



Staff Report Item 10

To:	Ava Community Energy Authority Board of Directors
From:	Alex DiGiorgio, Sr. Manager, Public Engagement
Subject:	City of San Leandro's request for default service plan change (Informational)
Date:	May 20, 2026

Summary/Recommendation

This staff report proposes to 1) update Ava's Board of Directors regarding a recent San Leandro City Council Resolution requesting a citywide default rate product change from Ava's Renewable 100 (the current default option) to Bright Choice; and 2) provide historical background and potential next steps for this request within the context of Ava's Default Rate Product Change Policy. This item is informational for the Board of Directors.

Financial Impact

Staff is currently conducting analyses to forecast the financial impacts of transitioning San Leandro's citywide default service from Renewable 100 to Bright Choice, as well as evaluate operational procedures and customer communications. These analyses will be presented at a future Board meeting, along with recommended options to mitigate potential negative impacts to the agency, its customers, and communities.

Analysis and Context

On April 6, 2026, the San Leandro City Council passed a Resolution (attached) requesting Ava's Board approve a citywide default transition from Renewable 100 (San Leandro's current default option) to Bright Choice service, per Ava's updated Default Rate Product Change Policy.

On September 22, 2021, Ava's Board approved San Leandro City Council's request to change the City's default service option from Bright Choice to Renewable 100. At that time, the City's primary stated reason for requesting a default service transition to Renewable 100 was to help achieve the City's Climate Action Plan (CAP) goals. In accordance with the City Council's previous request, and the previous terms of Ava's Default Rate Product Change Policy, the City's residential customers transitioned from Bright Choice as the default option to Renewable 100 service in March of 2022, while the City's non-residential customers transitioned in October of that same year.

The City's municipal accounts started service in 2017 on (now sunsetted) Brilliant 100 service and have been on Renewable 100 service since September 2021. This service plan transition did not require Board action, as the City requested this change for their own accounts. Currently, all of San Leandro's residential and non-residential (e.g., commercial and industrial) customers default to Renewable 100 service, unless they fall within a specifically exempted category. These include the following:

- Residential customers on discount programs for income qualified households (e.g., CARE/FERA) and/or medical devices (e.g., Medical Baseline);
- Residential customers that started service while enrolled in an income qualified or medical device program; or
- Customers that have opted out of Ava service for either PG&E or Direct Access service;

The City's proposed transition from Renewable 100 to Bright Choice service would apply to approximately 21,500 residential customers and 3,500 non-residential customers. This corresponds to approximately 275 GWh of annual electric load (excluding the City's municipal accounts, which represent an additional 6 GWh of annual electric load, and were not included in the City's 4/6 Resolution), or 3% of Ava's total load, including unincorporated San Joaquin County. If approved by the Board, customers would be provided an opportunity to remain on Renewable 100 prior to the citywide default transition to Bright Choice.

Per Ava's Default Rate Product Change Policy, requests by Ava's JPA member-jurisdictions to change the default service option must be approved by Ava's Board by May 31 of a given year in order to be implemented by March of the following year. However, the policy allows for a different implementation schedule if one can be mutually agreed upon by Ava's Chief Executive Officer (CEO) and the JPA member, provided the CEO notifies the Board of the agreed upon schedule.

Once staff has completed its analyses, staff will bring an item to the Board with a recommendation and request for Board action. Currently, staff anticipate sbringng an item to the Board later this calendar year.

Attachments

- A. Ava's Default Rate Product Change Policy (2024)
- B. City of San Leandro City Council Resolution
- C. City of San Leandro City Council Staff Report and attachments (B, C, D)

D. Presentation

Ava COMMUNITY ENERGY
DEFAULT RATE PRODUCT CHANGE POLICY

Policy Number: 15.1

Approval Date: 3/20/24

Agenda Item: Consent Item 17

Approved by Resolution: R-2024-24

The purpose of this Default Rate Product Change Policy is to specify a process for a Joint Powers Authority (JPA) member agency (“Member”) to change its Default Rate Product¹ and to ensure that Ava Community Energy (Ava) is provided with sufficient notice and time to prepare for the change.

When approving a request from a Member to change the Default Rate Product (“Default Rate Product Change”) after the Member’s initial service enrollment, the Ava Board (“Board”) and Member shall adhere to this Policy, which requires specific cooperation from the Member. This Policy shall not apply to a change in the Default Rate Product which is the result of a rate product closure.

