Community Advisory Committee Meeting
April 13, 2026
6:00 pm

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

Or from the following remote locations:
1343 Fairview Ct, Livermore CA 94550
4563 Meyer Park Circle, Fremont, CA 94536
4664 Rousillon Ave, Fremont, CA 94555
1234 W Oak St, Stockton CA, 95204
1743 140th Avenue, San Leandro CA 94578

Via Zoom:
https://us02web.zoom.us/j/84794506189

Or join by phone:
Dial(for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or +1 301 715 8592 or +1 312 626 6799 or 877 853 5257 (Toll Free)
Webinar ID: 847 9450 6189

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 Committee, please email it to the clerk by 5:00 pm the day prior to the meeting.

C1. Welcome & Roll Call

C2. Public Comment

This item is reserved for persons wishing to address the Committee on any Ava Community Energy-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Committee Chair may increase or decrease the time allotted to each speaker.

C3. Approval of Minutes from March 16, 2026

C4. CAC Chair Report

C5. 2026 California Legislative Program Administrative Update (BOD Action Item)
Administrative updates on legislative program for 2026

C6. 2026 California Legislative Positions (BOD Action Item)
Consideration of 2026 proposed legislative positions

C7. Health-e Communities Pilot Update (BOD Informational Item)
Update on the results of the Health-e Communities Pilot

C8. Ad Hoc Committee Update (CAC Informational Item)

C9. CAC Member and Staff Announcements including requests to place items on future Community Advisory Committee Meeting Agendas

C10. Adjourn

The next Community Advisory Committee meeting will be held on Monday, May 18, 2026 at 6:00 pm.

Ava Community Energy

1999 Harrison Street, Suite 2300, Oakland, CA 94612

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.

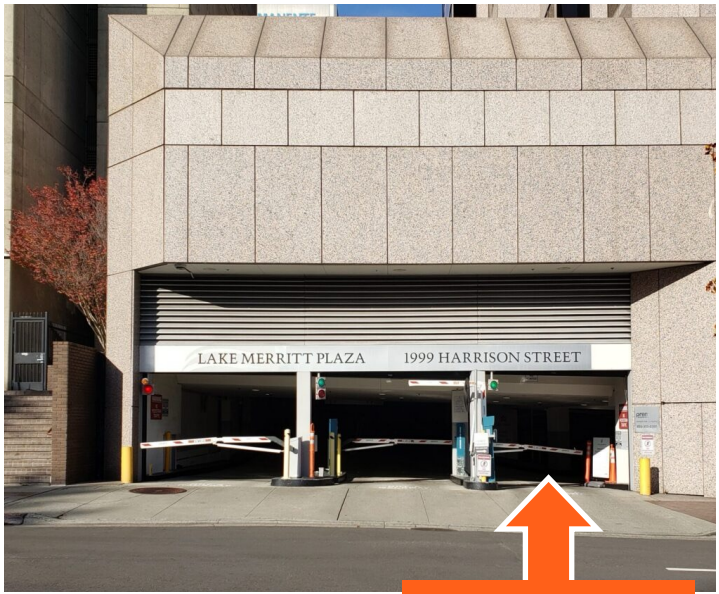
Directions to Parking Garage via Car

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.



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.

Community Advisory Committee Meeting
March 16, 2026
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C1. (2:41) Welcome & Roll Call
Present: Members: Landry, Weiner, Stephenson, Swaminathan, Lakshman, Hernandez, Pacheco, Harper, Lutz and Vice-Chair Balkissoon and Chair Souza

C2. (4:24) Public Comment

This item is reserved for persons wishing to address the Committee on any Ava Community Energy-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Committee Chair may increase or decrease the time allotted to each speaker.

There were no speakers for public comment.

C3. (4:56) Approval of Minutes from February 17, 2026

Vice-Chair Balkissoon motioned to approve the minutes. Member Landry seconded the motion, which was approved 10/0/1/0/0 (yes/no/abstain/recuse/not present)
Yes: Members: Landry, Weiner, Stephenson, Swaminathan, Lakshman, Hernandez, Harper, Lutz, Vice-Chair Balkissoon and Chair Souza
No: none
Abstain: Member Pacheco
Recuse: none
Not Present: none

C4. (7:16) CAC Chair Report

Chair Souza provided a verbal report on the February BOD meeting.

C5. (16:40) 2026 California Legislative Position Recommendations (BOD Action Item) Staff recommendation to support AB 1761 and SB 1138

Sam Sadle, Principle Legislative Manager, introduced the item and answered questions from the committee.

(43:39) Public Comment – Dohee Kim, representing the Local Clean Energy Alliance, spoke in support of Assembly Member Rogers' bill on PCIA methodology transparency, SB 1138 (Padilla) on hourly load-serving flexibility, and SB 868 (the Plug In the Sun Solar Act). Kim also spoke in support of aligning the Demand Side Grid Support (DSGS) program with Ava's virtual power plant efforts to strengthen distributed energy resources and protect vulnerable communities from outages.

Member Weiner motioned to approve the staff recommendation. Member Pacheco seconded the motion, which was approved 11/0/0/0/0 (yes/no/abstain/recuse/not present)
Yes: Members: Landry, Weiner, Stephenson, Swaminathan, Lakshman, Hernandez, Pacheco, Harper, Lutz, Vice-Chair Balkissoon and Chair Souza

No: none
Abstain: none
Recuse: none
Not Present: none

C6. (49:41) 2026 California Legislative Preview (BOD Informational Item)
2026 California legislative preview

Sam Sadle, Principle Legislative Manager, introduced the item and answered questions from the committee. Sam was joined by **Dominic Faria, Senior Policy Coordinator** and **Kendall Downie, Public Policy Coordinator.**

(1:17:07) Public Comment – Betsy Banman, an intern with the Local Clean Energy Alliance, spoke in support of AB 577, stating that the bill addresses the harmful impacts of AI data centers on local communities. Banman said the bill would create needed accountability and public disclosure from data center owners that would protect ratepayers and affected communities.

C7. (1:36:53) Ad Hoc Committee Update (CAC Informational Item)

Vice Chair Balkissoon provided the ad hoc Energy Affordability Committee report. The committee reported on a meeting with Local Power regarding the "CCA 3.0" model, which emphasizes demand-side reductions, distributed energy resources, and community ownership to improve affordability and local economic benefits.

The presentation highlighted potential strategies such as shared ownership, local energy generation, and reduced reliance on centralized systems. The committee plans to evaluate these ideas, with next steps including further discussion and development of a more detailed analysis of the model's feasibility, benefits, and challenges

(1:49:52) Public Comment – Jessica Tovar stated that Ava should return to the original vision of its local development business plan by investing in community-based clean energy projects that promote local ownership and reduce reliance on external markets.

C8. (1:53:23) CAC Member and Staff Announcements including requests to place items on future Community Advisory Committee Meeting Agendas

Member Lutz requested an update on the process of revising the RFP for the for the programs roadmap and potential policy revisions.

Member Lutz also suggested holding future CAC meetings in different parts of the service territory such as Stockton, Livermore or Fremont.

Sam Sadle stated that staff would return to the April CAC meeting to present legislative recommendations.

C9. Adjourn

The meeting was adjourned at 8:02 pm.

The next Community Advisory Committee meeting will be held on Monday, April 13, 2026 at 6:00 pm.

3/16/26 – Ava Community Advisory Committee

AI Generated Courtesy Summary - not official minutes

This summary has not been reviewed for accuracy

C1. Welcome & Roll Call

The Chair called the Community Advisory Committee meeting to order at 6:07 PM. The meeting was held in person at Ava Community Energy headquarters, 1999 Harrison Street, Suite 2300, Oakland, California, Board Room, with remote participation available via Zoom and telephone.

Present: Member Ledger, Member Weiner, Member Stevenson, Member Swaminathan, Member Lockman, Member Hernandez, Member Pacheco, Member Harper, Member Lutz, Vice Chair, Chair Souza

A quorum was established.

C2. Public Comment

No members of the public submitted comments on non-agenda items. No hands were raised in person or online.

C3. Approval of Minutes from February 17, 2026

The Chair called for corrections or comments on the minutes from February 17, 2026. One member noted that the AI system had misspelled their name, and it was acknowledged that the matter would be addressed in the next set of minutes. No public comments were received.

> Motion to approve the minutes from February 17, 2026 was made by the Chair and seconded by the Clerk. The motion carried unanimously.

C4. CAC Chair Report

Chair Souza reported on the Ava Community Energy Board of Directors meeting held on February 19, 2026, covering the following key items:

Budget Update: CEO Howard Chang presented on the volatility of energy prices. A revised budgetary projection showed an improvement from the December 2025 forecast of a -$133.7 million deficit to a more optimistic -$94.2 million deficit for the January–June period. The change was attributed primarily to higher-than-projected PG&E rates. A separate projection for the July–December period showed further improvement. Some board members expressed interest in waiting approximately six months before making additional financial decisions, in order to further strengthen the agency's financial position.

CARE/FERA Customer Credits: Member Hernandez inquired whether the improved budget outlook would lead to a revisitation of the CARE/FERA customer credits that were previously removed. Chair Souza indicated that while some board members expressed interest, no decision was made, and the matter would likely be revisited following the next six-month projection cycle. Staff noted that Ava had held a community workshop in late January to explore a grant program, and that the matter remains actively in progress, with further updates to the CAC expected soon.

No Harm Policy: The CAC's request for the board to consider a "no harm policy" update in its decision-making was noted as having been presented to the board.

Large Load/AI Presentation: Staff member Ariel presented on large load growth driven by AI and data centers. The presentation was well-received. Questions from the board focused on best practices, potential tariffs, zoning for data centers, rate setting, and customer rate protection. Significant interest was expressed in DERMS (Distributed Energy Resource Management Systems) and the solar battery program. It was clarified that the Virtual Power Plant (VPP) grid is not intended for emergency backup power, but rather for load adjustment during grid stress events.

Ava Communications: The Chair noted the positive reception of a recent Ava Community Energy email to customers, which emphasized the agency's nonprofit status, its role in offsetting PG&E rate increases, and its commitment to transparency.

No public comments were received on the Chair Report.

C5. 2026 California Legislative Position Recommendations (BOD Action Item)

Sam Seadle, Ava Community Energy's Legislative Director, presented two bills sponsored by CalCCA for which staff was seeking the Committee's support.

AB 1761 – PCIA Transparency

Mr. Seadle provided background on the Power Charge Indifference Adjustment (PCIA). In February 2025, CPUC staff asserted that the Resource Adequacy (RA) Market Price Benchmarks feeding into the PCIA were flawed and required a speedy remedy. By June 2025, the CPUC adopted new RA market price benchmarks. Ava submitted a Public Records Act request for the underlying data in February 2025; however, the CPUC has delayed its response 17 times over more than 400 days, and the information has not been produced. Without this data, the agency cannot adequately forecast PCIA changes or plan for ratepayer impacts.

AB 1761, authored by Assembly Member Rogers, would require the release of data underlying any PCIA-related proposal or analysis submitted by an IOU, the PUC, its staff, or another party. Market-sensitive data would not be shared directly with load-serving entities (LSEs), but would instead be filtered through a third party to avoid competitive impacts. Supporters include CalCCA, the Rural County Representatives of California (RCRC), the League of California Cities, and the California Association of Counties. Southern California Edison and San Diego Gas and Electric are opposed, offering contradictory rationales — Edison asserting the data is already available, while SDG&E claimed compliance would be too burdensome.

Members raised questions about the CPUC's unusual pattern of delay, the process for selecting the third-party reviewer, whether the governor's office had been consulted (staff confirmed that preliminary contact had occurred), and whether the bill would apply retroactively (it would not; it would take effect January 1 of next year if signed).

SB 1138 – RA Transactability

Mr. Seadle explained that in 2025, the CPUC completed a multi-year transition from monthly to hourly Resource Adequacy (RA) compliance obligations. However, LSEs are still only permitted to transact RA on a monthly basis, creating a compliance mismatch that forces LSEs to overcomply and purchase more RA than is needed, at an estimated statewide cost of approximately $180 million per year. The CPUC acknowledged earlier in 2026 that allowing transactability would save customers money, but declined to act. CalCCA previously attempted to address this as an amendment to other legislation without success.

SB 1138 would require the CPUC to allow LSEs to transact RA obligations in units and time increments that match the compliance obligation (currently hourly). Transacted obligations would be capped at no more than 25 percent of an LSE's RA portfolio. The bill currently has no opposition.

Members asked clarifying questions about which entities could participate in transactions (all LSEs, not just CCAs), whether the bill addressed load obligations or resource adequacy as a product (both elements were acknowledged), and the proportion of Ava's procurement budget dedicated to RA (described as less than one-third of total procurement).

Public Comment: Do He Kim, Campaign Organizer with the Local Clean Energy Alliance, expressed support for both bills, noting that PCIA transparency would help protect ratepayers from cuts to programs such as CARE/FERA. Kim also expressed support for SB 868 (balcony solar) and the DSGS demand-side grid support program, noting their alignment with Ava's VPP planning.

Member Lutz spoke in favor of the motion, expressing strong support while encouraging Ava and CalCCA to pursue an even more ambitious legislative agenda on behalf of CCA viability and lower consumer electricity prices.

> Motion to support AB 1761 and SB 1138 was made by Member Pacheco (Ernie) and seconded by Member Weiner (Peter). The motion carried unanimously.

C6. 2026 California Legislative Preview (BOD Informational Item)

Mr. Seadle, joined by legislative team members Kendall Downey and Dominic Faria, presented an informational overview of the 2026 California legislative landscape as it pertains to Ava Community Energy. Staff noted that formal position recommendations will be brought to the April board meeting.

Legislative Timeline: The bill introduction deadline passed on February 20. Key upcoming milestones include the house-of-origin deadline at the end of May, the budget deadline on June 15, and the governor's action deadline at the end of September. The schedule is slightly accelerated due to the November election.

Bill Universe: Approximately 1,800 bills were introduced this session — the lowest number in 20 years — of which roughly 600 are spot or intent-of-legislature bills still awaiting substantive language. Staff identified approximately 80 bills relevant to Ava's Joint Powers Agreement, and has narrowed these to 33 bills currently undergoing cross-functional analysis. Staff's review is guided by five program priorities: affordability, protecting customer choice, decarbonization, local development, and budget transparency.

Affordability: California has the second-highest electricity costs in the nation. Several bills address rate affordability through changes to PUC processes and cost considerations, including AB 2463 (study of utility rate of return on equity), AB 2266 (single RA value for generation contracts), AB 1975 (maintenance cost considerations in infrastructure approvals), AB 2611, and SB 924. Staff noted they evaluate each bill by whether it applies to CCAs and whether it preserves rate-setting and procurement autonomy.

Transmission and Distribution: Dominic Faria highlighted bills aimed at reducing costs and delays in grid infrastructure development, including AB 2493 (independent third-party audits of IOU transmission submissions), AB 2239 (expedited development in infrastructure-constrained areas with utility penalties for missed timelines), and AB 2516, the California Grid Manufacturing Initiative, which would aggregate state demand for critical energy components and incentivize in-state manufacturing.

Managing Data Center Growth: Kendall Downey presented a cluster of bills addressing the rapid growth of AI data centers and their impact on the grid and ratepayers. The bills vary in approach and threshold definitions, and span four thematic concerns: preventing cost shifts to non-benefiting ratepayers (AB 2383, SB 886, SB 978); protecting grid reliability and climate goals (SB 887, which would remove the CEQA exemption for data centers and require energy storage capacity); improving transparency around large load development (AB 1577); and preserving customer choice and CCA participation in any new large-load tariff frameworks.

Industrial Large Load Decarbonization: Two bills approach industrial electrification from different directions — SB 943 (making electrification more affordable for industrial customers such as cement and steel plants) and SB 1168 (imposing a surcharge on gas generation consumed by data centers, with proceeds supporting CARE and FERA programs).

Utility-Scale Decarbonization: Bills include AB 1156 (facilitating solar and storage siting on water-constrained agricultural land), SB 1295 (mandatory procurement of 40 gigawatts of additional energy storage by 2040), and AB 2464 (PUC study of clean firm resources such as geothermal in pursuit of California's 2045 carbon-free goal).

Distributed Energy Resources and Customer-Side Resources: Bills include SB 868 (exempting qualifying plug-in/balcony solar systems from interconnection requirements), AB 2612 (building code standards for plug-in solar readiness), SB 222 (streamlining permitting and capping fees for heat pump water heaters and HVAC

systems — substantially similar to SB 282 from the prior session, which Ava's board had supported), and a budget trailer bill adding approximately $20 million to the DSGS demand-side grid support program.

Transportation Electrification: Staff noted that EV demand growth dwarfs data center load growth in projections. Bills include AB 1942 (DMV registration and plating requirements for Class 2 and 3 e-bikes), SB 1167 (clarifying the legal definition of e-bikes), SB 1215 (requiring IOUs to triple their multifamily EV plug installations), and SB 1282 (requiring the Energy Commission to study vehicle-to-grid regulations). Staff noted that approximately 60 percent of bicycles purchased through Ava's Bike Electric program are Class 2 or 3, meaning they would be affected by the e-bike bills.

Build Transparency / Dynamic Rates: AB 1787 would require IOUs to offer dynamic rates once smart meter infrastructure is in place; AB 710 would require dynamic rates immediately, with a plan to install metering. Staff noted AB 710 is expected to be heavily amended.

Other Bills of Interest: Staff flagged a Brown Act update bill building on SB 707 from last year, two PUC reform bills addressing diversity in commissioner appointments, and SB 327 (IOU spending restrictions), which is a re-run of SB 24 from last year, vetoed due to a drafting error that is now being corrected.

