



Community Advisory Committee

June 15, 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:

4563 Meyer Park Circle, Fremont, CA 94536
1234 W Oak St, Stockton, CA 95204
2277 Pyrenees Ave., Stockton, Ca 95210

Via Zoom:

<https://us02web.zoom.us/j/84794506189>

Or join by phone:

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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. CAC Chair Report

C4. Minutes from April 13, 2026 and May 18, 2026 meetings

C5. FY 2026-2027 Annual Budget (BOD Action Item)

Approve the next fiscal year budget

C6. Rosenberg's Rules of Order (CAC Informational Item)

Review Rosenberg's Rules of Order

C7. CAC Member and Staff Announcements including requests to place items on future Community Advisory Committee Meeting Agendas

C8. Adjourn

The next Community Advisory Committee meeting will be held on Monday, July 15, 2026 at 6:00 pm.



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FEATURED

The Significance of the Google/Voltus Deal Beyond the Megawatts

by Elisa Wood



Halfpoint/Shutterstock.com

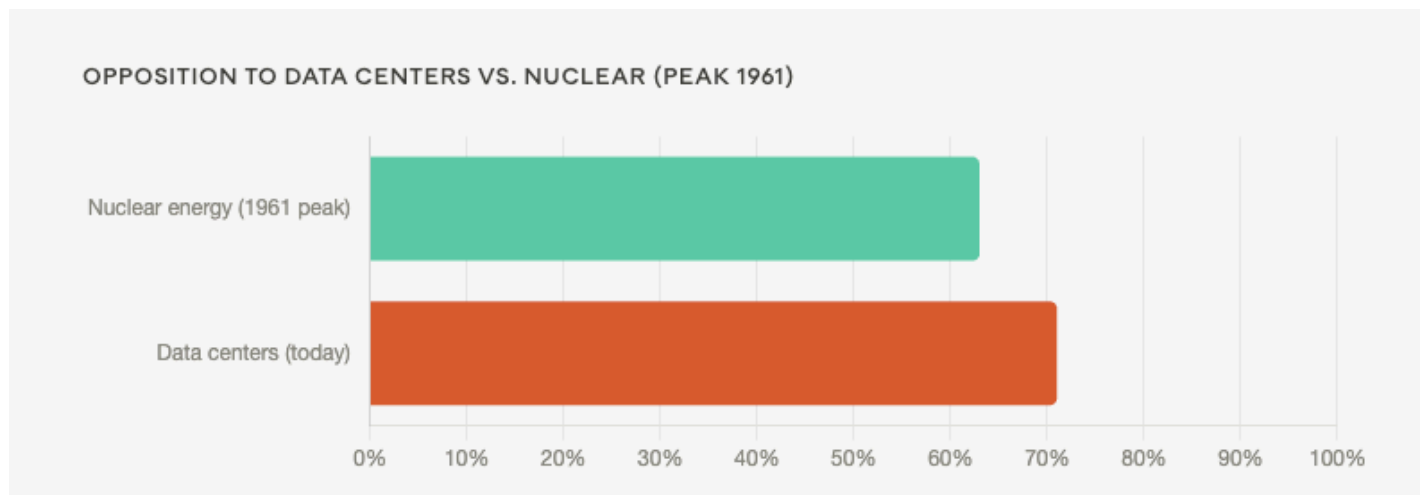
JUNE 6, 2026

SHARE

A recent Gallup poll found that a whopping 71% of Americans oppose building data centers in their communities. To put the number in perspective, data centers are less liked than nuclear energy when outcry against it peaked in 1961.

Clearly, data centers face a public relations problem for the ages. And AI's voracious appetite for electricity is at its center.

In fact, it's the top concern, according to another poll released this week by Heatmap, which found that half of data center opponents hold them accountable for high electricity prices, up from 28% in August – a big jump in a short time period.



Source: Gallup

Giving back something tangible

What if instead of promises, data centers gave something tangible back to the community that directly addresses the energy crunch? The recent three-year, 100-MW virtual power plant deal struck between Google and energy company Voltus – and similar proposals – could do that.

Rather than building more power plants or transmission lines, Voltus makes better use of the latent energy in homes and businesses – flexible assets such as batteries, smart thermostats, solar panels, electric vehicles and backup generators to serve the PJM grid.

Aggregating these devices via software into a virtual power plant creates an energy resource that kicks into action when the grid is under strain and electricity prices soar. Batteries discharge. EV charging slows. Onsite power kicks on. The virtual power plant helps stabilize the balance between supply and demand in the same way a physical power plant would, while avoiding the cost and disruption of its construction.

In return for participating in the voluntary program, the household or business receives payment for use of its devices.

So the data center provides two direct benefits to the community through its virtual power plant. First, it offsets some of the electric demand that communities fear is driving up prices. And second, it channels revenue directly to community members.

Adam Scarsella, vice president of digital infrastructure sales at Voltus, describes the concept – and how Voltus’s evolved to provide it – in this [Energy Changers podcast](#).

What if tech companies paid for the DERs too?

Other businesses and organizations are pushing a similar approach, some taking it a step further.

[Rewiring America](#) proposes that data centers help pay for the solar panels, batteries, heat pumps, or other DERs installed in homes or businesses to form a virtual power plant. That offers yet another – and even more valuable – benefit that could make data centers look more neighborly. Solar panels would be a particularly good peace offering, given that by [89%](#) of Americans like solar.

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The same is true for EV ownership – [51%](#) of Americans say they either own or want to own an EV. Price is often a detriment. Here again, tech could step in and offer leasing or purchase discounts to those who agree to participate in VPPs.

Anna Demeo, CEO of Merge4 Energy, says that electric vehicles are a particularly compelling and under-considered resource for virtual power plants.

“While hyperscalers are throwing everything against the wall and seeing what sticks, they may want to take a closer look at electric vehicles to figuratively and literally

deliver on speed,” she writes on Energy Changemakers. “EVs represent a vast and distributed pool of storage. Politics aside, the economics are already compelling.”

VPPs are not a panacea, but...

To be clear, we can't virtual-power-plant our way out of the projected energy crunch brought on by AI. The sheer size of the expected demand precludes it. In 2024 alone, Google used 30.8 million MWh – more than entire countries and double what it consumed four years earlier, according to Cleanview.

And it's only growing. Google's parent, Alphabet, plans to spend \$185 billion on infrastructure in 2026, much of it on data centers and power infrastructure.

Virtual power plants offer value, but hyperscale AI facilities require additional solutions, particularly AI training centers, as Kay Aikin, CEO of Dynamic Grid, explains in Gigawatt-Scale Data Centers Push the Grid to Its Limits. What's the Fix?

“There's a mismatch between how fast VPPs can respond, and how fast the training centers actually affect the grid,” Aikin says.

But Aikin isn't suggesting virtual power plants be dismissed. “There's a lot of value in VPPs, but they are not the only solution.”

Major Virtual Power Plant Companies

IN NORTH AMERICA

CUSTOMER-FACING VPP OPERATORS

Tesla Energy
Sunrun
Voltus
Enel North America (Enel X)
OhmConnect
EnergyHub
CPower Energy Management

RESIDENTIAL SOLAR & BATTERY VPP PROVIDERS

Tesla Energy
Sunrun
Enphase Energy
sonnen USA
Generac Grid Services

BEHIND-THE-SCENES SOFTWARE & PLATFORM PROVIDERS

EnergyHub
AutoGrid (Schneider Electric)
Stem
Siemens Grid Software
ABB

Source: Wood Mackenzie, company websites

Growing the model

While the 100 MW Google/Voltus deal may seem large for a distributed energy asset, it's a fraction of the US virtual power plant potential.

In 2023, the Department of Energy estimated the US could develop 80–160 GW of virtual power plants by 2030, enough to serve 10–20% of peak electricity demand and create \$10 billion in annual savings. Wood Mackenzie estimates virtual power plants accounted for about 37.5 GW in North America last year.

If Google and Voltus have their way, data centers will help the US realize this potential. They want their program to serve as a blueprint for other tech companies to adopt.

“This initial phase of our Google partnership is pioneering a model that large load customers can follow, and we expect it to accelerate the role of distributed energy resources as a capacity solution at scale,” said Dana Guernsey, CEO of Voltus.

