

CAC Chair Report: Ava Community Energy Board of Directors Meeting 12/17/25 – Key Actions & Summary

1. Consent Agenda Actions

The Board approved the following items unanimously (Items 4–8):

- **November 19, 2025 Minutes**
- **Contracts Entered Into (Informational)**
- **Removal of Customer Opt-Out Fee**
- **FY 2025–26 Q1 Financial Statements**
- **Maher Contract Amendment (Accounting Services)**

Item 9 – CAC Guide Updates & Term Extensions

- Pulled for discussion.
- Board approved staff's recommendation **without** the CAC-requested exception for Member Landry's fifth term.
- All CAC terms extended to **April 30, 2026** and **Unincorporated San Joaquin County** added to the Guide.

2. CEO Report – Highlights

CEO Howard Chang provided updates on:

- **Executive Committee:** December 3 meeting recap; next meeting January 14, 2026.
- **2026 Public Meeting Calendar** released.
- **Power Content Label Mailer:** State-regulated content; separate versions for Alameda and San Joaquin counties.
- **Service Launch:** Unincorporated San Joaquin County scheduled for **May 2026**.
- **Customer Programs Roadmap:** Delayed 3–6 months while staff reviews procurement policies in response to concerns about Deloitte's ICE contracts.
- **Program Updates:** Smart home charging, Bike Electric, Healthy Communities induction cooktops, first EVA Charge site, and critical community facilities portfolio.

3. CAC Report

- CAC's positions on **on-bill credits, value proposition, and future agenda items**.
- The CAC's **letter supporting the Customer Programs Strategic Roadmap** while affirming the Board's decision not to proceed with Deloitte.
- CAC's emphasis on a "**no fear**" **policy** for future procurements.
- Recommendation to consider **in-house development** if a suitable contractor cannot be identified.
- Requests for:
 - A **Resilience Hub** report-out from Emerald Cities Collective and Local Clean Energy Alliance.
 - A **January presentation** on **AI-related electrical demand** (data centers).

Public commenters expressed appreciation for CAC Chair Hernandez's and for Member Landry's service.

4. Legislative Wrap-Up & 2026 Preview (Informational)

Key points from Legislative Manager Sam Sable:

- Staff tracked **28 bills**, took positions on **12** (10 support, 2 support-if-amended).
- Legislative wins included amendments to **SB 283**, work on **SB 541, SB 254**, and **AB 222**.
- **Affordability and data center regulation** will be major 2026 themes.
- **Cap-and-invest** changes give the Legislature **\$1B/year** discretionary authority.
- 2026 session will be **compressed** due to the election cycle.

5. Joint Powers Agreement Amendments (Action Item)

Board approved six housekeeping amendments:

- Clarified **CAC Chair role**.
- Updated **weighted voting formula**.

- Confirmed CAC Chair **does not count toward Board quorum**.
- Clarified **Board Chair authority** on committee appointments.
- Aligned JPA with CAC Guide.
- Added flexibility in **appointment processes**.

Passed unanimously.

6. 2026 Financial Adjustments & Value Proposition (Major Action Item)

This was the most consequential item of the night.

Context

- 2026 generation rates projected to **drop 25–30%**, reducing customer bills but creating a **\$250M deficit**.
- FY 2024–25 ended with a **\$130M surplus**, but CY 2026 outlook is challenging.

Staff Recommendation: Scenario B

- Use full **\$150M rate stabilization fund**.
- Bright Choice at **0.5% discount** to PG&E.
- Renewable 100 at **1.5¢ premium**.
- Reduce renewable procurement by **\$10M**.
- Reduce local development funds by **\$10M**.
- Reduce operating expenditures by **\$3.5M**.
- Use up to **\$30M** in reserves.

CAC Position (as you presented)

- Support **Scenario B** with modifications:
 - **Do not reduce renewable procurement**.
 - Increase Renewable 100 premium to **1.75¢** to offset impacts.

Board Action

A substitute motion passed (8–6–1) adopting Scenario B with modifications:

- **Reallocate \$13M** from on-bill credits to the **rate stabilization fund**.
- **Increase Renewable 100 premium to 1.75¢/kWh.**
- **Reduce renewable procurement reduction** from \$10M to **\$5M**.
- **Reduce reserve utilization** to near zero (authorization up to \$15M if needed).

7. On-Bill Credits for CARE/FERA Customers

- Item was **cancelled** because the Board reallocated the \$13M to the rate stabilization fund in Item 14.

8. Future Agenda Items

- No new items requested by Board members.

CAC Chair Hernandez Closing:

- The Board's financial decisions reflect **significant structural challenges** in 2026 and the CAC will need to emphasize a review of the CARE/FERA credit in mid-year.
- CAC's recommendations influenced the Board's final action, particularly on:
 - **Renewable 100 premium increase** to offset the financial concerns
 - **Partial restoration of renewable procurement** to continue the momentum of a clean and renewable energy future.
- The CAC's policy leadership must continue on the following:
 - Customer Programs Roadmap
 - AI-related electrical demand
 - Resilience Hub partnerships
- CAC engagement and voice is very important as Ava navigates **rate volatility, procurement strategy, and community program delivery**.
- Finally, thank you for your confidence in serving as your Chair for the Committee.

Respectfully submitted,