Under this Policy, the Default Rate Product Change request from a Member and subsequent implementation must comply with the following requirements:

1. **Timeline for Board Approval and Implementation:** Any request for a Default Rate Product Change must be approved by the Board. The Board will consider Members’ requests for Default Rate Product changes in the spring based on the following schedule:
 - a. If the Board approves a Member’s request for a Default Rate Product Change by May 31 the Default Rate Change will be implemented in March of the following year.
 - b. Notwithstanding the foregoing, the Ava Chief Executive Officer (“CEO”) and the Member may mutually agree upon a different implementation schedule, provided that the CEO provides the Board with notification of the agreed-upon schedule.

Board Approval By	Implementation Month
May 31 of Year A	March of Year A+1

2. **Exceptions to Implementation of Default Rate Product Change:** Notwithstanding anything contained in this Policy, in no event shall a Member’s Board-approved Default Rate Product Change affect the following:

¹ For purposes of this Policy, the “Default Rate Product” is the AVA rate product option that each Member selected as the default for AVA customers within the Member’s jurisdiction.

- a. Prior customer enrollment actions. Any customer account that has affirmatively taken action to change its rate product will remain on the selected product.
 - b. Prior customer opt-out actions. Any customer account that has affirmatively taken action to opt out of Ava service will remain opted out.
3. **Frequency of Default Rate Product Change by a Member:** A Member may not change its Default Rate Product more than one (1) time every two (2) years.
4. **Ava Agency Requirements:** Upon the Board's approval of a Member's request for a Default Rate Product Change, Ava staff may engage in any of the following activities:
 - a. Purchase or prepare to purchase the appropriate amount of resources to meet the expected change in demand associated with the Default Rate Product Change;
 - b. Complete or prepare to complete additional regulatory compliance and reporting requirements, if any;
 - c. Coordinate with Ava's data and call center services manager to make necessary operational adjustments;
 - d. Evaluate fiscal impacts of the Default Rate Product Change;
 - e. Examine Ava rates and any rate impacts;
 - f. Coordinate and work with PG&E on billing considerations, if any;
 - g. Prepare for and deploy customer communication efforts;
 - h. Identify and address any other operational impacts or issues and take steps to mitigate those impacts/issues; or,
 - i. Take any other action necessary to effectuate the Member's approved Default Rate Product Change.
5. **Member Requirements:** The Member requesting a Default Rate Product Change must commit to the following conditions for the change to be implemented:
 - a. Collaboration. The Member shall work with Ava staff to develop and implement a customer communication plan;
 - b. Co-Branding. The Member must agree to co-brand customer notifications with the Member's seal; and,
 - c. Cost Coverage. Ava will cover the cost of any operational adjustments and the required customer notices, as detailed in Section 6.a, for the Member's first approved Default Rate Product Change. Costs associated with any subsequent Default Rate Product Changes will be charged to the Member.
6. **Customer Communication:** Ava will notify customers subject to a Member's approved Default Rate Product Change. Ava will lead, with support from the Member, the development and dissemination of customer notices.
 - a. Required Notifications. Any customer accounts subject to a Member's approved Default Rate Product Change shall be sent a minimum of two

(2) notifications. A minimum of one (1) notice shall be sent prior to the change going into effect.

- b. Optional Additional Notifications. In addition to the two (2) required notices referenced in Section 6.a., above, Ava staff will coordinate with a Member who wishes to develop and distribute additional customer notices and/or conduct additional communications such as social media campaigns, jurisdictional newsletters, Member press release, etc. The Member shall be responsible for the costs of such additional communications.
7. A customer may take an enrollment action to change their Ava rate product, to opt in to Ava service, or to opt out of Ava service at any time by notifying Ava through the standard channels of phone, interactive voice recording, or online form.