Virtual power plants won't resolve every community grievance or exclusively close the gap between soaring AI energy demand and grid capacity. But the underlying logic is sound: if data centers are going to reshape the energy landscape, they ought to leave something tangible in the communities bearing the costs. A check for your battery. A discount on your power bill. Solar on your roof. That's not charity — it's an honest accounting. It's fair. It's meaningful. It's a way for data centers to look more like the kinds of business communities would welcome.

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weekly Energy Changemakers Newsletter



Energy Abundance Beyond Just Building More Stuff

The energy abundance agenda carries appeal. But achieving it on the complex electric grid will take more than just building more stuff.

ELISA WOOD

2



Ameresco and VoltaGrid Deals Show Investor Appetite for Energy Alternatives

New investments involving VoltaGrid and Ameresco underscore rising demand for behind-the-meter power and renewable natural gas.

ELISA WOOD

3



Distributed Energy Enters 2026 on the Right Side of History

Energy supply shortages, utility rates, consumer concerns and tech trends conspire to make 2026 a big year for distributed energy.

ELISA WOOD

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TOP PODCAST



Inside This Company's Effort to Unite Microgrid Stakeholders

An inside look at what led to creation of Xendee's University Week, June 8-10, 2026.

The Voice of Distributed Energy

Power demand is surging. The market is shifting.

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The graphic features a background image of solar panels in the foreground, a row of electric cars at charging stations in the middle ground, and a city skyline in the background under a bright sky. A yellow button with the text "Subscribe Now" is overlaid on the image.

LATEST RESOURCES



2026 Market Survey: Microgrid and Distributed Energy Projects Grow in Complexity

Reports of distributed energy's demise have been greatly exaggerated, according to a 2025 survey of distributed energy and microgrid industry professionals. When the One Big Beautiful Bill Act became law in July 2025, many industry experts feared solar-heavy distributed energy development would dry up with the loss of federal incentives. While survey respondents (67%) say [...]

Energy Allies: Communities and Utilities Building Resilience Together

Microgrids as a Building Block for Future Grids

Utility Bills are Rising: PowerLines

MICROGRIDS NOW

Microgrid Company IPO Filing Shows \$1.3 Billion Sales Backlog, Up 779%

The Microgrid Dilemma: To Build Around the Grid or Wait for It?

Montgomery County, Maryland, Notches Another Microgrid Win, This One for Affordable Housing

Against the Odds, Communities Can Build Local Energy. Here's How

Microgrids Are a Goldmine for Grid Operators – They Just Don't Know It

The Voice of Distributed Energy

Learn about grid edge opportunities

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Fiscal Year 2026-2027 Draft Budget

Howard Chang, CEO | June 17, 2026



Introduction

- Every year in June, Ava Board of Directors (the “Board”) approves the following fiscal year’s budget and staff is seeking formal approval of this proposed final budget at today's regular board meeting
- This budget was reviewed by an ad hoc group of the Ex Comm on 5/6, full board on 5/20, FAP on 5/27, and ExComm on 6/3
- The Budget covers the overall categories of the General Operating Fund:
 - Revenues from Operations
 - Energy Operating Expenses (typically 90%+ of total expenses)
 - Services to Facilitate Energy Operations
 - Operational Overhead to Energy Operations
 - Non-Operating Revenues
 - Non-Operating Expenses, including a Capital Transfer to the Local Development Fund

Current Fiscal Year 2025-2026 Performance

- Details on “Actuals” are settlements through April and updated projections through June.
- Revenue is expected to settle above budget due to Board action on value proposition in December.
 - Other Operating Revenue is primarily fees and damages to Ava on energy contracts
- Cost of energy is coming in below expectations as market prices softened and higher than expected large hydro generation
- Total overhead is currently estimated at \$7.4MM below budget due to opex reductions
- Non-operating activity is higher than expected as interest rates remain higher-for-longer and with the reduction of Local Development contributions
 - Borrowing interest expenses have been moved to General & Administrative overhead due to accounting treatment changes
- Overall Net Revenues are expected to come in at \$83MM above estimates without using \$35MM budgeted GASB 62 funds.

Ava Community Energy	FY 2026 BUDGET FY 2026	FY 2026 ACTUAL FY 2026	FY 2026 Delta	FY 2026 %D
Wholesale Load (MWh)	8,984,000	8,316,000	(668,000)	-7.4%
Retail Load (MWh)	8,439,000	7,867,000	(572,000)	-6.8%
Revenue & Other Sources				
Electricity Sales	869,170,000	891,462,000	22,292,000	2.6%
Uncollectables	(8,692,000)	(8,933,000)	(241,000)	2.8%
Other Operating Revenue	0	3,204,000	3,204,000	0.0%
GASB 62	35,327,000	0	(35,327,000)	-100.0%
Total Operating Revenue	895,805,000	885,733,000	(10,072,000)	-1.1%
Energy Operations				
Cost of Energy	836,970,000	773,494,000	(63,476,000)	-7.6%
Cost of Energy Services	14,056,000	14,251,000	195,000	1.4%
Total Energy Expenses	851,026,000	787,745,000	(63,281,000)	-7.4%
Overhead Expenses				
Total Overhead Expenses	48,367,000	40,935,000	(7,432,000)	-15.4%
Total Non-Operating Revenue	15,115,000	26,547,000	11,432,000	75.6%
Total Non-Operating Expenses	11,527,000	770,000	(10,757,000)	-93.3%
TOTAL NET REVENUES	0	82,830,000	82,830,000	0.0%

Fiscal Year 2026-2027 Draft Budget



Draft Budget Fiscal Year 2026-2027

- **Revenues:** Energy prices continue to soften and with resolution of the CPUC's Track 1 PCIA proceeding, generation rates and PCIA going into calendar year 2027 remain relatively stable. The fiscal year revenues decline because prior fiscal year included higher rates in calendar 2025
- **Cost of Energy:** Lower energy prices reduce open position costs
- **Overhead:** Increase in G&A is predominantly due to increased rent, a change in accounting treatment of credit facility fees, increasing software costs, and addition of five headcount
- **Non-Operating Activity:** Higher interest income and lower borrowing interest due to a change in accounting treatment of credit facility. No incremental contributions to Local Development Funding in fiscal year 2026-2027 with current fund balance at \$84MM

Ava Community Energy	FY 2026	FY 2027	FY 2027	FY 2027
	BUDGET	BUDGET	Delta	%D
	FY 2026	FY 2027		
Wholesale Load (MWh)	8,984,000	9,553,000	569,000	6.3%
Retail Load (MWh)	8,439,000	8,975,000	536,000	6.4%
Revenue & Other Sources				
Electricity Sales	869,170,000	805,476,000	(63,694,000)	-7.3%
Uncollectables	(8,692,000)	(10,068,000)	(1,376,000)	15.8%
GASB 62	35,327,000	24,160,000	(11,167,000)	-31.6%
Total Operating Revenue	895,805,000	819,568,000	(76,237,000)	-8.5%
Energy Operations				
Cost of Energy	836,970,000	775,323,000	(61,647,000)	-7.4%
Cost of Energy Services	14,056,000	14,218,000	162,000	1.2%
Total Energy Expenses	851,026,000	789,541,000	(61,485,000)	-7.2%
Overhead Expenses				
Total Overhead Expenses	48,367,000	54,306,000	5,939,000	12.3%
Total Non-Operating Revenue	15,115,000	24,399,000	9,284,000	61.4%
Total Non-Operating Expenses	11,527,000	120,000	(11,407,000)	-99.0%
TOTAL NET REVENUES	0	0	0	0.0%

- *Note: Incorporates the use of the Rate Stabilization Fund (RSF) to offset the forecasted deficit.*
- *Expanded budget view shown in appendix*

