



**CAC Item C7**  
**Staff Report Item 9**

<b>To:</b>	Ava Community Energy Authority
<b>From:</b>	Annie Henderson, Chief Customer Officer
<b>Subject</b>	Update on Changes to 2026 Customer Bills
<b>Date:</b>	January 21, 2026

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**Summary/Recommendation**

Receive an update from staff on recent changes that impact customer bills. Specifically, receive an update on Ava's generation rates, power charge indifference adjustment (PCIA), an upcoming new delivery charge called the Base Services Charge, and planned customer education.

**Analysis and Context**

**January 2026 Rate Updates**

Staff provided information at the December 2025 Board meeting regarding the financial forecast through calendar 2026. A portion of the presentation addressed 2026 rate changes based on the October 2025 Energy Resource Recovery Account (ERRA) filing made by PG&E with a note that final rates would be based on the Annual Energy True-Up (AET), filed in late December 2025.

The final rates filed in the AET differed from what PG&E provided in the October ERRA filing. Based on information in the October ERRA filing, staff projected an overall decrease to Ava generation rates + PCIA of 22-29%. However, the final numbers in the AET resulted in a decrease of 15-21%. The overall bill impact changes from a forecasted 10% decrease to a 5% decrease.

**Summary of Rate Forecast Changes as a % of an average Ava residential customer bill**

	<b>Generation + PCIA</b>	<b>Generation + Delivery + PCIA</b>
Forecast based on Oct ERRA filing	decrease 22-29%	decrease 10%
Updated based on AET filing	decrease 15-21%	decrease 5%

Ava provides the generation services for customers and sets rates for that portion of the bill only. Below is the average effective generation rate (inclusive of the reduction of PCIA cost) for an Ava residential customer. These figures are still in draft and are subject to further analysis and refinement.

	<b>Average 2025 Residential Rate</b>	<b>Forecast 2026 Residential Rate</b>	<b>Draft 2026 Residential Rate</b>
Bright Choice average residential rate (per kWh)	14.22¢	10.08¢	11.27¢
Renewable 100 average residential rate (per kWh)	15.22¢	11.8¢	13.02¢
Bright Choice % decrease 2025 to 2026		29%	21%
Renewable 100 % decrease 2025 to 2026		22%	15%

**Recap of Changes to Bright Choice Discount and Renewable 100 Premium**

Staff has taken the appropriate actions to implement changes to the Bright Choice discount and Renewable 100 premium as directed by the Board in December 2025. Updates to relevant language on the website and customer bills have been made to reflect the changes. The necessary updates to our billing engine, which generates customer billing data, will be deployed on January 23 with an effective date of January 1. The updated Ava rates will appear on customer bills with bill cycles that begin after January 1. For example, a Bright Choice customer whose bill cycle begins on the 15<sup>th</sup> of each month will see the following:

- Statement date January 25 billed for usage from December 15-January 14. Customer will still be billed for generation at a 5% discount to PG&E 2025 rates and 2025 PCIA
- Statement date February 25 billed for usage from January 15-February 14. Customer will be billed for generation at a 0.5% discount to PG&E 2026 generation rates and 2026 PCIA

**Base Services Charge**

Base Services Charge is the customer-facing name for what was previously presented to the Board in April 2024<sup>1</sup> as the Income Graduated Fixed Charge (IGFC). Base Services Charge is a

<sup>1</sup> <https://avaenergy.org/wp-content/uploads/2024/03/16.-Item-16-Income-Graduated-Fixed-Charge.pdf>

fixed, monthly fee to all PG&E customers that will appear on the PG&E delivery portion of the bill starting in March. The fee is \$24 for most residential customers, \$6 for CARE customers, and \$12 for FERA customers and/or residents of Affordable Housing. The delivery rate charged by PG&E per kWh will go down when the Base Services Charge begins. This fee is the result of Assembly Bill 1999, approved by the legislature in 2024.

PG&E messages this fee on their website as follows:

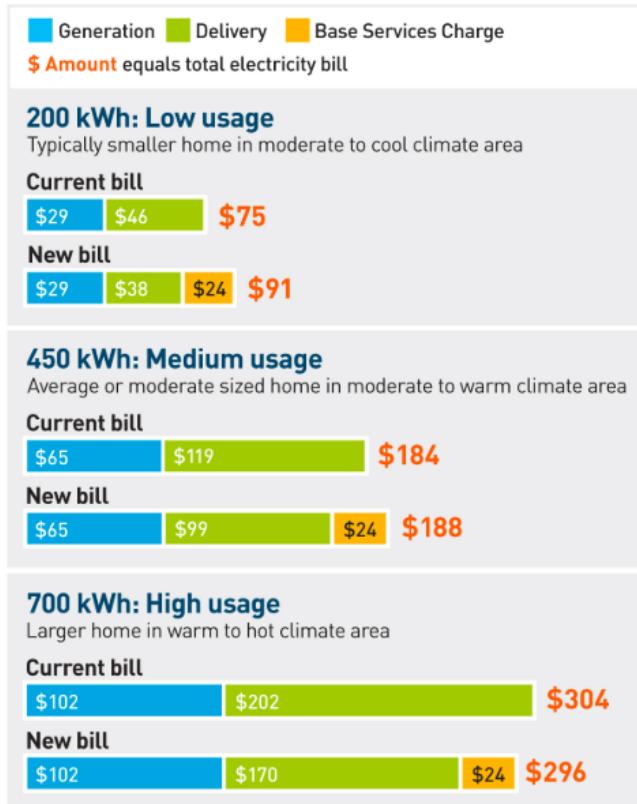
**Starting in March 2026, PG&E will restructure your energy bill. Your new bill will separate some costs of services from the price per kilowatt hour (kWh) of electricity usage.**

The implementation of the Base Services Charge will restructure how customers are charged for some services and electricity. **It is not a new fee.** The Base Services Charge will cover approved infrastructure and maintenance costs for connecting your home to the grid, energy programs, call center services, and billing. These costs are currently included in your electricity usage cost.

Starting in March 2026, the Base Services Charge will be separated from your electric use charges. The price per kWh for electricity will also be lowered (compared to the otherwise applicable price), so **you will be paying less for the electricity you use.** Each customer's usage varies so lower electricity prices may or may not lead to a lower total bill.

Lowering the price of electricity will make it more affordable to transition to more clean-powered electric appliances in the home. [Learn more about home electrification.](#)

A PG&E email sent to customers in early January presented the impacts of Base Services Charge for a low, medium, and high usage customers as follows:



This fee will not be applied to commercial customer bills. Additionally, the Base Services Charge will replace the \$15 fixed fee that is currently part of the bill for customers on the E-ELEC schedule, which is a requirement for solar customers on the Solar Billing Plan.

## Planned Customer Education

The Ava Communications team works hard to ensure that there is up to date and accurate information available to our customers at all times. The team is using various channels to provide updated information to customers and members of the public on both the rate changes and new rate components like Base Services Charge, as described below.

- Website content
  - A new descriptive [Insight](#) (article) about customer bills
  - An update to the "[How PG&E rate changes impact Ava customers](#)" insight, previously posted in October 2025.
  - Updates to the "[Understanding Your Bill](#)" page
- Newsletter
  - Customers will learn more about upcoming changes to their electricity bills through content shared in our Direct Current newsletter.
- Digital
  - Social media posts that drive to the Insights listed above

- New digital ads will drive customers to content on the website that explains the relationship between Ava and PG&E and how to understand the electricity bill.
- Short reel (video) that summarizes all the changes to bills and points to other Ava benefits.
- Talking Points
  - For the Board
  - For our call center