



**Draft Minutes**  
**Board of Directors Meeting**  
**Wednesday, February 18, 2026**  
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

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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.

**(5:48) Councilmember Cecilia Lunaparra was sworn in as the Alternate Member for the City of Berkeley.**

**1. (4:34) Welcome & Roll Call**

**Present: Members:** Marquez (Alameda County), Lopez (Albany), Lunaparra (Berkeley), Morada (Dublin), Kaur (Emeryville), Keng (Fremont), Roche (Hayward), Barrientos (Livermore), Brown (Oakland), Balch (Pleasanton), Rickman (San Joaquin County), Fugazi (Stockton), Sakakihara (Union City), CAC Chair Souza (Community Advisory Committee), Vice-Chair Gonzalez (San Leandro) and Chair Andersen (Piedmont)

**Not Present: Members:** Diallo (Lathrop), Del Catancio (Newark) and Nygard (Tracy)

*Alternate Member Lunaparra served as the representative for the City of Berkeley (Tregub).*

*Member Keng joined the meeting at 6:11 p.m.*

*Member Sakakihara joined the meeting at 7:00 p.m.*

**2. (5:20) Pledge of Allegiance**

**Chair Andersen** led the body in reciting the 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.*

**(8:44) Public Comment – Jessica Tovar**, representing the Local Clean Energy Alliance, condemned recent ICE raids and related violence against communities. Tovar urged the agency to ensure that public funds do not support activities that harm communities and instead prioritize investments in local clean energy.

**CONSENT AGENDA**

**4. (11:01) Approval of Minutes from January 21, 2026**

**5. Contracts Entered Into (Informational Item)**

**6. FY 2025-2026 Q2 Treasurer's Report**

Update on Ava's for FY 2026 Q2 cash position

**7. Contract Amendment to ESCA-PLD-Tracy, 9 LLC** **R-2026-1**  
Contract amendment to the DAC project ESCA-PLD-TRACY9, LLC

**8. Contract Amendment to ESCA-PLD-Tracy, 16 LLC** **R-2026-2**  
Contract amendment to the DAC project ESCA-PLD-TRACY16, LLC

**Member Roche motioned to approve the Consent Calendar. Member Marquez seconded the motion, which was approved 13/0/0/0/5 (yes/no/abstain/recuse/not present)**

**Yes: Members: Marquez, Lopez, Lunaparra, Morada, Kaur, Roche, Barrientos, Brown, Balch, Rickman, Fugazi, Vice-Chair Gonzalez and Chair Andersen**

**No: none**

**Abstain: none**

**Recuse: none**

**Not Present: Members: Keng, Diallo, Del Catancio, Nygard and Sakakihara**

### **REGULAR AGENDA**

**9. (13:02) CEO Report**

**Howard Chang, CEO**, presented the CEO Report. A written version of the report is available in the February 18, 2026 agenda packet.

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

**10. (26:36) CAC Report**

**CAC Chair Sousa** presented the CAC Report. A written version of the report is available in the February 18, 2026 agenda packet.

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

**11. (32:37) Fiscal Year 2025-2026 Mid-Year Budget Review (Informational Item)**

Informational item presenting the mid-year performance of the current FY budget

**CEO Chang** presented the Fiscal 25-26 Mid-Year Budget Review and answered questions from the Board.

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

**12. (1:17:19) Overview of large electric load growth trends and implications for Ava Community Energy (Informational Item)**

Informational Item providing an overview of large electric load growth trends and implications for Ava Community Energy

**Arielle Romero Cox, Director of Strategic Load**, introduced the item and answered questions from the Board.

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

**13. (1:57:58) SmartHome Battery Program Launch Update (Informational Item)**

Informational items presenting program development and status before program launch.

**JP Ross, Vice President of Local Development, Electrification, and Innovation**, introduced the item and answered questions from the committee.

**(2:25:56) Public Comment – Dohee Kim**, representing the Local Clean Energy Alliance, congratulated staff and partners for a well-attended workshop on the Smart Home and Resilience Hub program and noted strong community interest in the solar and storage incentive program. She encouraged Ava and its outreach partners to provide clearer communications and education around the Virtual Power Plant option and ongoing incentives, while expressing interest in continued collaboration on solar contracting and financing opportunities for resilience hub sites.

**(2:28:18) Public Comment – Jenna Rafia-Yuan** spoke in support of Ava’s resilience hub and solar-and-storage incentive programs and urged continued collaboration with community partners to strengthen program design, engagement, and operational support for resilience hubs.

**14. (2:33:34) Board Member and Staff Announcements including requests to place items on future Board of Directors Meeting Agendas**

**CEO Chang** announced that applications for the Community Advisory Committee remain open, with Friday, February 20 as the final deadline.