Draft Budget: Forecast Uncertainty

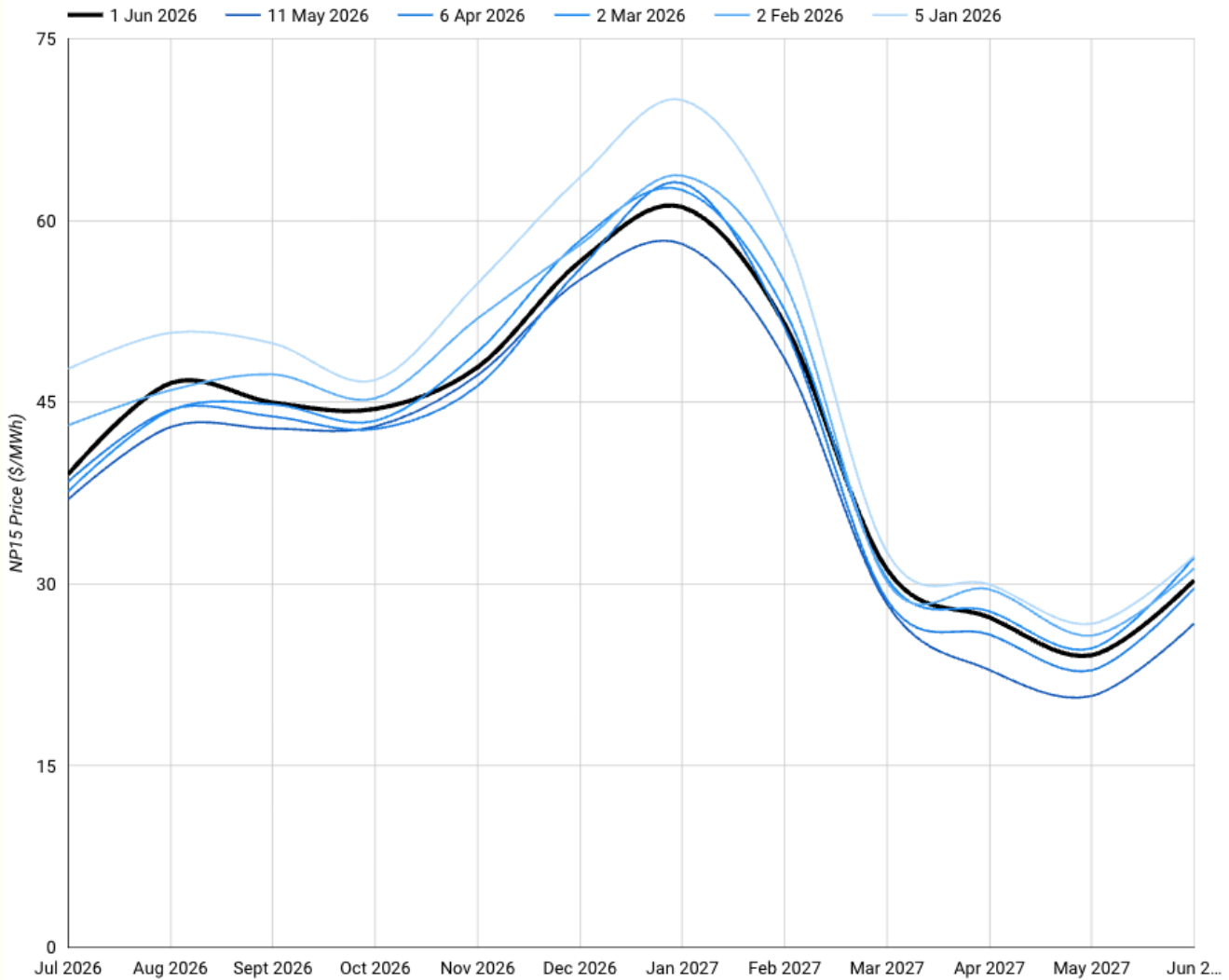
- May 15, 2026 PG&E ERRR filing provided a forecast for 2027 rates and PCIA
 - The filing provides an update on a subset of the underlying assumptions but did not provide updated MPBs
 - While a formal updated filing from PG&E is outstanding, we do not anticipate material changes
 - This is separate from potential changes that may come from the General Rate Case (GRC)
- PCIA Tracks 2 and 3 may have material impacts on PCIA and rate setting methodologies. Track 3 scope and timing presents the greatest uncertainty. 3 pre-scoping workshops have been scheduled for June.
- Load forecast uncertainty:
 - Weather conditions present the greatest impact on actualized load volume and shape
 - With the addition of SJC, estimates will become more accurate as Ava receives more data beyond initial enrollment
 - Longer-term: data center and electrification presents significant uncertainty as well
- New power generation project online dates may be delayed or moved forward impacting power portfolio expenses
- Energy prices are highly volatile and currently softening in response to a mild winter, accelerated melting snowpack, and new energy capacity coming online.
 - While forecasted summer prices are softening, actuals may vary greatly based on temperatures and demand
- Opaque portfolios with the IOU could lead to materially different MPBs in the October ERRR filing
- Interest rates and macroeconomic environment may change

May ERRA Addendum Filings

- The May 15 ERRA filing consists of the filing documents and the series of datasets called the “Working Papers”
 - The filing and working papers can be accessed through the PG&E Azure website here: <https://pgera.azurewebsites.net/Regulation/search>
 - Select the “ERRA 2027 PGE – Forecase [A.25-05-007]” case from the dropdown menu and click search to see all documents available for download
- Staff is still processing the working papers with consultants to get better color on the details
- What is known:
 - 2025 RA PCIA reform is in place at a steady state for 2027
 - Load appears to be materially lower for PG&E due to milder than expected weather to date and community load departure
 - PG&E's revenue requirements remain stable despite the reduction in load, increasing generation rates
- What is not known from the ERRA:
 - Direction on MPB settlement for all attributes
 - A significant portion of the filing is redacted due to market sensitive confidential information and our 3rd party consultant has access to this information, which may be shared on a very limited basis
 - There were some known errors/inconsistencies that are in the process of being validated and reconciled

The screenshot shows the search interface on the PG&E Azure website. The URL is pgera.azurewebsites.net/Regulation/search. The page features a blue header with the PG&E logo and navigation links: For My Home, About, Contact Us, Safety, English, Go, and Log In. Below the header is a navigation bar with tabs for Company Info, Newsroom, Environment, Community, and Careers. The main content area is titled "Search for Public Case Documents" and contains a search form. The form includes a dropdown menu for "Case" with the selected option "ERRA 2027 PGE - Forecase [A.25-05-007]". Other fields include "Document Type" (set to "All"), "Keyword" (with a note: "When using the 'Keyword' search, confidential documents will not be included in your search results."), "Description/Title Contains", "Party" (set to "All"), "Date(s) from" and "to" (both set to "MM/DD/YY" with a note: "(default is all dates)"), "Sort Order" (set to "File Name"), and "Records Per Page" (set to "100"). There are "Search" and "Clear" buttons at the bottom of the form. A footer note states: "If you need an ADA reasonable modification to view a document, please reach out to ADA_Support@pge.com". The footer also includes links for "For My Home", "For My Business", "Doing Business with PG&E", "About PG&E", "Privacy", and "Accessibility", along with a copyright notice: "PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. © 2014 Pacific Gas and Electric Company. All rights reserved." and social media icons for Facebook, Twitter, and LinkedIn.