Member Discussion: Member Pacheco asked substantive questions about data center legislation, noting his ongoing interest in bills modeled after Oregon HB 3546. Ms. Downey indicated that SB 886 bears the closest resemblance to the Oregon bill. Member Weiner encouraged the agency to focus legislative attention on facilitating transmission and generation supply, and on streamlining siting and permitting without diminishing environmental protections. Member Swaminathan raised the connection between data center water usage and environmental justice, and asked whether SB 887's CEQA provisions address neighborhood-level impacts; staff committed to reviewing the amended bill language. Chair Souza noted that Ariel's recent large load presentation had emphasized that EV and building electrification load growth significantly exceeds data center load growth in the East Bay, providing context for how the agency approaches this issue.

Public Comment: Betsy Baumann, intern with the Local Clean Energy Alliance, expressed support for AB 1577, emphasizing the importance of transparency and accountability from data center owners to protect communities and ratepayers from environmental and cost impacts.

Member Cynthia expressed concern about water usage by data centers, potential cost shifts to ratepayers during data center construction, and the proliferation of fossil and nuclear energy use to power data centers in other states. She urged the Committee to support strong legislative scrutiny of data center expansion.

Staff confirmed they will return at the April CAC meeting with formal bill position recommendations.

C7. Ad Hoc Committee Update (CAC Informational Item)

Member Swaminathan reported on behalf of the Energy Affordability Ad Hoc Committee, which recently met with Henry Hernandez and Paul of Local Power to discuss the "CCA 3.0" model. She noted this presentation was offered as background for potential future discussions through the lens of energy affordability.

Local Power's framework focuses on demand-side reductions, distributed energy resource ownership, and creating a local energy ecosystem in which residents hold dividend-paying shares in distributed energy resources. Their position was that while CCAs have been highly successful in developing centralized renewable generation, the model has left energy users in a passive role and has not sufficiently addressed demand-side reductions necessary for deeper climate action. The CCA 3.0 model emphasizes customer ownership, on-site generation and energy storage, smart appliances, thermal loops, nanogrids, structured financing such as green bonds, and the facilitation of co-investment among neighbors and local institutions. Examples of implementation were cited in Ithaca, New York and Ann Arbor, Michigan.

Member Swaminathan noted the meeting raised more questions than it answered, particularly around barriers to implementation, revenue and cost structures, governance, and the legality of electron sharing between neighbors. The Committee plans to meet again to flesh out the ideas further and develop a presentation on rationale, benefits, costs, and opportunities to overcome current barriers.

Member Weiner raised the specific issue of the "over the fence" prohibition in California utilities code Section 218, which prevents developers from creating all-solar microgrids for residential developments, and questioned why CCAs have not taken more action to address it legislatively. Mr. Seadle acknowledged the issue and noted there is no community microgrid bill in the current legislative session, though a community solar bill was

attempted unsuccessfully last session. He pointed to SB 870, a municipalization advancement bill, as a related measure. Staff explained the legislature's current focus on affordability as the dominant driver of the session's energy agenda.

Public Comment: Jessica with the Local Clean Energy Alliance spoke in support of the CCA 3.0 direction, referencing the Local Development Business Plan advanced through the Alameda County Board of Supervisors in 2016 as a foundational road map for this type of local investment model. She urged the agency to pursue actual community investments rather than replicating investor-owned utility patterns, and emphasized that local ownership is ultimately what will provide lasting price control. She cited a past instance in which the City of Hayward approached the agency to purchase locally generated solar power and was declined, resulting in the power being sold to PG&E instead. Member Swaminathan requested a follow-up on why that transaction did not proceed, and Chair Souza committed to following up.

C8. CAC Member and Staff Announcements including requests to place items on future Community Advisory Committee Meeting Agendas

Member Lutz requested an update on the status of the RFP for the programs roadmap process, which had previously been delayed, and asked whether any progress had been made on revising Ava's policies. He also formally requested that the Committee consider holding a future meeting in Stockton, Livermore, or Fremont, to extend the Committee's outreach to underserved and more distant parts of Ava's service territory.

Member Hernandez (Ed) echoed the value of in-person outreach to Stockton, describing a recent conversation with a Stockton planning commissioner who was unaware of Ava's activities, and encouraging staff and advisory members to participate in community events in those areas.

Member Harper, noting his position as the Committee's Stockton representative, expressed support for holding a meeting in Stockton and offered to assist with logistics, including venue selection and local dinner recommendations.

Mr. Seadle announced that the legislative team will return to the April CAC meeting with formal bill position recommendations on the bills previewed under item C6.

C9. Adjourn

The Chair adjourned the meeting at 8:02–8:03 PM. The next Community Advisory Committee meeting is scheduled for Monday, April 13, 2026 at 6:00 PM.

CAC Item C5
Consent Item 8

To:	Ava Community Energy Authority
From:	Sam Sadle, Principal Legislative Manager
Subject:	2026 Legislative Program Administrative Update
Date:	April 15, 2026

Recommendation

Approve resolution updating the Legislative Program to ensure it accurately reflects the Agency's 2026 staffing and priorities.

Analysis and Context

Ava staff has worked to implement the Board approved Legislative Program since its initial adoption in July of 2019. The Legislative Program provides a framework for the Ava legislative team to identify, assess, track, and (with Board approval) take advocacy-related action regarding proposed legislation. Furthermore, the Legislative Program guides staff in identifying which of the more than 2,000 bills per year that are introduced in Sacramento are important to Ava and relevant to our services.

As part of the Ava legislative team's efforts to ensure coordination, clarity, and timeliness of our legislative work, we undertake an annual administrative review of the Legislative Program and present updates for the Board's review. This annual review helps us ensure that the Agency's priorities are properly reflected, and the current state of our staffing and third-party partners are correctly documented. This year, we have proposed to the Board several non-substantive changes:

1. Clarified and simplified descriptive language in the Legislative Program;

2. Added *Autonomy* as a standalone entry in the list of Ava Public Policy Positions. In previous iterations, *Autonomy* was embedded within the other positions listed; and
3. Retitled the *Legislative Program* to the *Legislative Platform* to more appropriately reflect its role in our internal deliberative process and better matches industry standards.

Committee Recommendation

This matter was discussed at the April 10 Marketing, Regulatory, and Legislative Subcommittee meeting.

Attachments

A. Legislative Program Updated April 2026 Resolution
B. Legislative Program Updated April 2026

RESOLUTION NO. R-2026-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE AVA COMMUNITY ENERGY AUTHORITY ADOPTING THE AVA LEGISLATIVE PROGRAM – APRIL 2026 UPDATE

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 federal and state governments consider numerous legislative proposals throughout the year that can have a beneficial or negative impact Ava and its customers;

WHEREAS Ava's Legislative Program was first adopted in 2019 and has been updated frequently since then;

WHEREAS Ava must from time to time update its Legislative Program to include new staff and advocates, simplify language, and address changes in Sacramento and Washington, DC; and

WHEREAS Ava seeks to advance policy positions on a variety of issues including nonbypassable charges; disadvantaged communities; environmental sustainability; finance; education, neighborhood and social services; distributed energy resources; clean energy tax credits; streamlining energy permitting and regulatory compliance; and Community Choice Aggregator autonomy.

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

Section 1. The Board of Directors hereby adopts the Ava Legislative Platform – April 2026, attached hereto.

Section 2. The Board of Directors authorizes Ava staff to advocate on behalf of the principles and objectives outlined in the Ava Legislative Platform – April 2026 before relevant governmental bodies.

ADOPTED AND APPROVED this 15th day of April, 2026.

_____

Betsy Andersen, Chair

ATTEST:

_____

Adrian Bankhead, Clerk of the Board

Ava Community Energy
+1 833.699.3223
AvaEnergy.org
legislative@AvaEnergy.org

Legislative Platform

State and Federal Policy Legislative Priorities

Updated April 2026

Ava Community Energy

Contents

Introduction

The Ava Community Energy ("Ava") Legislative Policy Platform outlines the priorities and positions that guide Ava's engagement and advocacy with leaders and key decisionmakers across the legislative policy landscape. These priorities are intended to support our Agency's core purpose of providing clean, reliable, and affordable electricity to the communities we serve.

Ava has five major policy priorities: Making Electricity More Affordable, Protecting Community Choice, Accelerating Decarbonization, Promoting Local Development, and Increasing Bill Transparency and Understanding. Ava's decision to support legislation is contingent upon the legislation supporting one or more of these priorities.

This document provides direction to Ava leadership, staff, and legislative advocates in Sacramento and Washington, DC, and serves as the foundation for any action taken by the Ava Board of Directors regarding State or Federal legislation. It empowers Ava staff to draft letters, direct our legislative advocates, propose legislation or legislative language, or otherwise speak on behalf of the Agency regarding the priorities this document outlines.

Any correspondence signifying Ava's support for or opposition to a given bill must be approved by the Ava Board of Directors, the Board's Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters.

Any questions regarding this Legislative Policy Platform should be directed to Sam Sadle, Principal Legislative Manager, at 510.753.5248 or ssadle@AvaEnergy.org.

Sincerely,

Howard Chang

Chief Executive Officer, Ava

Ava Community Energy

Ava Board of Directors

Alameda County
Supervisor Elisa Márquez

Albany
Mayor Robin López

Berkeley
Councilmember Igor Tregub

Dublin
Councilmember John Morada

Emeryville
Vice Mayor Sukhdeep Kaur

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Newark
Councilmember Julie Del Catancio

Oakland
Councilmember Rowena Brown

Piedmont
Mayor Betsy Andersen (Chair)

Pleasanton
Mayor Jack Balch

San Joaquin County
Supervisor Robert Rickman

San Leandro
Mayor Juan González III (Vice Chair)

Stockton
Mayor Christina Fugazi

Tracy
Councilmember Dotty Nygard

Union City
Vice Mayor Scott Sakakihara

Community Advisory Committee (non-voting)
Lorraine “Micky” Souza, Chair

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Guiding Policy Principles

Ava has five guiding policy principles that serve as the foundation for the legislative platform and all legislative actions Ava will take, including advocating for legislation, initiatives, or regulatory proposals that promote those same guiding priorities.

Public policy encompasses a myriad of subject and topic areas. As these policies intersect at the local level, they have the potential to impact Ava's finances, customers, local programs, and/or administrative discretion and control. Ava will support policies that make electricity more affordable, protect community choice, accelerate decarbonatization, promote local development, increase bill transparency and understanding, or that accomplish any combination thereof. If a given policy does not meet these criteria, Ava will oppose, support if amended, or in some cases take no stance on that policy or legislation.

The General Legislative Principles for Ava are:

Making Electricity More Affordable

- Ava supports policies that put downward pressure on electricity rates, reducing the financial burden on ratepayers and lowering barriers to electrification.

Protecting Community Choice

- Ava supports policies that bolster the stability and competitiveness of the Community Choice model and opposes policies that undermine Ava's ability to achieve our mission.

Accelerating Decarbonization

- Ava supports policies that incentivize and accelerate decarbonization, including those that improve energy efficiency, reduce barriers to clean energy and storage development, and increase the adoption of impactful behind-the-meter distributed energy resources.

Promoting Local Development

- Ava supports policies that enhance local environmental and economic resilience, empower disadvantaged communities, invest in workforce training programs, and create a cleaner, more robust, and more equitable economy for everyone.

Increasing Bill Transparency and Understanding

- Ava supports policies that make it easier for customers to understand what they're paying for and why. Ava also supports increased transparency in the utility ratemaking process so that customers can meaningfully participate in decisions affecting their daily lives.

Ava Public Policy Positions

Based on the above Guiding Policy Principles, Ava has identified the following specific policy positions to more clearly articulate the Agency's stance on several priority issues. The list of policy positions below is by no means exhaustive, and Ava reserves the right to add to or amend this list at any time, subject to approval by the Board of Directors.

1.1 Nonbypassable Charges

A. Support policies that promote a level playing field between Community Choice Aggregators and other market participants, including those that ensure a fair and just calculation of the Power Charge Indifference Adjustment.
B. Oppose policies that increase or are likely to lead to an increase in nonbypassable charges.

1.2 Disadvantaged Communities

A. Support policies and initiatives that increase funding for and access to bill credits, energy projects, and electrification programs that serve disadvantaged communities and low-income customers within Ava's service territory.
B. Support policies and initiatives that reduce local air pollution, health outcome disparities, and other negative impacts associated with energy production and consumption.
C. Support policies that enhance the stability and impact of programs that reduce energy bills for low-income customers and assist them with paying their energy bills.
D. Oppose policies that have the potential to disproportionately and negatively impact disadvantaged communities and/or low-income customers, especially those within Ava's service territory.

1.3 Environmental Sustainability

A. Support policies and initiatives that increase and/or stabilize funding for the creation of sustainable energy infrastructure, innovative renewable energy sources, and energy efficiency programs.
B. Support policies and initiatives that encourage efficient energy consumption and the overall conservation of energy resources.
C. Support policies and initiatives that reduce and mitigate the effects of climate change and enhance local resiliency.

1.4 Finance

A. Support policies that enhance the financial standing of Community Choice Aggregators (CCAs) and their ability to receive a positive credit rating.
B. Oppose policies that remove the tax-exempt status of municipal bonds or otherwise interfere with CCAs' ability to leverage bond markets to secure customer savings.
C. Oppose any policies that would divert Community Choice energy revenues to the State or other governmental entities.

1.5 Educational, Neighborhood, and Social Services

A. Support policies that aid or help Ava's mission to provide energy support services, electric bill and home electrification education, and opportunities for reducing energy costs to people who are low-income, seniors, veterans, and/or people with disabilities.
B. Support policies that enhance ratemaking transparency and customer energy bill transparency and understanding.

1.6 Distributed Energy Resources

A. Support policies that increase funding for and facilitate the adoption and deployment of distributed energy resources (DERs), including batteries, electric heat pump water heaters, thermostats, and electric vehicle charging infrastructure.
B. Support policies and initiatives that encourage the effective development and deployment of dynamic load-shifting capabilities and technology, including managed charging.
C. Oppose policies that threaten CCA autonomy over DER program implementation and virtual power plant (VPP) configuration and cost-recovery.

1.7 Clean Energy Tax Credits

A. Support policies that maintain and/or expand financial incentives for investing in and developing clean energy projects, including renewable energy component manufacturing and electricity generation.
B. Support policies that maintain and/or expand financial incentives for households and property owners to install effective clean energy technologies and invest in energy efficiency home upgrades.
C. Support policies that maintain and/or expand financial incentives for consumers, businesses, and local governments to purchase new or used zero emission vehicles and charging infrastructure.
D. Oppose policies that reduce, repeal, or create barriers to accessing clean energy tax incentives.

1.8 Streamlining Energy Permitting and Regulatory Compliance

A. Support policies that reduce administrative and regulatory barriers to developing renewable energy generation and transmission projects, including through implementing more efficient permitting processes, without jeopardizing environmental standards and local community and stakeholder input.
B. Support policies that reduce and/or streamline certification requirements and permitting processes necessary to install energy efficient electric appliances and home battery systems, making it easier and more affordable for Ava customers to electrify their homes.
C. Support policies that eliminate outdated and duplicative compliance reporting requirements that save administrative overhead costs and increase customer savings.
D. Oppose policies that unjustifiably increase burdensome regulatory requirements, including for energy project development and load serving entity compliance.

1.9 Autonomy

A. Support policies that enhance the autonomy and flexibility of CCAs to meet procurement goals and targets, develop local programs, and set rates that best serve our communities and customers.
B. Oppose policies that restrict, limit, or otherwise interfere with Ava's ability to procure energy products to meet policy goals, budget for local programs and initiatives, or set rates to serve any customer class.

Legislative Program Coordination

Legislation can be brought to the attention of Ava through a variety of channels:

- State and federal legislative advocates
- Elected representatives
- CalCCA
- LEAN Energy US
- Ava Board members
- Ava Staff
- Ava Community Advisory Committee members
- Ava customers and community members
- Other associations and partners

All legislative position requests will be directed to Ava's Public Policy department. Ava staff will then review the legislation in coordination with relevant departments to analyze whether the legislation aligns with Ava's guiding legislative priorities. Staff will then monitor and track the legislation, providing updates when necessary.

Concurrent with this evaluation, Ava's Public Policy department will recommend a position and course of action.

Legislative Review Process and Timeline

The California state legislature routinely introduces thousands of bills during each legislative session, approximately half of which are passed by both chambers and sent to the Governor's desk. Although the exact number fluctuates year to year, typically one hundred bills or so each session are related to energy, utilities, or local governance – the policy areas in which Ava takes a particular interest.

Bringing every energy or local government-related bill to the Board of Directors for a position vote each year would be unfeasible and inefficient. Ava's Public Policy department, in partnership with Ava's legislative advocates and trade associations, is therefore responsible for tracking this full suite of legislative activity, identifying bills that have or could have an impact on Ava's operations, and ultimately selecting a smaller subset of bills to prioritize and bring to the Board of Directors for a position vote, based on the following general criteria:

1. Taking action (for, against, or neutral) on this legislation will align with Ava's legislative principles;
2. Ava has a unique interest in this legislation;
3. Should Ava take no action, it is unlikely that other relevant stakeholders will lead the push for or against this legislation; and/or
4. The impacts of this legislation on Ava are substantial/existential.

Ava staff typically spends the first few months of the legislative session (January-March) monitoring bill introductions and tracking all relevant legislation. As bills are amended in March and April, staff will conduct deeper bill analyses and determine the final slate of bills that is brought to subcommittees and the full Board of Directors for input and feedback. Starting in April, staff will recommend the Board take a specific position on each bill included in the previously identified slate. (Support, Support if Amended, Oppose, Oppose Unless Amended, Neutral)

Ava staff will follow a similar set of criteria when evaluating federal legislation. However, because the Congressional legislative cycle is generally less predictable than California's and the volume of bills passed each

year by Congress is typically much smaller, federal bill position recommendations will be brought to the Board on an ad-hoc basis.