**Vice-Chair Gonzalez and Chief Customer Officer Annie Henderson** commended the communications team for an effective customer email explaining 2026 electricity bill changes.

**15. Adjourn**

**The meeting was adjourned at 8:36 p.m.**

The next Ava Board of Directors meeting will be held on Wednesday, March 18, 2026 at 6pm.

## 2/18/26 – Ava Board of Directors

### AI Generated Courtesy Summary - not official minutes

This summary has not been reviewed for accuracy

#### 1. Welcome & Roll Call

The Chair called the meeting to order at 6:02 PM on Wednesday, February 18, 2026. The meeting was held at Ava Community Energy headquarters, 1999 Harrison Street, Suite 2300, Oakland, California 94612, in the Altamonte Conference Room. Members of the public were informed they could submit a comment card or speaker card in person, or use the raise hand function or star 9 if attending by telephone or Zoom.

The Chair noted that a new alternate member from the City of Berkeley was joining the board and welcomed them.

#### 2. Pledge of Allegiance

The Pledge of Allegiance was led by the Chair. Following the Pledge, the new alternate member from the City of Berkeley was sworn into office.

Roll call was conducted. The following jurisdictions responded as present: Alameda, Albany, Berkeley, Dublin, Emeryville, Hayward, Livermore, Oakland, Pleasanton, San Joaquin County, Stockton, San Leandro, Piedmont, and Tracy/Union City. Fremont, Lathrop, and Newark were noted but responses were unclear in the record.

#### 3. Public Comment

One member of the public spoke during the non-agenda public comment period. Jessica Guadalupe Tovar of the Local Clean Energy Alliance addressed the Board regarding ICE enforcement activities occurring nationally, stating that people of all backgrounds and citizenship statuses were being affected. She called on the Board and CAC members to honor their oath to support and defend the Constitution against all enemies, foreign and domestic, and urged that public funds not be used to advance activities she characterized as harmful to communities. She further urged Ava to invest in local clean power and stated that her organization is a social justice and racial justice organization that denounces ICE raids and their community impact. No additional public comments were received in person or online.

#### CONSENT AGENDA

#### 4–8. Consent Agenda

The consent agenda included the approval of minutes from the January 21, 2026 board meeting, the Contracts Entered Into informational item, the FY 2025–2026 Q2 Treasurer's Report, a contract amendment to ESCA-PLD-Tracy, 9 LLC, and a contract amendment to ESCA-PLD-Tracy, 16 LLC. No board members pulled any items from the consent agenda, and no public comments were received on any consent agenda item.

Motion by Member Roche, seconded by Member Marquez, to approve the Consent Agenda (Items 4–8). The motion carried by roll call vote with all responding members voting in the affirmative.

## 9. CEO Report

CEO Howard Chang presented the CEO report, covering recent meetings, upcoming events, the unincorporated San Joaquin County enrollment, a recently published white paper on PG&E rate increases, and a local development update.

**Subcommittee and Committee Updates:** The Executive Committee meeting scheduled for February 4 was canceled; the next meeting will be held on Wednesday, March 4 at 3:00 PM. The Finance, Administrative, and Procurement (FAP) Subcommittee last met on January 28, where members received a preview of the mid-year budget update and discussed the format of the contracts entered into document; its next meeting will be March 25 at 3:30 PM. The Marketing, Regulatory, and Legislative Subcommittee's next meeting is Friday, March 6. CEO Chang flagged that March will be a particularly busy month with all subcommittees, a regular board meeting, and CAC meetings occurring.

**Unincorporated San Joaquin County Enrollment:** CEO Chang reported that Ava will begin providing electricity generation service to approximately 60,000 customers in unincorporated San Joaquin County starting in May 2026, with most customers enrolling throughout the month based on their billing date. Customers with solar (NEM customers) will be enrolled closer to their true-up date, which may extend throughout the year. Ava is required by the CPUC to send four customer notifications — two prior to enrollment and two following enrollment. Mailers will be sent via mail and email where available, beginning in March 2026. CEO Chang expressed appreciation for the engagement of Supervisor Rickman, his staff, and county staff throughout the process. Marketing outreach efforts beginning in late February will include digital ads, billboards, streaming TV, print ads, targeted micro-campaigns, community partnerships with municipal partners and agricultural and business organizations, social media, newsletters, local press, and webinars and in-person presentations.

**PG&E Rate White Paper:** CEO Chang highlighted a recently published white paper by Ava's public policy team evaluating the drivers of PG&E's electricity rate increases. He noted that the bulk of cost increases have been on the delivery side of the bill, with approximately a 40 percent increase in PG&E delivery rates from 2019 to 2024, followed by a more modest decrease of approximately 16 percent from 2024 to 2026, largely driven by the generation side. The white paper is available online for public review and is intended to educate customers, policymakers, and legislators.