RESOLUTION THE CITY COUNCIL OF THE CITY OF SAN LEANDRO

RESOLUTION NO. 2026-033

RESOLUTION SELECTING BRIGHT CHOICE AS THE DEFAULT PRODUCT FOR SAN LEANDRO CUSTOMERS SERVED BY AVA COMMUNITY ENERGY

WHEREAS, the San Leandro City Council demonstrates its commitment to an environmentally sustainable future through its policy goals and actions, including energy reduction, clean energy programs, and the expansion of local renewable power supply; and

WHEREAS, in November 2016, the City of San Leandro City Council adopted Resolution No. 2016-160 authorizing San Leandro's participation in Alameda County's Community Choice Energy program known as East Bay Community Energy (EBCE); and

WHEREAS, in October 2023 EBCE announced and began operating under its new name, Ava Community Energy (Ava); and

WHEREAS, Ava offers two product choices with different emission-related profiles to customers: Bright Choice and Renewable 100, with the latter priced at a premium to Pacific Gas and Electric Company (PG&E) pricing and the former priced at a discount to PG&E prices; and

WHEREAS, in 2021 the San Leandro City Council selected Renewable 100 as the default choice for residents and businesses, with an exception for San Leandro customers that are income-qualified and enrolled in the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline programs remained at the Bright Choice rate; and

WHEREAS, the less expensive Bright Choice product was only 55% and 60% carbon-free in 2020 and 2021, respectively; and

WHEREAS, a September 18, 2024 resolution adopted by the Ava Board of Directors will result in Bright Choice being over 90 percent carbon-free in 2025 due to the addition of nuclear power into the Bright Choice power mix; and

WHEREAS, the significant improvement of Bright Choice's carbon-free profile, combined with the material deficit of San Leandro median household income when compared to the Alameda County median household income, make it in the public interest to replace Renewable 100 with Bright Choice attribute the default service plan provided by Ava to its customers based in San Leandro; and

WHEREAS, if approved, this would save the average residential customer approximately 45 dollars per year, or in aggregate approximately one million dollars per year for residents; and

WHEREAS, San Leandro Ava customers will continue to have the choice to change their enrollment to the higher-priced Renewable 100 product and also have the ability to opt out of purchasing electricity from Ava altogether.


NOW, THEREFORE, the City Council of the City of San Leandro does **RESOLVE** to select Bright Choice as its preference for the default product for San Leandro residential, commercial/industrial, and CARE/FERA/Medical Baseline accounts served by Ava.

Introduced by Mayor González and passed and adopted this 6th day of April 2026 by the following vote:

AYES: Councilmembers J. Aguilar, V. Aguilar, Boldt, Simon, Viveros-Walton, and Mayor González (6)

NOES: None (0)

ABSENT: Councilmember Bowen (1)

ATTEST: 

Sarah K. Bunting
City Clerk

Staff Report (April 6, 2026)

Title

Adopt a Resolution Selecting Bright Choice as the Default Product for San Leandro Customers Served by Ava Community Energy

Staffreport

SUMMARY

Per a request from the Mayor, City staff presents for the City Council's consideration the attached draft Resolution that, if adopted by majority vote of the Council, would revert the default energy plan provided to San Leandro Ava Community Energy customers to be "Bright Choice" (BC), instead of "Renewable 100" (R-100). The Ava Bright Choice plan is the least expensive option. San Leandro residents or business owners who wish to purchase an energy package that is wholly derived from renewable sources would still retain the ability to opt-in to the Renewable 100 plan.

BACKGROUND

Ava Community Energy (formerly East Bay Community Energy) is a local, not-for-profit electricity provider, functioning as a Community Choice Aggregator throughout Alameda County that supplies cleaner power than PG&E by sourcing generation from renewable sources and reinvests some of its net operating revenue back into the community. PG&E delivers the power and manages the grid.

Below is a comparison of available energy plans as currently posted on the Ava Community Energy public website:

- Ava Renewable 100 (R-100) - 100% renewable sources (e.g. wind & solar), priced at 1 ¾ cent per kWh above PG&E rates.
- Ava Bright Choice (BC) - 62% renewable sources, priced at 0.5% below PG&E rates.
- PG&E - 23% renewable sources, priced at 0.5% above Ava Bright Choice rates.

MAYOR'S ANALYSIS

The primary intent of the proposed City Council resolution is to balance sustainability goals with economic equity for all San Leandro residents and businesses. According to the state of California, the City is officially designated as a disadvantaged community, with a median household income that lags Alameda County's median by more than \$20,000 per year. When the City Council voted in 2021 to opt-up the entire community's default power mix to R-100, it shifted the financial burden of that action to local residents and business owners.

