7. Notices. Notices to Ava shall be effective upon delivery to all email addresses in Ava Notice Emails, above. Any notices required to be given to Contractor under this Agreement must be made in writing and may be delivered a) personally, in which case they are effective upon receipt; b) by U.S. Mail, in which case they are effective three (3) days following deposit in the U.S. Mail, unless accompanied by a return receipt in which case, they are effective upon the date on the receipt; or c) by electronic mail, in which case they are effective upon confirmation of receipt, and if no confirmation of receipt, they are effective one day after transmission. All notices to Contractor must be sent to the Notice Address or Notice Email(s).
- 14.8. Assignment. Except to the extent this Agreement authorizes Consultant to use Subconsultants, Consultant will not assign any part of this Agreement without Ava's prior written consent. Ava, at its sole discretion, may void this Agreement if a violation of this provision occurs.
- 14.9. Integrated Agreement. The Recitals, this Agreement and the Exhibits attached to this Agreement contain the complete understanding between Ava and Consultant and supersedes any prior or contemporaneous negotiations, representations, agreements, understandings and statements, written or oral respecting the Work up through the Effective Date of this Agreement.
- 14.10. Amendments. Any and all amendments or modifications to this Agreement must be made in writing and signed by each Party before such amendment will be effective.
- 14.11. Government Claims Act. Nothing in this Agreement waives the requirements to comply with the California Government Claims Act (Government Code Section 810 et seq.), where applicable.

- 14.12. Severability. If a court of competent jurisdiction holds any Section or part of this Agreement to be invalid or unenforceable for any reason and the Work can still be performed, the Parties agree to sever the invalid or unenforceable Section from this Agreement and that all remaining Sections or parts of this Agreement will continue to be enforceable.
- 14.13. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument and each of which will be deemed an original.
- 14.14. No Party Deemed Drafter. This Agreement will be considered for all purposes as prepared through the joint efforts of the Parties and will not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof.
- 14.15. Supplier Diversity. Ava is required to report to the California Public Utilities Commission ("CPUC") on their diverse suppliers, as defined by CPUC General Order 156. Consistent with the California Public Utilities Code and California Public Utilities Commission policy objectives, Consultant agrees to document and provide information to Ava regarding Consultant's status and any engagement of women, minority, disabled veteran, persons with disabilities, and LGBT owned business enterprises in its completion of the Work under this Agreement. Specifically, Consultant agrees to complete Ava's Supplier Diversity questionnaire, which may be updated or revised during the term of the Agreement, and otherwise reasonably cooperate with Ava to provide the information described above. Consultant shall provide such information in the timeframe requested by Ava and in no event later than January 31 of the year following the Effective Date of this Agreement.

LIST OF EXHIBITS

EXHIBIT A: SCOPE OF WORK

EXHIBIT B: SCHEDULE

EXHIBIT C: CONSULTANT STAFFING

EXHIBIT D: SUBCONSULTANTS

EXHIBIT E: COMPENSATION/BUDGET

EXHIBIT F: INSURANCE REQUIREMENTS

Exhibit A

SCOPE OF WORK

[Draft Scope of Work here and remove italicized language below when finalizing]

A Scope of work should aim to be as concise as possible while ensuring all necessary details of the services are captured. A good Scope should include:

- Summary of Services
- Purpose and Objectives of Services (This could be in narrative form and provide the general purpose of the services)

And may include:

- Definitions of any Critical Terms (Any definitions, clarifications could be included here)
- List of any Supplemental Documents (If there is a lengthy document that does not make sense to copy and paste into the Scope of Work it could be referenced here)
- Tasks and Deliverables
 - o List each task (and any related subtasks)
 - o List required updates/reports on progress
 - o List deliverable for each task
 - o List schedule/due date for each task and for each deliverable
 - o List any other milestone dates
- Exclusions/Exceptions and Additional Services (If there is anything that is specifically excluded from the Scope of Work that can be listed here. If there are additional services or costs (such as new services or travel costs), we can list the proposed costs and the process for selecting them here)
- Any Other Conditions (If there is something unique to the project that does not fit into the other categories).

Additional Services:

Consultant will not provide additional services outside of the services identified in Exhibit A, unless it obtains advance written authorization from the project manager or lead Ava representative prior to commencement of any additional services.

Exhibit B

SCHEDULE

[Schedule - can be detailed or as simple as "As directed by Ava."]

Exhibit C

CONSULTANT STAFFING

[Include names of all team members who will be providing Ava services.]

Exhibit D

SUBCONSULTANTS

[If subconsultants are authorized in advance, they should be listed here, otherwise it can state either of these: "Subconsultants are not authorized under this Agreement." or "Subconsultants must be authorized in advance, in writing by Ava."]

Exhibit E

COMPENSATION/BUDGET

[If the compensation is hourly, a table of hourly rates by title should be included. If fixed fee, describe what amounts are to be paid based on what milestones]

For the purposes of Section 6.1 (Time and Materials), 80% of the total compensation under this agreement (see NTE on page 1) is [\$\$\$]

Exhibit F

INSURANCE REQUIREMENTS

A. Minimum Scope and Limits of Insurance. Consultant must procure, and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

- 1) Commercial General Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars (\$2,000,000.00) per project or location. If Consultant is a limited liability company, the commercial general liability coverage must be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.
- 2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
- 3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. If Consultant has no employees while performing the Work under this Agreement, workers' compensation policy is not required, but Consultant must execute a declaration that it has no employees.
- 4) Professional Liability/Errors & Omissions Insurance with minimum limits of Two Million Dollars (\$2,000,000.00) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Exhibit F must be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide.

C. Additional Insured/Additional Named Insured. The automobile liability policies must contain an endorsement naming Ava, its officers, employees, agents and volunteers as additional insureds. The commercial general liability policy must contain an endorsement naming Ava, its officers, employees, agents and volunteers as additional named insureds.

D. Primary and Non-Contributing. The insurance policies required under this Agreement must apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to Ava. Any insurance or self-insurance maintained by Ava, its officers, employees, agents or volunteers, will be in excess of Consultant's insurance and will not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Agreement will not prohibit Consultant and Consultant's employees, agents or Subconsultants from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against Ava.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by Ava. At Ava's option, Consultant must either reduce or eliminate the deductibles or self-insured retentions with respect to Ava, or Consultant must procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant agrees not to cancel any insurance coverage during the term of this Agreement. Consultant further agrees not to reduce or otherwise modify the insurance policies required by this Agreement during the term of this Agreement, without the prior written approval of Ava. The commercial general and automobile liability policies required under this Agreement must be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) days' prior written notice to Ava. If any insurance policy required under Agreement is canceled or reduced in coverage or limits, Consultant must, within two (2) business days of notice from the insurer, phone and notify Ava via electronic mail and certified mail, return receipt requested, of the cancellation of or reductions to any policy.

- H. **Ava Remedy for Noncompliance.** If Consultant does not maintain the policies of insurance required under this Agreement in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements of this Exhibit F, Ava may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, Ava may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant must promptly reimburse Ava for any premium paid by Ava or Ava, in its sole discretion, may withhold amounts sufficient to pay the premiums from payments due to Consultant.
- I. **Evidence of Insurance.** Prior to the performance of the Work under this Agreement, Consultant must furnish Ava with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Agreement. The endorsements are subject to Ava's approval. Ava may request, and Consultant must provide complete, certified copies of all required insurance policies to Ava. Consultant must maintain current endorsements on file with Ava. Consultant must provide proof to Ava that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant must furnish such proof at least two (2) weeks prior to the expiration of the coverages.
- J. **Indemnity Requirements not Limiting.** Procurement of insurance by Consultant will not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify Ava under Section 12 of this Agreement.
- K. **Subconsultant Insurance Requirements.** Consultant's insurance coverage must include its Subconsultants or Consultant must require each of its Subconsultants that perform Work under this Agreement to maintain insurance coverage that meets all the requirements of this Exhibit F.



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 <u>2</u>	1
At-Large		2 <u>4</u>	
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.

Chair and Vice-Chair

The Committee shall elect a new Chair and Vice-Chair annually. Members may serve as Chair or Vice-Chair for one year and for no more than two 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 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. 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 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](#)



CEO Report Item 10

TO: Ava Community Energy Board of Directors

FROM: Howard Chang, Chief Executive Officer

SUBJECT: CEO Report (Informational Item)

DATE: December 17, 2025

Recommendation

Accept Chief Executive Officer (CEO) report on update items below.

Executive Committee Meeting

An Executive Committee Meeting was held on Wednesday, December 3, 2025. Members received an updates on the value proposition, opt-out fee removal and community investment grants. The next meeting will be held on Wednesday, January 14, 2026 at 3pm.

2026 Ava Public Meetings Calendar

Public meetings are held at Ava Community Energy offices unless otherwise noticed.

Executive Committee (ExCom): First Wednesday of each month (except August) at 3:00 p.m.

Board of Directors (BOD): Third Wednesday of each month (except August) at 6:00 p.m.

Community Advisory Committee (CAC): Monday prior to each Board meeting at 6:00 p.m.

Financial, Administrative and Procurement Subcommittee (FAP): Ad hoc; generally fourth Wednesday, 3:30–5:00 p.m.

Marketing, Regulatory and Legislative Subcommittee (MRL): Ad hoc; generally third Friday, 10:00–11:30 a.m.