**Local Development Update:** CEO Chang noted that a standardized quarterly table highlighting the status of active local development programs was included in the report, to be updated every three months. He specifically highlighted the Critical Municipal Facilities (CMF) program, noting that construction has begun on some sites and permitting is underway on additional sites. He noted that the April deadline is tight but that things are

generally on track, with the first project in Livermore having received its permits. He indicated that cities may be contacted for assistance in expediting the permitting process as needed.

Discussion: Member Roche raised a question regarding the electric bike rebate program in Hayward, noting that approximately 630 residents had received rebates but nearly half were having trouble redeeming them on time. She requested that staff reach out to the City of Hayward for more detail. CEO Chang confirmed staff would follow up. JP Ross, responding on behalf of staff, explained that Ava sends emails to voucher holders whose vouchers are approaching expiration and offers an opportunity to extend, and that a certain level of non-redemption is anticipated. He noted that understanding whether customers had already been offered and declined an extension would help inform next steps. Member Roche also noted that outreach through garbage bill inserts had driven increased program participation.

Member Murata congratulated CEO Chang on the omnichannel outreach approach for the San Joaquin County enrollment, calling the five areas of marketing activity outstanding. He asked how residents can provide feedback or commentary during the enrollment process. CEO Chang confirmed that multiple channels are available, including email and a well-staffed call center that handles questions about the transition process, billing, rate options (including opting up to Renewable 100 or down to Bright Choice depending on jurisdiction), and the option to opt out and return to PG&E service. Member Murata also commended Ava for participating in the Dublin Saint Patrick's Day festival.

The Vice Chair asked whether the 49 percent electricity rate increase cited in the white paper, adjusted for inflation, meant that the increase was in addition to regular inflation. CEO Chang confirmed that was correct — the increase was separate from and above standard inflation.

Member Marquez asked whether the quarterly local development table would also flag program challenges. CEO Chang confirmed that ad hoc updates on programs — whether requiring board action or offered as informational items — would be incorporated, citing the upcoming smart home battery program update later in the evening as an example.

No public comments were received on the CEO report.

## 10. CAC Report

CAC Chair Souza presented the report from the CAC meeting held the previous evening, February 17, 2026.

Ava National Ranking: CAC Chair Souza reported that the CAC was pleased to learn that Ava Community Energy had been rated third among the top green power providers in the United States by the National Labs of the Rockies (NREL), behind Clean Power Alliance and San Jose Clean Energy, as of December 2024. As of December 2024, Ava had risen to second place. Chair Souza extended congratulations to Ava and CEO Chang.

CAC Meeting Highlights: The CAC reviewed presentations on future infrastructure and rising demand, as well as a presentation on smart batteries. A public comment was received from Jessica Tovar of the Local Clean Energy Alliance regarding the impacts of climate change through torrential rains and heavier storms, and the social ties between energy burdens and debt. Another comment was received from a retired Ava customer who expressed concern about a solar true-up bill she did not understand; she was directed to the

call center for assistance. The CAC emphasized the importance of energy affordability for all customers.

**CCA 3.0 Transition:** CAC Chair Souza reported that the CAC is exploring a transition from its Energy Affordability Ad Hoc Committee toward a new focus on what is being termed "CCA 3.0," which involves local ownership of power, reduced reliance on investor-owned utilities, and the development of software and physical infrastructure to better support the community. A meeting is planned in March with one of the originators of CCAs to discuss this potential transition. The Vice Chair asked for clarification on whether the Energy Affordability Subcommittee had been disbanded or whether members had been reassigned. CAC Chair Souza explained that the Energy Affordability Ad Hoc had reached its goals and was winding down, and that CAC members had expressed interest in forming a new ad hoc focused on CCA 3.0 as a result.

**Policy and Environmental Justice:** The CAC requested updates on Ava's policies regarding ICE and its broader "no harm" policy, and Member Landry of the CAC inquired about the impact of federal electrification rollbacks from the current administration on Ava's operations.

No public comments were received on the CAC report.

## 11. Fiscal Year 2025-2026 Mid-Year Budget Review (Informational Item)

CEO Howard Chang presented the mid-year budget review, covering the period from July 1, 2025 through June 30, 2026, with extended forecasts for the second half of calendar year 2026 and an indicative outlook for calendar year 2027.

**Context and Purpose:** CEO Chang noted that the mid-year update was more substantive than in typical years due to significant discussions and board actions taken in November and December 2025 related to rate changes and financial headroom. The extended forecast was provided given the material changes and the structural deficit that Ava is managing through. Two primary drivers of the meaningful changes were rate adjustments and energy market volatility.