Moreover, the above action exceeded the intent of the relevant strategies referenced later in this staff report that are included in the City's adopted Climate Action Plan (CAP). More specifically, rather than merely *encouraging* local energy customers to opt-up to R-100, the Council's action served as a de facto requirement for them to opt-up in the absence of taking proactive action to opt-down to a less expensive energy mix.

Additionally, it is important to note that in the greater than five years that has passed since that 2021 action occurred, the renewable power portions of Ava Community Energy's Bright Choice plan have markedly improved. As a result, if San Leandro residents and businesses were defaulted to the Bright Choice plan, their resulting default power mix would be substantively improved as compared to what it otherwise would have been in 2021. Similarly, the Bright Choice renewable percentage is materially higher than that offered by PG&E. More specifically, it is approximately 2.7 times PG&E's renewable power mix percentage according to the above-referenced data that is publicly listed on Ava's website. Most importantly, according to the 2024 power content label, Bright Choice was at least 96% GHG-free in 2024. That is the last year for which a power content label has been published. 2025 is expected to be greater than 90% GHG-free according to Ava Energy's draft FY 2025-26 budget.

Lastly, because the City separately opted into the R-100 power mix plan, adoption of the proposed Resolution would have no impact on the power being used at City-owned municipal facilities and buildings. As a result, the City would continue to be able to lead by example through the usage of 100 percent renewable power at all City facilities.

STAFF ANALYSIS

On July 19, 2021, the City Council unanimously adopted the 2021 Climate Action Plan (CAP). The CAP is San Leandro's comprehensive strategy to reduce greenhouse gas (GHG) emissions and adapt to changing climate conditions. San Leandro's adopted General Plan also directs the preparation, ongoing implementation, and update of the CAP, providing the framework for San Leandro to reduce its community-wide GHG emissions in a manner consistent with State reduction targets through 2030 and longer-term goals for 2050. This document outlines both the City's successes to date in promoting environmental responsibility and provides a blueprint for continued sustainability.

Additionally, the CAP includes Renewable Energy Strategy (RE-1), which states: *"Encourage San Leandro households and businesses to switch from PG&E electricity supplies to East Bay Community Energy (now Ava), and commit to defaulting to Renewable 100 tier for 100-percent renewable energy"*.

On September 7, 2021, the City Council subsequently voted to upgrade the citywide default plan for all residences and businesses to the Renewable 100 (R-100) tier, using 100-percent renewable energy. Prior to the implementation date of the above action, the City of San Leandro Department of Public Works was also collaborating with EBCE to update the default power mix for all City-owned municipal facilities to R-100, consistent

with City Council direction. That latter change to the power mix for city facilities came into effect on October 1, 2021.

Nuclear Power Added to Bright Choice Energy Mix

In September 2024, the Ava Board of Directors voted to accept PG&E's Diablo Canyon Nuclear Power Plant energy allocation of greenhouse gas-free (GHG-free) power attributes into the Bright Choice product. This nuclear allocation lowered the overall carbon/GHG content in the Bright Choice power mix in 2025.

Unlike wind and solar power, nuclear power is considered by the State of California to be a non-renewable energy source despite not generating GHGs because of the following reasons:

- According to the California Energy Commission's Renewables Portfolio Standards Certification, a renewable resource is a natural resource that can be replenished naturally in a short period of time, or otherwise can be reused at a rate that keeps up with its consumption; and
- It relies on finite resources such as uranium.

Community Cost Savings

If the attached City Council Resolution is approved, it is anticipated that the change to the default power mix for San Leandro residents and businesses would become effective in March 2027, thereby allowing residential customers to realize an average savings of approximately \$46 per year by March 2028. Customers that had already separately opted-in to the R-100 tier would stay in that tier after the proposed default change. As a result, City-owned municipal facilities would also remain in the R-100 fully renewable power mix.

Alameda County Green Business Program

Per the requirements of the Alameda County Green Business program, any business in the County seeking to become certified as a "Green Business" must opt into Ava Community Energy's R-100 plan. As a result, if the City Council were to adopt the proposed action, any businesses seeking such a certification or a renewal of such a certification would need to ensure that they are opted-up to R-100, rather than defaulting to other power mixes. Additionally, it is worth noting that the City of San Leandro Department of Public Works is currently in the process of certifying municipal facilities as Green Businesses to ensure city operations conserve energy, water, and materials resources wherever possible. This certification effort would not be directly impacted by adoption of the proposed Council Resolution, as noted above.