Legislative Action

There are six primary actions, which may be taken independently or in combination, all of which are coordinated by the Principal Legislative Manager or their designee:

1. **Direction to lobbyists to advocate in support, support if amended, oppose unless amended, or opposition to legislation**
    a. Pursuant to direction from the Ava Board of Directors, the Board's Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters, Ava staff will notify advocates of Ava's stance on legislation and direct them to take appropriate action with legislators.
2. **Ava correspondence with relevant legislators**
    a. In conjunction with providing direction to lobbyists once Ava has determined its stance on legislation, Ava staff will correspond with appropriate policymakers.
3. **Ava Board-approved resolution**
    a. Ava staff will draft a staff report and resolution for consideration by the full Ava Board of Directors. Approved resolutions will be forwarded along with a letter signed by the Chief Executive Officer or his/her designee to the appropriate legislators.
4. **Ava Board outreach**
    a. Ava staff will draft talking points and other relevant information for individual Board Members to personally contact appropriate legislators to advocate on behalf of Ava.
5. **Travel to Sacramento or Washington, D.C.**
    a. Ava staff and/or Board Members may decide to advocate in person. Staff will coordinate with the appropriate advocates to organize meetings or attend other advocacy events.
6. **Draft or Sponsor Specific Legislation**
    a. Ava staff and legislative advocates will work with Ava's legislative representatives to articulate Ava's stance and work to ensure said stance is codified in statute.

CAC Item C6

Staff Report Item 12

To:	Ava Community Energy Authority
From:	Sam Sadle, Principal Legislative Manager
Subject:	Approval of Staff Recommended Legislative Positions
Date:	April 15, 2026

Summary/Recommendation

Since 2019, Ava staff has worked to implement the Board approved Legislative Program. The Legislative Program provides a framework for staff to identify, assess, track, and (with Board approval) take advocacy-related action regarding proposed legislation.

Ava staff recommends the Board adopt a "***support***" position on three bills:

- **Senate Bill 222 (Wiener)** - Streamlines permitting for installations of residential heat pump water and HVAC systems;
- **Senate Bill 1168 (McNerney)** - Establishes new surcharges on natural gas consumption by large data centers, with revenues collected to be directed toward wildfire costs currently embedded in customer rates; and
- **Assembly Bill 2266 (Schultz)** - Requires the use of a consistent method across regulatory proceedings for calculating how much reliability value different energy resources provide, so that short-term, mid-term, and long-term procurement programs all count resources the same way.

Ava staff recommends the Board adopt a "***support if amended***" position on five bills:

- **Senate Bill 868 (Wiener)** - Sets rules for "plug in" or "balcony" solar systems;
- **Senate Bill 913 (Becker)** - Allows aggregated distributed resources to serve as Resource Adequacy capacity;
- **Assembly Bill 1577 (Bauer-Kahan)** - Requires monthly reporting on data center energy usage;

- **Assembly Bill 1975 (Schultz) -** Establishes a “grid utilization metric” that calculates load as a percentage of rated distribution capacity; and
- **Assembly Bill 2389 (Irwin)** - Extends a property tax exemption for customer-sited solar.

Financial Impact

- **SB 222 (Wiener) – Support:** Unlikely to have a direct fiscal impact on Ava.
- **SB 1168 (McNerney) – Support:** Unlikely to have a direct fiscal impact on Ava. May reduce bill surcharges for Ava customers.
- **AB 2266 (Schultz) – Support:** Possible reduction in regulatory reporting costs.
- **SB 868 (Wiener) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava. Depending on how the legislation is implemented, it may increase available resources for virtual power plant initiatives.
- **SB 913 (Becker) – Support if Amended:** Depending on how the program is implemented it may lessen Resource Adequacy compliance costs.
- **AB 1577 (Bauer-Kahan) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava.
- **AB 1975 (Schultz) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava. May lead to a lessening of transmission and distribution charges for Ava customers.
- **AB 2389 (Irwin) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava. Depending on how the legislation is implemented, it may increase available resources for virtual power plant initiatives.

Analysis and Context

- **SB 222 (Wiener) – Support:** If passed, SB 222 would standardize and streamline local permitting for residential heat pump water heaters and heat pump HVAC systems, in part, by requiring an option for asynchronous inspections and online automated permitting. The bill would support the State’s target of installing six million heat pump systems by 2030, an objective the State is currently set to miss by roughly two million units. In 2025, Ava supported SB 282 (which contained largely the same language). **T**his bill supports Ava’s electrification-related policy objectives.

- **SB 1168 (McNerney) – Support:** If passed, SB 1168 would impose surcharges on electricity and natural gas consumption by large data centers. Revenues collected would fund wildfire-related costs currently embedded in customer rates. The bill aims to ensure that rapidly growing data center loads contribute to system costs and affordability programs. SB 1168 supports Ava’s affordability objectives and the State’s decarbonization goals.

- **AB 2266 (Schultz) – Support:** AB 2266 would require the California Public Utilities Commission (PUC), when setting certain resource adequacy and resource procurement obligations for load-serving entities such as Ava, to use a single capacity valuation method to assess the reliability contribution of each resource type. The bill would also require the Commission, to consolidate certain compliance reporting. The current system of multiple standards across multiple obligation types adds unneeded complexity and increases regulatory costs. Ava has supported this type of standardization in regulatory forums. AB 2266 supports Ava's affordability objectives by decreasing compliance costs.

- **SB 868 (Wiener) – Support if Amended:** SB 868 would legalize small-scale "plug in" or "balcony" solar installations and under certain conditions exempt these installations from participating in the interconnection process. To be eligible, systems must not exceed a maximum output of 1,200 watts, align with National Electric Code standards and Underwriters Lab certification, and feature a mechanism that isolates the device from the building's electrical system to prevent back feeding. The bill also prohibits a utility from requiring utility permission for the device or utility fees for installing the system or the electricity generated by it. The bill does allow utilities to require customers to notify the utility of the address and size of the portable solar generation device. Ava recommends using this bill as an opportunity to promote the evolution of residential self-generation systems. Pairing "plug in" and "balcony" solar with storage maximizes its value, making it potentially eligible for Ava's Virtual Power Plant initiative. Accordingly, staff recommends that Ava condition its support for the bill on amendments that would require eligible portable solar devices to be paired with storage.

- **SB 913 (Becker) – Support if Amended:** SB 913 would require the PUC to "enhance existing market-integrated pathways" for distributed energy resources (DERs) to qualify as Resource Adequacy (RA) capacity and authorize load serving entities (LSEs), such as Ava, to include distributed capacity resources in RA filings and PUC-ordered procurement. SB 913 aligns with Ava's policy priorities related to customer affordability, decarbonization, and promoting local development by allowing aggregated DERs (such as those enrolled in a Virtual Power Plant (VPP) program) to receive compensation based on the capacity value they provide to the grid and enable LSEs to count aggregated DERs toward RA compliance. These reforms have the potential to incentivize DER adoption and VPP participation, reduce emissions, and lower customer bills through avoided capacity procurement and infrastructure buildout. However, Ava staff supports amending the bill to ensure DERs are eligible to be used for RA compliance obligations with the same status as traditional RA products.

- **AB 1577 (Bauer-Kahan) – Support if Amended:** AB 1577 would require the PUC to establish a process for data centers to submit specified energy and water usage data monthly. The bill would also require the PUC, as part of the 2029 edition of the integrated energy policy report, to include an assessment of electrical load trends for data centers and annually publish the information submitted in an anonymized and

aggregated format. AB 1577 supports Ava's decarbonization policy objective by requiring transparent public reporting. However, Ava staff recommends pursuing an amendment to allow adequate reporting timelines to ensure the Agency does not inadvertently run afoul of new reporting obligations due to forces outside of the Agency's control.

- **AB 1975 (Schultz) – Support if Amended:** AB 1975 requires the PUC to establish a "grid utilization metric" that calculates electrical load as a percentage of rated distribution capacity and creates performance-based incentives and Investor-Owned Utility ("IOU")-run programs for utilities to meet annual minimum grid utilization metrics. AB 1975 supports Ava's affordability objective by supporting increased utilization of the existing distribution grid to avoid unnecessary infrastructure costs and support customer affordability. However, staff supports improving AB 1975 through the inclusion of amendments that ensure Community Choice Aggregators (CCAs) can be rewarded for supporting greater grid utilization through demand response and load flexibility.

- **AB 2389 (Irwin) – Support if Amended:** AB 2389 would extend the "newly constructed" property tax exemption for customer-sited solar systems of 2MW or less and for new systems that are sited on the property of a public entity from 2026 to 2031. The California Constitution generally limits the maximum property tax rate to 1% of the appraised value of the property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. Existing property tax law excludes any "active solar energy system" (including storage) from the definition of "newly constructed" through the 2025–26 fiscal year. This means that if a property owner installs a new solar system or adds to an existing system, that action alone would not trigger a new property assessment. As discussed in connection with AB 868, incentives for self-generation should be technology-forcing. Accordingly, staff recommends Ava condition support of AB 2389 on a requirement that solar installations be paired with battery storage to qualify for the property tax exclusion.

Committee Recommendation

This matter was discussed at the April 10 Marketing, Regulatory, and Legislative Subcommittee meeting.

Attachments

A. Resolution in Support of SB 222, SB 1168, AB 2266 and Support if Amended of SB 868, SB 913, AB 1577, AB 1975, and AB 2389
B. SB 222 Fact Sheet
C. SB 1168 Fact Sheet
D. AB 2266 Fact Sheet
E. SB 868 Fact Sheet
F. SB 913 Fact Sheet

G. AB 1577 Fact Sheet
H. AB 1975 Fact Sheet
I. AB 2389 Fact Sheet
J. Presentation - “2026.04.15 Board Item 13 2026 California Legislative Position Recommendations”

RESOLUTION NO. R-2026-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE AVA COMMUNITY ENERGY AUTHORITY IN SUPPORT OF

SB 222 (WIENER), SB 1168 (MCNERNEY), AND AB 2266 (SCHULTZ) AND SUPPORT IF AMENDED SB 868 (WIENER), SB 913 (BECKER), AB 1577 (BAUER-KAHAN), AB 1975 (SCHULTZ), AND AB 2389 (IRWIN)

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 California state legislature considers numerous legislative proposals throughout the year that can have a beneficial or negative impact on Ava and our customers;

WHEREAS Ava's Legislative Program was first adopted in 2019 and has been updated frequently since then;

WHEREAS Ava seeks to advance policy positions on a variety of issues including rate affordability, transmission affordability, managing data center growth, utility scale decarbonization, industrial and large load decarbonization, distributed energy resources, transportation electrification, dynamic rates, among others; and

WHEREAS the 2026 state legislative session is ongoing and bills are moving through the legislative process.

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

Section 1. The Board of Directors hereby expresses its support for Senate Bill 222 (Wiener), Senate Bill 1168 (McNerney), and Assembly Bill 2266 (Schultz).

Section 2. The Board of Directors hereby expresses its support if amended for Senate Bill 868 (Wiener), Senate Bill 913 (Becker), Assembly Bill 1577 (Bauer-Kahan), Assembly Bill 1975 (Schultz), and Assembly Bill 2389 (Irwin).

ADOPTED AND APPROVED this 15th day of April, 2026.

_____

Betsy Andersen, Chair

ATTEST:

_____

Adrian Bankhead, Clerk of the Board

Senator Scott Wiener, 11th Senate District

SB 222- Heat Pump Access Act

SUMMARY

SB 222, the Heat Pump Access Act, saves Californians on energy bills, reduces indoor air pollution, mitigate the effects of extreme weather, and reduces greenhouse gas emissions by improving access to safe heat pump water heater and HVAC systems.

SB 222 requires automated permitting for standard heat pump water heater and HVAC installations, streamlining the permitting process for a key affordability and climate technology.

BACKGROUND/EXISTING LAW

Heat pumps are a win-win-win climate solution—they provide efficient, cost-saving, zero-emission cooling and heating that can displace dirty and hazardous fossil fuel furnaces with a single appliance.

Because heat pumps are highly energy efficient, the average household in the US can save nearly $400 a year by switching to a heat pump.[1] When paired with solar and/or battery systems, and outfitted with demand response capabilities, heat pumps can save residents even more.

Water and space heating through gas water heaters and furnaces are responsible for the majority of greenhouse gas emissions from residential buildings. Buildings– including both residential and commercial – are responsible for 25% of California's greenhouse gas emissions. . To be on track for meeting California's climate goals, at least 20% of existing buildings will need to convert their fossil-powered appliances to electric alternatives by 2030.[2]

Replacing these gas appliances with highly efficient electric heat pump devices not only reduces emissions but also improves the health and safety of buildings. According to the Rocky Mountain Institute (RMI), a heat pump installed in California today will cut emissions from space heating by 93% over the lifetime of the equipment compared to a gas furnace. By replacing oil and propane heating systems, heat pumps can reduce harmful pollutants like carbon monoxide, NO2, and volatile organic compounds both inside the home and in the air outside.[3] Heat pumps also provide potentially life-saving AC as our climate warms, regulate humidity, and automatically filter air to boost air quality indoors.

California has already taken action to reduce permit barriers for homeowners seeking to electrify and decarbonize their homes. State laws mandate automated permitting processes for solar photovoltaics and home batteries (Senate Bill 379, Wiener, 2021), require expedited solar permitting and restrict reasons for denying solar permits (Assembly Bill 2188, Muratsuchi, 2014), and limit high fees for solar permits (AB 1132, Friedman, 2023). For electric vehicle charging stations, California requires an expedited and simplified permit process focused solely on a health and safety review (AB 1236, Chiu, 2015), and limits jurisdictions to a simple nondiscretionary permit type (AB 970, McCarty, 2021).

Heat pumps have yet to receive such streamlining — despite heat pump contractors regularly citing time-consuming and cost-driving complexities associated with local permitting and despite ambitious clean air rules and state climate targets

[1] A Guide to Cutting Costs with Heat Pumps | Rewiring America

[2] Neumann, Ingrid. "Key Building Decarbonization Strategies towards California Climate Goals." PowerPoint presented at Redwood Energy Zero Carbon Retreat, January 21, 2021

[3] American Lung Association, "Literature Review on the Impacts of Residential Combustion," July 2022

setting the stage for enormous heat pump growth. In 2023, the Bay Area Air Quality Management District (AQMD) passed a rule to require newly installed space and water heaters to be zero-emission. CARB is considering similar rules for residential customers. Similarly, Governor Newsom has set a building decarbonization goal of installing 6 million heat pumps statewide by 2030.

PROBLEM

Meeting California's climate goals will require a considerable wave of residential heat pump appliances to be installed quickly and cost-effectively over the coming years. However, a patchwork of burdensome local permitting requirements adds cost, time, and hassle to these clean appliance retrofits. In interviews, heat pump installers say that that a number of barriers at the local level are slowing installations of heat pump equipment, including long inspection wait times, local architectural requirements, wide variations in requirements across jurisdictions, high permit fees, and the need to obtain multiple permit types for a water heater installation.

These burdensome requirements can drive up the cost of installations for homeowners, and limit the time that qualified contractors have to work on other projects, further tightening the supply of labor available to meet increasing demand for heat pumps and other appliances. Because public rebate and direct install programs for heat pumps require permit verification, onerous permit requirements risk impacting the efficiency of hundreds of millions in funding for heat pumps, much of which is targeted toward low-income customers. This problem is costly for California - a recent Energy Commission study estimated that permitting noncompliance for the 2022 Energy Code will cost the state $2.8 billion.

California has only 5 years left to install over 4 million heat pumps in order to meet Governor Newsom's ambitious target of installing 6 million heat pumps statewide by 2030.

SOLUTION

Heat pump permitting must be modernized in line with other pro-climate technologies to improve access to a cost-saving technology and meet California's ambitious climate goals.

This bill would streamline heat pump permitting and ensure California meets its climate goals by:

1. Mandating automated permitting for standard Heat Pump installations
2. Prohibiting HOAs from imposing architectural review on clean appliance installations
3. Requiring a maximum of one permit for heat pump water heater installations
4. Prohibiting excessive setbacks, noise restrictions, or documentation requirements on heat pump installations
5. Capping fees for heat pump permits to the reasonable cost of providing service

SUPPORT

- **Building Decarbonization Coalition, Sponsor**
- **San Francisco Bay Area Planning and Urban Research Association (SPUR), Sponsor**
- **Bay Area Air District, Sponsor**
- 350 Humbolt Action
- 350 Sacramento
- AO Smith Corporation
- Active SGV
- California Environmental Voters
- California Association of Sheet Metal and Air Conditioning Contractors National Association
- California Center for Sustainable Energy
- California Climate Action
- California State Pipe Trades Council
- Carbon Free Palo Alto
- Carbon Free Silicon Valley
- Carrier Global Corporation
- Center for Biological Diversity
- Citizens Climate Lobby Long Beach
- Climabridge
- Climate Action California
- Climate Health Now Action Fund
- Climate Reality Project, Orange County Chapter
- Climate Resolve
- Earthjustice
- Efficiency First California
- Electrify My Home

- Evergreen Action
- Green Building Initiative
- LG Electronics USA
- Mothers Out Front Silicon Valley
- Natural Resources Defense Council (NRDC)
- QuitCarbon
- Redwood Energy
- RRI: Resource Renewable Institute
- RAMP: Regional Asthma Management & Prevention
- Resource Renewal Institute
- Rewiring America
- San Diego Building Electrification Coalition
- San Francisco Climate Emergency Coalition
- StopWaste
- The Climate Center
- Western States Council of Sheet Metal Workers
- US Green Building Council

FOR MORE INFORMATION

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Senate Bill 1168
Data Centers Pay Their Fair Share
Senator Jerry McNerney (SD 5)

THIS BILL

Californians pay some of the highest utility rates in the country. And rates are expected to climb even higher with the rapid development of data centers, because they require large amounts of energy and often cause utilities to spend ratepayer dollars on infrastructure upgrades.

SB 1168 would protect Californians from bearing the costs associated with data centers in their communities. This bill would impose an energy usage surcharge on electricity and natural gas use by data centers and use that money to pay down the largest driver of rate increases – wildfire spending.