**Rate Adjustments:** CEO Chang explained that PG&E's final Annual Energy True-Up (AET) was released on December 31, 2025, just before 2026 rates took effect. The final rates came in approximately 12 percent higher than what had been indicated in the Air forecast released in October 2025, which had served as the basis for forecasts provided to the board in November and December. This was described as an abnormally large adjustment. The overall impact was approximately 1.3 cents per kilowatt-hour higher than forecasted — roughly split between Ava's generation portion (0.7 cents higher) and the PCIA (0.6 cents higher). As a result, the overall generation rate reduction for 2026 came in at approximately 20 percent versus a previously forecasted 29 percent, inclusive of PCIA. For Renewable 100 customers, the reduction was approximately 40 percent versus a previously forecasted 21 percent. For the average residential Bright Choice customer, the net impact is approximately 10 percent less per month compared to 2025; for the average Renewable 100 residential customer, approximately \$8 less per month. CEO Chang noted that the updated rates provide Ava with slightly more operating headroom but that customers are not seeing quite the same savings that had been projected.

**Energy Market Volatility:** CEO Chang presented charts illustrating historical and forward energy price volatility, noting that between the FAP subcommittee meeting and the board

meeting, energy costs had continued to swing by \$15–20 million on an annual basis within a matter of weeks. Forward pricing for calendar year 2026 had softened from where rates were set, which improves Ava's headroom in 2026 but will create a ripple effect in 2027 through rate true-ups. A sensitivity analysis was shared showing that one standard deviation of energy price movement over the next six months translates to approximately \$12.7 million in annual energy cost variance, and two standard deviations translates to approximately \$25 million.

Full Fiscal Year Performance (July 2025–June 2026): Operating revenue was approximately \$7.8 million higher than budget, though when accounting for the non-utilization of the Rate Stabilization Fund (RSF) — versus an assumed \$35 million utilization in the budget — the improvement on an apples-to-apples basis is closer to \$42 million. Cost of energy is expected to improve by approximately \$19 million due to more favorable market conditions. Overhead expenses are expected to reduce costs by approximately \$3.5 million. Non-operating activity is expected to add approximately \$13.9 million in net revenues, primarily from local development funding adjustments and interest rate movements. Overall, net revenues are projected to increase by approximately \$44.5 million, or approximately \$80 million when accounting for the RSF utilization assumption in the original budget.

First Half of FY 2026 (July–December 2025): CEO Chang noted there were no material changes from the budget in this period, with the primary driver being softer-than-expected load due to mild summer temperatures, which produced both lower revenues and lower energy costs, resulting in only approximately a \$5 million net variance.

Second Half of FY 2026 (January–June 2026): This period reflects the more meaningful changes. Revenue from electricity sales is forecast to be approximately \$43.6 million higher than budget, driven by higher rates and the addition of San Joaquin County enrollment in May. The cost of energy is forecast to increase by approximately \$4 million, primarily due to higher REC costs driven by increased market price benchmarks, partially offset by lower energy costs. Net revenues are expected to increase by approximately \$39.5 million, or approximately \$75 million excluding RSF utilization.

Second Half of Calendar Year 2026 Forecast: Compared to the December 2025 forecast, revenues from electricity sales are expected to be approximately \$73.9 million higher, driven by changes in the value proposition and higher-than-expected 2026 rates. Cost of energy is forecast to decrease by approximately \$42 million, driven by \$14 million in lower energy prices, \$11 million in additional RA capacity sales, and \$17 million in reduced REC costs (partly from board-approved reductions and partly from lower market prices). Net revenues are expected to increase by approximately \$114 million from December estimates, though a structural deficit of approximately \$88 million remains for this period.

Calendar Year 2027 Outlook: CEO Chang noted that this forecast is indicative only and does not reflect board-approved budgets or directions on overhead, operating expenses, or local development funding. Maintaining the value proposition at its currently set level (0.5 percent discount on Bright Choice, 1.75 cents on Renewable 100), the forecast shows a net revenue deficit of approximately \$40 million — compared to the prior forecast of \$10–20 million — representing an approximately \$100 million decline. Most of the change is driven by energy prices and the ripple effects of 2026 rate settings.

Rate Stabilization Fund: The current RSF balance stands at approximately \$162.5 million. After accounting for the approximately \$88 million shortfall in the second half of calendar year 2026 and approximately \$40 million in 2027, the projected RSF balance would be

approximately \$35–36 million, supplemented by the projected \$44 million surplus from fiscal year 2026.