Month	ExCom	CAC	BOD	FAP	MRL
Jan	1/14	Tues, 1/20	1/21	1/28	
Feb	2/4	Tues, 2/17	2/18		
Mar	3/4	3/16	3/18	3/25	3/6
Apr	4/1	4/13	4/15		4/10
May	5/6	5/18	5/20	5/27	
Jun	6/3	6/15	6/17		6/12
Jul	7/1	7/13	7/15		
Aug	—	—	—	—	—
Sep	9/2	9/14	9/16	9/9	9/18
Oct	10/7	10/19	10/21	10/28	
Nov	11/4	11/16	11/18		11/20
Dec	12/2	12/14	12/16		

Compliance Notices

By the end of each calendar year, we are required to distribute a Power Content Label Mailer to all customers that received service from Ava Community Energy in the previous calendar year. The Power Content Label Mailer includes the power content mix from 2024. It was emailed to customers the week of December 2 and mailed to customers during the week of December 29. There were unique versions by county. Examples can be found at https://avaenergy.org/wp-content/uploads/2025/12/PCL_2024_Web.pdf, and samples are shown below.

Ava service to unincorporated San Joaquin County (SJC): Customer enrollment to occur in May 2026

Ava staff have identified **May 2026** as the optimal enrollment timing for customers in SJC. When determining the timing of an initial customer enrollment, Ava staff primarily evaluates three criteria: 1) financial impacts; 2) operational efficiency; and 3) overall customer experience.

For background, in December 2024, the California Public Utilities Commission (CPUC) certified Ava's expansion of service to SJC in 2026. CPUC precedent allows Ava a degree of flexibility when it comes to the timing of service to new jurisdictions. After consulting with San Joaquin County officials, including the County's Ava Board Member, Supervisor Robert Rickman, Ava staff have determined that May 2026 offers the best timing based on the three criteria listed above. From a financial perspective, this timing incorporates the most up-to-date budget considerations and market conditions. Operationally, it provides sufficient time for community outreach and customer notifications. And for the newly enrolling customers of unincorporated SJC, it facilitates their access to Ava's programs and service options ahead of the summer months when electricity usage and energy bills tend to be highest.

Update on Customer Programs Roadmap Consultant and Procurement Policy

Staff is currently undergoing a comprehensive legal analysis of the procurement policies of all of Ava's 18 members to consider changes to address concerns with contracting with vendors that have contracts with Immigrations & Customs Enforcement (ICE). Staff anticipates delaying any actions on bringing forward a customer programs roadmap for 3-6 months.

Ava Community Energy

Community Advisory Committee Chair Report to the Board

December 17, 2025

1. Customer Programs Strategic Roadmap (CSA), CAC Letter

- In November, the CAC voted to **reject the proposed CSA with Deloitte**.
 - The Committee has since transmitted a **letter of support for the Customer Programs Strategic Roadmap** (attached), affirming our commitment to advancing customer-focused programs.
 - The CAC emphasized a **“no fear” policy framework** for future RFPs and contractor engagements, ensuring equity, transparency, and respect for immigrant communities.
 - Vice Chair Souza noted community recommendations, including Dohee Kim’s suggestion to **move projects in-house** or engage trusted community contractors.
 - The CAC requests a **report-out on the Resilience Hub initiative** from Emerald Cities Collective (lead consultant) and Local Clean Energy Alliance at our January/February meeting, to assess what is working and what needs improvement.
 - The CAC voted to approve the letter of support for the roadmap, with a minor edit changing “ownership” to “buy-in.”
 - The vote passed unanimously **except Member Pete Stevenson, who opposed**.
-

2. On-Bill Credits for CARE/FERA Customers

- The CAC unanimously voted to support **Option B**, aligning with staff’s recommendation to provide an **equal bill credit of approximately \$80** to all active CARE/FERA customers.
- **Public commenter Audry Ichinose** emphasized that this consensus demonstrates “we are all in this together” and highlighted the need for a strong communication pipeline to distinguish Ava from PG&E.
- **Member Davis Harper** noted that the bill credit will encourage customers to remain enrolled with Ava.

- **Member Peter Weiner** raised the question of whether surplus funds could also support **home retrofits and energy efficiency investments** in the future.
-

3. Value Proposition Adjustments (2026 Financial Forecast)

- The CAC supported **Option B**, maintaining Renewable Energy Credit (REC) levels while adjusting the Brilliant 100 premium to **1.75¢**, covering about **\$6.6 million of the \$10 million deficit**.
 - Staff were given flexibility to address the remaining **~\$3.4 million gap** through operational adjustments.
 - The motion passed with all members in favor **except Member Pete Stevenson, who opposed**.
 - In discussion, **Member Peter Weiner** cautioned against reducing solar procurement and recommended the higher Renewable 100% premium to preserve funding.
 - The Committee adopted this adjustment, leaving staff discretion to close the gap.
 - The motion passed with all members in favor **except Member Stevenson, who opposed**.
-

4. CAC Guide Updates & Term Extensions

- The CAC supported staff's proposed updates to the CAC Guide, including incorporation of **unincorporated San Joaquin County** and extension of all current terms to **April 30, 2026**.
 - The Committee also recommends allowing **Member Cynthia Landry** to continue for an additional **fifth term**, recognizing her tenure and interest in continued service.
-

5. Future Agenda Items

- The CAC requests a **presentation in January** on how Ava will address the **increase in AI-related electrical demand on the grid**.

- The CAC requests a **report-out on the Resilience Hub initiative** from Emerald Cities Collective and Local Clean Energy Alliance at the January/February meeting, to assess what is working and what needs improvement.
-

Closing

The CAC remains committed to advancing Ava's mission of equitable, community-driven energy solutions. We appreciate the Board's consideration of our recommendations and look forward to continued collaboration.

Attachments:

- CAC Letter of Support for the Customer Programs Strategic Roadmap

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 buy-in 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



Staff Report Item 12

To:	Ava Community Energy Authority
From:	Sam Sadle, Principal Legislative Manager
Subject:	<i>Update on outcomes of the 2025 California legislative session and a look ahead to 2026</i>
Date:	December 17, 2025

Summary/Recommendation

This staff report updates the Board on the outcomes of the 2025 California legislative session to support increased Board visibility into our legislative actions. It also discusses expectations for the 2026 session and associated potential impacts on Ava.

Financial Impact

N/A

Analysis and Context

N/A

Attachments

- A. Slide deck "2025 California End-of-Session Legislative Update"



Ava 2025 California End-of-Session Legislative Update

December 17, 2025



Agenda

- 2025 California legislative session in review
- Individual bill updates
- Cap and Invest spending breakdown
- 2026 Preview



2025 California Legislative Timeline

January 6: Legislature reconvenes 10: Governor submits budget	February 21: Bill introduction deadline	March	April
May 2: Policy cmtes move fiscal bills to fiscal cmtes (1st chamber) 9: Policy cmtes move non-fiscal bills to floor (1st chamber)	June 6: Last day for bills to be passed by 1st house 15: Budget bill must be passed	July 18: Policy cmtes move bills to fiscal cmtes or floor (2nd chamber)	August 29: Fiscal cmtes move bills to floor (2nd chamber)
September 12: Last day for each chamber to pass bills	October 12: Last day for Governor to sign/veto bills	November	December

We are here



2025 Session in Review

28 bills flagged for continued attention

12 positions
(10 support, 2 Support if Amended)

4 signed: SB254,
SB283, SB707, AB39

2 vetoed: AB44,
SB541

AB 1207 and
SB 840 extend
Cap-and-Trade to
2045

- Renamed "Cap-and-Invest"
- Significant changes to GGRF spending (see further slides)
- Reallocates some credits from gas customers to electric utilities



2025 Session in Review - Wins

SB283 (battery safety):

Ava language adopted into bill

Signed into law

SB541 (load modification):

Ava language adopted into bill
(subsequently removed)

Veto'd on CalCCA recommendation

SB254 (affordability):

Autonomy threat removed

Signed into law

AB222 (data centers):

Hostile amendment rejected

2 year bill



Bill # (Author)	Description	Ava Position	Bill Status
Attachment Staff Report Item 12A (progress through leg)			
Making Electricity More Affordable			
AB 99 (Ta-R)	Prohibits an Investor-Owned Utility (IOU) from proposing a rate increase above the level of inflation for any general rate cycle, except for cases related to safety improvements, system upgrades, or increased costs of materials.	Monitor	Held in Asm Appr. Suspense File
AB 729 (Zbur-D)	Provides bill relief by reallocating the Climate Credit to align with periods of highest statewide energy usage. Rather than a single payment in April, residential customers will receive the electricity Climate Credit in August and September and the natural gas Climate Credit in February.	Support	Failed Deadline in Sen. E, U, & C Committee (2-year bill)
AB 1207 (Irwin-D)	<p>However, some elements of the concepts above were included below...</p> <p>AB 729 was later incorporated into AB 1207, which extends and renames the cap-and-trade program and directs the CPUC to spread resulting customer credits across up to four high-billed months, while also adding new outreach requirements and dedicating revenues to the Transmission Accelerator Fund.</p>		AB 1207 Signed into Law
SB 254 (Becker-D)	Joint Senate and Assembly Affordability package; Establishes the California Transmission Infrastructure Accelerator within GO-Biz and the I-Bank to finance and expedite critical transmission projects. Creates a revolving fund and authorizes bonds and other financial tools to connect developers with public and private capital. Consolidates affordability measures originally split across SB 254 and AB 825, with SB 254 serving as the principal vehicle for infrastructure financing and transmission acceleration.	Support	Signed into Law

Bill # (Author)	Description	Ava Position	Bill Status (progress through leg)
Protecting Community Choice			
Accelerating Decarbonization (Local Permitting)			
AB 39 (Zbur-D)	Requires that no later than 2030 cities and counties with over 75,000 residents adopt an electrification / decarbonization / community energy plan or integrate these subjects into their general plan.	Support	Signed into Law
AB 306 (Schultz-D, co:Wicks-D)	October 2025 to June 2031, places restrictions on local changes to building standards (including reach codes) for residential units, emphasizing uniformity and the protection of health, safety, and home hardening.	Monitor	Language was inserted into approved budget bill (AB 130)
SB 282 (Wiener-D)	Requires municipalities to streamline application and certification processes for residential heat pump systems.	Support	Held in Sen. Appr. Suspense File
Accelerating Decarbonization (Battery Storage)			
SB 283 (Laird-D)	Requires BESS developers to consult with local fire departments and undergo inspections before operation. Also directs the State Fire Marshall to "review and consider proposing" changes to the state building codes that restrict the location of storage projects to outdoors or in dedicated use, noncombustible buildings.	Support <i>(originally Support if Amended)</i>	Signed into Law

