



CEO Report Item 12

TO: Ava Community Energy Board of Directors

FROM: Howard Chang, Chief Executive Officer

SUBJECT: CEO Report (Informational Item)

DATE: June 17, 2026

Recommendation

Accept Chief Executive Officer (CEO) report on update items below.

Executive Committee Meeting

An Executive Committee Meeting was held on Wednesday, June 3, 2026. Members received an overview of energy prepayment financing, an introduction to asset ownership, and an update on the FY 2026-2027 draft budget. The meeting also included a closed session on the CEO's annual performance evaluation. The next Executive Committee meeting will be held on Wednesday, July 3, 2026 at 3 pm.

Finance, Administration and Procurement Subcommittee Meeting

A Finance, Administration and Procurement Subcommittee Meeting was held on May 27, 2026. Members received updates on the FY 2025-2026 Q3 financial statements and on energy prepayment financing, and a preview of the FY 2026-2027 budget. The next Finance, Administration and Procurement Subcommittee meeting will be held on Wednesday, September 9, 2026 at 3:30 pm.

Marketing Regulatory and Legislative Subcommittee Meeting

A Marketing Regulatory and Legislative Subcommittee Meeting was held on Friday, June 12, 2026. Members received a mid-session review of the 2026 California legislative session, an update on the results of the Health-e Communities pilot, and an overview of the power content label. The next Marketing, Regulatory and Legislative Subcommittee meeting will be held on Friday, September 18, 2026, 2023 at 10 am.

GPTW Recognition

Ava has once again earned a [Great Place To Work Certification](#), marking our third consecutive year of recognition since we began participating in the program three years ago. Great Place To Work is a globally recognized authority on workplace culture and is locally based, with its headquarters in the same building as Ava's office. The certification process evaluates employee experience through a trust index survey and a culture questionnaire. This year, 85% of Ava employees said Ava is a great place to work, compared with 57% of

employees at a typical U.S.-based organization. This continued recognition reflects Ava's ongoing commitment to building a high-trust, inclusive, and mission-driven workplace.

Long Term Project Online Date Announcement

The following projects under contract with Ava have reached commercial operations.

1. **SunZia North:** The SunZia North project is a 74.6 MW share of a larger wind facility located in San Miguel County, New Mexico delivering clean energy into California via the SunZia Transmission project. SunZia North achieved its Commercial Operation Date on May 29, 2026.
2. **SunZia South:** The SunZia South project is 175.4 MW share of a larger wind facility located in Lincoln County, New Mexico delivering clean energy into California for via the SunZia Transmission project. SunZia South achieved its Commercial Operation Date on May 29, 2026.

SunZia Wind North and South are part of a larger 3,500MW 'SunZia Wind' wind facility spanning across Torrance, Lincoln, and San Miguel counties in central New Mexico. The SunZia Transmission project is a 550-mile, ± 525 kV high-voltage direct current (HVDC) transmission line between central New Mexico and south-central Arizona, with the capacity to transport 3,000 MW of clean, renewable energy. Together, the full SunZia Wind facility and the SunZia Transmission project comprise one of the largest renewable energy infrastructure projects in U.S. history with an expectation of supplying 1 million American homes with clean power. The SunZia project is developed and operated by Pattern Energy. Ava is using SunZia North and South to support compliance with 2026 Mid-Term Reliability obligations.



1 SunZia North wind turbines, Lincoln County, NM



2 Transmission lines connecting to the SunZia project, Central New Mexico

3. **Alpaugh:** The Alpaugh project is a 5 MW solar facility paired with a 5 MW / 20 MWh battery energy storage system ("BESS") located in Tulare County, California, approximately across 277 acres. The Alpaugh project is developed and operated by RWE Clean Energy. The Alpaugh facility achieved its Commercial Operation Date on May 29, 2026. Ava will receive Resource Adequacy from the Alpaugh facility, supporting compliance with 2026 Mid-Term Reliability obligations.