Forward NP15 Energy Price Forecasts

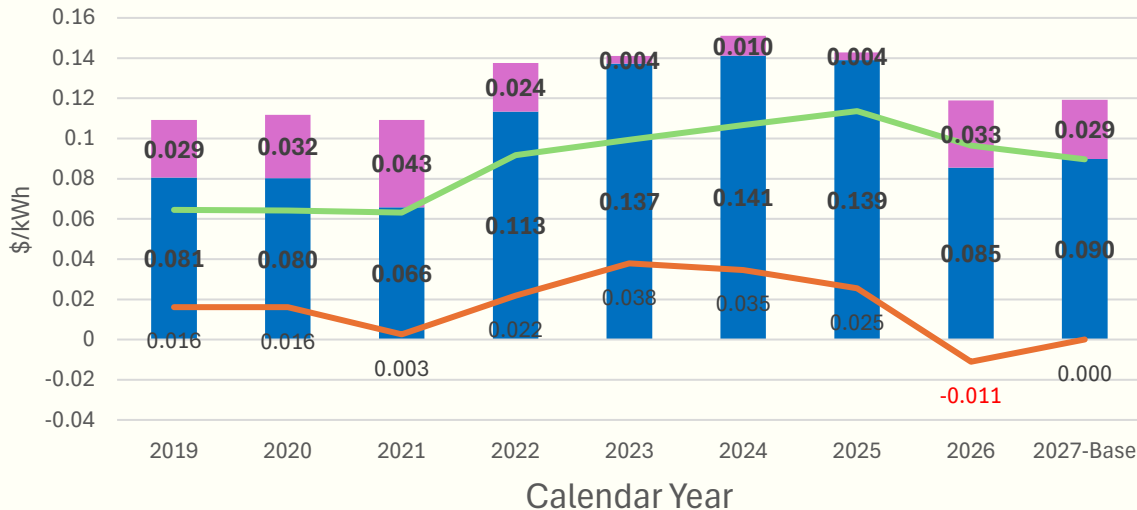


- This graph reflects forward pricing for FY 2026-2027 pricing broken out by month
 - The individual lines reflect the forward curve at different points in time over the past 6 months
- The spread between the lines ranges from \$5 to \$15 depending on the month, which reflects the volatility in forward pricing

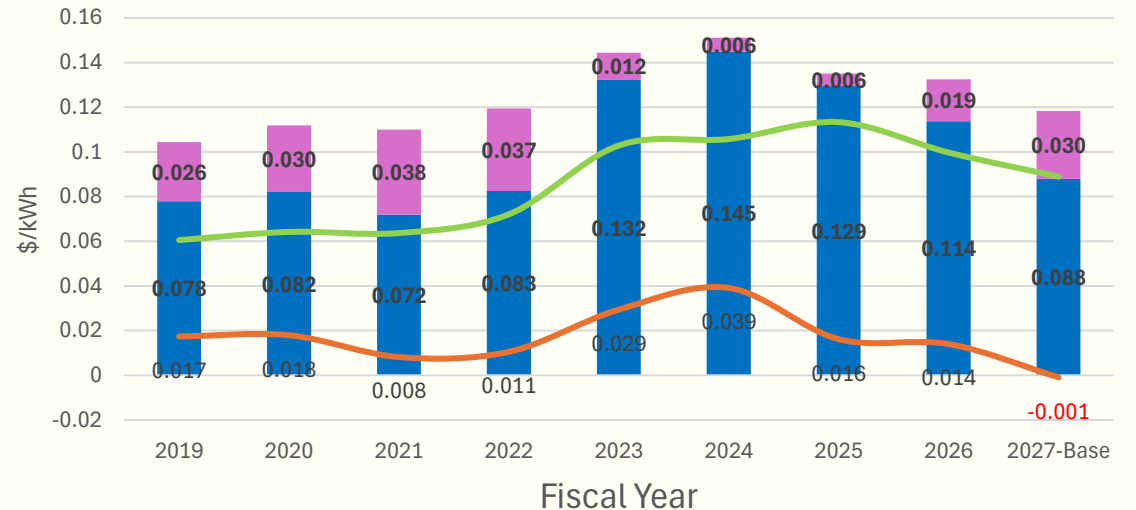
Historical Generation Rates & PCIA

- Rates increased and PCIA decreased from 2022 to 2025, driven by forecasted increases in energy market prices
- Since 2025 energy costs have softened in addition to substantive PCIA reform, setting PCIA higher and rates lower in 2026
- Lower prices are expected to continue through 2026 and we are forecasting a modest increase to generation rates and a lower PCIA in 2027, though rates remain stable
 - Between calendar year 2025 and 2026, customer rates dropped 20%, and between 2026 and 2027 Ava is estimating rates will increase 0.3% (inclusive of PCIA)
 - Between fiscal year 2025 and 2026, customer rates dropped 2%, and between 2026 and 2027, rates are expected to drop another 11%

Customer Rate Revenue Profile



Customer Rate Revenue Profile



■ Ava Average Rates
 ■ PCIA Fees
 ■ Operating Expenses
 ■ Margin

■ Ava Average Rates
 ■ PCIA Fees
 ■ Operating Expenses
 ■ Margin

Draft Budget: Revenues

Ava Community Energy	FY 2026	FY 2026	FY 2027		
	BUDGET	ACTUAL	BUDGET	FY 2027	FY 2027
	FY 2026	FY 2026	FY 2027	Delta	%D
Wholesale Load (MWh)	8,984,000	8,310,000	9,553,000	569,000	6.3%
Retail Load (MWh)	8,439,000	7,863,000	8,975,000	536,000	6.4%
Revenue & Other Sources					
Electricity Sales	869,170,000	891,515,000	805,476,000	(63,694,000)	-7.3%
Uncollectables	(8,692,000)	(8,931,000)	(10,068,000)	(1,376,000)	15.8%
Other Operating Revenue	0	3,204,000	0	0	0.0%
GASB 62	35,327,000	0	24,160,000	(11,167,000)	-31.6%
Total Operating Revenue	895,805,000	885,788,000	819,568,000	(76,237,000)	-8.5%

- Despite higher load, revenue from electricity sales is expected to decrease for the fiscal year with Ava's generation rates declining ~11%
- Value proposition remains unchanged at 0.5% discount to PG&E for Bright Choice and a \$0.0175 premium on Renewable 100 products
- Estimated bad debt slightly increased from 1.0% to 1.25% of billings based on rising trends and getting ahead of possible inflation increases due to oil market volatility
- Recognition of GASB 62 deferred revenue is approximately \$18.9MM from the Rate Stabilization Fund plus \$5.2MM related to resolution R-2024-26, which is half of the \$10,504,837 deferred for incremental clean energy generation and storage from the 2023 RFO for projects starting in 2027

Draft Budget: Overview of Operating Expenses

Ava Community Energy	FY 2026	FY 2026	FY 2027		
	BUDGET	ACTUAL	BUDGET	FY 2027	FY 2027
	FY 2026	FY 2026	FY 2027	Delta	%D
Energy Operations					
Cost of Energy	836,970,000	773,264,000	775,331,000	(61,639,000)	-7.4%
Cost of Energy Services	14,056,000	14,251,000	14,218,000	162,000	1.2%
Total Energy Expenses	851,026,000	787,515,000	789,549,000	(61,477,000)	-7.2%
Overhead Expenses					
Personnel	29,639,000	25,997,000	31,470,000	1,831,000	6.2%
Marketing & Communication	3,872,000	2,467,000	3,771,000	(101,000)	-2.6%
Legal, Policy, & Regulatory Affairs	4,243,000	3,186,000	4,258,000	15,000	0.4%
Other Professional Services	3,518,000	2,359,000	4,387,000	869,000	24.7%
General & Administrative	7,095,000	6,926,000	10,420,000	3,325,000	46.9%
Total Overhead Expenses	48,367,000	40,935,000	54,306,000	5,939,000	12.3%
Total Operating Expenses	899,393,000	828,450,000	843,855,000	(55,538,000)	-6.2%

Expenses are divided into three overall cost center categories:

- **Energy Operations** which includes all energy, energy attributes, ancillary related costs and required management services such as scheduling, data management, and customer billing
 - This category comprises 93.6% of Ava’s total operating expenses
- **Overhead Operations** which includes all personnel and staffing needs as well as work function cost centers required to manage the organization at large, and is about 6.4% of total operating expenses
- **Non-Operating Expenses** which are all capital and capital transfer related costs, including Local Development Fund contributions. This category is presented and discussed in a later slide