Bill # (Author)	Description	Ava Position Attachment Staff Report Item 12A	Bill Status (progress through leg)
Accelerating Decarbonization			
AB 915 (Petrie-Norris-D)	Originally introduced as a clean energy siting and funding bill tied to the Clean Energy Reliability Investment Plan (CERIP), AB 915 was amended into a dam safety measure. Its earlier clean energy provisions were absorbed into the SB 254 affordability and infrastructure package.	Monitor (<i>originally Support</i>)	Vetoed
SB 698 (McNerney-D)	Authorizes CEC to establish Distributed Energy Resources (DER) equipment lists and adopt guidelines to further energy goals including solar systems, energy storage, bidirectional charging, and charging stations.	Support	Held in Asm Appr. Suspense File
Promoting Local Development (Vehicle Charging)			
AB 1423 (Irwin-D)	Originally expanded CEC's reliability and uptime regulations to a subset of publicly-funded/utility-funded chargers and provided authority for CEC to impose civil penalties for each violation. Superseded by CEC regulations and amended to focus only on EV charger payment definitions.	Monitor	Signed into Law
SB 314 (Padilla-D)	Allows chargers to be self-certified by installers and manufacturers be entered into operation during the state inspection period. Provides exemptions from some state laws for chargers only available to certain individuals.	Support	Held in Sen. Appr. Suspense File

Bill # (Author)	Description	Ava Position	Bill Status <small>Attachment Staff Report Item 12A</small> (progress through leg)
Promoting Local Development (Data Centers)			
AB 222 (Bauer-Kahan-D)	Requires biannual reporting of power usage effectiveness (PUE) ratios from large data centers to the CEC, and directs the 2027 Integrated Energy Policy Report to include projections of data center load growth and grid impacts. Mandates a CPUC assessment of potential cost shifts from new data center loads, including procurement and transmission costs, with recommendations to mitigate impacts.	Support if Amended	Held in Sen. Appr. Suspense File
SB 57 (Padilla-D co: McNerney-D)	Authorizes the CPUC to prepare an assessment by January 2027 on whether new data center loads are creating cost shifts for other utility customers. The assessment may review procurement, transmission, and distribution costs, and must identify mitigation opportunities if substantial shifts are found.	Monitor	Signed into Law
Increasing Bill Transparency and Understanding (Dynamic Rates)			
AB 44 (Schultz-D)	Requires the CEC to define and publicize load modification protocols by 12/2026, allowing Load Serving Entities (LSEs) to adjust their electrical demand forecasts. The bill aims to improve grid reliability by incorporating flexible demand tools, supporting decarbonization, and helping LSEs manage their resource adequacy obligations.	Support	Vetoed
SB 541 (Becker-D)	Requires CEC via the Integrated Energy Policy Report (IPER) to establish load shifting targets allocated to each retail supplier based on its relative share of statewide load and the CEC's estimate of its load shifting potential. Requires CEC to work with the CPUC to identify barriers to meeting these estimates.	Support if Amended	Vetoed

Bill # (Author)	Description	Ava Position Attachment Staff Report Item 12A	Bill Status (progress through leg)
Bills Concerning IOUs			
AB 740 (Harabedian-D)	Mandates IOUs report on their efforts to achieve load shifting goals. Directs the CEC to develop a strategic plan to facilitate the large-scale deployment of Virtual Power Plants.	Monitor	Vetoed
AB 1117 (Schultz-D)	Requires the implementation of dynamic pricing for all commercial and residential customers by 2030. CCA participation in dynamic pricing is voluntary but requires gen rate alignment with market conditions while preventing cost shifts between bundled and unbundled customers.	Monitor	Held in Sen. Appr. Suspense File
AB 1167 (Berman-D , Addis-D)	Prohibits IOUs from using ratepayer funds for activities like political influence or promotional advertising that don't directly benefit customers. Requires these utilities to disclose whether advertising costs are covered by ratepayers or shareholders.	Monitor	Signed into Law
SB 24 (McNerney-D)	Prohibits IOUs from using ratepayer funds to undertake political influence activities, make charitable contributions, or lobby against municipalization. Mandates utilities to report detailed expense data to ensure compliance and requires service restoration during poor air quality conditions.	Monitor	Vetoed
SB 332 (Wahab-D)	Requires the CEC to evaluate the transition of the IOU model to a successor entity, implements disconnection transparency reporting, requires third party equipment audits, and prohibits ratepayer funds to be used for wildfire mitigation infrastructure investment, among other changes.	Monitor	Held in Asm. Appr. Suspense File

Bill # (Author)	Description	Ava Position <small>Attachment Staff Report Item 12A</small>	Bill Status <small>(progress through leg)</small>
Bills Concerning IOUs (cont.)			
SB 500 (Stern-D)	<p>Originally directed the CPUC to develop and track IOU performance metrics and financial incentives to better align utility investments with cost-effective, safe, and reliable service.</p> <p>Amended to instead allow IOUs to satisfy data sharing requests from energy users to be addressed by sharing aggregated energy usage data via any tool permitted by the CEC.</p>	Monitor	Signed into Law
Board Operations			
AB 259 (Rubio-D)	Extends Brown Act alternative teleconferencing rules indefinitely (currently scheduled to expire in 2026).	Support	Failed Deadline in Sen. Judiciary Committee (2-year bill)
SB 239 (Arreguín-D) SB 707 (Durazo-D)	<p>SB 707 (supplanting SB 239) shifts from a narrow subsidiary-body teleconferencing bill to a broad Brown Act modernization incorporating elements from SB 239 and AB 259.</p> <p>Particularly relevant to Ava, the bill extends Brown Act alternative teleconferencing through January 2030 (currently scheduled to expire in January 2026).</p>	Support	SB 707 Signed into Law

Bill # (Author)	Description	Ava Position	Bill Status <small>Attachment Staff Report Item 12A</small> (progress through leg)
Other Ava Priority Bills			
AB 13 (Ransom-D)	Originally required geographic representation for CPUC Commissioners, a legislative liaison, and annual reports on affordability, case resolutions, and rate decisions. Amended to instead require the Governor and Senate to 'consider' regional diversity in appointments, while retaining the other provisions.	Monitor	Held in Sen. Appr. Suspense File (2-year bill)
AB 942 (Calderon-D)	Repurposed from a NEM reform bill into a Climate Credit bill; now requires GHG allowance revenues to be credited directly to customers, allows up to 15% for clean energy projects, and excludes non-CARE/FERA residential customers with annual bills under \$300 from receiving the credit.	Monitor	Failed Deadline in Senate Rules Committee (2-year bill)
AB 1260 (Ward-D)	Requires the CPUC to modify customer renewable energy subscription programs and requires CEC to evaluate community solar+storage as a load-modifying resource.	Monitor	Held in Asm. Appr. Suspense File
SB 453 (Stern-D)	Directs CPUC to review the status of unallocated Microgrid Incentive Program funds by January 2026; requires remaining funds to prioritize vulnerable communities and critical infrastructure in areas with repeated deenergization events. <i>Ava-supported SGIP language removed from bill.</i>	Monitor (<i>originally Support</i>)	Failed Deadline on Sen. Floor (2-year bill)
SB 842 (Stern-D)	Directs the CPUC, in coordination with CAISO, to produce a report by 12/26 evaluating opportunities and needs for firm zero-carbon resources to support local and system reliability over the short, mid, and long term. The report must assess key resource attributes, identify barriers, and recommend solutions to better integrate firm zero-carbon resources into California's energy planning and markets.	Monitor	Held in Asm. Appr. Suspense File

Cap and Invest Spending

Program	Pre extension per year (≈ \$4 billion per year)	2026-2045 per year
High Speed Rail	25% ≈ \$1 billion	\$1 billion
Affordable Housing and Sustainable Communities (AHSC) Program	20% ≈ \$800 million	\$800 million
Transit and Intercity Rail Capital Program (TIRCP)	10% ≈ \$400 million	\$400 million
Low Carbon Transit Operations Program (LCTOP)	5% ≈ \$200 million	\$200 million
CalFire	Up to \$200 mil	\$200 million
Safe and Affordable Drinking Water Fund in DAC/low-income communities	5% ≈ \$200 million; but no more than \$130 mil	\$130 million
CARB Community Air Protection Programs	\$0	\$250 million
At the Legislature's discretion	\$0	\$1 billion



Cap and Invest Spending

Winners:

- The California legislature gains increased discretion
- Programs that received funding guarantees
 - High speed rail and public transit
 - CARB and affordable housing programs
 - Wildfire mitigation and climate adaptation

Missed out on fixed GGRF funding:

- EVs and EV infrastructure
- Distributed energy and demand flex incentives

Impact:

- Expect yearly fights over the legislature's \$1 billion pot of funding
- Limited impact on existing Ava funding streams, but could open new opportunities depending on annual appropriations



2026 California Legislative Timeline

We are here

January 5: Legislature reconvenes 10: Governor submits budget	February 20: Bill introduction deadline	March	April 24: Policy cmtes move fiscal bills to fiscal cmtes (1st chamber)
May 1: Policy cmtes move non-fiscal bills to floor (1st chamber) 29: Last day for bills to be passed by 1st house	June 15: Budget bill must be passed	July 2: Policy cmtes move bills to fiscal cmtes or floor (2nd chamber)	August 14: Fiscal cmtes move bills to floor (2nd chamber) 31: Last day for each chamber to pass bills
September 30: Last day for Governor to sign/veto bills	October	November	December



2026 Expected Issues

2025 Learnings

- Gov Newsom very defensive of existing CPUC/CEC authorities and workload (see vetos)
- IOUs wary of changes to T&D system (see 541)
- State approach to data centers remains in flux
- CCAs have growing clout (see language changes)

2026 look forward

- **Unresolved leg issues from 2025:** RA transactability, data centers, energy efficiency program oversight, dynamic rates/load modification
- **New issues:** Response to Federal changes, funding gaps left by new cap-and-trade (DSGS and others), structural deficits (\$17-25B through 28/29)
- **Potential CCA initiatives:** T&D push, PCIA reform
- **Possible Senate U&E changes**





Staff Report Item 13

To:	Ava Community Energy Authority
From:	John Perkins, Legal Director
Subject:	Amending the Joint Powers Agreement to add clarifications and to align the Agreement with established Board practice.
Date:	December 17, 2025

Summary/Recommendation

This Staff Report proposes amending Ava's Joint Powers Agreement as detailed below in order to add clarifications and clearly align the JPA with established patterns and practices of the Board.