Fiscal Impacts

None. Given that municipal operations would retain the opted-in R-100 plan after the change, the proposed action would have no impact to the City's General Fund budget.

ATTACHMENTS

A: Draft Resolution

B: FY 2024 Analysis

C: FY 2025 Analysis

D: Ava Community Energy rate comparisons

Prepared by:

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San Leandro Renewable 100 and Bright Choice Analysis

- To capture a full year with the current value proposition by Ava, the time period for analysis is from July 1, 2023 to June 30, 2024
- Analysis excludes Opted Out customers
- Bright Choice Savings and R100 Premium are compared to PG&E unless stated otherwise
- Customer groups are based on the most current customer enrollment information. Some customers in the BC or R100 groups may not have been on that product for the whole year

Table 1 - Annual Overview by Customer Class

Customer Class	Bright Choice			Renewable 100		
	Enrolled Customers as of Sept 2024	Annual Billed Usage (kWh)	Annual Bright Choice Savings	Enrolled Customers as of Sept 2024	Annual Billed Usage (kWh)	Annual R100 Premium
Commercial and Industrial	120	20,330,835	\$ 119,259	3,517	189,905,066	\$ 474,765
Municipal	24	2,126,530	\$ 16,053	250	6,279,263	\$ 15,700
Residential	8,366	42,223,650	\$ 338,299	20,797	97,665,449	\$ 244,184
Total	8,510	64,681,015	\$ 473,611	24,564	293,849,777	\$ 734,650

Table 2 - Annual Overview for CARE/FERA and Medical Baseline Customers

Product	Enrolled Customers as of Sept 2024	Annual Billed Usage (kWh)	Annual Bright Choice Savings	Annual R100 Premium
Bright Choice	5,955	21,730,552	\$ 177,578	-
Renewable 100	2,756	8,535,167	-	\$ 21,345

Note: CARE/FERA and Medical Baseline customers are defaulted to Bright Choice, but if a customer enrolls in these programs post-start of service, they may be on Renewable 100

Table 3 - Estimated Bright Choice Savings for R100 Customers

Customer Class	Enrolled Customers as of Sept 2024 [C]	Estimated BC Savings Compared to PG&E [A]	Billed R100 Premium Compared to PG&E [B]	Estimated Bill Difference Between R100 and BC [A + B]	Estimated Annual Bill Difference R100 and BC per Customer [A + B] / [C]
Commercial and Industrial	3,517	\$ 1,463,711	\$ 474,765	\$ 1,938,477	\$ 551
Municipal	250	\$ 46,806	\$ 15,700	\$ 62,506	\$ 250
Residential	20,797	\$ 784,924	\$ 244,184	\$ 1,029,108	\$ 49

San Leandro Renewable 100 and Bright Choice Analysis 2025

- To capture a full year with the current value proposition by Ava, the time period for analysis is from July 1, 2024 to June 30, 2025
- Analysis excludes Opted Out customers
- Bright Choice Savings and R100 Premium are compared to PG&E unless stated otherwise
- Customer groups are based on the most current customer enrollment information. Some customers within groups may not have been on CARE/FERA, Bright Choice or Renewable 100 for the whole year

Table 1 - Annual Overview by Customer Class

Customer Class	Bright Choice			Renewable 100		
	Currently Enrolled Customers	Annual Billed Usage (kWh)	Annual Bright Choice Savings	Currently Enrolled Customers	Annual Billed Usage (kWh)	Annual R100 Premium
Commercial and Industrial	129	26,789,458	\$ 167,013	3,558	186,007,923	\$ 465,022
Municipal	26	2,583,572	\$ 18,519	252	6,226,527	\$ 15,568
Residential	7,897	40,643,595	\$ 305,390	21,486	97,791,217	\$ 245,403
Total	8,052	70,016,625	\$ 490,921	25,296	290,025,667	\$ 725,993