ISSUE

Silicon Valley innovation has been a driver of the state's economy, providing economic growth, general fund revenue, and jobs to the state. But the industry's need for huge amounts of data processing power has led to growth in data centers in California and around the nation. According to DataCenterMap, California is home to the third largest number of data centers in the United States.

The California Independent System Operator (CAISO) expects data center load to grow by 2.3 gigawatts by 2030. The CA Energy Commission reports in their 2025 Integrated Energy Policy Report (IEPR) that data centers have requested 18.7 GW of new power over the next several years, enough to power 18 million homes. PG&E alone expects 10 GW of new load from data centers in the next 10 years.

This rapidly increasing demand for power, along with the need for transmission and distribution upgrades to deliver that power, could raise utility rates for all ratepayers. Californians are already paying the second-highest price for energy bills in the nation, due to wildfire mitigation, extreme heat, and catching up on deferred maintenance by the state's investor-owned utilities.

According to the Public Advocate's Office of the Public Utilities Commission, wildfire costs are one of the biggest drivers of utility rates, making up between 10 percent to 24 percent of total investor-owned utility revenue requirements.

According to Stanford University, over $37 billion was spent on AI infrastructure in 2024 alone. Another report from McKinsey estimated an investment total of $5.2 trillion in data centers by 2030 to power artificial intelligence. This level of investment shows that AI companies and investors have the means to cover their own costs without harming all ratepayers. Funding wildfire costs, one of the main drivers of utility rates, is one way of offsetting data centers' cost to society.

SOLUTION

SB 1168 would:

- Impose an excess energy usage surcharge on data centers over 20 MW
- Use the surcharge funds to pay down wildfire related costs included in rates, leading to cost savings for residential ratepayers

CONTACT

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AB 2266 – CPUC Power Procurement Process Streamlining

Summary:

Determinations of how much energy is necessary to meet California's power needs are currently performed via a patchwork of separately enacted clean energy programs. AB 2266 directs the CPUC to streamline these planning decisions into one cohesive workflow, to use consistent methodologies across all programs, and to improve accountability through a yearly evaluation of the real-world impact of their calculations on actual energy purchases.

Background:

Reliability is the backbone of what keeps the lights on in California. When wildfires, heat waves, or climate change-induced weather events push our power usage to its max, whether California's energy providers bought enough power makes all the difference.

Reliability of energy supply is currently influenced by three separate CPUC programs: the Renewables Portfolio Standard program, the Integrated Resource Plan, and the Resource Adequacy program. As a result, determinations are performed in separate programs using separate calculations.

The agency does its best to collaborate and share across programs, but such complex filings are difficult to track and have different standards against which they are measured. This overlap creates inefficiencies, increases the likelihood for over or under-calculations, and results in longer processes, all of which cost California ratepayers.

With the substantive foundation for clean energy policy already laid, the next step is to streamline the regulatory processes and integrate the three major procurement programs to ensure consistency, increase confidence in reliability determinations, and reduce costs for ratepayers.

Problem #1: Reliability is assessed across multiple CPUC programs, workflows, and reports.

Solution #1: Create consistent reliability assessments by streamlining reliability evaluations to a single compliance reporting workflow. This bill directs the CPUC to begin the process of consolidating the inter-related reliability components of these statutes into a central procurement compliance filing. It does not dictate the precise process. Instead, it gives the CPUC flexibility – and almost 4 years – to develop and implement a centralized reporting and compliance review workflow.

Problem #2: Different CPUC programs use different reliability valuation methods.

Solution #2: Improve accountability by using consistent evaluation methods across all procurement programs. This bill creates internal and cross-program consistency by directing the CPUC to use the same capacity valuation – the technical term for how reliable a particular power source is when needed by the grid operator – across all programs when evaluating short-, mid-, and long-term reliability power needs.

Problem #3: CPUC and the California Independent System Operator (CAISO) use different valuation methods for reliability.

Solution #3: Require the CPUC to do an after-the-fact analysis when the CAISO is required to use expensive backstop procurement to fill a reliability gap. The bill ensures accountability by directing the CPUC to yearly evaluate the root cause for the purpose of continuously improving the CPUC reliability program.

Support:

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Senator Scott Wiener, 11th Senate District

SB 868 – Plug And Play Solar Act

SUMMARY

To save Californians on energy bills and increase the number of homes installing safe solar energy systems, Senate Bill 868, the Plug And Play Solar Act, streamlines approvals and establishes safety standards for portable solar energy devices. Plug-in solar, also known as balcony solar, are portable solar energy devices that increase consumer access to safe, clean, and low-cost energy, especially on hot summer days when air conditioning needs are at their highest.

Portable solar energy devices are a win-win climate and energy affordability solution. SB 868 will cut red tape for this key affordability and climate-friendly technology, expand access to clean energy to renters and apartment dwellers, save Californians on energy bills, and help meet our state's ambitious greenhouse gas emissions reduction targets.

BACKGROUND/EXISTING LAW

Californians are faced with record high energy prices. Electricity rates for PG&E customers increased nearly 40% between 2022 and 2025 and increased 100% in the last decade.[1] As a result, Californians now pay higher rates for electricity than any other state except Hawaii.[2]

Solar arrays can lower energy costs for consumers and reduce reliance on investor-owned utilities. SB 868 expands those options to even more households, especially for renters, condo owners, and those with older or shaded roofs.

California has long been a leader in the transition to clean energy. Senate Bill 379 (Wiener, 2022) boosted safe solar energy system installations in homes by requiring certain-sized jurisdictions to provide an online instant solar permitting process.

Rooftop solar systems have been a major driving force behind California's clean energy transition. Portable solar energy devices, also known as "plug-in" or "balcony" solar, while smaller and therefore less powerful, offer a new way for consumers to generate safe, clean and low-cost electricity using California's abundant sunshine. The portability of these devices makes them ideal for many different types of consumers especially renters with access to a patch of sunlight on a balcony, patio, or small backyard.

This exciting technology consists of a few movable solar panels along with an integrated microinverter that allows the system to plug directly into a standard outlet where the solar electricity flows backwards, through the existing wires, to immediately power other appliances within the home, such as air conditioners, computers and lights, and refrigerators.

Where a rooftop solar system tends to be 5,000-10,000 watts in size for a typical home, plug-in solar systems are much smaller, sized around 400-1200 watts. These systems can cover up to 1/5th of a household's average energy usage, and with prices starting at $500, offer an affordable solution that can reduce energy costs and allow a broad range of people to directly access the benefits of solar energy.

Because they are so small and mobile, plug-in solar systems provide a new entry point and more flexibility to access clean affordable energy, especially renters. An estimated 44% of California households are renters, a larger percentage than every state except New York. And, while the rooftop solar market serves hundreds of thousands of rental units, plug-in solar systems are an additional and

[1] San Francisco Chronicle, "PG&E rates actually going down in 2026. Here's how much," December 30, 2025

[2] San Francisco Chronicle, "California electricity prices now second-highest in U.S.: 'Everyone is getting squeezed,'" May 2, 2024

powerful tool for expanding access to clean energy in the Golden State.

Plug-in solar has already taken off in Europe. In Germany, consumers facing high power prices and energy-security concerns have installed an estimated four million plug-in systems, adding multiple gigawatts of distributed clean energy. With California's superior sunshine and high energy costs, the potential for this technology to take off here is even greater.

Despite the small scale of these systems and their potential to save consumers significant funds, utilities like PG&E are pushing for plug-in solar systems to require full interconnection agreements, as they would for large-scale utility solar projects.

Portable solar energy devices have also begun to advance in other parts of the United States. In 2025, Utah enacted H.B. 340, a bipartisan law unanimously approved by the Legislature that exempts portable plug-in solar devices from the full interconnection process, which in turn has encouraged companies to begin selling plug-in systems in the state and to plan expansions to other states with supportive policies. Similar legislation has recently been introduced in states like Vermont, Virginia, Maryland, New Hampshire, Pennsylvania, and New York.

PROBLEM

California consumers need immediate relief from rising energy bills. Growing the market for portable solar devices will create economies of scale that will lower per unit costs making clean energy even more affordable for more consumers.

While portable solar energy devices are a safe and lower-cost solution for consumers, unnecessary utility red tape adds prohibitive costs and has delayed the adoption of this critical technology.

California utilities treat even very small customer-sited solar systems as if they are large arrays triggering complex multi-page interconnection agreements, expensive building permits, and time-consuming utility approvals. All this red tape makes installing plug-in solar more expensive and time-consuming, effectively cutting off consumer access.

While plug-in solar is now widespread in Europe and emerging in other U.S. states, these systems have not taken off in California due in part to these challenges and uncertainty around consumer ease of access.

SOLUTION

By treating qualifying plug-in solar systems as simple, household appliances rather than full-scale power plants, the bill will unlock a new market for affordable, DIY solar among renters and apartment dwellers who are otherwise stuck with the high costs charged by their utilities.

Allowing access to these cost-saving clean energy devices will reduce peak demand especially on hot summer days when air-conditioning loads are high while also supporting California's efforts to cut greenhouse gas emissions and protect public health.

Meanwhile, by establishing statewide safety standards, the bill will ensure consumers have access to safe, high-quality plug-in solar systems.

In sum, SB 868 lowers consumer energy bills, diversifies energy resources, reduces strain on the electric grid, and helps cut air pollution by:

- Defining a portable solar energy device as a small device that meets a consumer's on-site electricity needs;
- Establishing mandatory safety standards for a portable solar energy device;
- Prohibiting unnecessary red tape;
- Driving economies of scale for portable solar energy devices to help lower costs for all consumers.

SUPPORT

- **Environmental Working Group, Sponsor**
- **The Abundance Network, Co-Sponsor**
- Bright Saver
- California Public Interest Research Group (CALPIRG)
- California Solar & Storage Association (CALSSA)
- Center for Biological Diversity
- Environment California
- Solar Rights Alliance

- The Climate Center
- Caroline Torosis, Mayor, City of Santa Monica
- 350 Bay Area Action
- US Green Building Council
- Quantum Energy
- Greenbank Associates
- QuitCarbon
- Indivisible Santa Cruz County
- 350 Humboldt
- Samuel Lawrence Foundation
- West Orange County
- Clean Coalition
- Glendale Environmental Coalition
- Recolte Energy
- Albany Climate Action
- Our Green Challenge
- Vote Solar
- SocioEnergetics Foundation
- Climate Action Campaign
- Climate Action Mendocino
- Center for Community Energy
- Climate Crisis Workgroup of Grassroots Institute
- Third Act Sacramento
- Neighbors for Progressive Action
- Elders Climate Action NorCal Chapter
- 350 Conejo/San Fernando Valley
- Citizens' Climate Lobby
- SCV Eco Alliance
- GRID Alternatives
- Long Beach Alliance for Clean Energy
- Active San Gabriel Valley
- Orange County Environmental Justice
- Healing and Justice Center
- Pasadena-Foothills Chapter of Citizens Climate Lobby
- Acterra: Action for a Healthy Planet
- Greenbank Associates
- West Berkeley Alliance for Clean Air and Safe Jobs
- Laudate Deum Prayer Network for Climate Healing
- 350 Berkeley Hub
- California Alliance for Community Energy
- City of Santa Monica
- Climate Health Now Action Fund
- Community Renewable Solutions LLC
- Democratic Club of West Orange County
- Elders Climate Action (ECA) Southern California (SoCal) Chapter
- Greenpeace USA
- Humboldt Progressive Democrats
- Local Clean Energy Alliance
- Local Government Sustainable Energy Coalition
- Pacifica Climate Committee
- Pacifica Housing For All (PH4A)
- Project Green Home
- Reclaim Our Power: Utility Justice Campaign
- Sonoma County Climate Activist Network (SoCoCAN!)
- Sustainable Mill Valley
- Sustainable San Mateo County
- Sustainable Systems Research Foundation
- The Energy Coalition
- Third Act San Francisco Bay Area
- Third Act SoCal
- Western Center on Law and Poverty

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Senator Josh Becker, 13th Senate District

SB 913 – Clean Local Power Act

SUMMARY

SB 913 creates an improved pathway for customer-owned resources (e.g., home batteries, electric vehicles, thermostats), to compete fairly with other resources (e.g., peaker plants, diesel generators) to offer the least cost option for providing reliability to the electric grid.

BACKGROUND

A key driver of increasing electricity rates has been the urgent need to increase the capacity of the electric grid to handle new customers and growing load. The California Energy Commission (CEC) projects an increase in electricity demand of 42-61% over the next two decades.[1]

However, the grid reaches its maximum capacity for only a few hours on the hottest days of the year. During those hours the California Independent System Operator (CAISO) calls on old, polluting peaker plants to meet peak demand and avoid blackouts. Clean, customer-owned "distributed resources" could help the grid handle peak demand instead – with less pollution and at lower cost – but outdated rules have created barriers to organizing these customer-owned resources and using them to their full potential.

Millions of California homes already possess technologies that can help the grid during peak demand events: smart thermostats, electric vehicle chargers, battery storage, and others. These devices can be coordinated and aggregated to provide electricity and reduce energy use during hours of peak demand. And the numbers are growing every day: the CPUC reports that over 8,000 customer batteries totaling more than 100 megawatts (MW) are installed monthly, adding enough capacity *every month* to replace a peaker plant.

Currently, more than 1000 MW of these distributed resources support the grid by participating in CAISO's markets through the CEC's Demand Side Grid Support Program (DSGS), and the potential capacity to support the grid is growing every day as Californians install smart thermostats, EV chargers, and other controllable devices. DSGS has been much more successful at scaling up participation than traditional "Resource Adequacy" (RA) programs governed by the Public Utility Commission (PUC) because the CEC has tested innovative approaches to remove barriers and to allow customer-owned resources to maximize their contributions, including:

- making the enrollment process much simpler
- allowing participants to enroll multiple devices (i.e., their thermostat and their EV) instead of limiting participation to a single device per customer
- monitoring performance at the device level (e.g., how much power a battery is providing) rather than only at the utility meter
- allowing devices to export power back to the grid rather than limiting devices to reducing the building's load to zero.

PROBLEM

DSGS has been very successful at providing critical emergency capacity to support the grid, funded by taxpayers (rather than ratepayers) as part of the Strategic Reliability Reserve. The challenge is that as funding for DSGS remains uncertain over the coming years, we risk losing access to all this low-cost capacity from customer-owned resources unless the traditional PUC-governed RA participation models adopt the innovations that were tested and proven out by DSGS. That could leave huge amounts of low-cost capacity sitting untapped in Californians' homes at a time when we need cheaper ways to support the grid and lower electricity bills.

[1] California Energy Commission 2025-2045 Demand Forecast

As the state plans for more load growth, we need to allow all types of resources, including customer-owned resources, to compete on a level playing field to support the grid in the least costly way. Shifting customer-owned resources from a taxpayer-funded emergency program into normal RA participation models is smart policy in the long run, but only if the RA program adopts the innovations proven out by DSGS to give customer-owned resources an easier way to participate and compete to provide the best value to the grid.

EXISTING LAW

Current law requires electricity providers to purchase RA to meet their peak demand forecast and directs CPUC to establish rules for what can be counted as RA. However, current rules prevent customer-owned resources from being compensated for exporting energy to the grid, and requirements for participation and measuring performance are prohibitive and discourage participation in the RA program.

THIS BILL

SB 913 updates existing rules to align them more closely to those which have allowed the DSGS program to successfully scale up participation of customer-owned resources. Specifically, the bill levels the playing field by ensuring rules don't create barriers to customer enrollment, allowing customers to enroll multiple devices, allowing performance to be monitored at the device level, and allowing customers to export energy back to the grid. By increasing market competition, and enrolling resources that Californians have already invested in themselves, these updates will help defer the types of infrastructure investments that are rapidly increasing electric rates.

To meet increasing demand California can either build, build, build at the expense of ratepayers or it could make better use of the existing resources that Californians have already purchased and are available to help, if they can just be signed up and coordinated. SB 913 will ensure we make the best use of those customer-owned resources by modernizing existing programs to integrate these resources better.

SUPPORT

The Climate Center (Co-sponsor)
Environment California (Co-sponsor)
350 Bay Area Action
350 Humboldt
Active San Gabriel Valley
Advanced Energy United
California Alliance for Community Energy
California Efficiency + Demand Management Council
California Solar and Storage Association
CALPIRG
Center for Biological Diversity
Center for Community Energy
Center for Environmental Health
Ceres
Clean Coalition
CleanEarth4Kids.org
Climate Action California
Climate Action Campaign
Climate Health Now Action Fund
Community Environmental Council
Deploy Action
Derapi
Environmental Defense Fund
Environmental Protection Information Center
Environmental Working Group
Ev.energy
Immaculate Heart Community Environmental Commission
Leap
Local Clean Energy Alliance
NextGen California
Pesticide Action and Agroecology Network
Qcells
Reclaim Our Power: Utility Justice Campaign
Santa Cruz Climate Action Network
Sierra Club California
Silicon Valley Youth Climate Action
Solar Energy Industries Association
Solar United Neighbors Action
Tesla, Inc.
The Energy Coalition
Uniting the Central Coast for Action, a Program of the SLO Climate Coalition
USGBC California
Voltus, Inc.

Vote Solar

FOR MORE INFORMATION

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AB 1577 – Data Center Energy Accountability Act

Summary

AB 1577, the Data Center Energy Accountability Act, improves grid reliability by creating statewide transparency standards around data center energy usage and efficiency.