Financial Impact

N/A

Analysis and Context

This Staff Report proposes the following updates to the JPA:

1. Clarify the requirements of establishing quorum by expressly referencing that the Ex Officio Board member may not count toward the quorum calculation and by establishing that the number of required Board members is based on the number of Parties regardless of whether a new party has yet selected a Director.
2. Clarify the Voting Shares Formula to expressly align with the approach the Board has consistently taken.
3. Clarify the committee appointment process to expressly align with the approach the Board has consistently taken.
4. Align the JPA with the Community Advisory Committee Guide.
5. Provide for flexibility in the timing of the appointment of the Chair and Vice Chair.

Attachments

- A. Resolution
- B. Redlined proposed update to the JPA.
- C. Powerpoint Presentation

RESOLUTION NO. R-2025-xx
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY UPDATING THE JOINT
POWERS AGREEMENT TO ADD CLARIFICATIONS AND TO ALIGN THE
AGREEMENT WITH ESTABLISHED BOARD PRACTICE

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 desires to update Ava’s Joint Powers Agreement to add clarifications and to reflect the Board’s established practices;

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

Section 1. The Board hereby adopts those updates to the Joint Powers Authority accompanying this Resolution.

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

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

Ava Community Energy Authority

- Joint Powers Agreement –

Effective December 1, 2016

As amended by Resolution No. 2018-23 dated June 20, 2018

As further amended by Resolution No. 2022-28 dated September 21, 2022

As further amended by Resolution No. 2023-48 dated September 20, 2023

As further amended by Resolution No. 2023-54 dated October 18, 2023

As further amended by Resolution No. 2024-57 dated July 17, 2024

Among The Following Parties:

County of Alameda

County of San Joaquin

City of Albany

City of Berkeley

City of Dublin

City of Emeryville

City of Fremont

City of Hayward

City of Lathrop

City of Livermore

City of Newark

City of Oakland

City of Piedmont

City of Pleasanton

City of San Leandro

City of Stockton

City of Tracy

City of Union City

AVA COMMUNITY ENERGY AUTHORITY

JOINT POWERS AGREEMENT

This Joint Powers Agreement (“Agreement”), effective as of December 1, 2016, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit A (“Parties”). The term “Parties” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
2. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local government to develop programs to reduce greenhouse gas emissions.
3. The purposes for the Initial Participants (as such term is defined in Section 1.1.16 below) entering into this Agreement include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by reducing energy related greenhouse gas emissions, promoting electrical rate price stability, and fostering local economic benefits such as jobs creation, community energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional and local solar and wind energy production.
4. The Parties desired to establish a separate public agency, known as the East Bay Community Energy Authority (“Authority”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
5. The Initial Participants each adopted an ordinance electing to implement through the Authority a Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 (“CCA Program”). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.
6. By establishing the Authority, the Parties seek to:
 - (a) Provide electricity rates that are lower or competitive with those offered by PG&E for similar products;

- (b) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate;
 - (c) Develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of the parties’ greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;
 - (d) Establish an energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits;
 - (e) Promote an energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals;
 - (f) Demonstrate quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments);
 - (g) Recognize the value of workers in existing jobs that support the energy infrastructure of Alameda County and Northern California. The Authority, as a leader in the shift to a clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a “just transition” to the new clean energy economy;
 - (h) Deliver clean energy programs and projects using a stable, skilled workforce through such mechanisms as project labor agreements, or other workforce programs that are cost effective, designed to avoid work stoppages, and ensure quality;
 - (i) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
 - (j) Provide and manage lower cost energy supplies in a manner that provides cost savings to low-income households and promotes public health in areas impacted by energy production; and
 - (k) Create an administering agency that is financially sustainable, responsive to regional priorities, well managed, and a leader in fair and equitable treatment of employees through adopting appropriate best practices employment policies, including, but not limited to, promoting efficient consideration of petitions to unionize, and providing appropriate wages and benefits.
- (l) The Parties desire to change the name of the agency from East Bay Community Energy Authority to Ava Community Energy Authority.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1 **CONTRACT DOCUMENTS**

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified below, unless the context requires otherwise.

- 1.1.1** “AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.
- 1.1.2** “Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*)
- 1.1.3** “Agreement” means this Joint Powers Agreement.
- 1.1.4** “Annual Energy Use” has the meaning given in Section 1.1.23.
- 1.1.5** “Authority” means the Ava Community Energy Authority established pursuant to this Joint Powers Agreement.
- 1.1.6** “Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.
- 1.1.7** “Board” means the Board of Directors of the Authority.
- 1.1.8** “Community Choice Aggregation” or “CCA” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.
- 1.1.9** “CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.4 and 5.1.
- 1.1.10** “Days” shall mean calendar days unless otherwise specified by this Agreement.
- 1.1.11** “Director” means a member of the Board of Directors representing a Party, including an alternate Director.
- 1.1.12** “Effective Date” means the date on which this Agreement shall become effective and the Ava Community Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

- 1.1.13** “Ex Officio Board Member” means a non-voting member of the Board of Directors as described in Section 4.2.2. As a non-voting member, The-the Ex Officio Board Member will not count towards establishing quorum and may not serve on the Executive Committee of the Board, make or second a motion, or participate in closed session meetings of the Board.
- 1.1.14** “Implementation Plan” means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.
- 1.1.15** “Initial Costs” means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority’s initial formation activities or in support of the negotiation, preparation and approval of power purchase agreements. The Board shall determine the termination date for Initial Costs.
- 1.1.16** “Initial Participants” means, for the purpose of this Agreement the County of Alameda, the Cities of Albany, Berkeley, Emeryville, Oakland, Piedmont, San Leandro, Hayward, Union City, Fremont, Dublin, and Livermore.
- 1.1.17** “Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.
- 1.1.18** “Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.
- 1.1.19** “Party” means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.
- 1.1.20** “Percentage Vote” means a vote taken by the Board pursuant to Section 4.12.1 that is based on each Party having one equal vote.
- 1.1.21** “Total Annual Energy” has the meaning given in Section 1.1.23.
- 1.1.22** “Voting Shares Vote” means a vote taken by the Board pursuant to Section 4.12.2 that is based on the voting shares of each Party described in Section 1.1.23 and set forth in Exhibit C to this Agreement. A Voting Shares vote cannot take place on a matter unless the matter first receives an affirmative or tie Percentage Vote in the manner required by Section 4.12.1 and three or more Directors immediately thereafter request such vote.

1.1.23 “Voting Shares Formula” means the weight applied to a Voting Shares Vote and is determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) “Annual Energy Use” means ~~(i) with respect to the first two years following the Effective Date,~~ the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s respective jurisdiction ~~and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by the Authority~~ and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit B and the initial voting shares are designated in Exhibit C. Both Exhibits B and C shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year subject to the approval of the Board.

1.2 **Documents Included.** This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

- Exhibit A: List of the Parties
- Exhibit B: Annual Energy Use
- Exhibit C: Voting Shares

1.3 **Revision of Exhibits.** The Parties agree that Exhibits A, B and C to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

ARTICLE 2

FORMATION OF AVA COMMUNITY ENERGY AUTHORITY (FORMERLY EAST BAY COMMUNITY ENERGY AUTHORITY)

2.1 **Effective Date and Term.** This Agreement shall become effective and Ava Community Energy Authority shall exist as a separate public agency on December 1, 2016, provided that this Agreement is executed on or prior to such date by at least three Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.3, subject to the rights of the Parties to withdraw from the Authority.

2.2 **Initial Participants.** Until December 31, 2016, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(12) to the

Authority. Additional conditions, described in Section 3.1, may apply (i) to either an incorporated municipality or county desiring to become a Party that is not an Initial Participant and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

2.3 Formation. There is formed as of the Effective Date a public agency named the East Bay Community Energy Authority, later renamed Ava Community Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing boards of all Parties.

2.4 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party and any other powers granted to the Authority under state law to participate as a group in the CCA Program pursuant to Public Utilities Code Section 366.2(c)(12); to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs; and, to exercise all other powers necessary and incidental to accomplishing this purpose.

2.5 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:

- 2.5.1** to make and enter into contracts, including those relating to the purchase or sale of electrical energy or attributes thereof;
- 2.5.2** to employ agents and employees, including but not limited to a Chief Executive Officer and General Counsel;
- 2.5.3** to acquire, contract, manage, maintain, and operate any buildings, works or improvements, including electric generating facilities;
- 2.5.4** to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
- 2.5.5** to lease any property;
- 2.5.6** to sue and be sued in its own name;
- 2.5.7** to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Section 53850 *et seq.* and authority under the Act;

- 2.5.8 to form subsidiary or independent corporations or entities, if appropriate, to carry out energy supply and energy conservation programs at the lowest possible cost consistent with the Authority's CCA Program implementation plan, risk management policies, or to take advantage of legislative or regulatory changes;
- 2.5.9 to issue revenue bonds and other forms of indebtedness;
- 2.5.10 to apply for, accept, and receive all licenses, permits, grants, loans or other assistance from any federal, state or local public agency;
- 2.5.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- 2.5.12 to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Rules and Regulations");
- 2.5.13 to make and enter into service, energy and any other agreements necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and
- 2.5.14 to negotiate project labor agreements, community benefits agreements and collective bargaining agreements with the local building trades council and other interested parties.