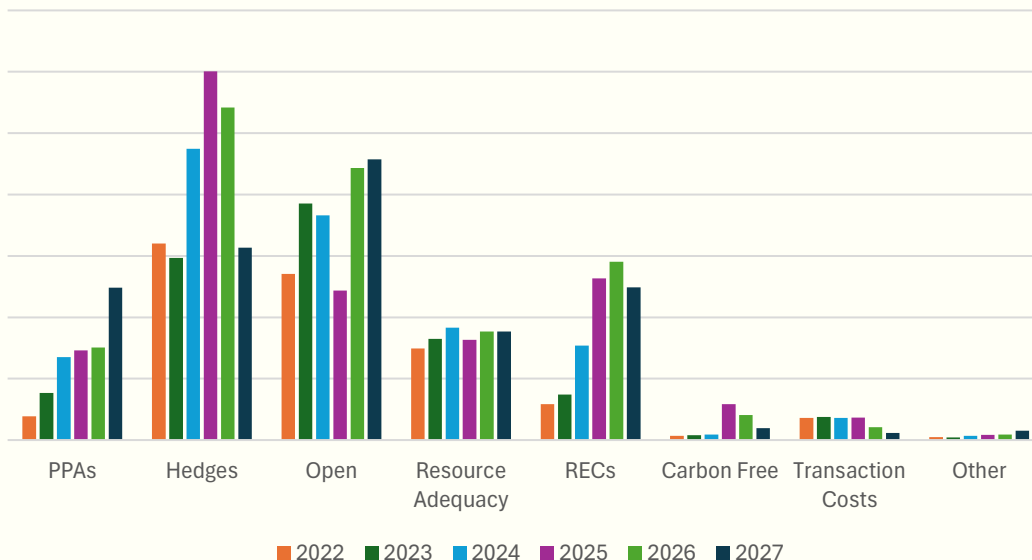
Draft Budget: Energy Operations

Ava Community Energy	FY 2026	FY 2026	FY 2027	FY 2027	
	BUDGET	ACTUAL	BUDGET	FY 2027	FY 2027
	FY 2026	FY 2026	FY 2027	Delta	%D
Energy Operations					
Cost of Energy	836,970,000	773,264,000	775,323,000	(61,647,000)	-7.4%
Energy Services					
Data Management/CRM	10,080,000	10,238,000	9,980,000	(100,000)	-1.0%
Billing & Metering	3,208,000	3,270,000	3,446,000	238,000	7.4%
Scheduling	768,000	743,000	792,000	24,000	3.1%
Cost of Energy Services	14,056,000	14,251,000	14,218,000	162,000	1.2%
Total Energy Expenses	851,026,000	787,515,000	789,541,000	(61,485,000)	-7.2%

Energy Costs

- Costs are generally derived from a blend of contracted and open position for all energy attributes
 - Currently, renewables, carbon free, and RA are fully procured
 - Open prices are non-stressed, mean forecasted
 - Material increase in PPAs due to reduced revenue expectations from lower market prices

Fiscal Year Cost of Energy Budget by Attribute



Draft Budget: Fiscal Year Personnel Details

PERSONNEL	2026 BUDGET	2026 ACTUALS	2027 BUDGET	%Change
Salaries & Wages	23,171,000	21,233,000	23,070,000	-0.4%
Health Care/Benefits	3,242,000	2,456,000	4,884,000	50.6%
Retirement	2,745,000	2,461,000	2,983,000	8.7%
Payroll Expenses	481,000	414,000	533,000	10.8%
Total	29,639,000	26,564,000	31,470,000	6.2%

- FY 2026 Budget was set for 7 additional FTE (105 total) to build more depth and to continue addressing increased workflow in key areas to help scale operations further.
 - Ava is not filling 2 roles bringing the forecasted end of FY 2026 FTE to 103.
- FY 2027 Budget seeks to add 5 FTE (108 total) to provide added expertise and support in key areas and help to meet essential business needs.
 - 1) Contract Management Analyst 2) Finance Manager / Staff Accountant 3) Contract / Settlements Analyst
 - 4) Optimization Software Engineer 5) Data Analyst
- Compensation Adjustments:
 - COLA: 3%; Promotions/Wage Adjustments: 3%; AIP Compensation: 12%
 - Accounting for increased healthcare premiums and associated benefit costs (realized and expected)
- Change to benefits reflects some recategorization of expenses from Salaries & Wages to Health Care/Benefits

Draft Budget: Marketing & Communications

	BUDGET FY2026	ACTUALS FY2026	BUDGET FY2027	%Change
MARKETING				
Advertising & Promotions	1,130,000	157,000	913,000	-19.2%
Required Mailings	635,000	557,000	308,000	-51.5%
Communications	1,270,000	769,000	1,540,000	21.3%
Sponsorships	661,000	152,000	930,000	40.7%
Software & Subscriptions	176,000	509,000	80,000	-54.5%
Total	3,872,000	2,144,000	3,771,000	-2.6%

FY 2027 Summary of Adjustments:

- Continued notifications to unincorporated San Joaquin County solar customers
- Customer mailings for Fremont commercial Renewable 100 transition
- Investment to a brand awareness strategy and launch phase one of a multi-year awareness initiative
- Investment in sponsorships, fellow, partners to activate more robust community engagement

Draft Budget: Legal, Policy, & Regulatory Affairs

	BUDGET FY2026	ACTUALS FY2026	BUDGET FY2027	%Change
LEGAL, POLICY, & REGULATORY AFFAIRS				
Legal Consultants	3,143,000	262,000	3,110,000	-1.0%
Policy & Legislative Consultants	740,000	2,318,000	705,000	-4.7%
Software & Subscriptions	281,000	487,000	325,000	15.7%
Memberships & Sponsorships	79,000	7,000	123,000	55.7%
Total	4,243,000	3,074,000	4,263,000	0.5%

FY 2027 Summary of Adjustments

Legal:

- Litigation counsel: funding to cover active litigation; litigation readiness; other potential disputes
- Commercial counsel: all procurement activities other than power resources
- Software and implementation: Legal research resources; contract platform Phase 3 rollout

Policy and Regulatory Affairs

- Federal and state lobbyists
- Consultants for compliance and CAISO matters
- Potential AI services

Draft Budget: Professional Services

	BUDGET FY2026	ACTUALS FY2026	BUDGET FY2027	%Change
PROFESSIONAL SERVICES				
Operations	1,125,000	954,000	1,070,000	-4.9%
Human Resources	792,000	372,000	556,000	-29.8%
Technology/IT	860,000	606,000	910,000	5.8%
Power Resources	741,000	492,000	651,000	-12.1%
Other Services	0	0	1,200,000	0.0%
Total	3,518,000	2,424,000	4,387,000	24.7%

FY 2027 Summary of Adjustments:

- **Technology Consultants:** Expanding operations requires additional engineering and CRM structure and design support
- **Other Services:** Primarily reflects temporary consultants and contractors, which was recategorized and consolidated this year

Draft Budget: Non-Operating Activity

Ava Community Energy	FY 2026	FY 2027	FY 2027	FY 2027
	BUDGET	BUDGET	Delta	%D
Non-Operating Revenue				
Interest Income	15,066,000	24,351,000	9,285,000	61.6%
Other Non-Operating Revenue	49,000	48,000	(1,000)	-2.0%
Total Non-Operating Revenue	15,115,000	24,399,000	9,284,000	61.4%
Non-Operating Expenses				
Local Development Funding	10,190,000	0	(10,190,000)	-100.0%
Borrowing Interest	1,087,000	0	(1,087,000)	-100.0%
Capital Expenditures	250,000	120,000	(130,000)	-52.0%
Total Non-Operating Expenses	11,527,000	120,000	(11,407,000)	-99.0%
NET NON-OPERATING REVENUES	3,588,000	24,279,000	20,691,000	576.7%

Non-Operating Revenue

- **Interest Income:** Reflects “higher-for-longer” FED interest rate policy and expected balance drawdowns
 - Rates are estimated to hold at 3.5%
- **Other Non-Operating Revenue:** is expected income AT&T tower rent at the 8th Street building

Non-Operating Expenses

- **Borrowing Interest:** reduced due to changes in line of credit accounting
- **Capital Expenditures:** costs estimated for general improvements at 1999 Harrison St offices
- **Local Development:** no planned incremental contributions in light of the current fund balance and future planning work that is underway

Draft Budget: General & Administrative

	BUDGET FY2026	ACTUALS FY2026	BUDGET FY2027	%Change
GENERAL OPERATIONS				
Operational Expenses	950,000	2,063,000	2,715,000	185.8%
Memberships & Sponsorships	1,212,000	1,183,000	1,220,000	0.7%
Software & Subscriptions	2,880,000	2,550,000	3,927,000	36.4%
Small Equipment	310,000	60,000	270,000	-12.9%
Rent & Utilities	1,021,000	848,000	1,533,000	50.1%
Conferences & Prof. Development	381,000	53,000	311,000	-18.4%
HR & Recruiting	250,000	164,000	390,000	56.0%
Board & Director Fees	91,000	45,000	54,000	-40.7%
Total	7,095,000	6,966,000	10,420,000	46.9%