Discussion: Member Roche asked whether the bill credits that had been discussed previously would have been viable in light of the revised figures, expressing that the changes might not have been as severe as feared. CEO Chang acknowledged the question carefully, noting that multiple levers had been pulled in December simultaneously, and that it is difficult in hindsight to isolate any single decision. He noted that the December decisions were made in good faith under significant uncertainty and that the timing of the final AET — released December 31 — meant there was very little advance notice. He suggested that future decisions might benefit from waiting for final rate figures where possible.

Member Roche also asked whether overall customer bills were lower than in 2025. CEO Chang confirmed that on average, overall bills are projected to be lower — approximately 5 percent — taking into account both the reduction in generation rates and the increase in PG&E delivery rates, compared to the previously projected 10 percent reduction.

Member Balch asked for confirmation that the 2026 generation rate environment is roughly comparable to 2019 levels. CEO Chang confirmed this was the case, noting that the current Bright Choice discount of 0.5 percent is the lowest it has ever been, and that the discount tends to track with energy price levels. He further explained that when energy prices were rising from 2021 to 2025, historical hedges were in the money and Ava was able to build significant reserves; as prices soften in 2026, those same hedges — locked in at higher prices — are now out of the money, which is the primary driver of the structural deficit. Member Balch also confirmed his understanding of the RSF balance and the projected fiscal year surplus, and emphasized that the RSF is one-time money that must be rebuilt over time to prepare for future market cycles. CEO Chang confirmed and noted that a 3-to-5-year financial forecast will be part of the upcoming budget process to provide long-term visibility.

Member Safrakihar commended the inclusion of the standard deviation sensitivity analysis and the 2027 indicative forecast, both provided in response to prior board requests. He asked for clarification on why certain slides cited both higher-than-expected 2026 rates as a revenue driver and lower energy costs as an expenditure driver within the same six-month windows. CEO Chang explained that the rate increase was on the AET-linked PCIA and overall rate settlement, while the lower energy cost referred specifically to brown power spot market prices, which had softened from where they were when rates were set. He further noted that REC cost dynamics are more complex, as market price benchmarks — which are historical averages of PG&E-reported transactions — came in higher than anticipated despite current transaction prices being lower.

CAC Chair Souza asked about the cumulative amount paid by all CCAs to PG&E under the PCIA since its inception, and whether the original investments have effectively been paid off. CEO Chang noted he did not have that number available but that the CCA trade association CalCCA does track aggregate amounts paid and the overall methodology. He clarified that the PCIA reflects ongoing annual costs — not one-time costs — for resources that generate electricity every year, so the concept of "paying off" does not fully apply to all components. He noted that Ava actively advocates through CalCCA for PCIA reform and greater transparency.

The Vice Chair asked for confirmation of the full fiscal year figures shown in the budget presentation, verifying that the projected \$44.5 million surplus on the bottom line does not

assume any RSF release, and that the current RSF balance of \$162.5 million is the literal current balance with no prior release assumed. CEO Chang confirmed both.

The Chair asked whether any upcoming changes might provide better predictive capability for future rate-setting decisions. CEO Chang noted that Ava, via CalCCA, is actively sponsoring legislation to require greater transparency in PCIA reporting, which would enable more effective advocacy at the CPUC and better-informed decision-making by the board.

No public comments were received on this agenda item.

## 12. Overview of Large Electric Load Growth Trends and Implications for Ava Community Energy (Informational Item)

Ariel Romero Cox, Director of Strategic Load, introduced herself to the board, noting that she had joined Ava approximately two months prior after spending a decade at Silicon Valley Power, the municipal electric utility for the City of Santa Clara, where she managed the electrification program portfolio and key accounts team.

**Statewide Load Growth Context:** Romero Cox explained that California is undergoing a structural shift in energy demand projections. After approximately two decades of flat load growth, the California Energy Commission (CEC) is now projecting an increase in annual peak demand through 2045 of between 41 and 62 percent — nearly 20 gigawatts of load growth — driven primarily by electric vehicles, baseline consumption growth, and data centers. Of this projected growth, 5 gigawatts is specifically attributed to data centers. She noted that while data centers receive significant attention in the media, medium and heavy-duty electric vehicles are projected to be the largest contributor to peak load growth, followed by baseline consumption, with data centers ranking third for peak contribution. However, she clarified that data centers are expected to contribute more to total annual energy consumption than to the peak, due to their flat, 24/7 load profile — analogous to long-haul truckers on a highway running continuously, rather than the rush-hour spike represented by EV charging.