2.6 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Emeryville and any other restrictions on exercising the powers of the Authority that may be adopted by the Board.

2.7 Compliance with Local Zoning and Building Laws. Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

2.8 Compliance with the Brown Act. The Authority and its officers and employees shall comply with the provisions of the Ralph M. Brown Act, Government Code Section 54950 *et seq.*

2.9 Compliance with the Political Reform Act and Government Code Section 1090. The Authority and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 *et seq.*) and Government Code Section 1090 *et seq.*, and shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board of

Directors may adopt additional conflict of interest regulations in the Operating Rules and Regulations.

ARTICLE 3

AUTHORITY PARTICIPATION

3.1 Addition of Parties. Subject to Section 2.2, relating to certain rights of Initial Participants, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption by an affirmative vote of a majority of all Directors of the entire Board satisfying the requirements described in Section 4.12, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership fee, if any, and (e) satisfaction of any conditions established by the Board.

3.2 Continuing Participation. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

ARTICLE 4

GOVERNANCE AND INTERNAL ORGANIZATION

4.1 Board of Directors. The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.

4.2 Appointment of Directors. The Directors shall be appointed as follows:

4.2.1 The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the regular Director shall be a member of the governing body of the Party at the time of appointment but may continue to serve as a Director following his/her term as a member of the Party's governing body until a new Director is appointed pursuant to the timing in Section 4.3. The person appointed and designated as the alternate Director shall also be a member of the governing body of a Party and the alternate may continue to serve

as an alternate following his/her term as a member of a Party's governing body until a new alternate is appointed pursuant to the timing in Section 4.3.

- 4.2.2 The Board shall also include one non-voting ex officio member as defined in Section 1.1.13 ("Ex Officio Board Member"). The Chair of the Community Advisory Committee, as described in Section 4.9 below, shall serve as the Ex Officio Board Member. The Vice Chair of the Community Advisory Committee shall serve as an alternate Ex Officio Board Member when the regular Ex Officio Board Member is absent from a Board meeting.
- 4.2.3 The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.12 may include rules regarding Directors, such as meeting attendance requirements. No Party shall be deprived of its right to seat a Director on the Board.

4.3 Term of Office. Each regular and alternate Director shall serve at the pleasure of the governing body of the Party that the Director represents and may be removed as Director by such governing body at the time. If at any time a vacancy occurs on the Board because a Director is no longer a member of a Party's governing body, the Party shall appoint a replacement to fill the position of the previous Director in accordance with the provisions of Section 4.2.1 within ninety (90) days of the date that such Director is no longer a member of a Party's governing body or for any other reason that such position becomes vacant.

4.4 Quorum. A majority of the Directors of the entire Board shall constitute a quorum, except that less than a quorum may adjourn a meeting from time to time in accordance with law. For the purpose of calculating quorum, the number of Directors of the entire Board shall be equal to the number of Parties to the Agreement, regardless of whether all Parties have appointed a Director.

4.5 Powers and Function of the Board. The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law. Board approval shall be required for any of the following actions, which are defined as "Essential Functions":

- 4.5.1 The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.
- 4.5.2 The hiring of a Chief Executive Officer and General Counsel.
- 4.5.3 The appointment or removal of an officer.
- 4.5.4 The adoption of the Annual Budget.
- 4.5.5 The adoption of an ordinance.

4.5.6 The initiation of resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board. The Board shall adopt Operating Rules and Regulations governing the Chief Executive Officer and General Counsel's exercise of authority under this Section 4.5.6.

4.5.7 The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.

4.5.8 Termination of the CCA Program.

4.6 Executive Committee. The Board shall establish an Executive Committee consisting of a smaller number of Directors. The Board may delegate to the Executive Committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain Essential Functions, as described in Section 4.5 and the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.12 to adopt and amend the Operating Rules and Regulations or its Essential Functions listed in Section 4.5. After the Executive Committee meets or otherwise takes action, it shall, as soon as practicable, make a report of its activities at a meeting of the Board.

4.7 Director Compensation. Directors shall receive a stipend of \$100 per meeting, as adjusted to account for inflation, as provided for in the Authority's Operating Rules and Regulations.

4.8 Commissions, Boards and Committees. The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses. The Chair shall appoint Board members to committee assignments.

4.9 Community Advisory Committee. The Board shall establish a Community Advisory Committee consisting of ~~nine members and three alternates~~members and alternates appointed by the Board of Directors, none of whom may be voting members of the Board. ~~One alternate from the pool of three alternates~~An alternate may take the place of a Community Advisory Member when a Community Advisory Committee member cannot attend a meeting. ~~The Community Advisory Committee member that is unable to attend a meeting must notify the alternates of their inability to attend and obtain confirmation that one of the Alternates can attend the Community Advisory Committee meeting in that member's place. The size, structure, and procedures of the Committee will be set by the Board in the Community Advisory Committee~~

Guide. The function of the Community Advisory Committee shall be to advise the Board of Directors on all subjects related to the operation of the CCA Program as set forth in a work plan adopted by the Board of Directors from time to time, with the exception of personnel and litigation decisions. The Community Advisory Committee is advisory only, and shall not have decision making authority, or receive any delegation of authority from the Board of Directors. The Board shall publicize the opportunity to serve on the Community Advisory Committee and shall appoint members of the Community Advisory Committee and Alternates from those individuals expressing interest in serving, and who represent a diverse cross-section of interests, skill sets and geographic regions. ~~Members of the Community Advisory Committee shall serve staggered four years terms (the first term of three of the members shall be two years, and four years thereafter), which may be renewed.~~ A member or Alternate of the Community Advisory Committee may be removed by the Board of Directors by majority vote. The Board of Directors shall determine whether the Community Advisory Committee members will receive a stipend or be entitled to reimbursement of expenses.

4.10 Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement, if the expenditure is authorized in the Authority's approved budget, except the powers specifically set forth in Section 4.5 or those powers which by law must be exercised by the Board of Directors. The Board of Directors shall provide procedures and guidelines for the Chief Executive Officer exercising the powers of the Authority in the Operating Rules and Regulations.

4.11 General Counsel. The Board of Directors shall appoint a General Counsel for the Authority, who shall be responsible for providing legal advice to the Board of Directors and overseeing all legal work for the Authority.

4.12 Board Voting.

4.12.1 Percentage Vote. Except when a supermajority vote is expressly required by this Agreement or the Operating Rules and Regulations, action of the Board on all matters shall require an affirmative vote of a majority of all Directors on the entire Board (a "Percentage Vote" as defined in Section 1.1.20). A supermajority vote is required by this Agreement for the matters addressed by Section 8.4. When a supermajority vote is required by this Agreement or the Operating Rules and Regulations, action of the Board shall require an affirmative Percentage Vote of the specified supermajority of all Directors on the entire Board. No action can be taken by the Board without an affirmative Percentage Vote. Notwithstanding the foregoing, in the event of a tie in the Percentage Vote, an action may be approved by an affirmative "Voting Shares Vote," as defined in Section 1.1.22, if three or more Directors immediately request such vote.

4.12.2 Voting Shares Vote. In addition to and immediately after an affirmative percentage vote, three or more Directors may request that, a vote of the

voting shares shall be held (a “Voting Shares Vote” as defined in Section 1.1.22). To approve an action by a Voting Shares Vote, the corresponding voting shares (as defined in Section 1.1.23 and Exhibit C) of all Directors voting in the affirmative shall exceed 50% of the voting share of all Directors on the entire Board, or such other higher voting shares percentage expressly required by this Agreement or the Operating Rules and Regulations. In the event that any one Director has a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter. When a voting shares vote is held, action by the Board requires both an affirmative Percentage Vote and an affirmative Voting Shares Vote. Notwithstanding the foregoing, in the event of a tie in the Percentage Vote, an action may be approved on an affirmative Voting Shares Vote. When a supermajority vote is required by this Agreement or the Operating Rules and Regulations, the supermajority vote is subject to the Voting Share Vote provisions of this Section 4.12.2, and the specified supermajority of all Voting Shares is required for approval of the action, if the provision of this Section 4.12.2 are triggered.

4.13 Meetings and Special Meetings of the Board. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.

4.14 Officers.

4.14.1 Chair and Vice Chair. Prior to the end of the fiscal year, the Directors shall elect, from among ~~themselves~~their regular members, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The newly elected Chair and Vice Chair shall commence serving in those capacities on July 1 or such date as the Board may choose, ~~except that no separate election shall be required for Fiscal Year 2018-2019 and the Chair and Vice Chair elected in 2018 shall continue to serve until the end of the 2018-2019 Fiscal Year and shall serve until they are replaced.~~ Subject to the remainder of this provision, The the following apply to the role of the Chair and to the role of the Vice Chair: (A) the term of service shall be one year; (B) the Chair where a director has served two consecutive terms in a given role, that director may not serve a third consecutive term in the same role and Vice Chair shall hold office for one year and serve no more than two consecutive terms, however, (C) the total number of terms a Director may serve as Chair or Vice Chair is not limited. If the Board changes the date on which the Chair or Vice Chair commences serving, the sitting Chair or

Vice Chair shall continue to serve until such date, and such time shall not be deemed an additional term or portion thereof. -The office of either the Chair or Vice Chair shall be declared vacant and the Board shall make a new selection if: (a) the person serving dies, resigns, or ceases to be a member of the governing body of a Party that person represents, except if the person is continuing to serve on the Board after that person no longer serves on the governing body in conformance with section 4.2.1; (b) the Party that the person represents removes the person as its representative on the Board, or (c) the Party that the person represents withdraws from the Authority pursuant to the provisions of this Agreement.