FY 2027 Summary of Adjustments:

- **Operational Expenses:** Increase is primarily due to accounting change for fees with line of credit
- **Memberships Dues & Sponsorships:** Costs associated with JPAs, trade associations, and industry associations (CalCCA, CCCFA, CCPower, CFEE, Veloz, etc.)
- **Software & Subscriptions:** Increases to cover additional software needs for IT, Power Resources, and EAS data and increased cyber security needs
- **Rent & Utilities:** Increase due to initiation of primary lease agreement from a sub-lease agreement and no longer receiving TI related allowance
- **HR & Recruiting:** Some increase in recruiting costs for placing temporary consultants
- **Board & Director Fees:** These are reduced to more closely align with Board practices of requesting stipends

Draft Budget: Local Development Fund Balance*

	Program Area	Balance	Earmarked
	Local Development	\$2,800,000	\$2,600,000
BE+EE	Building Electrification	\$14,600,000	\$8,500,000
	Building Efficiency Accelerator	\$1,300,000	\$1,000,000
TE	Vehicle Electrification	\$8,100,000	\$4,500,000
	Ava Charge	\$15,900,000	\$15,900,000
	Bike Electric	\$2,200,000	\$2,200,000
	SmartHome Charging	\$5,700,000	\$1,700,000
Resilience	Critical Municipal Facilities (CMF)	\$5,800,000	\$5,800,000
	SmartHome Battery	\$10,900,000	\$10,900,000
	Resiliency Hubs	\$5,600,000	\$5,600,000
BE+TE	Virtual Power Plant DERMS Platform	\$1,900,000	\$1,900,000
Grants	Community Investment Grants	\$8,800,000	\$8,800,000
	Total	\$83,600,000	\$69,400,000

[Local Development Fund Reconciliation Board Item from March 2025](#)

*Fund balance as of 1/31/26

Local Development – FY27 anticipated spend

Program Area	FY '27 Spend	Committed	FY'27 Activities
Program Roadmap	\$500,000	\$500,000	Local Development Programs Roadmap
Ava Charge	\$2,640,000	\$6,750,000	Development, Operations and Marketing for 5 Sites
Critical Municipal Facilities	\$2,000,000	N/A - 25 yr PPA	Complete Projects, Establish operating reserves, bill customers
Grants	\$600,000	\$1,900,000	Issue new solicitation, select at least three grantees and Payments for contracted grants
SmartHome Battery incentives	\$1,250,000	\$10,900,000	Upfront and ongoing payments for SHB
Resilience Hub TA/Incentives	\$1,500,000	\$5,600,000	Upfront incentives and Technical Assistance costs
Building Efficiency Accelerator	\$1,000,000	\$1,000,000	Incentives for Commercial Heat Pump Water Heaters
Ava Bike Electric incentives	\$2,200,000	\$2,200,000	Bike Electric will add \$4M from ACTC
Ava SmartHome Charging incentives	\$300,000	\$600,000	Enrollment incentives and VPP dispatch payment for SmartHome Charging program
Total	\$11,990,000	\$29,450,000	

Draft Budget: Deferred Revenues & Reserve Funds

Contribution Year	Contribution	Withdraws	Balance	Operating Expenses*	OpEx Year	PctCoverage
2018-2019	40,513,687	-	40,513,687	410,686,000	FY 2019-2020	9.9%
2019-2020	49,704,640	-	90,218,327	383,045,000	FY 2020-2021	23.6%
2020-2021	-	-	90,218,327	471,897,000	FY 2021-2022	19.1%
2021-2022	65,655,073	-	155,873,400	562,667,000	FY 2022-2023	27.7%
2022-2023	75,000,000	-	230,873,400	732,885,000	FY 2023-2024	31.5%
2023-2024	100,000,000	-	330,873,400	814,123,000	FY 2024-2025	40.6%
2024-2025	-	-	330,873,400	899,393,000	FY 2025-2026	36.8%
2025-2026**	-	-	330,873,400	844,230,000	FY 2026-2027	39.2%

*Operating Expenses are fiscal year ahead for coverage purposes: 2025-26 contribution year aligns with 2026-2027 OpEx
 **Expected contribution with current policy as of 5/6/2026

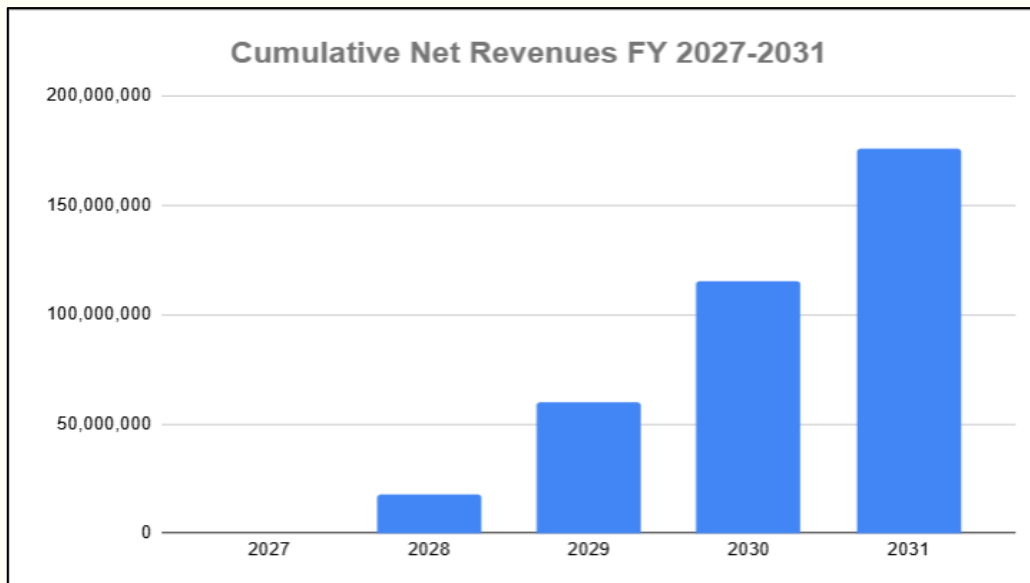
- Current reserve fund balance covers 40.1% of projected operating expenses for FY 2027
- Current FY surplus estimate of \$83MM not included in balances
- Staff will bring recommendations for allocation of the surplus to the Board after completion of the annual audit in November
- Budget includes a release of \$5.2MM, equal to 50% of the deferred revenues related to Clean Energy Investments

Deferred Revenue Usage	Balance	Guidance
		R-2025-23 authorizes recognition of ~\$35MM to balance FY25-26 budget
		R-2025-41 authorizes conversions from previous budget deferrals
Rate Stabilization Fund	162,546,828	R-2025-42 & R-2025-51 authorizes RSF funding allocations
		R-2023-37 authorizes deferral for specified use.
Clean Energy Investments	10,504,837	R-2024-26 authorizes recognition in 2027

Deferred Revenue Balances After Utilization	Balance
Rate Stabilization Fund	143,636,828
Clean Energy Investments	5,252,419

5-Year Forecast

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2027	2028	2029	2030	2031
Revenue & Other Sources					
Total Operating Revenue	819,568,000	907,788,000	918,848,000	963,137,000	1,042,726,000
Energy Operations					
Cost of Energy	775,323,000	844,170,000	829,014,000	861,563,000	936,044,000
Cost of Energy Services	14,218,000	15,450,000	15,529,000	15,614,000	15,704,000
Total Energy Operations	789,541,000	859,620,000	844,543,000	877,177,000	951,748,000
Total Overhead Expenses	54,306,000	56,148,000	57,984,000	59,916,000	61,980,000
Total Non-Operating Revenue	24,399,000	25,542,000	26,299,000	29,165,000	32,011,000
Total Non-Operating Expenses	120,000	120,000	120,000	120,000	120,000
Total Net Revenues	0	17,442,000	42,500,000	55,089,000	60,889,000
Wholesale	9,552,943	9,862,296	9,895,603	10,033,986	10,313,390
Retail	8,974,899	9,285,850	9,341,734	9,478,486	9,754,651



- The reliability of any 5-year revenue forecast is limited due to poor visibility into key PG&E inputs, such as revenue requirements and load
 - This forecast does not assume material changes to PG&E revenue requirements, regulatory reform, and market prices.
 - **Actuals will vary based on potential known and unknown changes**
- Forecast Assumptions:
 - No material changes to rate setting and PCIA regulatory methodologies
 - No change to current value proposition
 - Markets perform at non-stressed, mean expected prices
 - Cost of energy services increases at historical growth rate
 - Overhead increases at rate of inflation
 - Interest rates persist at 3.5%
- Surplus revenues can be applied to lowering rates, clean energy procurement, local development funding, working capital needs, RSF/reserves, operational enhancements, etc.