**California Data Center Market Dynamics:** Romero Cox explained that California's advantages for data center development include proximity to major population and technology centers, access to a strong grid with existing infrastructure and capacity in certain areas, access to clean and renewable energy — which aligns with the sustainability commitments of large load customers — and strong capital investment in the technology sector. She noted that Northern Virginia remains the top data center market nationally, with Silicon Valley ranking in the middle tier for planned and executed projects. She also noted an industry trend toward larger facilities, with many new projects in the 100 to 200 megawatt range, and some in other states reaching one gigawatt in size, though those larger campuses are not expected in Ava's service territory given land costs.

**Implications for Ava's Service Territory:** Romero Cox described a "trickle-up" effect from the South Bay as capacity constraints — particularly around the Silicon Valley Power service territory and San Jose — are driving data center developers to explore Ava's service territory. One analysis identified a market potential of 530 to 700 megawatts through 2030 within Ava's territory, potentially representing five to seven new data center facilities. The internal project pipeline currently shows approximately 200 megawatts of potential large load development, encompassing both data centers and medium and heavy-duty electric vehicle infrastructure. She grounded the scale by noting that one megawatt of data center

capacity running at 80 percent capacity serves the equivalent of approximately 1,300 average homes in Oakland.

**Types of Data Centers:** Romero Cox described four categories of data centers relevant to Ava's territory: edge data centers (sub-1-megawatt, latency-sensitive, dispersed in urban environments); enterprise data centers (1–5 megawatts, single-company owned for internal IT needs); colocation data centers (5–20 megawatts, housing multiple companies' equipment); and hyperscale/cloud data centers (20–100+ megawatts, often multi-building campuses). She noted that the 530–700 megawatt market potential encompasses all categories.

**Ava's Approach to Pipeline Management:** Romero Cox outlined Ava's approach as including direct developer engagement, coordination with city staff including economic development and planning departments, review of permit applications, and monitoring of PG&E's Rule 30 filings for interconnection applications and capacity inquiries. These inputs will be used to build an internal forecast, track credible projects, and align procurement planning.

**Benefits and Risks:** Romero Cox noted that PG&E has identified significant economic benefits associated with large load growth, including over 5,000 construction jobs and 500 permanent technology jobs per gigawatt of new data center load. Additional benefits include spreading fixed administrative costs across a larger customer base, enabling greater-scale clean energy procurement, and generating utility user tax revenue for member jurisdictions. She acknowledged trade-offs and risks, noting that the primary tool within Ava's scope for managing those risks is rate-setting, specifically through cost-of-service structures and potential large load tariffs or nonstandard rate agreements to ensure that customers driving the additional load bear the associated costs. She indicated that future proposals related to large load tariffs or nonstandard rate agreements would be brought back to the board as separate action items, and that today's presentation was strictly informational.

CEO Chang thanked Romero Cox, calling the presentation one of the most succinct he had seen on data centers, and emphasized that Ava is engaged on this issue from legislative, regulatory, and utility perspectives. He noted the importance of engaging board members and city staff around the economic development implications for member jurisdictions.

**Discussion:** Member Roche raised several concerns including the environmental impacts of data centers in Hayward, where she noted approximately four data centers are planned or operating, and public concerns about who receives power first in the event of a blackout or brownout. She asked how data centers in Ava's territory are proposing to procure renewable energy. Romero Cox explained that large load customers often enter their own PPAs for renewable energy and that a green tariff — including both a "bring your own PPA" option and a utility-procured REC option — is one mechanism that CCAs and utilities can use. CEO Chang noted that load prioritization during outages is primarily a PG&E distribution and lines-and-wires issue, that there is significant active policy discussion at the state and federal level around requirements for flexible load from data centers, and that the key focus is ensuring interconnection is managed so as not to create blackout conditions. Member Roche also raised concerns about the cost of transmission infrastructure being socialized onto the general rate base, and noted that a joint agency white paper on cost allocation issues is referenced in the board packet.

Member Safrakihar asked about load variability for smaller data centers. Romero Cox noted that the 530–700 megawatt market potential includes all sizes, and that in her experience, colocation and enterprise data centers have been the most prevalent type encountered in Ava's territory and in Silicon Valley.

Member Murata asked whether special districting by cities for large load areas is something Ava would work with cities on. Romero Cox clarified that zoning and special district decisions are within the cities' purview; Ava's role from a generation perspective would most likely be addressed through a large load tariff or nonstandard rate structure for qualifying loads, regardless of geography. She confirmed that Ava would partner with cities to ensure the appropriate service arrangements are in place.

Member Balch asked about the implications for Ava's procurement needs — specifically whether data center load raises demand across all hours, including nighttime, and whether there are opportunities to manage that load flexibly to avoid reliance on natural gas peaker plants. CEO Chang confirmed that data center load is generally flat and predictable, which has both benefits and challenges. He noted that meeting 24/7 carbon-free energy obligations is a challenge given California's predominantly solar-plus-storage resource mix, and that regional cooperation and wind resources from other states may play a role. He also noted the potential for demand flexibility and smart grid management, drawing a parallel to Ava's smart home charging and battery programs.