Background

The rapid development of the artificial intelligence (AI) industry is fueling a boom in data center construction in California. These facilities, which house the servers and hardware needed to train and operate advanced AI, require vast amounts of electricity. According to a recent commentary from the Public Utility Commission's Public Advocates Office:

"As demand for data center services grows, companies are racing to develop new facilities as quickly as possible. Interconnecting these data centers to the grid poses risks for ratepayers because of the enormous infrastructure costs required to serve them. These costs may ultimately be passed on to all ratepayers, especially if the facilities use less energy than projected or shut down before the utility has recovered its associated interconnection costs. Data centers are unique in their extraordinary energy intensity, consuming 10 to 50 times more energy per square foot than a typical commercial office building. Data center developers in California increasingly plan to develop facilities with loads exceeding 50 to 100 megawatts at a single site – roughly the equivalent of the residential energy use of Santa Rosa or Huntington Beach." [1]

The California Energy Commission helps ensure California's energy infrastructure is ready to meet the needs of its population and economy by analyzing trends in energy consumption and forecasting future demand. Accurate facility-level data is essential to this work, particularly for energy-intensive buildings such as data centers. The Commission also establishes energy efficiency standards for buildings, appliances, and industrial processes, with the goal of reducing energy waste, lowering greenhouse gas emissions, and promoting sustainability.

Problem

The rapid expansion of the AI industry is driving the construction of large, energy-intensive data centers across California. The resulting growth in energy demand, combined with the grid infrastructure development needed to serve these facilities, risks increasing energy costs for Californians. At present, California lacks accurate statewide information on how many data centers exist, where they are located, how much electricity and water they consume, how efficiently they operate, and how they affect California's power grid. This information gap limits the ability of state and local agencies to plan infrastructure, evaluate efficiency opportunities, and protect ratepayers.

What the Bill Does

AB 1577 requires data centers to report specified energy usage and efficiency information to the California Energy Commission on a monthly basis, consistent with transparency frameworks established under the European Union's Energy Efficiency Directive, and requires proposed data centers to provide estimated information to local agencies prior to beginning construction.

Support

Audobon California
California Initiative for Technology & Democracy

[1] How Will Data Center Growth Impact California Ratepayers?

City of Monterey Park
Little Hoover Commission

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AB 1975 – Electric Rate Reduction Through Grid Utilization

Summary:

AB 1975 reduces electricity rates by requiring utilities to make better use of the electric grid we have already built and paid for. The bill requires the state's three investor-owned utilities to measure and increase grid utilization through load flexibility programs.

Background:

Utilities have traditionally expanded the electric grid whenever they estimate there may be a need to deliver more energy. With electrification and data centers, this need could increase faster than ever, driving up electric rates.

Expanding substations and upsizing other components on the electric grid is expensive, pushing up rates. By comparison, building highways large enough so there is never a rush hour slowdown would be extremely expensive. Grid expansion is also slow. Utilities may not be able to expand the grid fast enough, at any cost, to enable transportation and building electrification at the needed scale. A modern solution is needed to handle our increasing electrical needs at the lowest cost, via resources with the least environmental impact, and at a pace that works.

However, clean, distributed customer devices can be operated in coordinated fleets to balance electricity supply and demand within the constraints of the grid. The timing of electric vehicle charging can be flexible without impacting the needs of drivers. Batteries installed on houses, campuses, and other buildings throughout California can be networked and dispatched remotely in response to grid needs. Building energy controls for appliances such as heat pumps and HVAC can adjust the timing of electricity consumption. These assets all create grid flexibility.

Grid flexibility uses existing grid capacity more efficiently. Many circuits operate significantly below capacity most of the time, and at full capacity for only a small number of hours per year. Expanding the size of grid equipment to serve a small number of hours of higher use wastes ratepayer dollars. We can get more out of the grid we have already paid for by harnessing batteries and appliance controls in the hours when usage peaks.

Utilities favor grid expansion over modern flexibility approaches because their profits are a percentage of dollars spent on the grid. Given expected increases in consumption, there will still be plenty of need for grid expansion even with extensive flexibility programs. However, utilities have been sidelining flexibility programs to limited pilots. Legislation is needed to require them to bring those programs to scale.

AB 1975:

- Requires the CPUC to create a grid utilization metric and to establish minimum standards for the state's three investor-owned utilities under that metric each year; and

- Requires the utilities to establish load flexibility programs that encourage customers to shift their electricity consumption from the grid to off-peak hours, increasing grid utilization and reducing the cost of grid upgrades.

Support:

Environment California (sponsor)

Contact:

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SUMMARY

AB 2389 extends California's property tax exclusion for customer-sited solar energy systems through January 1, 2032, preserving a crucial incentive that promotes energy affordability, solar adoption, and progress toward California's energy goals.

BACKGROUND

Customer-sited solar energy systems are a vital tool for managing rising electricity costs. These systems are a form of distributed energy resources located close to where electricity is used, rather than relying on large, centralized power plants. By producing electricity locally these resources strengthen grid reliability and reduce the need for costly transmission infrastructure.

In 1980, Californians approved Proposition 7, establishing a property tax exclusion for solar energy systems. This exclusion applies to both directly owned systems and those financed through third-party arrangements such as leases and power purchase agreements (PPAs). These financing models are widely used by public entities and schools as 87% of public schools rely on third-party financed solar projects.

The exclusion is set to sunset on January 1, 2027, effectively triggering property tax reassessments for solar installations. This couldn't come at a worse time as the 30% federal tax credit incentive for residential solar has phased out. State policies, including this property tax exclusion, have historically helped keep solar adoption financially accessible during periods of rising energy costs.

Customer-sited solar also plays a crucial role in helping California achieve its goal of 100% clean electricity by 2045. Of the 7,000 megawatts (MW) of clean energy interconnected to the grid in 2024, 23% came from customer-sited solar and storage. Maintaining incentives that support continued adoption will be critical to ensuring these distributed energy resources remain a significant contributor to the state's clean energy transition.

NEED FOR THIS BILL

If the Legislature fails to extend this property tax exclusion, consumers will face higher annual property tax assessments when installing solar energy systems, discouraging investment in clean energy. Schools and local governments who lease solar energy systems from third parties will also face higher costs, even though as public entities they are excluded from property taxes as their third-party partners will incur property tax assessments that will be factored into future lease agreements. Reduced adoption of customer-sited solar and battery storage will also weaken distributed energy resources that support grid affordability for all Californians.

THIS BILL

AB 2389 extends California's property tax exclusion for an additional five years. The bill applies to customer-sited solar energy systems up to 2 megawatts, all solar energy systems installed on property owned by schools and other public entities, and battery storage systems installed alongside qualifying solar. By preserving the exclusion, the bill ensures these systems do not trigger higher tax assessments, therefore, keeping distributed energy resources financially accessible.

SUPPORT

Environment California

CONTACT

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2026 California Legislative Session: Recommended Bill Positions

Sam Sadle, Kendall Downie, Dominic Faria – April 15, 2026

2026 California Legislative Timeline

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) **We are here**
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 Bill Review

California legislators proposed **~1,800 bills**

February 20th

Ava legislative team is monitoring **~80 bills**

Ongoing

"The purposes [of Ava]… 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."

Ava Community Energy's Joint Powers Agreement

2026 Bill Review

Ava legislative team is monitoring **~80 bills**

Ongoing

Cross-functional analysis of **33 bills** (Internal, CalCCA, Board)

March

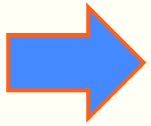
- Making Electricity More Affordable
- Protecting Community Choice
- Accelerating Decarbonization
- Promoting Local Development
- Increasing Bill Transparency and Understanding

Ava Community Energy Legislative Platform

2026 Bill Review

Cross-functional analysis of **33 bills** (Internal, CalCCA, Board)

March Board Meeting



Staff recommends Board take a position on **8 bills**

Today

1. Directly impacts our operations or legislative program.
2. Supports the JPA's vision of an affordable, sustainable, and local energy ecosystem and has broad-based support.
3. Ava's perspective has specific resonance with key decisionmakers and could impact the legislative language or path forward.

Staff Recommended Positions:

Support:

SB 222 (Wiener)
Streamlines permitting for residential heat pump water heaters and HVAC systems

SB 1168 (McNerney)
Establishes new surcharges on natural gas use by data centers

AB 2266 (Schultz)
Standardizes RA valuation across multiple procurement programs

Support If Amended:

SB 868 (Wiener)
Sets rules for "plug in" solar system

SB 913 (Becker)
Allows aggregated DERs to serve as RA capacity

AB 1577 (Bauer-Kahan)
Requires monthly data center energy use reporting

AB 1975 (Schultz)
Establishes "grid utilization" metric and associated incentives

AB 2389 (Irwin)
Extends property tax exemption for customer solar

Staff Recommended Positions:

Oppose

None

Oppose Unless Amended

None

Making Electricity More Affordable

Rate affordability via PUC process and consideration changes

Support → **AB 2266 – Schultz**
Requires PUC to set a single RA value for all types and duration of generation contracts

Support If Amended → **AB 1975 – Schultz**
Establishes a "grid utilization metric" that calculates load as a percentage of rated distribution capacity

Making Electricity More Affordable

Rate affordability via PUC process and consideration changes

AB 1975 Electrical corporations: grid utilization metric (Schultz):

- Requires the PUC to establish a grid utilization metric to measure electrical load as a percentage of system capacity; requires IOUs to publicly report on that metric; sets increasing minimum utilization targets; and establishes performance-based incentives or disincentives, while requiring utilities to propose programs to meet those targets.

Proposed amendments: Ensure CCAs can participate in and benefit from grid utilization programs while preventing IOU-only implementation.

Support:	Oppose:	Staff proposed action:
Environment California	(None yet registered)	Ava Community Energy: Support if Amended AB 1975 (Schultz)

Making Electricity More Affordable

Rate affordability via PUC process and consideration changes

AB 2266 Electricity: load-serving entities (Schultz):

- Requires the use of a consistent method across regulatory proceedings for calculating how much reliability value different energy resources provide, so that short-term, mid-term, and long-term procurement programs all count resources the same way.
- Requires the PUC to consolidate specified compliance reporting requirements and to provide additional reporting on the use of backstop procurement authority.

Support:	Oppose:	Staff proposed action:
(None yet registered)	(None yet registered)	Ava Community Energy: Support AB 2266 (Schultz)

Protecting Community Choice

Managing data center growth

Support If Amended

AB 1577 – Bauer-Kahan
Requires monthly energy and water use reporting from all data centers

Protecting Community Choice

Managing data center growth

AB 1577 Data Centers: reporting (Bauer-Kahan):

- Requires the Energy Commission to establish a process for data center owners to submit monthly reports on energy and water usage, including specified operational metrics. Would also require the CEC to publish aggregated data and incorporate data center load trends into future energy policy reports, and would require similar information to be provided to local agencies for planning and environmental review purposes, while protecting confidential customer information.

Proposed Amendments: Align reporting timelines with IOU-to-CCA data flows and prevent penalties for delays outside LSE control to ensure feasible implementation.

Support:

League of California Cities

U.S. Green Building Council California

Audubon

Oppose:

Bay Area Council

Data Center Coalition

CalChamber

TechNet The Voice of American Innovation

Staff proposed action:

Ava Community Energy

Support if Amended AB 1577 (Bauer-Kahan)

Accelerating Decarbonization

Supporting industrial and large load decarbonization

Support

SB 1168 – McNerney
Imposes a surcharge on all gas generation used by data centers and use funds to support wildfire costs

Accelerating Decarbonization

Supporting industrial and large load decarbonization

SB 1168 Data centers: natural gas and electricity: surcharges (McNerney - *Coauthor Pérez*):

- This bill imposes annually set surcharges on electricity and natural gas consumed by data centers, including energy used to generate power for them. It requires utilities to collect these charges and deposits the revenues into a dedicated fund to help offset wildfire-related costs currently embedded in customer rates.

Support:	Oppose:	Staff proposed action:
(None yet registered)	(None yet registered)	Ava Community Energy: Support SB 1168 (McNerney)

Promoting Local Development

Distributed Energy Resources

Support → **SB 222 – Weiner**
Requires local communities to adopt heat pump water heater and HVAC system permitting streamlining

SB 868 – Weiner
Exempts portable solar generation (max output of 1,200 watts) from interconnection requirements ← **Support If Amended**

Support If Amended → **AB 2389 (Irwin)**
Extends property tax exclusion for customer-sited solar and storage systems to support continued deployment

SB 913 – Becker
Requires PUC to expand eligibility of aggregated distributed energy resources for resource adequacy and LSE procurement ← **Support If Amended**

Entirely new bill text

Promoting Local Development

Distributed Energy Resources

SB 222 Residential heat pump systems: water heaters and HVAC: installations (Wiener - *Coauthors: Allen, Becker, and Stern*):

- Standardizes and streamlines local permitting for residential heat pump water heaters and heat pump HVAC systems, including by requiring an option for asynchronous inspections and online automated permitting. The bill would support the State's target of installing six million heat pump systems by 2030, an objective the State is currently set to miss by roughly two million units.
- In 2025, Ava supported SB 282 (Wiener) which was largely the same language.

Support:

the climate center

NRDC

SIERRA CLUB

BUILDING DECARBONIZATION COALITION

Bay Area Air District

Oppose:

RCRC

CSAC

LEAGUE OF CALIFORNIA CITIES

Staff proposed action:

Ava Community Energy

Support SB 222 (Wiener)

Promoting Local Development

Distributed Energy Resources

AB 2389 (Property taxation: active solar energy systems: customer sited: extension (Irwin - *Principal coauthor: McNerney, Coauthor: Blakespear*):

- Extends the property tax exclusion for certain customer-sited solar energy systems, including systems up to 2 megawatts and those located on public entity property, through January 2032.

Proposed amendments: Require new solar systems to include battery storage to qualify for the exemption, while preserving eligibility for existing and resilience-focused projects.

Support:

Environment California

the climate center

Sierra Club

GRID Alternatives

Oppose:

CCUE Coalition of California Utility Employees

Staff proposed action:

Ava Community Energy

Support if Amended AB 2389 (Irwin)

Promoting Local Development

Distributed Energy Resources

SB 868 Electricity: portable solar generation devices (Wiener - C*oauthors: Arreguín, Becker, McNerney, Connolly, and Ward*):

- Exempts portable solar generation devices from interconnection requirements and prohibits IOUs and POUs from imposing fees or other related requirements. Authorizes utilities to require basic notification of device installation through a simple registration process, as specified.

Proposed amendments: Require storage pairing and modern inverter standards for plug-in solar while maintaining basic oversight to protect grid reliability and mitigate cost impacts.

Support:

Local Clean Energy Alliance
California Solar + Storage Association
NRDC
Solar Rights Alliance
ewg
Grid Alternatives
San Diego Community Power

Oppose:

PG&E
SDGE
Southern California Edison
CMUA California Municipal Utilities Association

Staff proposed action:

Ava Community Energy — Support if Amended SB 868 (Wiener)

Promoting Local Development

Distributed Energy Resources

SB 913 Resource adequacy: aggregated distributed capacity resources (Becker):

- Requires the PUC to enhance pathways for aggregated distributed energy resources to qualify as resource adequacy capacity and to allow load-serving entities to include those resources in resource adequacy compliance and procurement. Also requires coordination with state agencies and the ISO to update market participation frameworks to support aggregated distributed capacity resources.

Proposed amendments: Enable aggregated DERs as RA capacity while preserving CCA procurement flexibility and avoiding any implicit DER procurement mandate.

Support:

the climate center

California Solar + Storage Association

Sierra Club

Local Clean Energy Alliance

Oppose:

(None yet registered)

Staff proposed action:

Ava Community Energy

Support if Amended SB 913 (Becker)

Increasing Bill Transparency and Understanding

None

Other

None

What comes next? Legislative session

First house

- **April 24:** First house policy committee deadline (fiscal)
- **May 1:** First house policy committee deadline (non-fiscal)
- **May 15:** First house Appropriations suspense deadline
- **May 29:** First house passage deadline

Second house

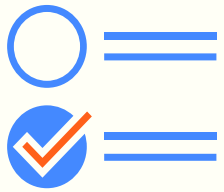
- **July 2:** Second house policy committee deadline
- **August 14:** Second house Appropriations suspense deadline
- **Aug 31:** Second house floor passage deadline
- **September 30:** Veto/signature deadline

Budget

- **May 14:** Governor's budget revise
- **June 15:** Budget deadline
- **May to August:** Budget trailer and cleanup hearings

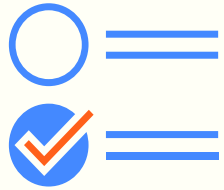
What comes next? Bill review and positions

April Board meeting



- **Two action items:**
  - Propose annual updates to the Ava Legislative Program
  - Propose bill positions (*Support, Support If Amended, Oppose Unless Amended, Oppose*) to MRL, CAC, and Board

May Board meeting



- **Possible action items:**
  - Propose additional bill positions (if needed) (*Support, Support If Amended, Oppose Unless Amended, Oppose*) to MRL, CAC, and Board

Full Universe of Ava Monitored Bills

AB 13	Ransom (D)	PUC membership and reporting
AB 34	Patterson (R)	Extends the authority of POUs to count large hydro towards RPS
AB 61	Pacheco (D)	Require PAO to analyze ratepayer impacts of mandated programs
AB 705	Boerner (D)	Creates independent PUC audit office
AB 706	Aguiar-Curry (D)	Fire fuel reduction procurement program
AB 710	Irwin (D)	Dynamic pricing and advanced metering mandate
AB 942	Calderon (D)	Changes climate credit
AB 1016	Gonzalez (R)	State certification exemption for geothermal power plants
AB 1020	Schiavo (D)	Requires IOUs to report taxpayer funding
AB 1117	Schultz (D)	Require IOUs to offer optional dynamic rate
AB 1156	Wicks (D)	Updates farmland solar-use easement statute
AB 1577	Bauer-Kahan (D)	Data Center Monthly Reporting
AB 1677	Boerner (D)	Require IOUs to cut rates by 25%
AB 1738	Carillo (D)	Requires local governments to offer remote inspections
AB 1761	Rogers (D)	PCIA data transparency
AB 1774	Boerner (D)	CPUC to audit past IOU wildfire spending before approving more