Conclusion & Authorization

- Staff is seeking approval of the presented fiscal year 2026-2027 budget, including the expectation to utilize \$18.9MM from the Rate Stabilization Fund to fully offset the forecasted deficit
 - Actuals will change relative to budget scenarios based on energy market conditions, developments in CPUC proceedings, and updates to PG&E ERRA and GRC filings
- Staff will provide a review with the board mid-year, incorporating 2026 actuals and final 2027 rates
 - PG&E's October ERRA filing will provide a meaningful update
- Request for CAC
 - Ask any clarifying questions you may have about the proposed FY 26-27 budget
 - Consider making a recommendation to the Board of Directors to accept the proposed FY 26-27 budget, or provide your concerns

FY 2026-2027 Draft Budget Expanded View

Ava Community Energy	FY 2026	FY 2027	FY 2027 Delta	FY 2027 %D
	BUDGET FY 2026	BUDGET FY 2027		
Wholesale Load (MWh)	8,984,000	9,553,000	569,000	6.3%
Retail Load (MWh)	8,439,000	8,975,000	536,000	6.4%
Revenue & Other Sources				
Electricity Sales	869,170,000	805,476,000	(63,694,000)	-7.3%
Uncollectables	(8,692,000)	(10,068,000)	(1,376,000)	15.8%
GASB 62	35,327,000	24,160,000	(11,167,000)	-31.6%
Total Operating Revenue	895,805,000	819,568,000	(76,237,000)	-8.5%
Price Stress				
Energy Operations				
Cost of Energy	836,970,000	775,331,000	(61,639,000)	-7.4%
Cost of Energy Services	14,056,000	14,218,000	162,000	1.2%
Total Energy Expenses	851,026,000	789,549,000	(61,477,000)	-7.2%
Overhead Expenses				
Personnel	29,639,000	31,470,000	1,831,000	6.2%
Marketing & Communication	3,872,000	3,771,000	(101,000)	-2.6%
Legal, Policy, & Regulatory Affairs	4,243,000	4,258,000	15,000	0.4%
Other Professional Services	3,518,000	4,387,000	869,000	24.7%
General & Administrative	7,095,000	10,420,000	3,325,000	46.9%
Total Overhead Expenses	48,367,000	54,306,000	5,939,000	12.3%
Total Operating Expenses	899,393,000	843,855,000	(55,538,000)	-6.2%
NET OPERATING REVENUES	(3,588,000)	(24,287,000)	(20,699,000)	576.9%
Non-Operating Revenue				
Interest Income	15,066,000	24,351,000	9,285,000	61.6%
Other Non-Operating Revenue	49,000	48,000	(1,000)	-2.0%
Total Non-Operating Revenue	15,115,000	24,399,000	9,284,000	61.4%
Non-Operating Expenses				
Local Development Funding	10,190,000	0	(10,190,000)	-100.0%
Borrowing Interest	1,087,000	0	(1,087,000)	-100.0%
Capital Expenditures	250,000	120,000	(130,000)	-52.0%
Total Non-Operating Expenses	11,527,000	120,000	(11,407,000)	-99.0%
NET NON-OPERATING REVENUES	3,588,000	24,279,000	20,691,000	576.7%
TOTAL NET REVENUES	0	(8,000)	(8,000)	0.0%

Appendix



PCIA & Operating Headroom

- Ava's generation rates to customers are indexed to PG&E's generation rate
- A portion of the generation cost is a charge from PG&E for the Power Charge Indifference Adjustment (PCIA)
 - The PCIA is how PG&E recovers "stranded costs or credits" for legacy generation resources



- PCIA rates are based on an annual mark-to-market
 - For Energy, Resource Adequacy (RA), and Renewable Portfolio Standard (RPS) resources, the mark-to-market is against "Market Price Benchmarks" (MPBs)
 - Forecasts for MPBs are presented by the Investor-Owned Utilities (IOUs) in May and then updated in October to establish the following year's rates
 - PCIA and rates are "trued up" from forecast to actual, and any over-collection or under-collection is recovered in rates the following year.
 - Higher MPBs --> higher rates and lower PCIA = more operating headroom for Ava
 - Lower MPBs --> lower rates and higher PCIA = less operating headroom for Ava

PCIA Proceeding & Risk Elements

The CPUC has an ongoing proceeding regarding the PCIA, divided into "Tracks".

○ **Track 1**

- **CalCCA has appealed CPUC Track 1 decision; appeal is pending**
- Revised the MPB for RA retroactive through 2025
- Major driver for the much higher PCIA most Ava customers see in 2026 versus 2025

○ **Track 2**

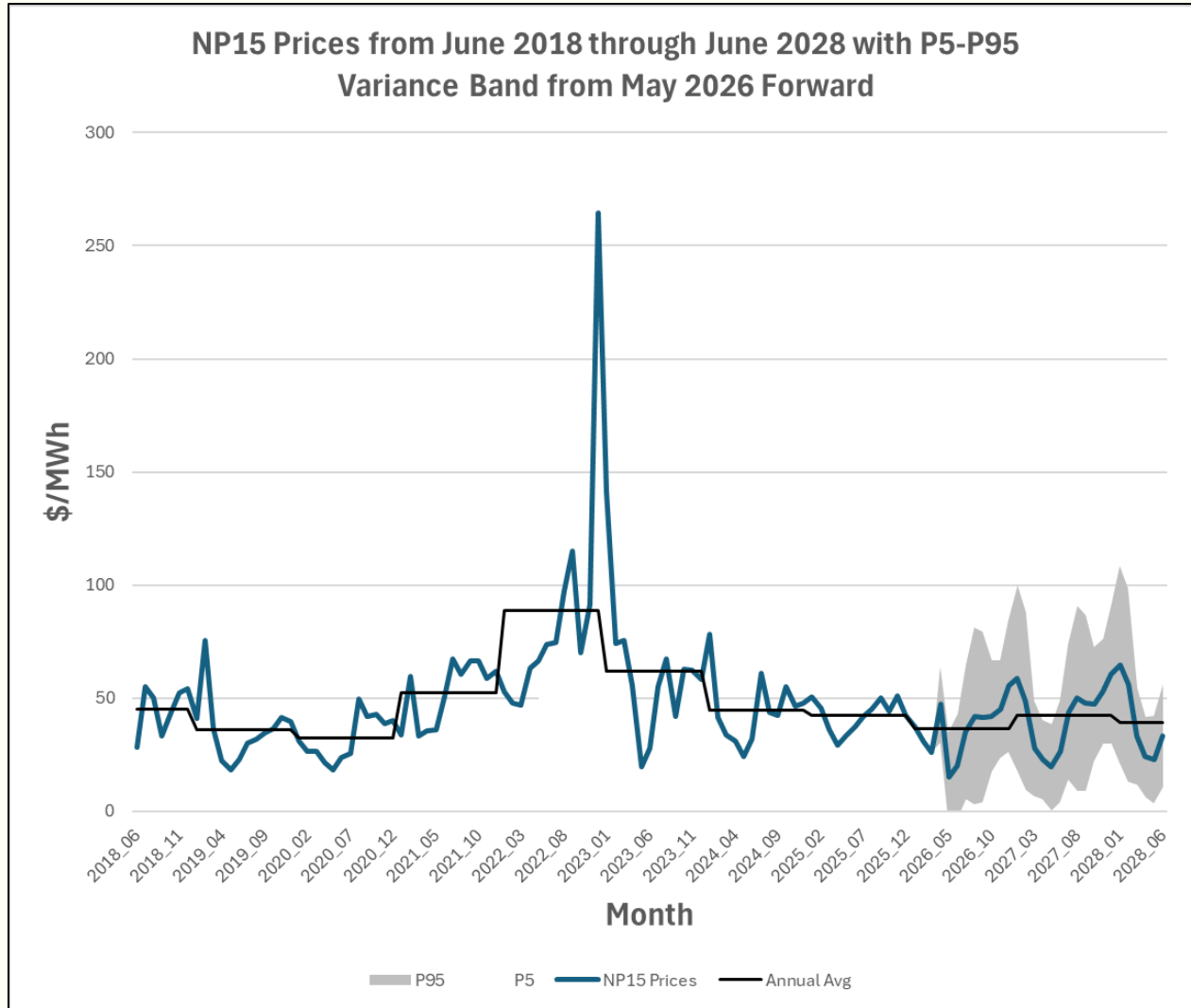
- **Proceeding is ongoing; decision expected in time for inclusion in 2027 rates**
- The CPUC is reviewing the methodology for valuing RECs that PG&E "banked" prior to 2019 but did not actually use for compliance purposes until 2025. An interim methodology values those RECs at \$0. This increases the PCIA for most Ava customers versus what the PCIA would be if those RECs were valued at the current market price for RECs
- Outcome indeterminate; CalCCA proposal would use current market prices for REC value, and lower the PCIA for most Ava customers versus status quo; PG&E proposal would make the status quo interim methodology permanent