The Vice Chair shared that the Air Quality Management District had received an identical presentation that day and had noted that data center load can have significant variability — including the possibility of facilities being partially or fully decommissioned — which he had found surprising. Romero Cox confirmed that maintaining close relationships with large load customers — including annual check-ins and ongoing dialogue about load projections — was central to the success of Silicon Valley Power's program and will be central to Ava's approach.

CAC Chair Souza shared comments from the CAC meeting, expressing appreciation for the load growth charts, particular concern about the EV-driven load increase, interest in seeing a future slide addressing public concerns about AI and data centers' impact on electricity bills, and noting the CAC's ongoing concern about environmental and water impacts associated with data centers. She also relayed CAC members' interest in tariff structures that hold large demand customers responsible for proportionally more of the associated infrastructure costs.

No public comments were received on this agenda item.

### 13. SmartHome Battery Program Launch Update (Informational Item)

JP Ross presented an update on the Smart Home Battery and Community Resilience Hub programs, covering program overview and goals, launch timing, installer and customer engagement, virtual power plant (VPP) integration, and the Resilience Hub initiative.

Program Overview: Ross reminded the Board that the program goal is to deploy approximately \$15 million in upfront and ongoing incentives to support community resilience and battery deployment across the service territory. The expected outcome is approximately 21 megawatts of residential and community batteries integrated into a dependable virtual power plant (VPP). The \$15 million is allocated as follows: approximately \$3.75 million for income-qualified or CARE/FERA residential customers, approximately \$7.5 million for the general market smart home battery program, and approximately \$3.75 million for community resilience hubs. All assets are intended to roll up into Ava's centralized Distributed Energy Resource Management System (DERMS), operated by Lunar.

**Launch Timeline:** The smart home battery program for newly installed solar and battery systems is expected to launch in early March 2026, pending completion of final user acceptance testing. The program will open to customers with existing solar and battery systems in April 2026, and to aggregators (third-party asset owners such as Sunrun who own dispatch rights under lease or PPA arrangements) in Q2–Q3 of 2026. The longer timeline for aggregators reflects the need for separate contracts with delivery terms and volume expectations. The Community Resilience Hub incentive program is expected to launch in the second half of 2026, following ongoing community outreach and technical assistance phases.

**Installer and Customer Engagement:** Ross described Ava's engagement with the installation community, including program design collaboration with CALSSA (the California Solar and Storage Association), completion of an initial installer informational webinar, and a training scheduled for the final week of February prior to the program launch. A certified installer process will be implemented, under which installers that complete training will be listed on Ava's website and will be able to receive incentive payments directly, allowing customers to pay less upfront on their contracts. Ross noted that ensuring installers accurately represent Ava and its programs is a key objective of the training process. Customer outreach will occur via social media, newsletters, sustainability staff at member cities, community-based organization (CBO) outreach, press releases, and search engine optimization and marketing (SEO/SEM) to increase Ava's visibility when customers search for solar and storage options in the service territory.

**Virtual Power Plant Integration:** Ross clarified the distinction between three models: a single home with solar and battery that can provide backup power when the grid goes out; a VPP aggregation of individual homes, centrally managed through Ava's DERMS, allowing dispatch of batteries to reduce wholesale energy procurement or inject energy at peak times — but where individual homes cannot share power with each other during an outage; and a community microgrid, where multiple buildings can disconnect from the grid and share power with each other. Ross was explicit that Ava's smart home battery, community resilience hub, and CMF programs are all single-site programs — not community microgrids — though there is centralized visibility and control of assets through the DERMS.

CEO Chang elaborated on two significant learning points from the program development process. First, many residential customers with solar and battery systems have not paid the additional cost — typically a few thousand dollars — required to configure their system to "island" and provide backup power during a grid outage. As a result, the resilience benefit for most residential customers is limited unless they explicitly opt to pay for that capability. Second, integrating community resilience hub batteries into the DERMS platform presents significant market challenges: available battery providers have not agreed to the integration terms required, in part because the effort and cost of connecting individual community site batteries to the DERMS is prohibitive relative to the scale of the portfolio. CEO Chang stated that Ava is choosing to launch the program and learn iteratively rather than delay further.

Ross added that the program is launching with two battery suppliers that have committed to DERMS integration for the residential program, with additional suppliers expected to follow. He noted that even once a contract is signed with an OEM, it typically takes a couple of months to complete system integration, underscoring the maturity challenges in this market. For community resilience hubs specifically, VPP participation is not being required at launch, given the market barriers; the primary objective for resilience hubs remains backup power capability.