4.14.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

4.14.3 Treasurer and Auditor. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. The same person may not simultaneously hold both the office of Treasurer and the office of the Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made annually by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depositary of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested, the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time.

4.15 Administrative Services Provider. The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. The Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

4.16 Operational Audit. The Authority shall commission an independent agent to conduct and deliver at a public meeting of the Board an evaluation of the performance of the CCA Program relative to goals for renewable energy and carbon reductions. The Authority shall approve a budget for such evaluation and shall hire a firm or individual that has no other direct or indirect business relationship with the Authority. The evaluation shall be conducted at least once every two years.

ARTICLE 5

IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 Implementation of the CCA Program.

5.1.1 Enabling Ordinance. Prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

5.1.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.12.

5.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

5.2 Other Authority Documents. The Parties acknowledge and agree that the operations of the Authority will be implemented through various documents duly adopted by the Board through Board resolution or minute action, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

5.3 Integrated Resource Plan. The Authority shall cause to be prepared an Integrated Resource Plan in accordance with CPUC regulations that will ensure the long-term development and administration of a variety of energy programs that promote local renewable resources, conservation, demand response, and energy efficiency, while maintaining compliance with the State Renewable Portfolio standard and customer rate competitiveness. The Authority shall prioritize the development of energy projects in Alameda and adjacent counties. Principal

aspects of its planned operations shall be in a Business Plan as outlined in Section 5.4 of this Agreement.

5.4 Business Plan. The Authority shall cause to be prepared a Business Plan, which will include a roadmap for the development, procurement, and integration of local renewable energy resources as outlined in Section 5.3 of this Agreement. The Business Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs. The Business Plan shall identify opportunities for local power development and how the CCA Program can achieve the goals outlined in Recitals 3 and 6 of this Agreement. The Business Plan shall include specific language detailing employment and labor standards that relate to the execution of the CCA Program as referenced in this Agreement. The Business Plan shall identify clear and transparent marketing practices to be followed by the CCA Program, including the identification of the sources of its electricity and explanation of the various types of electricity procured by the Authority. The Business Plan shall cover the first five (5) years of the operation of the CCA Program. Progress on the implementation of the Business Plan shall be subject to annual public review.

5.5 Labor Organization Neutrality. The Authority shall remain neutral in the event its employees, and the employees of its subcontractors, if any, wish to unionize.

5.6 Renewable Portfolio Standards. The Authority shall provide its customers renewable energy primarily from Category 1 eligible renewable resources, as defined under the California RPS and consistent with the goals of the CCA Program. The Authority shall not procure energy from Category 3 eligible renewable resources (unbundled Renewable Energy Credits or RECs) exceeding 50% of the State law requirements, to achieve its renewable portfolio goals. However, for Category 3 RECs associated with generation facilities located within its service jurisdiction, the limitation set forth in the preceding sentence shall not apply.

ARTICLE 6

FINANCIAL PROVISIONS

6.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

6.2 Depository.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in

accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 Budget and Recovery Costs.

- 6.3.1 Budget.** The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.
- 6.3.2 Funding of Initial Costs.** The County shall fund the Initial Costs of establishing and implementing the CCA Program. In the event that the CCA Program becomes operational, these Initial Costs paid by the County and any specified interest shall be included in the customer charges for electric services to the extent permitted by law, and the County shall be reimbursed from the payment of such charges by customers of the Authority. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County shall not be entitled to any reimbursement of the Initial Costs.
- 6.3.4 Additional Contributions and Advances.** Pursuant to Government Code Section 6504, the Parties may in their sole discretion make financial contributions, loans or advances to the Authority for the purposes of the Authority set forth in this Agreement. The repayment of such contributions, loans or advances will be on the written terms agreed to by the Party making the contribution, loan or advance and the Authority.

ARTICLE 7 WITHDRAWAL AND TERMINATION

7.1 Withdrawal.

- 7.1.1 General Right to Withdraw.** A Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.
- 7.1.2 Withdrawal Following Amendment.** Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement provided that the requirements of this Section 7.1.2 are strictly followed. A Party shall be deemed to have

withdrawn its membership in the Authority effective 180 days after the Board approves an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board.

- 7.1.3 The Right to Withdraw Prior to Program Launch.** After receiving bids from power suppliers for the CCA Program, the Authority must provide to the Parties a report from the electrical utility consultant retained by the Authority comparing the Authority's total estimated electrical rates, the estimated greenhouse gas emissions rate and the amount of estimated renewable energy to be used with that of the incumbent utility. Within 30 days after receiving this report, through its City Manager or a person expressly authorized by the Party, any Party may immediately withdraw its membership in the Authority by providing written notice of withdrawal to the Authority if the report determines that any one of the following conditions exists: (1) the Authority is unable to provide total electrical rates, as part of its baseline offering to customers, that are equal to or lower than the incumbent utility, (2) the Authority is unable to provide electricity in a manner that has a lower greenhouse gas emissions rate than the incumbent utility, or (3) the Authority will use less qualified renewable energy than the incumbent utility. Any Party who withdraws from the Authority pursuant to this Section 7.1.3 shall not be entitled to any refund of the Initial Costs it has paid to the Authority prior to the date of withdrawal unless the Authority is later terminated pursuant to Section 7.3. In such event, any Initial Costs not expended by the Authority shall be returned to all Parties, including any Party that has withdrawn pursuant to this section, in proportion to the contribution that each made. Notwithstanding anything to the contrary in this Agreement, any Party who withdraws pursuant to this section shall not be responsible for any liabilities or obligations of the Authority after the date of withdrawal, including without limitation any liability arising from power purchase agreements entered into by the Authority.

7.2 Continuing Liability After Withdrawal; Further Assurances; Refund. A Party that withdraws its membership in the Authority under either Section 7.1.1 or 7.1.2 shall be responsible for paying its fair share of costs incurred by the Authority resulting from the Party's withdrawal, including costs from the resale of power contracts by the Authority to serve the Party's load and any similar costs directly attributable to the Party's withdrawal, such costs being limited to those contracts executed while the withdrawing Party was a member, and administrative costs associated thereto. The Parties agree that such costs shall not constitute a debt of the withdrawing Party, accruing interest, or having a maturity date. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's costs described above. Any amount of the Party's funds held by the Authority for the benefit of the Party that are not required to pay the Party's costs described above shall be returned to the Party.

The withdrawing party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. A withdrawing party has the right to continue to participate in Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party until the withdrawal's effective date.

7.3 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.

7.4 Disposition of Property upon Termination of Authority. Upon termination of this Agreement as to all Parties, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any Authority Documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 8

MISCELLANEOUS PROVISIONS

8.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority shall engage in nonbinding mediation in the manner agreed upon by the Party or Parties and the Authority. The Parties agree that each Party may specifically enforce this section 8.1. In the event that nonbinding mediation is not initiated or does not result in the settlement of a dispute within 120 days after the demand for mediation is made, any Party and the Authority may pursue any remedies provided by law.

8.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 *et seq.* Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

8.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as the Board deems necessary to protect the interests of the Authority, the Parties and the public. Such insurance coverage shall name the Parties and their respective Board or Council members, officers, agents and employees as additional insureds. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of

every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

8.4 Amendment of this Agreement. This Agreement may be amended in writing by a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.12. Except that, any amendment to the voting provisions in Section 4.12 may only be made by a three-quarters affirmative vote of the entire Board. The Authority shall provide written notice to the Parties at least 30 days in advance of any proposed amendment being considered by the Board. If the proposed amendment is adopted by the Board, the Authority shall provide prompt written notice to all Parties of the effective date of such amendment along with a copy of the amendment.

8.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 8.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

8.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

8.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 72 hours after the deposit thereof (excluding Saturdays, Sundays and

holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. In addition, a duplicate copy of all notices provided pursuant to this section shall be provided to the Director and alternate Director for each Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties. All notices required hereunder shall be delivered to:

The County of Alameda

Director, Community Development Agency
224 West Winton Ave.
Hayward, CA 94612

With a copy to:

Office of the County Counsel
1221 Oak Street, Suite 450
Oakland, CA 94612

if to [PARTY No. ____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

if to [PARTY No. ____]

Office of the City Clerk

Office of the City Manager/Administrator

Office of the City Attorney

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Ava Community Energy Authority.

By: _____

Name: _____

Title: _____

Date: _____

Party: _____

EXHIBIT A
LIST OF THE PARTIES

This Exhibit A is effective as of July 17, 2024.