Full Universe of Bills

AB 1774	Boerner (D)	CPUC-conducted audit of IOU wildfire mitigation expenditures
AB 1787	Schultz (D)	Require IOUs to offer a dynamic tariff if smart meter infrastructure is in place
AB 1791	Sanchez (R)	Prohibits CARB from adopting regulations that would add consumer costs
AB 1813	Ward (D)	Require CEC evaluation of renewable energy programs
AB 1942	Bauer-Kahan (D)	Restrictions on class 2 and class 3 ebikes
AB 1975	Schultz (D)	Grid utilization metric
AB 1995	Patel (D)	State Fire Marshal lithium battery working group
AB 2057	DeMaio (R)	Prohibits city and counties from implementing gas bans
AB 2111	Papan (D)	Transmission planning alignment with affordability and FERC Order 1920
AB 2175	Garcia (D)	Removes advanced electricity storage from smart grid deployment objectives
AB 2181	Petrie-Norris (D)	Requires PUC commission diversity
AB 2182	Irwin (D)	Creates IOU run industrial decarbonization program
AB 2234	Papan (D)	CEQA exemptions for geothermal exploratory projects
AB 2239	Carillo (D)	Infrastructure-constrained energization areas and IOU energization timelines
AB 2266	Schultz (D)	RA valuation standardization
AB 2313	Berman (D)	Require gas corporations to offer electrification incentives

Full Universe of Bills

AB 2369	Rogers (D)	Enables partial RA, allowing energy-only resources earn RA value
AB 2383	Zbur (D)	Require creation of a large load customer class and rate schedule
AB 2389	Irwin (D)	Extension of customer-sited solar tax exemption
AB 2396	Irwin (D)	Authorizes CCAs to finance transmission infrastructure
AB 2408	DeMaio (R)	Require all PPPs be detailed on bill and an annual report to each ratepayer
AB 2459	Wallis (R)	Prevents withholding occupancy permits for nonprofits, re: EV Chargers
AB 2463	Petrie-Norris (D)	Require PUC to study IOU return on equity
AB 2464	Wicks (D)	Require PUC to study clean firm's role in 2045 goal
AB 2493	Petrie-Norris (D)	Require IOUs to have an interconnection auditor
AB 2508	Hoover (R)	Creates PPP vehicle to spend GGRF funds on EE programs run by RENs
AB 2516	Petrie-Norris (D)	California Grid Manufacturing Initiative
AB 2518	Sharp-Collins (D)	Requires SDG&E to prioritize and fast-track affordable housing energization.
AB 2589	Irwin (D)	Requires PUC to analyze OBBBA and adjust rates to reflect impacts
AB 2611	Bains (D)	Require PUC to develop rates that do not impose an "unreasonable hardship" on low-income communities in hot climate zones
AB 2612	Schultz (D)	Building standards for plug-in solar systems
AB 2647	Calderon (D)	Bans new nuclear power plants without fuel reprocessing capacity or adv tech

Full Universe of Bills

AB 2688	Zbur (D)	Spot bill – offshore wind
AB 2699	Zbur (D)	Spot bill -- utilities
AB 2700	Gallagher (R)	Requires a report to reduce electricity rates by at least 30%
AB 2710	Bauer-Kahan (D)	Intent of legislature to make changes in IOU bankruptcy processes
AB 2748	Quirk-Silva (D)	Revert EV regulations to 2022 state building code for BMR housing
AB 2762	Boerner (D)	Spot bill -- rates
SB 222	Weiner (D)	Heat pump water heater and HVAC system permitting streamlining
SB 327	McNerney (D)	Prohibits IOUs from using ratepayer funds for advocacy activities related to municipalization
SB 330	Padilla (D)	Transmission infrastructure financing pilots
SB 332	Wahab (D)	Study breaking up IOUs
SB 453	Stern (D)	Microgrid incentive program
SB 742	Perez (D)	IOUs to remove unused transmission facilities
SB 842	Stern (D)	Report on firm zero-carbon resources
SB 868	Wiener (D)	Plug-in solar interconnection exemption
SB 875	Wiener (D)	PG&E municipalization advancement

Full Universe of Bills

SB 886	Padilla (D)	Large load cost shift prevention
SB 887	Padilla (D)	Large load CEQA application
SB 905	Becker (D)	Utility Cost and Performance Reform
SB 913	Becker (D)	Resource Adequacy for aggregated distributed capacity resources
SB 924	Hurtado (D)	PUC to consider affordability when looking at home weatherization
SB 925	McNerney (D)	Requires state strategy and permitting framework to advance fusion energy
SB 943	Becker (D)	Industrial billing and NBC/TAC reform
SB 978	Perez (D)	Special tariff for large load customers
SB 1035	Strickland (R)	Suspend gas tax for one year
SB 1097	Weiner (D)	Streamlines CEQA for grid upgrades and certain clean energy projects
SB 1138	Padilla (D)	RA transactability
SB 1158	Stern (D)	Adds status of utility transmission upgrades and electrical grid infrastructure to Reliability Planning Assessment
SB 1167	Blakespear (D)	Clarifies ebike definition and bans advertising of non-eligible bikes
SB 1168	McNerney (D)	Data center gas usage surcharge
SB 1187	Durazo (D)	Brown Act meeting updates
SB 1215	Cortese (D)	Require IOUs to 3x the number of multifamily level 2 and 3 chargers

Full Universe of Bills

SB 1219	Strickland (R)	Requires PUC to consider discontinuation of nonperforming EE programs within 180 days
SB 1233	Allen (D)	Requires enhanced justification of CPUC findings tied to utility returns
SB 1245	Stern (D)	Intent of legislature to address cost containment of renewable integration into grid
SB 1282	Becker (D)	V2G standards
SB 1295	Stern (D)	Requires PUC to consider procurement of 40GW of storage and allocate procurement to LSEs
Budget Trailer	Dept of Finance	Reallocates outstanding funding from the Distributed Energy Backup Assets (DEBA) program to the Demand Side Grid Support (DSGS) program
Budget Trailer	Dept of Finance	Transitions 2026 DSGS participants to the Emergency Load Reduction Program (ELRP) or an equivalent CPUC load reduction program.

Staff Report Item 13

To:	Ava Community Energy Authority
From:	Dan Bertoldi, Electrification Program Manager
Subject:	Update on the results of the Health-e Communities Pilot (Informational Item)
Date:	April 15, 2026

Summary/Recommendation

It is recommended that the Board of Directors receive a presentation on the results of the Health-e Communities pilot. This is an information item and no action is required.

Analysis and Context

Executive Summary

The Health-e Communities pilot ("Pilot") was a kitchen stove electrification pilot program targeting low-income customers that measured indoor air pollution impacts of removing gas stoves. The Pilot used a "direct installation" program delivery model, which means Ava covered all costs associated with the installation (equipment and labor) with no cost to the customer. Ava also coordinated the temporary installation of indoor air quality monitoring. Indoor air quality monitoring was conducted before and after each installation of an all-electric induction stove to measure indoor air pollution levels within the participant's living space.

Applications for the Pilot ran for approximately one year, from October 2024 to September 2025. Marketing efforts included direct outreach to approximately 56,000 income-qualified Ava customers via email to meet the goal of installing 200 electric induction stoves. Of that goal, 162 projects were successfully completed with an average cost of over $7,000 per project. Despite the low conversion rate from marketing efforts, overall customer satisfaction remained high for those who did participate, even with longer than anticipated project completion timelines averaging 90 days.

At the end of the Pilot, staff concluded that it did not demonstrate a delivery model that is scalable, given the low conversion rate and the high costs resulting from equipment cost, administration costs and long installation timelines. Although the air quality study on the impact of removing gas stoves shows promising results for reductions in a key pollutant - nitrogen dioxide (NO2), which is known to cause negative health effects - more research is needed to understand the impacts of this change. Further understanding would require expansion of the health-focused scope to accommodate additional research, resulting in significant additional resource requirements, logistical complexity, and customer burden for each project, further hindering scalability.

During the Pilot, staff identified key barriers to electrification projects that go beyond stove electrification, which are further detailed in this report. Staff will take the learnings from the Pilot and apply it to future planning for program development.

Background and Introduction

At its November 2022 meeting, the Board of Directors directed staff to develop a program proposal to deploy home electrification, specifically induction technology, to Ava customers with a focus on human health. In October 2023, Ava secured a grant totaling $164,000 from the US Energy Foundation to support indoor air quality research efforts to support the Health-e Communities pilot. In February 2024, Ava executed an agreement with Berkeley Air Monitoring Group to provide indoor air quality monitoring services.

At its April 2024 meeting, the Ava Board of Directors approved staff's recommendation to adopt a resolution authorizing the CEO to execute a contract with Franklin Energy. On July 10, 2024, Ava and Franklin Energy entered into an agreement with a not to exceed amount of $1.5 million to implement the Pilot, with a term ending on December 31, 2025. On October 1, 2025, Ava officially launched the Health-e Communities pilot and outreach campaign, with Ava leading marketing efforts for outreach and recruitment.

The Pilot set out to achieve the following objectives:

- Complete up to 200 induction stove retrofit projects
- Develop and refine effective program recruitment and enrollment tactics for a direct installation program
- Gain insights into direct install program management strategies for electrification
- Solicit Pilot feedback from all participants
- Conduct analysis of indoor air pollutant concentrations and impacts of cooking electrification for all participants
- Inform on larger programmatic effort linking electrification and health

Approach

Customer eligibility for the Pilot was limited to income-qualified Ava customers. To qualify, customers had to be enrolled in either the California Alternative Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs – or reside in a home that is designated as affordable housing. Both homeowners and tenants were eligible to apply, but property owner permission was required for tenant-occupied homes. Additionally, single-family homes or multifamily buildings with 4 units or less were eligible.

The Pilot's outreach campaign focused on customers living in areas with the highest asthma rates. Staff utilized the State's CalEnviroScreen 4.0 to identify the target segments and, using Ava's customer data, identified CARE and FERA customers living within those target areas. In total, Ava reached out directly to approximately 56,000 residences between four to five times each to let them know about the Pilot. Marketing materials were provided in both English and Spanish.

Once a customer applied and was deemed eligible to participate, Franklin Energy provided in-home site assessments to determine the project's eligibility and install the air quality monitor for projects that were eligible. After at least one week of air quality monitoring, a contractor would install the induction unit and remove the gas unit. Franklin Energy returned to the home after another week of monitoring to retrieve the monitor and conduct an exit survey.

The air quality study component of the Pilot consisted of measuring four pollutants in the kitchen: nitrogen dioxide (NO2), fine particulate matter (PM2.5), carbon monoxide (CO), and carbon dioxide (CO2). Indoor air quality monitors were placed in participant's kitchens for at least one week before and after each installation. Additionally, each participant was asked to fill out a questionnaire detailing their stove use habits and other factors that would affect study results. Participants were provided with a personalized indoor air quality report at the end of each successful monitoring period.

Results

Results across marketing and customer recruitment, direct installation, and air quality are listed below, with key pilot observations and lessons learned.

Marketing and Customer Recruitment

- Of the 56,000 customers reached through the pilot, less than 1% applied after four or five email attempts per customer (518 application submissions).
- Out of over 200K emails sent, the email open rate was 11%, while the click through rate was 0.66%. The application rate per email was 0.24%.
- 87% of application submissions met the basic customer eligibility criteria for a total of 451 eligible applicants.

Direct Installation Performance

- A total of 162 projects were successfully installed out of the goal of 200 (85% of the goal).

- On average, customer satisfaction was 9.9/10 out of 161 participants surveyed.
- Total applicant attrition rate (i.e. all applicants who applied that did not move forward) was 69%, with 356 of 518 applicants not moving forward.
- The eligible applicant attrition rate (i.e. eligible participant dropout, or number of customers who applied and were approved for an assessment) was 64%, with 289 of 451 projects dropping off for various reasons.
- The average installation took approximately 75 days to complete, from application approval to install.
- The average project completion took approximately 90 days, from application approval to final site visit and exit survey.
- The average cost per project for all labor, equipment, and administration was $7,110.
- The customer benefit value was approximately $5,000 on average for direct labor and equipment.

Air Quality Impacts

- Considerable reductions in nitrogen dioxide (NO_2) with most homes experiencing some level of NO_2 decrease.
    - The overall median concentration decreased by 70%, suggesting that large improvements were common across participants, not driven by a small number of outliers.
    - 98% of the study homes experienced a decrease in the number of minutes per day (median of 13 minutes/day to 0 minutes/day) that NO_2 concentrations exceeded 101 ppb, the US EPA threshold above which exposures are considered unhealthy for sensitive groups, including children.
- Reductions in carbon monoxide (CO) were moderate, showing an overall median CO concentration decreased by 17%.
- Carbon dioxide (CO_2) remained stable.
- Changes in particulate matter ($PM_{2.5}$) was variable, with a slight observed increase, although results were not statistically significant.

Key Pilot Observations

Staff summarized key observations to preserve learnings from the pilot.

Interest levels. Even with a high value offering ($5,000 value to the customer), the Pilot faced lower than anticipated interest and high attrition for eligible customers that applied (64% attrition for eligible applicants). While specific reasons for participant drop out were often documented, some customers did not provide a reason. Additional market research could be useful to better understand why participants are not interested in a high value offering.

Timelines. The average project timeline of 90 days was largely attributed to logistical complexity, permitting timelines, and customer scheduling.

Project scoping. Almost half of projects required installation measures beyond “standard project”, meaning contractors had to provide other install services in support of the induction range installation, circuit run, and permit (i.e. tandem breakers, circuit sharing devices, etc.), resulting in higher program costs.

Electrical infrastructure and panel issues. A major contributing factor for the high attrition rate was existing electrical infrastructure issues. Nearly one quarter of homes that were assessed did not move forward because of either unsafe panels or panel capacity issues. Staff observed that electrification was not possible in the Pilot for range installation projects where the home had less than 100 amps of total panel capacity.

Air quality impacts. With the significant reduction in NO2 observed in the Pilot and given the latest research linking NO2 to pediatric asthma, a positive health outcome is likely attributable to stove electrification. However, more research is needed to understand the true impacts of human exposure to gas stoves.

Key Lessons Learned

Staff summarized lessons learned and will apply these key lessons for further program planning and execution.

One key learning focuses on permitting for a 240V circuit run/range installation, which was highly variable across permitting agencies in terms of requirements and timelines. Ample buffer time should be included in projected project timelines to allow for permit timeline flexibility, sometimes up to 4 weeks.

Related to permitting are learnings related to existing electrical infrastructure. Issues including panel capacity and unsafe electrical/panel conditions were common and should be considered when planning for attrition and delays, especially when targeting hard to reach communities. Adding a panel replacement measure would substantially decrease attrition, but at a high cost. Additionally, when permits are required, there should be consideration that additional code compliance issues - unrelated to the scope of the program - could be uncovered at homes/sites by the inspecting agency, which could then trigger project delays and increased costs.

One possible way to avoid permitting, electrical capacity, and equipment eligibility holdups is to consider virtual in-home assessments at the beginning stages of each project. This could reveal unsafe or insufficient panels, ineligible equipment, or other factors that would prevent a project from moving forward and reduce the amount of staff time on projects that are ineligible.
Other program offerings available to Ava customers, such as the State’s Equitable Building Decarbonization program, may fill the need for a direct installation approach for induction stoves. These programs couple induction stove installation with other electrification measures like heat pump HVAC and water heater installation, and provide a greater impact for decarbonization, while streamlining administration.

Conclusion

The Health-e Communities pilot model did not demonstrate a scalable, cost-effective model that could serve a broad segment of Ava's customers. Adding further complexity with more invasive health-based research methods would further impair the viability of a large-scale program. Staff plans to take the learnings and data gathered in this pilot and apply it to future program planning efforts.

Financial Impact

As part of the annual budget adoption process for FY 2023-24 and FY 2024-25, the Board of Directors approved a total allocation of $10 million for an induction stove program in the Local Development fund.

At its April 2024 meeting, the Board of Directors authorized the use of $1.5 million from the Local Development fund to pay Franklin Energy Services to provide induction stove installation services to support the Health-e Communities pilot. A total of $1,152,179 of Local Development funds was spent on Franklin's implementation services over the term of the pilot. Air quality monitoring services, provided by Berkeley Air Monitoring Group, were covered by the US Energy Foundation, which cost a total of $119,523.

With the closing of the pilot, the remining $8.85M funds will be reallocated within the Local Development fund for future programs.