Table 2 - Annual Overview for CARE/FERA and Medical Baseline Customers

Product	Currently Enrolled Customers	Annual Billed Usage (kWh)	Annual Bright Choice Savings	Annual R100 Premium
Bright Choice	5,449	28,144,109	\$ 212,712.23	-
Renewable 100	3,459	19,239,069	-	\$ 48,190.62

Note: CARE/FERA and Medical Baseline customers are defaulted to Bright Choice, but if a customer enrolls in these programs post-start of service, they may be on Renewable 100

Table 3 - Estimated Bright Choice Savings for R100 Customers

Customer Class	Currently Enrolled Customers [C]	Estimated BC Savings Compared to PG&E [A]	Billed R100 Premium Compared to PG&E [B]	Estimated Bill Difference Between R100 and BC [A + B]	Estimated Annual Bill Difference R100 and BC per Customer [A + B] / [C]
Commercial and Industrial	3,558	\$ 1,360,911	\$ 465,022	\$ 1,825,932	\$ 513
Municipal	252	\$ 43,589	\$ 15,568	\$ 59,157	\$ 235
Residential	21,486	\$ 736,301	\$ 245,403	\$ 981,703	\$ 46

AVERAGE MONTHLY COST COMPARISON BY PLAN

(RESIDENTIAL ELECTRIC 2025)

Per Ava Community Energy Website

RENEWABLE 100

100% renewable energy

Electric generation:
\$51.48

Electric delivery:
\$94.29

Additional non-Ava fees:
\$3.26

TOTAL: \$148.91

BRIGHT CHOICE

62% renewable energy

Electric generation:
\$47.89

Electric delivery:
\$94.29

Additional non-Ava fees:
\$3.26

TOTAL: \$145.32

PG&E

45% renewable energy

Electric generation:
\$50.58

Electric delivery:
\$94.29

Additional non-Ava fees:
\$3.26

TOTAL: \$148.01

This comparison is for an average residential E-TOU-C (Time of Use) customer using 360 kWh/month. Due to rounding, the rate components may not sum exactly to the total. Figures reflect Ava's actual power mix from 2024 (most recently published). Power mixes are published annually each summer for the preceding year.)

City of San Leandro's Request for Default Service Plan Change (Informational)

May 20, 2026 | Alex DiGiorgio



Background: San Leandro Citywide Default Service

- On **April 6, 2026**, the San Leandro City Council passed a Resolution requesting Ava's Board to approve a citywide default service transition from Renewable 100 (the City's current default option) to Bright Choice, per Ava's [Default Rate Product Change Policy](#).
- Previously, on **September 22, 2021**, Ava's Board approved the San Leandro City Council's request to change the City's default service option from Bright Choice to Renewable 100.
- In **March of 2022**, San Leandro's residential customers transitioned from Bright Choice as the default option to Renewable 100, while the City's commercial & industrial customers transitioned in **October of 2022**, per the timeline determined by the Council's 2021 Resolution and Ava's Policy at that time.
 - Exempted customers included: Income qualified (CARE/FERA); Medical Baseline; opt-outs
 - Customers also had an opportunity to remain on Bright Choice during the Renewable 100 default enrollment

Background: San Leandro by the Numbers

- San Leandro has about 21,500 residential and 3,500 non-residential customers
- Annual load 275 GWh, or 3% of Ava's load
 - Municipal facilities, 6 GWh, would remain on Renewable 100
- Note: Prior to the transition to Bright Choice, customers will be provided an opportunity to remain on Renewable 100.

Ava Default Rate Product Change Policy

- Per Ava's updated 2024 [Default Rate Product Change Policy](#), requests by JPA member-jurisdictions to change their default service option must be approved by Ava's Board by May 31 to be implemented by March of the following year.
- The policy allows for a different implementation schedule if agreed upon by Ava's CEO and the JPA member.
- Procedurally, following a request to change a citywide default service option, Ava staff conduct analyses to evaluate the impact of the requested change to Ava's service area-wide customer base and internal operations.
- Customers who wish to remain on Renewable 100 will have the opportunity to do so.

Next Steps

- Staff is currently conducting analyses to forecast the financial impacts of transitioning San Leandro's citywide default service from Renewable 100 to Bright Choice as well as operational procedures.
- Results and options will be presented at a future Board meeting
 - Including recommended options to mitigate potential negative impacts to the agency, its customers, and communities.