3 Alpaugh Solar Facility, Tulare County CA

4. **Tumbleweed-8hr:** The Tumbleweed 8-hr expansion is a 50 MW battery energy storage system (“BESS”) located in Kern County, California, developed by REV Renewables. Tumbleweed’s expansion doubled the facility’s energy discharge from 200 MWh (4 hours) to 400 MWh (8 hours) maintaining 50 MW of capacity. This unique expansion is a first-of-its-kind effort and California’s first utility-scale 8-hour lithium-ion long-duration storage facility. The Tumbleweed 8-hr battery expansion became operational for Ava on June 1, 2026, and fulfills Ava’s compliance obligation for a long-duration storage resource under the Long-Lead Time (LLT) requirements of the Mid-Term Reliability decision.



4 Tumbleweed Solar Facility, Kern County, CA

Longterm Renewable Portfolio Update

Rosamond Central was Ava’s first long-term Agreement to reach commercial operations in late 2020. Since then, Ava’s portfolio of online projects has grown to 890 MW of solar and wind generation, and 395 MW of battery storage capacity. The table below lists the online projects in Ava’s portfolio of long-term wholesale energy agreements, providing renewable generation and storage capacity to California for Ava customers.

Ava’s Online Renewable Generation & Storage Projects	Technology	Start of Delivery	Generation Capacity (MW)	Storage Capacity (MW)
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Rosamond Central	Solar	2020	112	
Altamont	Wind	2021	54.8	
Tecolote	Wind	2021	100	
Henrietta	Storage	2022		10
Luciana	Solar	2022	55.83	
Daggett	Solar + Storage	2023	50	12.5
Oberon	Solar + Storage	2024	125	125
Scarlet I	Solar + Storage	2024	100	30
Kola	Storage	2025		125
Sun Pond	Solar + Storage	2026	42.5	42.5
SunZia North	Wind	2026	74.6	
SunZia South	Wind	2026	175.4	
Tumbleweed-8hr	Storage	2026		50

Launch of First Prologis Solar Project under Ava Solar Discount Program

A ribbon-cutting event was held on June 5th in East Oakland to celebrate the launch of a new community solar project designed to bring clean, affordable energy to local residents. This is the first of five projects developed in partnership with Prologis through California’s Disadvantaged Communities Green Tariff (DAC-GT) program and marketed to Ava’s customers as Solar Discount. Together, the five solar projects represent 7 MW of capacity and will serve roughly 3,000 customers. The program supports renewable energy development in underserved communities and provides income-qualified customers with access to 100% renewable energy at a 20% discount on their electricity bills. By activating existing industrial rooftops, this partnership expands access to clean energy in disadvantaged communities, strengthens local grid resilience through distributed generation, and delivers long-term economic and environmental benefits. Additional projects are in development in San Leandro, Hayward, and Tracy, continuing to scale impact across the region.

Heat Pump Water Heater (HPWH) Technology Support

From May 2020 – March 2025, Ava in partnership with BayREN, StopWaste, and other Bay Area CCAs, administered the Contractor Heat Pump Water Heater Incentive Program to provide \$1,000 post-installation rebates to contractors to increase HPWH market penetration. While the program incentivized 663 HPWH installations in Ava’s service area over the program term, the last year of implementation saw a sharp decline in demand, leaving approximately \$880K in unclaimed incentives. This represented 44% of total installations of 1,500 installed throughout the Bay Area Air District. During the Program average HPWH installation costs increased from \$5,500 in 2020 to just over \$9,000 in 2024, a ~60% increase. With rising install costs effectively offsetting program incentives, Ava is exploring other approaches to lower HPWH costs for customers.