County of Alameda
County of San Joaquin
City of Albany
City of Berkeley
City of Dublin
City of Emeryville
City of Fremont
City of Hayward
City of Lathrop
City of Livermore
City of Newark
City of Oakland
City of Piedmont
City of Pleasanton
City of San Leandro
City of Stockton
City of Tracy
City of Union City

EXHIBIT B
ANNUAL ENERGY USE

This Exhibit B is effective as of July 17, 2024

Party	kWh (2023*)
Albany	49,658,026
Berkeley	413,008,108
Dublin	252,876,615
Emeryville	182,316,485
Fremont	1,170,341,147
Hayward	708,882,734
Lathrop	200,965,565
Livermore	411,980,233
Newark	233,143,296
Oakland	1,768,534,324
Piedmont	29,015,530
Pleasanton	389,268,211
San Leandro	407,878,675
Stockton	1,199,280,141
Tracy	415,177,547
Union City	263,556,407
Unincorporated Alameda County	429,832,267
Unincorporated San Joaquin County	987,486,751
<hr/>	
Total	9,513,202,062

*All data provided by PG&E

EXHIBIT C
VOTING SHARES

This Exhibit C is effective as of July 17, 2024

Party	kWh (2023*)	Voting Shares Section 4.12.2
Albany	49,658,026	0.5%
Berkeley	413,008,108	4.3%
Dublin	252,876,615	2.7%
Emeryville	182,316,485	1.9%
Fremont	1,170,341,147	12.3%
Hayward	708,882,734	7.5%
Lathrop	200,965,565	2.1%
Livermore	411,980,233	4.3%
Newark	233,143,296	2.5%
Oakland	1,768,534,324	18.6%
Piedmont	29,015,530	0.3%
Pleasanton	389,268,211	4.1%
San Leandro	407,878,675	4.3%
Stockton	1,199,280,141	12.6%
Tracy	415,177,547	4.4%
Union City	263,556,407	2.8%
Unincorporated Alameda County	429,832,267	4.5%
Unincorporated San Joaquin County	987,486,751	10.4%
<hr/>		
Total	9,513,202,062	100.0%

*All data provided by PG&E



Proposed Updates to Ava's Joint Powers Agreement



What (1 of 6)

Why

1.1.1 “Ex Officio Board Member” means a non-voting member of the Board of Directors as described in Section 4.2.2. As a non-voting member, ~~The~~ the Ex Officio Board Member will not count towards establishing quorum and may not serve on the Executive Committee of the Board, make or second a motion, or participate in closed session meetings of the Board.

To address questions that have arisen in the past, state expressly what is implicitly true with in the definition of the Ex Officio Board member, that they:

- do not count toward quorum; and
- may not make or second a motion.

What (2 of 6)

Why

1.1.23 “Voting Shares Formula” means the weight applied to a Voting Shares Vote and is determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) “Annual Energy Use” means ~~(i) with respect to the first two years following the Effective Date,~~ the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s respective jurisdiction ~~and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by the Authority~~ and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit B and the initial voting shares are designated in Exhibit C. Both Exhibits B and C shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year subject to the approval of the Board.

Remove the distinction between the calculation in the first 2 years and the calculation subsequently because it is no longer relevant.

What (3 of 6)

Why

4.4 **Quorum**. A majority of the Directors of the entire Board shall constitute a quorum, except that less than a quorum may adjourn a meeting from time to time in accordance with law. -For the purpose of calculating quorum, the number of Directors of the entire Board shall be equal to the number of Parties to the Agreement, regardless of whether all Parties have appointed a Director.

Clarify, based on questions that have arisen in the past, that the calculation for quorum is not impacted by whether or not a Party has not yet named a Director.

What (4 of 6)

4.8 **Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses. The Chair shall appoint Board members to committee assignments.

Clarify based on the Board’s existing pattern and practice.

What (5 of 6)

Why

4.9 **Community Advisory Committee.** The Board shall establish a Community Advisory Committee consisting of ~~nine members and three alternates~~members and alternates appointed by the Board of Directors, none of whom may be voting members of the Board. ~~One alternate from the pool of three alternates~~An alternate may take the place of a Community Advisory Member when a Community Advisory Committee member cannot attend a meeting. ~~The Community Advisory Committee member that is unable to attend a meeting must notify the alternates of their inability to attend and obtain confirmation that one of the Alternates can attend the Community Advisory Committee meeting in that member's place.~~The size, structure, and procedures of the Committee will be set by the Board in the Community Advisory Committee Guide. ... ~~Members of the Community Advisory Committee shall serve staggered four years terms (the first term of three of the members shall be two years, and four years thereafter), which may be renewed.~~ ...

Align with the Community Advisory Committee Guide and to be more consistent with the Committee's size and structure as Ava has grown to include additional JPA member-jurisdictions.

What (6 of 6)

Why

4.14.1 Chair and Vice Chair. Prior to the end of the fiscal year, the Directors shall elect, from among ~~themselves~~their regular members, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The newly elected Chair and Vice Chair shall commence serving in those capacities on July 1 or such date as the Board may choose, ~~except that no separate election shall be required for Fiscal Year 2018-2019 and the Chair and Vice Chair elected in 2018 shall continue to serve until the end of the 2018-2019 Fiscal Year~~ and shall serve until they are replaced. Subject to the remainder of this provision, The the following apply to the role of the Chair and to the role of the Vice Chair: (A) the term of service shall be one year; (B) the Chair where a director has served two consecutive terms in a given role, that director may not serve a third consecutive term in the same role and Vice Chair shall hold office for one year and serve no more than two consecutive terms, however, (C) the total number of terms a Director may serve as Chair or Vice Chair is not limited. If the Board changes the date on which the Chair or Vice Chair commences serving, the sitting Chair or Vice Chair shall continue to serve until such date, and such time shall not be deemed an additional term or portion thereof. -...

Clarify based on prior questions and add flexibility in terms of timing.

- The Chair and Vice Chair must be elected from regular members and not Ex Officio members.
- Where a Chair or Vice Chair is elected, the Board may determine for each the date on which they shall begin serving, and that will simply extend the term of the sitting Chair or Vice Chair with no other implication.
- A standard term is one year and in a given role a Director may not serve more than two consecutive years.



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.



Brighter Together

[Tiếng Việt](#) | [Tiếng Việt](#) | [Español](#) | [中文](#) | [Русский](#)

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?

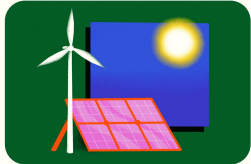


Ava Community Energy (Ava) is a local community choice power supplier committed to providing Alameda County and the Cities of Lathrop, Stockton, and Tracy with clean, green electricity at competitive rates.

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

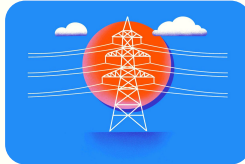
4

How It Works



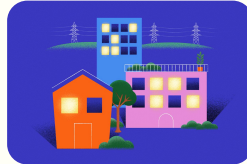
1. Ava buys and generates clean power

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.

5

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



7

Current Service Plan Options



Bright Choice

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



Renewable 100

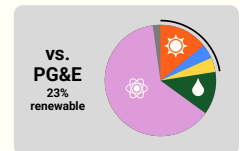
100% renewable energy priced at 1/4 cent per kWh above PG&E rates

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.

8

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

9

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

10

PCIA

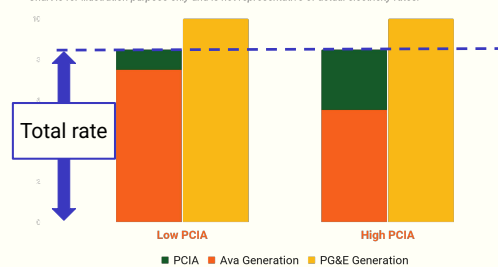
Power Charge Indifference

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.



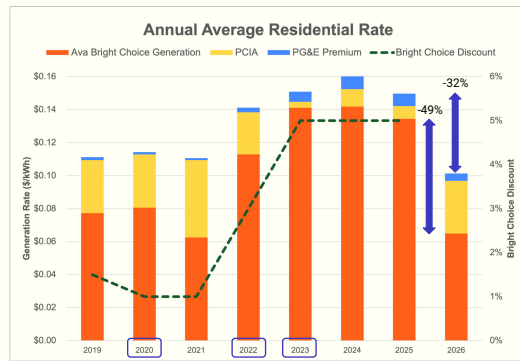
11

2026 Context and Proposal



12

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

13

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¢

14

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

15

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

16

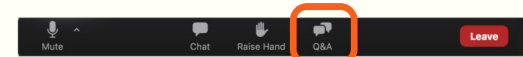
Public Comment Period



17

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.

18

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

19

3-Minute Public Comment Timer

03:00



20

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

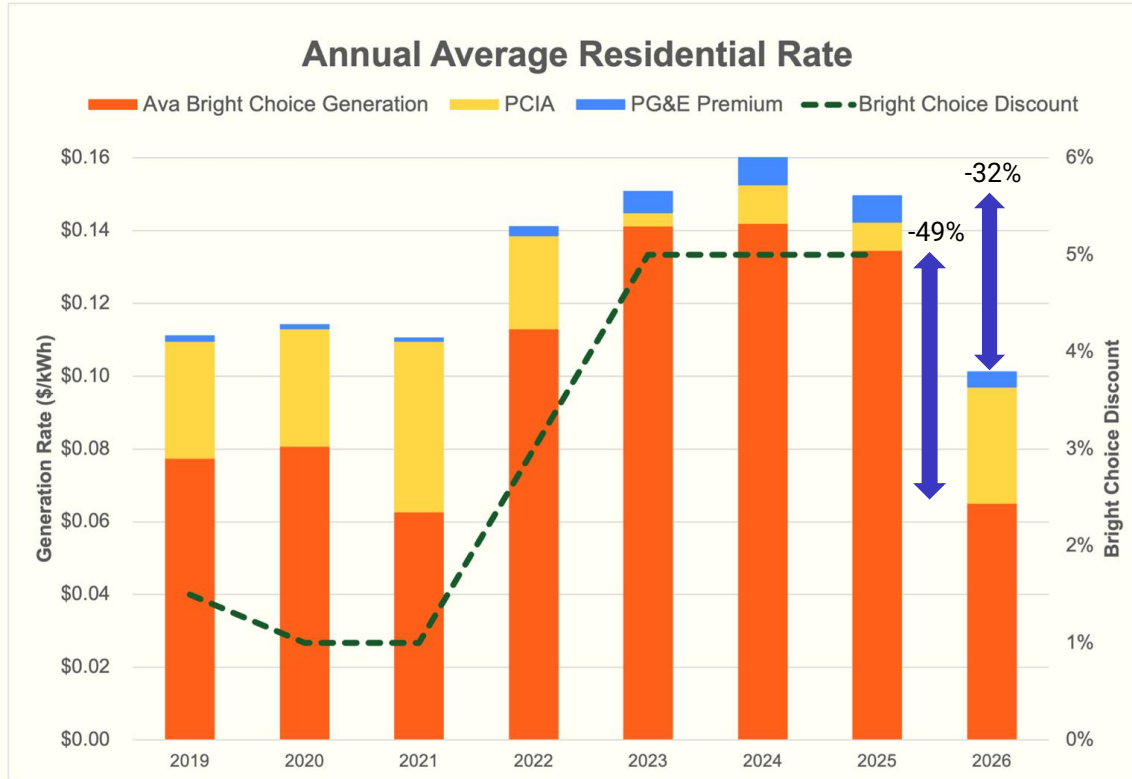
- Fiscal year 2024-25 actualized with a budget surplus of ~\$130.4MM
- 2026 residential generation rates (Ava generation + PG&E PCIA charges) are forecasted to decrease by ~30% from 2025 levels
- Projected deficit for July 2025 through Dec 2026 is (**\$250MM**)

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).