Attachments

A. Presentation

Ava Community Energy

Health-e Communities Update
Board of Directors
April 15, 2026

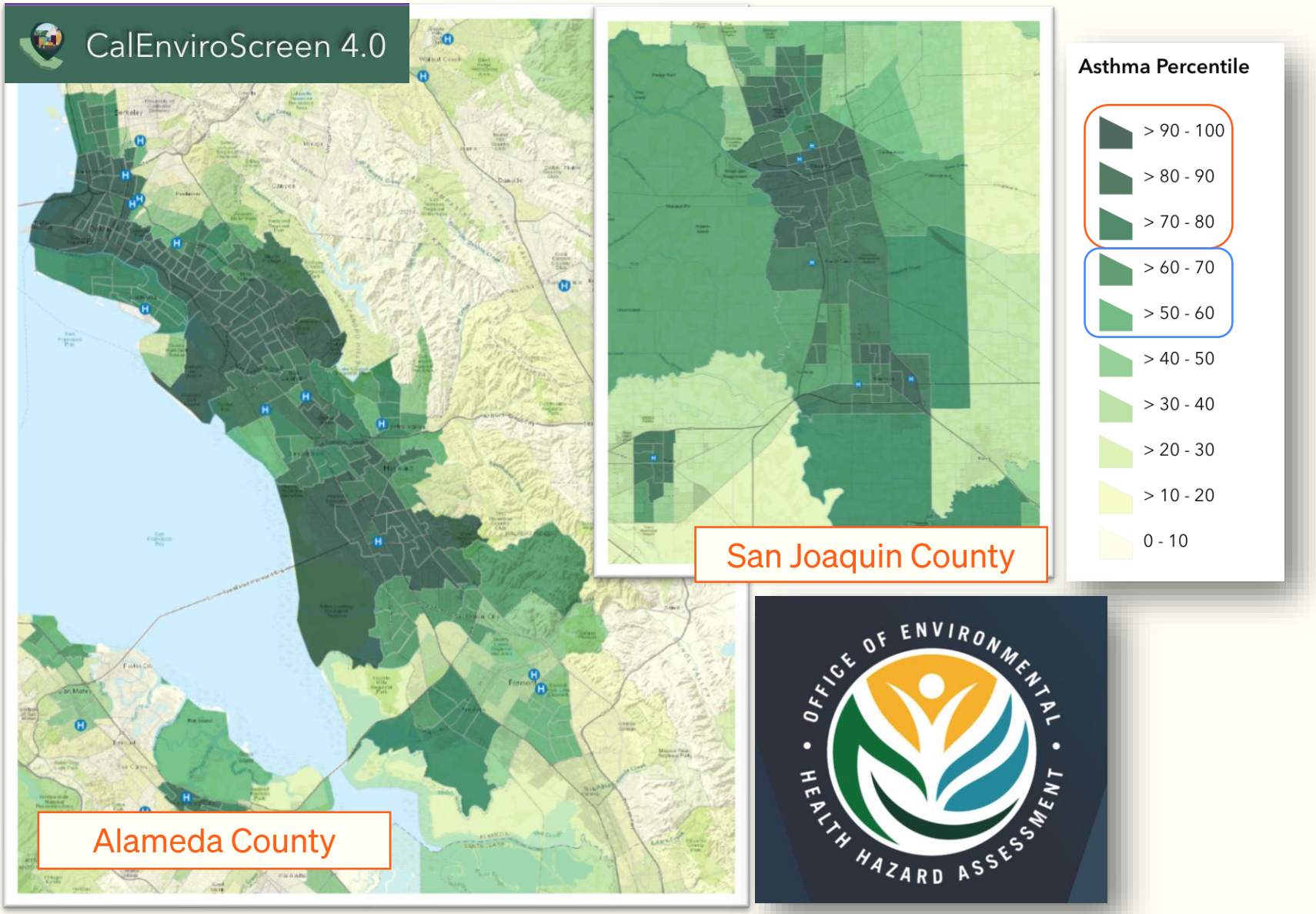
Health-e Communities Pilot Approach

- The Pilot offered induction stove installation for income qualified customers and measured air quality impacts
- Pilot objectives:
  a. Measure indoor air pollution impacts for each stove installation
  b. Test how to build a viable and scalable program using a direct installation delivery model for installing building electrification measures
  c. Gain insights into electrification program delivery through data collection (e.g. panel capacities, customer interest, etc.)
  d. Determine viability to scale pilot to a larger program
- The Pilot ran from Oct. 2024 – Sep. 2025
- The total cost of the Pilot was $1.25 million for both implementation and air quality monitoring
- The Pilot required a high level of effort from Ava and vendors to deliver results (6 organizations and 2 Ava staff)

Pilot Results Summary

- 162 units installed across 15 jurisdictions
- Significant learnings were gained:
  - **Indoor air pollution impacts:** Promising results for reduction in nitrogen dioxide (NO_2) - known to impact human health; variable impacts to other indoor air pollutants
  - **Project timelines:** 90 days to project completion, permitting on widely variable timelines across jurisdictions, permit timelines varied from 0 - 65 days
  - **Panel and Electrical Insights:** 22% of assessed homes were ineligible due to unsafe electrical conditions or insufficient panel capacity
  - **Project Costs:** $5K per installation, $7K per project including administration.
  - **Customer interest:** 0.24% application rate; 35% of applicants cancelled due to lack of interest or were non-responsive
- The Health-e Communities pilot did not demonstrate a delivery model that is scalable given low uptake rate and high costs

Marketing and Recruitment



Staff used the following criteria for targeted email outreach:

1. **Active Ava customers**
2. **Verified enrollment in CARE or FERA programs**
3. **Located in areas with the highest asthma rates**
   - Utilized the CalEnviroScreen 4.0 Asthma indicator
   - Began in areas in the 75th + percentile
   - Expanded outreach to 50 – 75th percentile
   - 56k (47% of CARE accounts) were emailed

Pilot Process and Average Project Timeline

Permitting Timelines

Jurisdiction	Avg Days to Approve Permit	Median	No. of Installs	Min	Max
Berkeley	31	29	10	7	58
Albany	30	30	1	30	30
Newark	29	29	1	29	29
San Leandro	27	29	12	3	65
Pleasanton	22	22	1	22	22
Union City	14	15	3	0	26
Emeryville	9	9	1	9	9
Lathrop	9	9	1	9	9
Uninc. Alameda Co.	9	6	3	6	15
Hayward	8	6	16	0	30
Stockton	6	3	33	1	20
Fremont	3	0	17	0	28
Tracy	1	1	3	1	1
Oakland	1	0	58	0	20

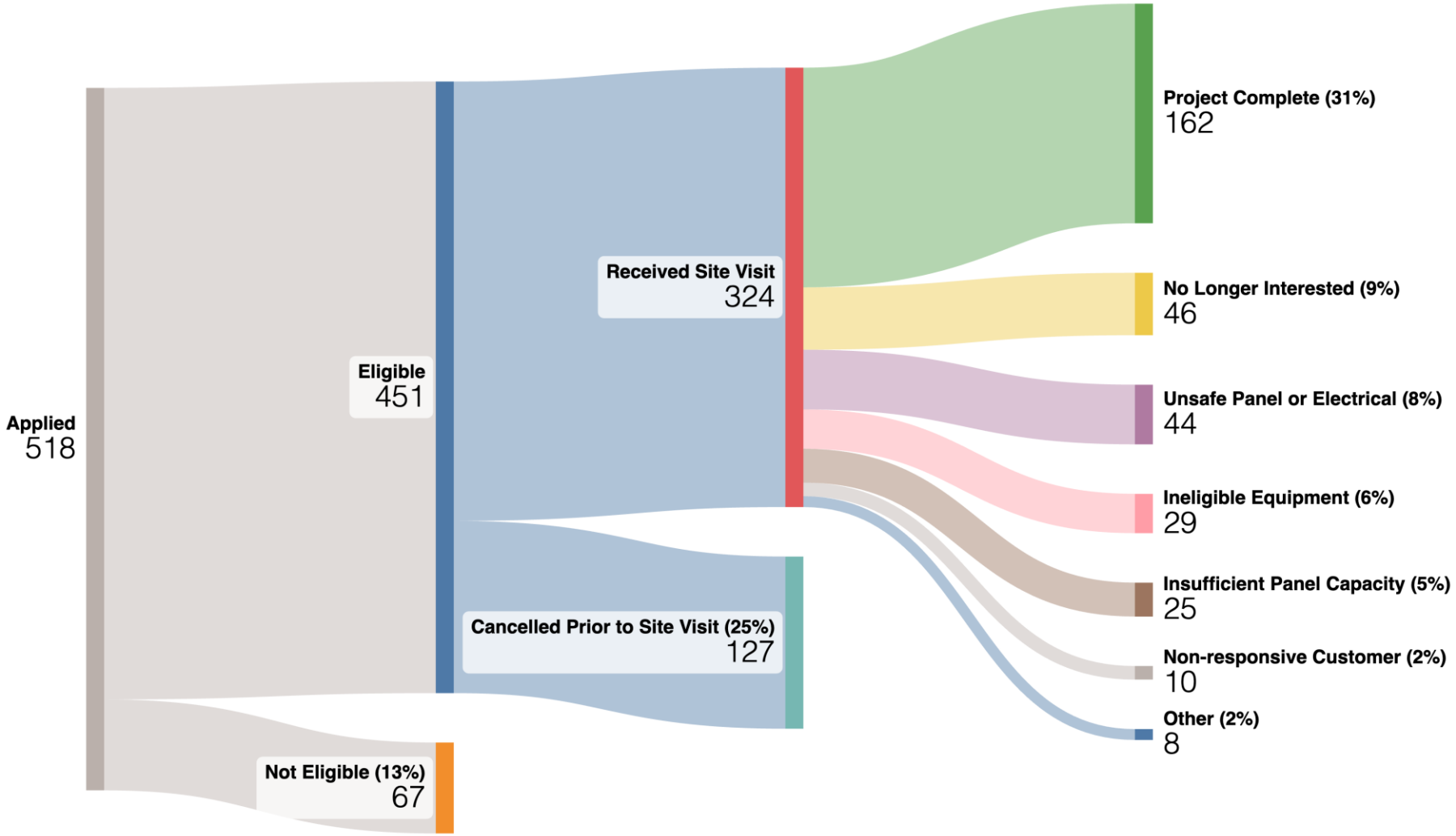
Highlights

- High degree of variability between jurisdictions
- Most projects required electrical permits for 240V circuit runs
- Average project permitting wait times was 8 days
- Reasons for permitting variation:
  - Permit center backlogs
  - Jurisdiction-specific requirements requiring more time and coordination
  - Inspector availability

Applicant Attrition Breakdown

Attachment Staff Report Item 13A

- 212k emails sent to 56k accounts (47% of CARE customers)
- 0.24% application rate
- 69% attrition for all applicants



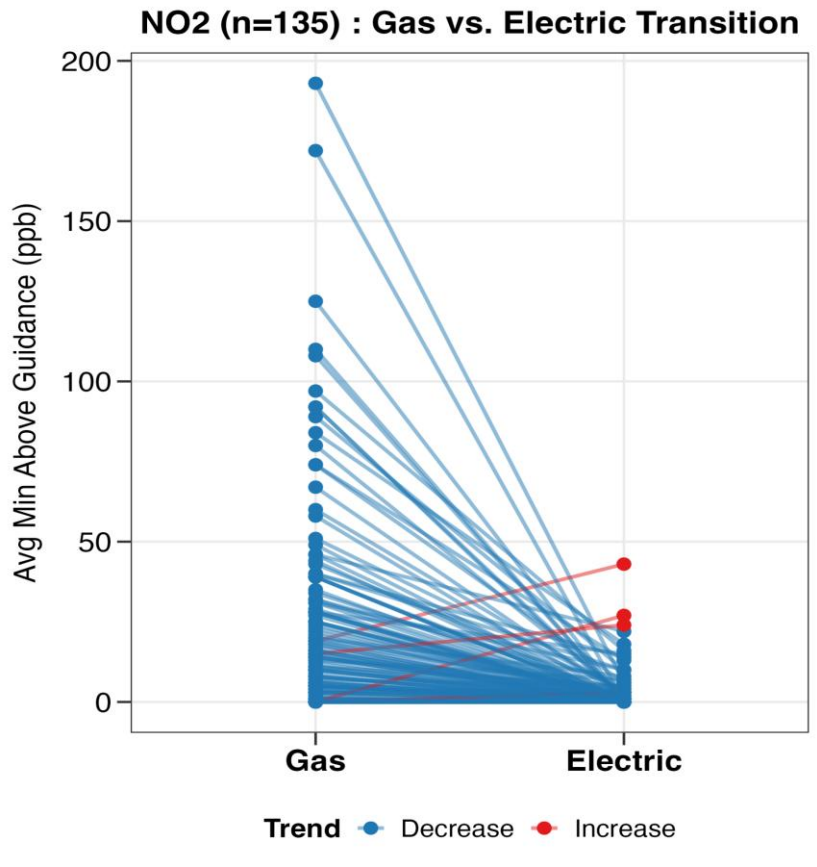
Air Quality Results

Significant and consistent reductions in nitrogen dioxide (NO_2)

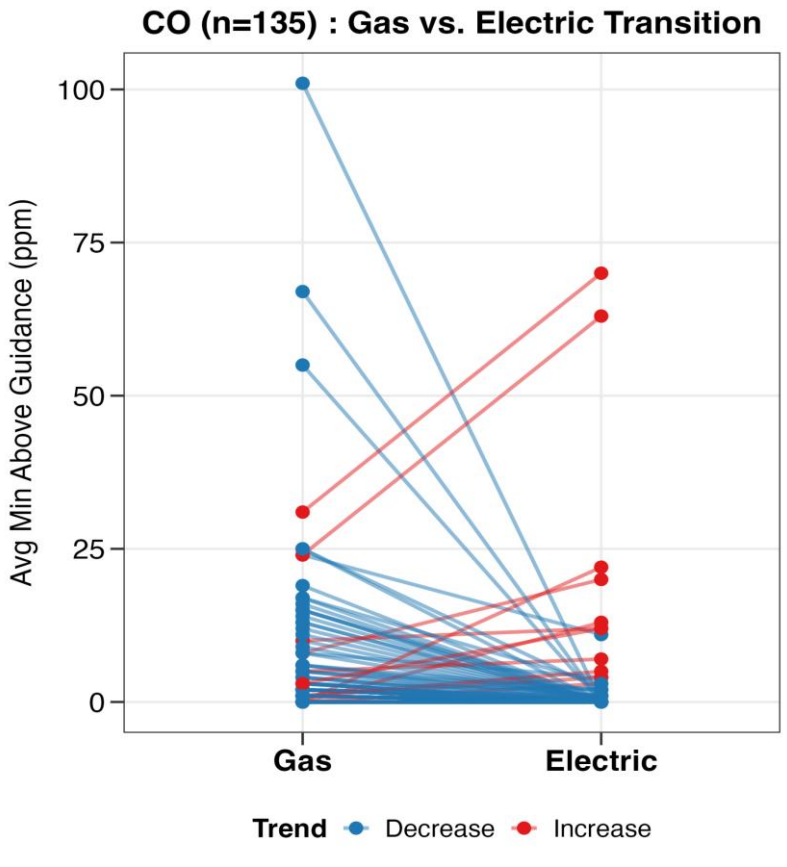
- The median NO_2 concentration decreased by 70%, indicating tha a typical household experienced substantial reduction.
- Median minutes above EPA threshold declined from 13 to 0 minutes per day (P<0.0001)

Reductions in carbon monoxide (CO) were moderate

- Median CO concentrations **decreasing by 17%**
- Median minutes above EPA threshold **declined from 1 min/day to 0 min/day** ($p < 0.0001$)



Average minutes per day with NO_2 concentrations exceeding the 101-ppb threshold.



Average minutes per day with CO concentrations exceeding the 9.5 ppm threshold

Next Steps

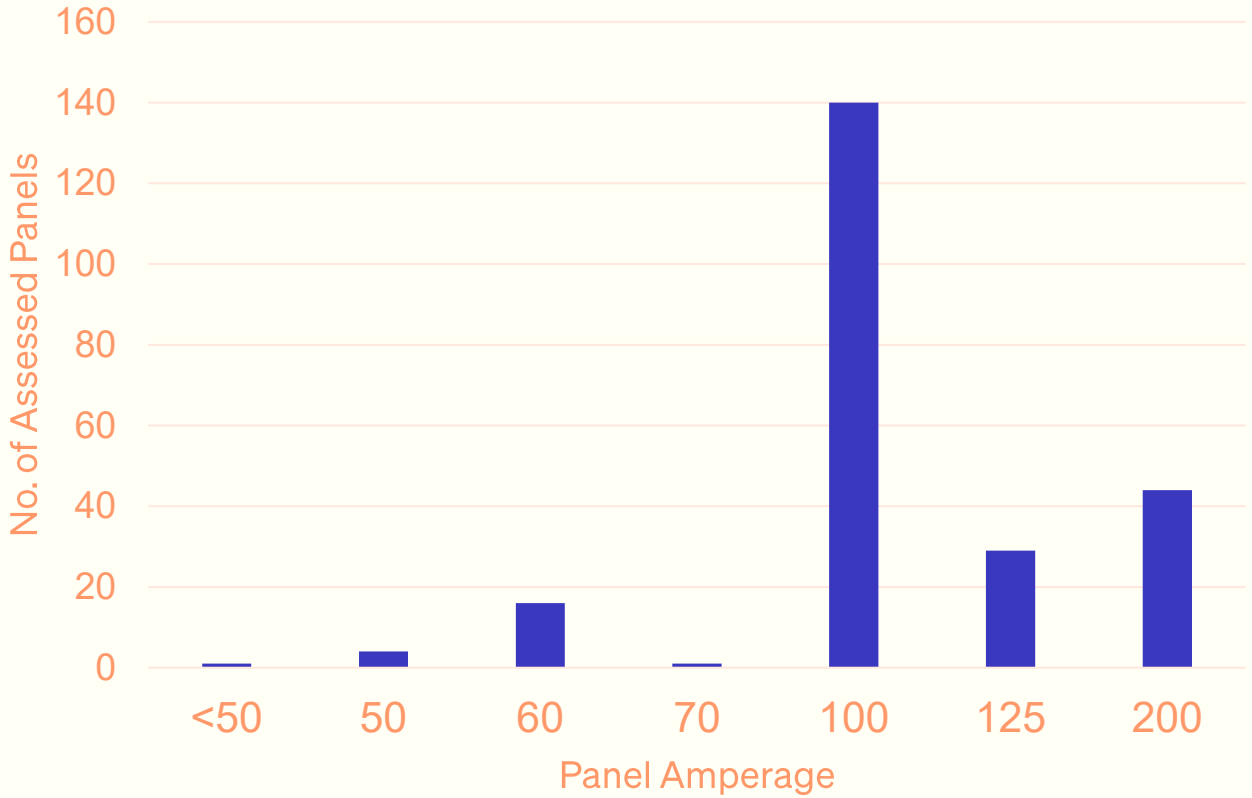
- Staff will apply learnings from the Pilot to future program planning and design efforts
  - Better understanding of electrical constraints across building stock in Ava's service area
  - Insights into electrification project costs, permitting constraints, and project timelines for better contractor coordination
  - Program offerings that gain more customer interest and program participation
- Remaining budget (~$8.5MM) can be reinvested into future building electrification programs (e.g. potential heat pump water heater or heat pump HVAC programs)
- Berkeley Air Monitoring Group continues to advance health-focused research on air quality and stove electrification under a CEC grant, in coordination with the Equitable Building Decarbonization Program

Thank you!