On a regular basis, Ava staff meets with the other Bay Area CCAs to discuss potential program collaboration opportunities to provide support for potential impacts related to the Bay Area Air District’s (“Air District”) Regulation 9, Rule 6 (“Rule 9-6”). This regulation would establish a zero nitrogen oxides (NOx) appliance standard for water heaters across the Bay Area in 2027. Topics discussed include the following:

- **Alternative permit streamlining effort** – With SolarAPP+ Foundation not delivering on the contract with Ava to deliver a HPWH permit streamlining service, Ava staff is exploring working directly with interested Ava member jurisdictions to provide technical support for streamlining HPWH permitting in advance of Rule 9-6.
- **Contractor Incentive Program** - Bay Area CCAs are coordinating on a new incentive offering specific to qualified local contractors that are not currently installing Heat Pump Water Heaters. The offering would incentivize new contractors to add HPWH installations to their business and increase the number of qualified contractors in Ava’s service area.
- **Direct to customer rebates**– Taking learnings from past rebate program efforts, staff is evaluating the effectiveness of a HPWH rebate program that would run in coordination with other CCA rebate programs.
- **Financing solutions** – CCAs are additionally evaluating various financing solutions related to billing solutions and financing providers to consider how they can help drive HPWH installations by helping customers spread payments over time.

Staff is preparing to make program recommendations to Ava leadership in advance of the go-live date for Rule 9-6. The Air District will meet in October to discuss further rulemaking details, including a revision to rule effective date.

Ava in the Community - June

To raise awareness of Ava’s service, support our community, and connect customers to our offerings, Ava sponsors and staffs events throughout our service territory all year long. Additionally, we also deliver presentations to community groups. Below is a list of upcoming events we’ll be attending between 6/17 and 7/30. Learn more at <https://avaenergy.org/about-ava/meetings-events/events/>

Date	Event	Type	Location
6/20/2026	Hayward Juneteenth	Sponsoring & Tabling	Mt Eden High School
6/20/2026	Stockton Juneteenth	Sponsoring	San Joaquin County Fairgrounds
6/27/2026	E Bike Test and Ride	Sponsoring & Tabling	Oakland Coliseum BART
7/1/2026	Lathrop Celebration	Sponsoring & Tabling	Lathrop Generations Center
7/10/2026	San Leandro Pride	Sponsoring & Tabling	Downtown Butterfly Plaza
7/9/2026	Lincoln Summer Nights July Circus Theme	Tabling only	Lincoln Square Park
7/18/2026	Family Fun Festival	Tabling and Sponsoring	3700 Pacific Ave, Stockton, CA 95204
7/24/2026	Dublin Leprechauns Title Night	Tabling and Sponsoring	Fallon Sports Park

San Joaquin County Launch

Customers in unincorporated San Joaquin County are now receiving both their final required enrollment notice from Ava and PG&E bills that include Ava generation charges. These charges appear on the first page of the bill and typically again on page 3.

The current participation rate is 92%, consistent with last month. Customer activity is following the expected pattern, with opt-out activity increasing during the initial notice period and then leveling off during the enrollment month. Previous community enrollments have demonstrated a similar trend. Consistent with prior enrollments, staff anticipates a modest increase in opt-out activity following customers' first bill, as some customers may not have engaged with earlier notices or outreach efforts.

Solar customers with a true-up in May and June are starting enrollment with Ava this month and will see their first bill in July. Solar customers will be enrolled throughout the year, aligned with their solar true-up month; the final group will enroll in April 2027.

Ava continues to engage residents in unincorporated San Joaquin County through participation in local community events and advertising across multiple channels. In June, Ava continued running digital advertisements featuring updated creative that reflects the launch of service in the area. These ads are currently running on Google, Meta, YouTube, and AudioGO. In addition, Ava maintains a presence in local print publications, including the Latino Times, San Joaquin Magazine, and Tracy Press.

The unincorporated San Joaquin County service launch campaign is scheduled to conclude on June 30, following the completion of all required customer notices to non-solar residential and commercial customers. After the launch campaign ends, Ava will continue reaching San Joaquin County residents through ongoing brand awareness and customer engagement efforts.