Community Resilience Hub Initiative: Ross outlined the three components of the resilience hub initiative: community outreach and site identification (through a grant to Emerald Cities Collaborative, which has already completed a first public awareness and enrollment workshop in January with over 60 attendees); a technical assistance program (administered by contractor NV5, with a separate \$2 million budget, providing feasibility assessments and preliminary cost estimates across a range of resilience scenarios for potential sites); and the incentive program itself, expected to launch in the second half of 2026 once sites have met milestone thresholds to reserve funding. He noted that three to five sites have progressed to the feasibility assessment stage, with ten to twelve providing sufficient detail to assess geographic distribution. Early evidence suggests that most initial sites are owned by the operating CBO, which addresses earlier concerns about site control and ownership.

Discussion: Member Marquez asked how many resilience hubs are expected to come online in the initial phase. Ross estimated 15 to 25 sites based on the program's 500-kilowatt limit per site and an average battery size of 100–150 kilowatt-hours observed in the CMF program, though the actual number will depend on the average size of participating sites. Member Marquez also asked about progress on land use and site control concerns raised in earlier discussions; Ross confirmed that early sites are generally owned by the operating CBOs, which has been a pleasant and positive early signal.

Member Balch offered several comments, drawing on lessons from the induction cooktop conversion program: the uniqueness of each home installation represents a complexity that staff appears to be managing proactively; the quality of installer representation is critical to Ava's brand and customer experience; DERMS cybersecurity and customer protection from unintended battery discharges during outages should be actively managed rather than addressed solely by contract; and the longer-term vision of enabling buildings to share power with neighbors is a worthy aspiration for future program evolution.

CAC Chair Souza shared feedback from the CAC meeting, including a question about whether resilience hub batteries must connect to the DERMS (Ross confirmed they currently are not required to), Member Pacheco's question about demand side modifiers and integration connection timelines (which can take 5–75 hours per connection), confirmation that CARE customers receive \$500 per kilowatt-hour in incentives while general market customers receive \$90 per kilowatt-hour, and confirmation from Ross that participation in the smart home battery program does not affect the NEM 2 status of existing solar customers who enroll new batteries.

Public comment on this agenda item was received from Yohee Kim, representing Emerald Cities Collaborative, who congratulated Ava's team and partner organizations on the January resilience hub workshop, noting that over 60 attendees were reached and 5 to 10 follow-up inquiries were received from interested organizations. She praised the VPP clarification provided during the presentation and requested that Ava provide a coherent communication strategy around VPP enrollment to support community outreach partners. She also noted that Emerald Cities Collaborative and the Local Clean Energy Alliance are exploring solar contracting and financing options and are looking into operational staffing and programmatic funding support for potential resilience hub sites. A second public comment was received from Jenna, a college student and intern with the Local Clean Energy Alliance, who spoke about climate change as a public health threat and expressed support for Ava's Community Resilience Hub Initiative and Solar and Storage Incentive Program. She urged Ava to continue meaningfully collaborating with community partners, promoting energy democracy, and providing financial support for the operational services that make community organizations trusted spaces during climate disasters.

## 14. Board Member and Staff Announcements Including Requests to Place Items on Future Board of Directors Meeting Agendas

CEO Chang announced that applications for the CAC remain open, with Friday, February 20 as the final deadline. He encouraged board members to refer interested parties and submit information promptly.

The Vice Chair offered an extended commendation to Ava's communications team for the customer email sent regarding changes to electric bills in 2026. He praised the email's opening paragraph for immediately addressing customer concerns about bill complexity and high electricity costs, clearly communicating that Ava is lowering its generation rates by 15–20 percent depending on the plan, and explaining that PG&E's increased transmission and distribution rates make up the majority of the overall bill while Ava's rate decrease helps offset those increases — all within approximately 100 words. He called it effective and powerful communication. A staff member from the communications function (identified as Annie) added that the email was a collaborative effort across the agency, that it had been rolled out in batches to anticipate potential call center volume, that no unusual increase in call center volume had been observed, and that the email achieved a 55–60 percent open rate, which was described as exceptional.

Member Marquez asked whether the email content is housed on Ava's website and whether graphics from the campaign are being used on social media. The communications staff member confirmed that the detailed insight is available on the website and linked within the email, that newsletter content is also posted to the website, and that the "how to understand your bill" information is standard website content. She confirmed that social media graphics are being deployed.

## 15. Adjourn

There being no further business, the Chair adjourned the meeting at 8:36 PM. The next Ava Board of Directors meeting will be held on Wednesday, March 18, 2026 at 6:00 PM.