Dan Bertoldi
Electrification Program Manger
dbertoldi@avanenergy.org

Panel and Electrical Insights

Panel Capacity Observations



Highlights

- 22% of total assessed homes (324) were cancelled because of panel and/or electrical issues
  - 14% unsafe panel/electrical (44)
  - 8% panel capacity (25)
- All completed projects were at homes with 100 amps+
  - It was not feasible to electrify with less than a 100-amp panel
- Recalled/unsafe panel brands include Zinsko, Stab-Lok, Sylvania, and Federal Pacific
- We also encountered melted breakers, pest infestations in panel box, missing panel enclosures, etc.

Pilot Interest by Jurisdiction

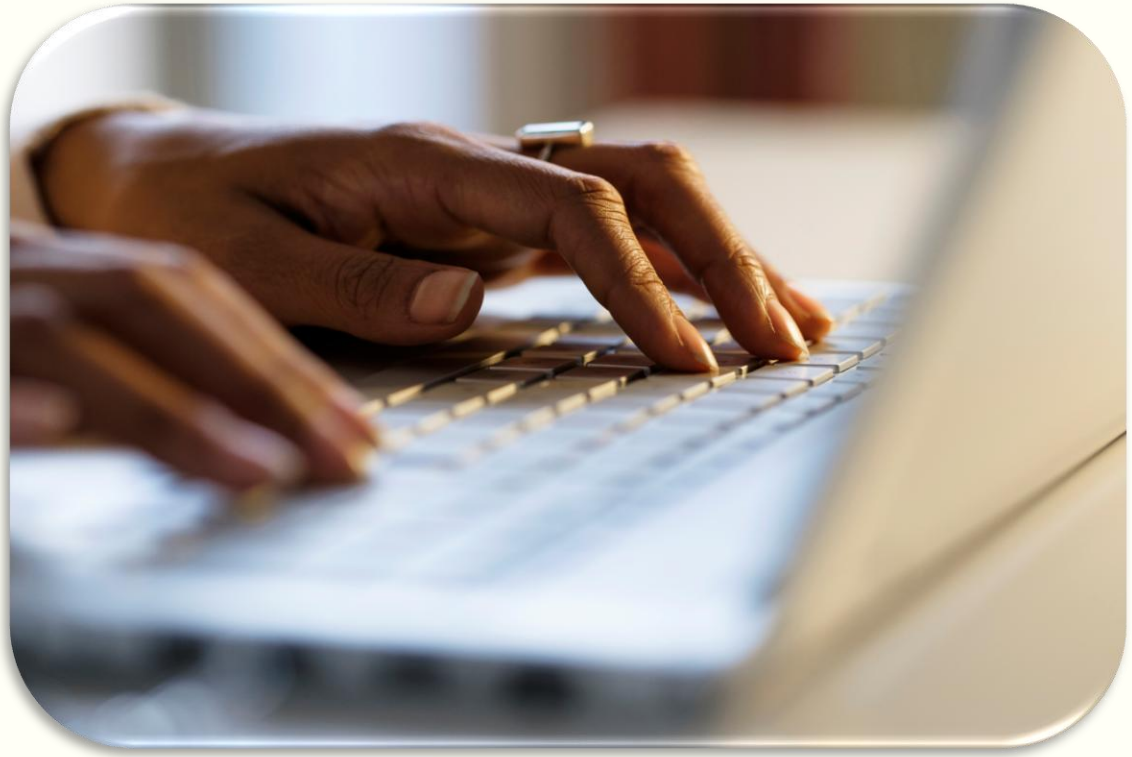
Jurisdiction	Approved Applications	Completed Installs	% Completed Projects by City
OAKLAND	156	58	35%
STOCKTON*	115	33	20%
FREMONT	29	17	10%
HAYWARD	36	14	9%
SAN LEANDRO	24	13	8%
BERKELEY	26	11	7%
UNINC ALAMEDA CO	21	5	3%
TRACY	17	3	2%
UNION CITY	7	3	2%
EMERYVILLE	3	1	1%
LATHROP*	7	1	1%
NEWARK	6	1	1%
ALBANY	2	1	1%
PLEASANTON	1	1	1%
DUBLIN	1	0	0%

*Pilot made available to these cities in May 2025

Highlights

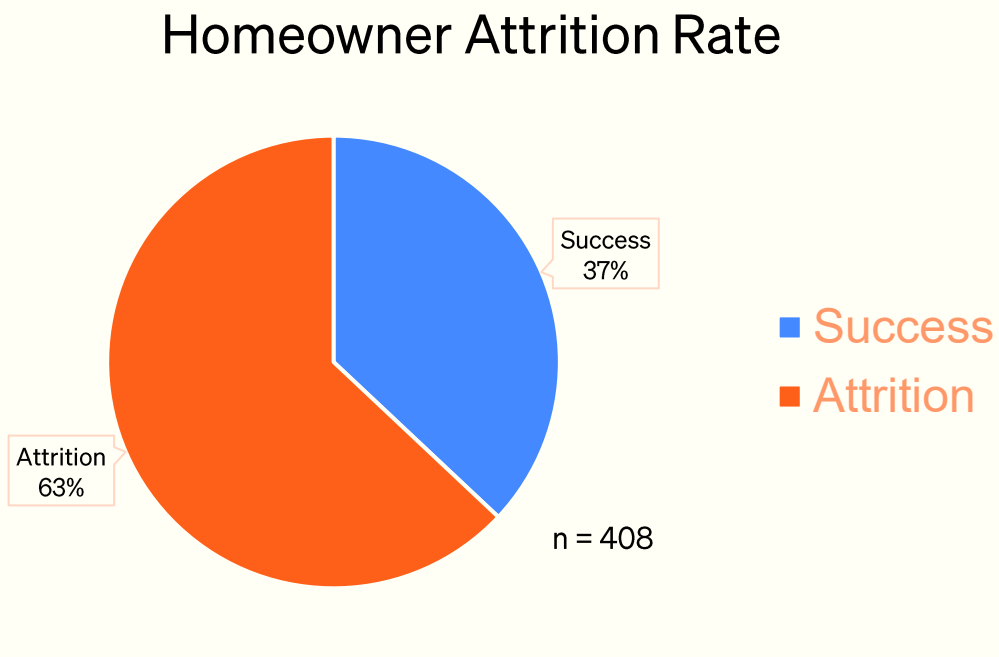
- Stockton achieved 33 installs (20%) in just 4 months
- Stockton and Oakland account for more than half of installs – these cities had the highest CARE/FERA populations and highest concentration of asthma rates
- Staff was able to tap into the (designated) affordable housing market in Fremont with assistance from City staff

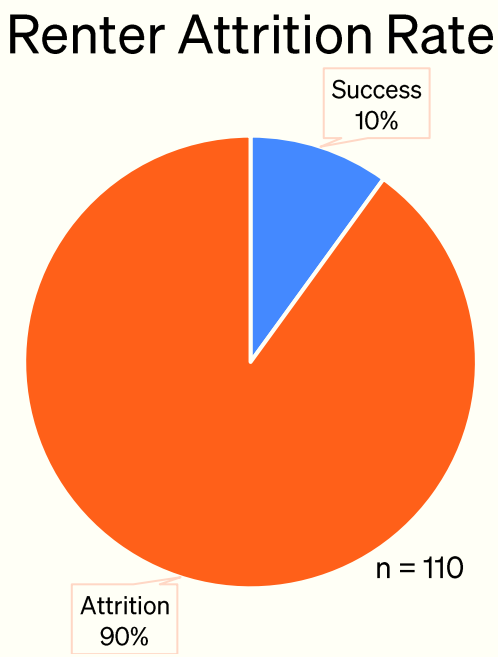
Outreach Email Statistics



- Emails Delivered - 212,000
- Open Rate - 24,555 (11%)
- Click Through Rate - 1,410 (0.66%)
- Application Rate - 518 (0.24%)

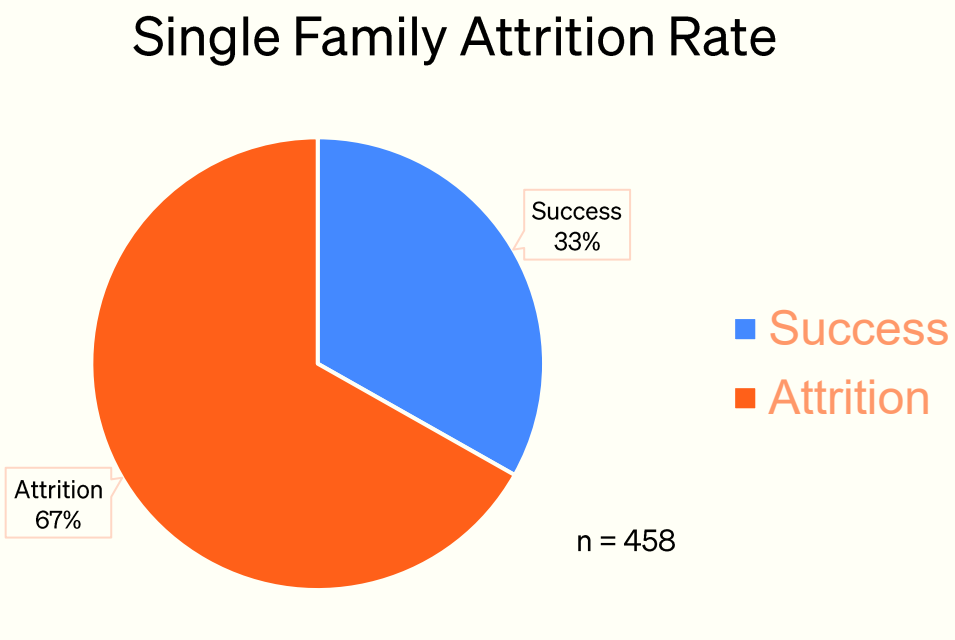
Attrition Rate
Renters vs. Homeowners

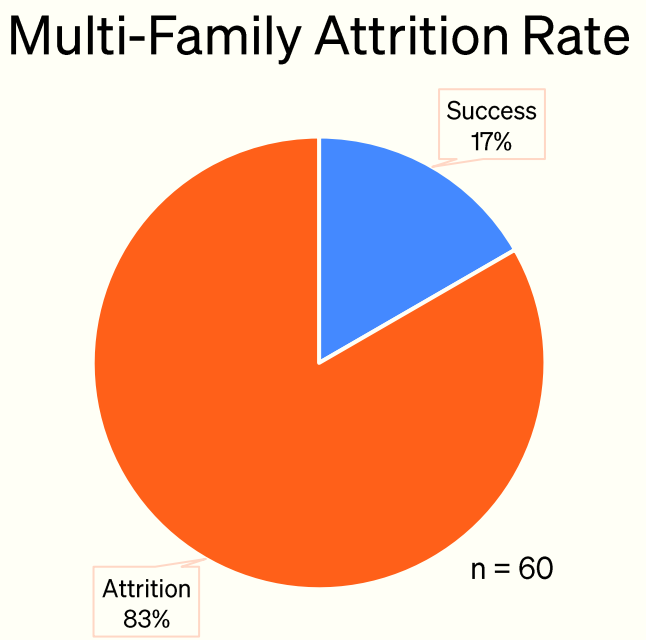




- Attrition was 90% for renters compared to 63% for homeowners.
- 26% of renting participants did not move forward because of panel or electrical issues, compared to 10% of homeowner participants

Attrition Rate
Single Family vs. Multi-family





- Attrition was 83% for multi-family buildings compared to 67% for single-family homes.
- 27% of the multifamily homes observed didn't move forward because of panel or electrical issues, compared to 12% of homeowners

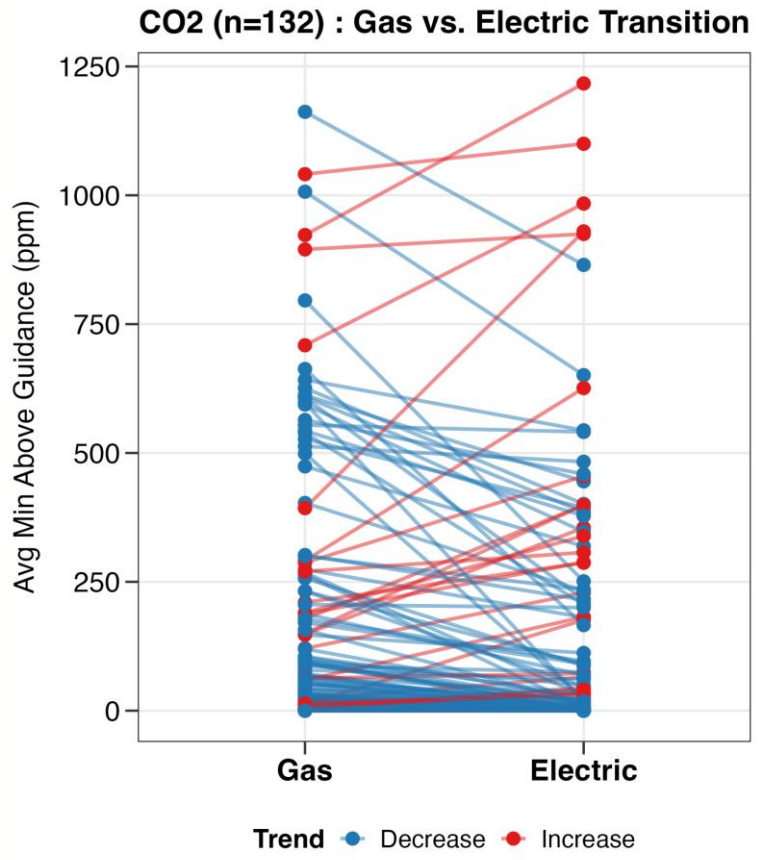
Air Quality Results

Carbon dioxide (CO_2) remained stable

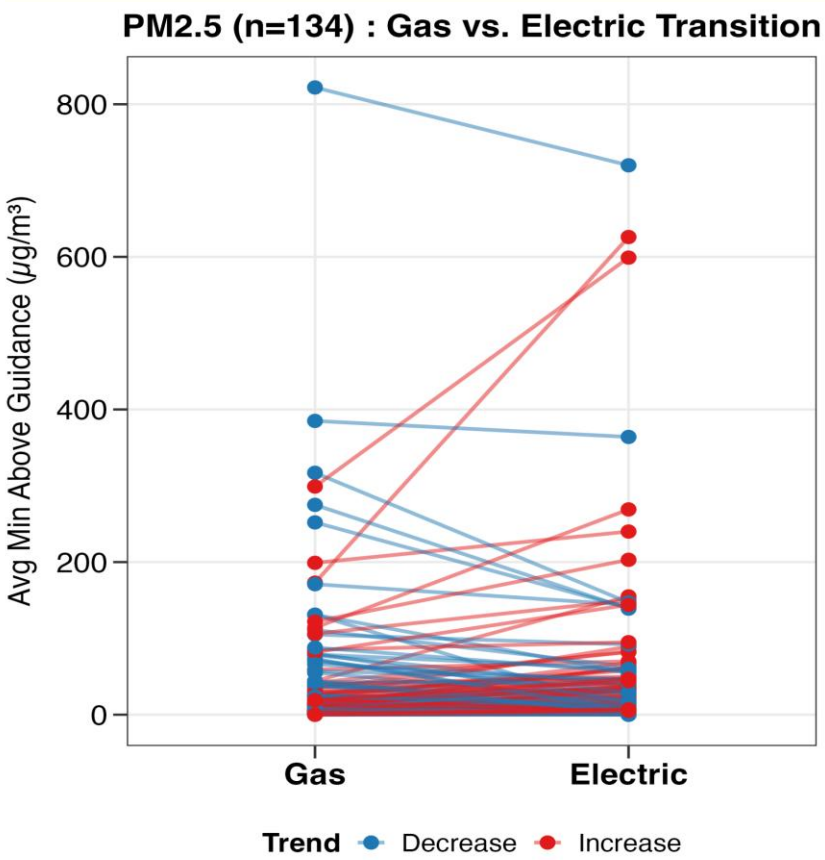
- Carbon dioxide concentrations remained largely stable following the stove transition. **Median CO_2 concentrations decreased slightly (4%),**

Particulate Matter ($PM_{2.5}$)

- High variability, with $PM_{2.5}$ being influenced by factors beyond stove fuel, including cooking practices, ventilation, and outdoor air infiltration.



Average minutes per day with CO_2 concentrations exceeding the 1100 ppm threshold (right).



Average minutes per day with $PM_{2.5}$ concentrations exceeding the 35.5 µg/m³ threshold (right).

Direct Install Program Costs

	Avg. Cost per Completed Project	Total Cost
Direct Project Costs*	$5,050	$818,155
Admin⁺	$2,062	$334,024
Total	$7,112	$1,152,179

*Includes costs for equipment, labor, assessments, and cookware

⁺Includes total admin costs program-wide

Key Observations: Site Conditions

- A major factor for the high attrition rate was existing electrical infrastructure.
  - Expect pre-existing site challenges for the targeted customer segment: uncovering electrical/panel issues and code violations was common.
  - A disproportionate number of renter and multifamily projects were cancelled because of electrical issues.
  - Stove electrification was not possible with less than 100 amps of total panel capacity.
  - Almost half of projects required installation measures beyond “standard project”, increasing the installed cost for those customers (i.e. required tandem breakers, circuit sharing devices, etc.)
- Virtual assessments may be a solution to reduce unnecessary site visits by uncovering electrical issues.
- Adding a panel replacement measure would substantially decrease attrition, but at a high cost. This would have the most impact on renters or customers who live in multifamily buildings.