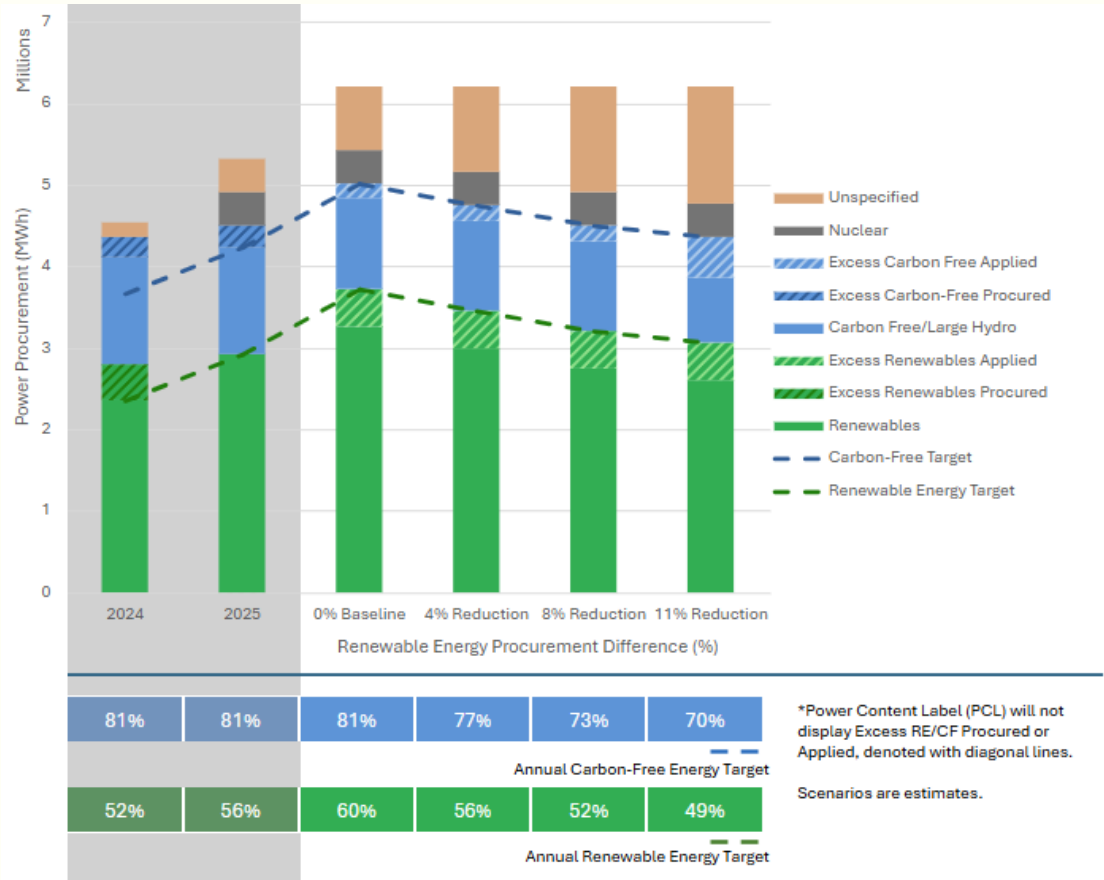
	Scenario B	Net Result
Rate Stabilization Fund	\$149.5MM	\$0MM remain
Value Proposition Change	\$61.5MM	Gen rate reduction of 24-29% vs. 2025
REC Procurement Reduction	\$10MM	Board approved renewable / hydro target reduced to 73%
Local Development Budget Reduction	\$10MM	Total amount in Local Dev Fund 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

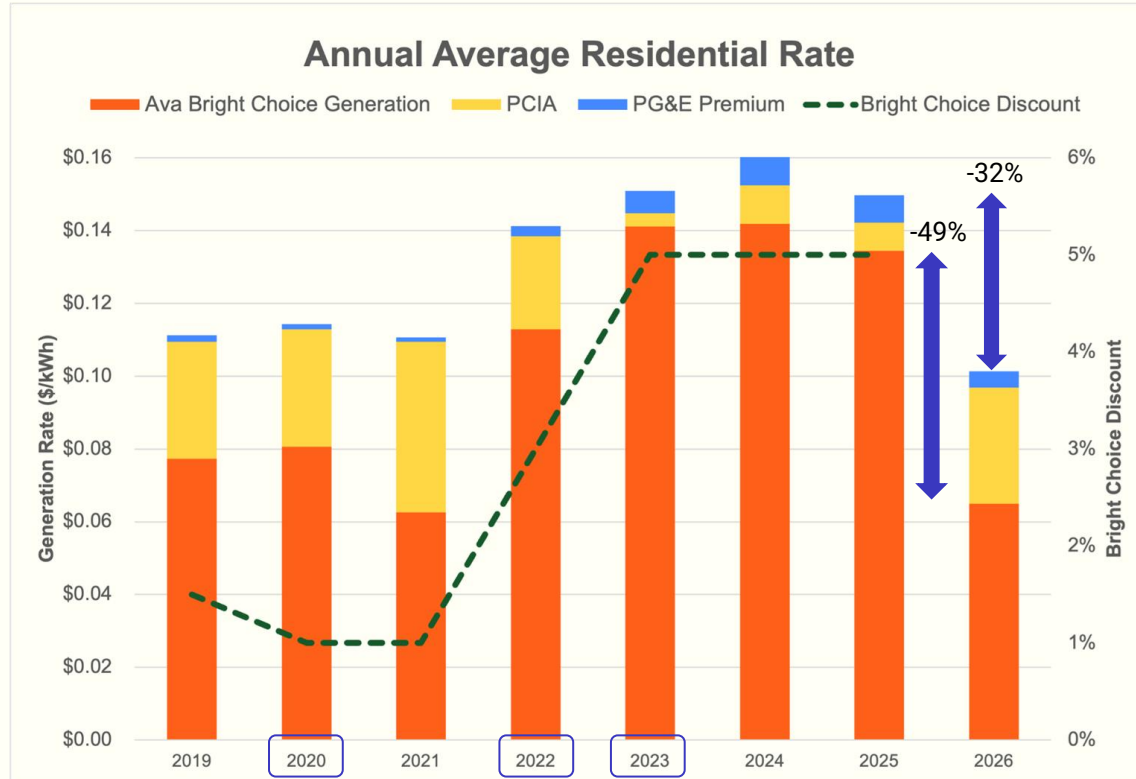
October 2025 PG&E ERRA Filing

- 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
	Jul-Dec	Jan-Jun	Jul-Dec
OPERATING ACTIVITY			
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) = (246,795,000)

- 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

Attachment Staff Report Item 14D

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

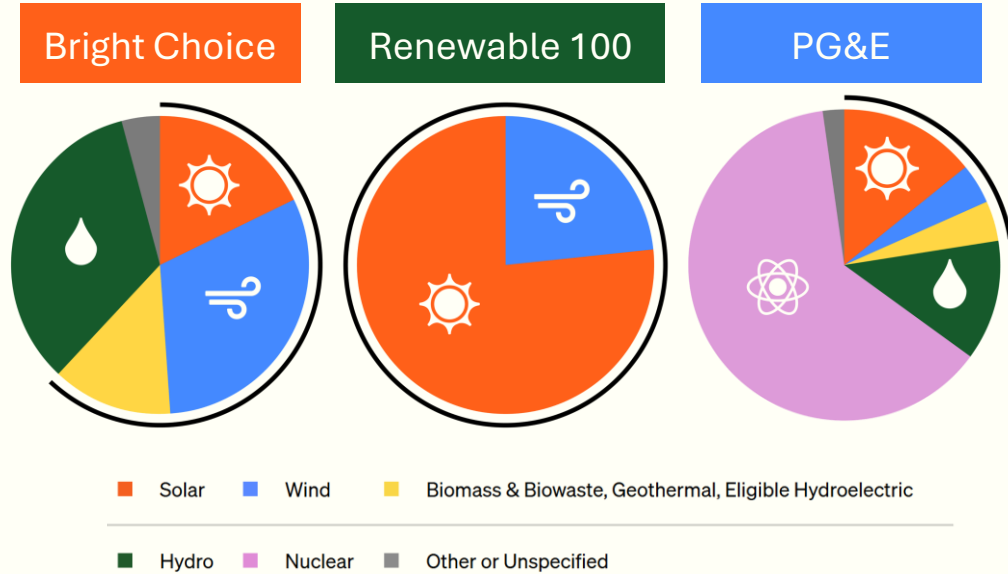
Reinvested in our communities since 2018 through programs, such as:

- 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



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

B35AFABBC02940C...

Betsy Andersen, Chair

ATTEST:

DocuSigned by:

Adrian Bankhead

1E6D6702A660439...

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