○ **Track 3**

- **Scope and timing undetermined**
 - CCAs propose to address reviewing the Track One revisions to MPBs; aligning the RA MPB with the RA Slice of Day framework; reventinging of PCIA resources; PCIA GHG-free methodology; and potentially other structural changes to the PCIA
 - IOUs propose to prioritize changes to RPS MPBs ahead of any other issues, with changes to the brown power MPB next
- Outcome indeterminate; CCA approach would likely reduce PCIA for most Ava customers if adopted while the IOU approach would likely raise the PCIA for most Ava customers if adopted



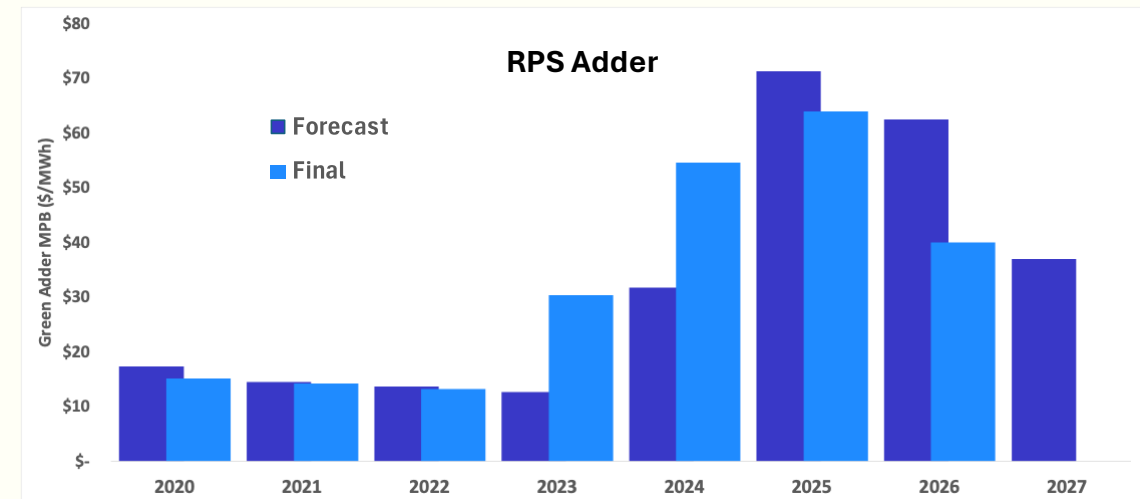
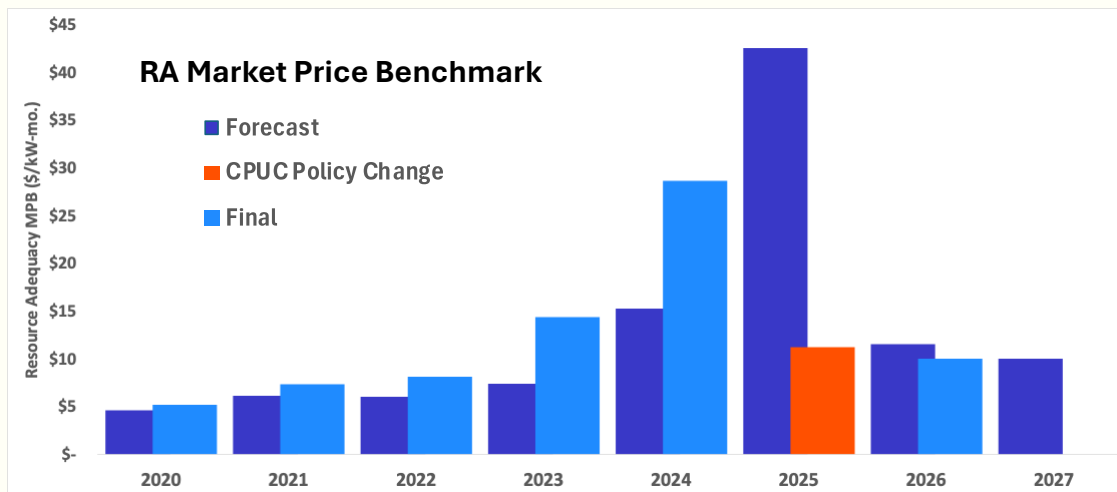
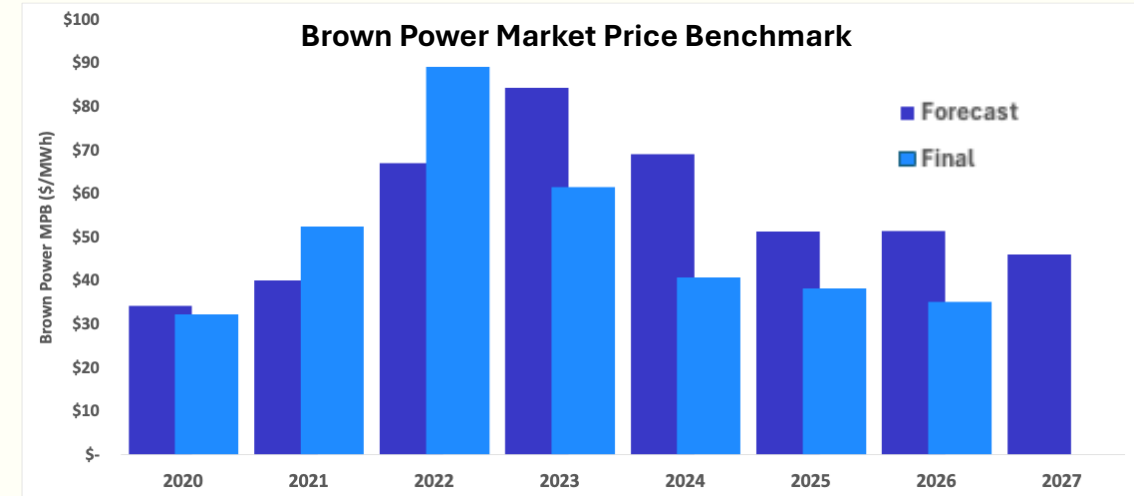
Historical NP15 Energy Price Actuals



- NP15 is the most liquid pricing for the northernCA region as the closest proxy to Ava's wholesale prices
- Power prices are set by a number of factors impacting supply and demand, such as weather, natural gas prices, system capacity, transmission congestion, etc.
- Volatility is high due to these uncertain and changing factors year to year
- Customer rates (generation and PCIA) are set based on a forecast while also incorporating a true up of the prior year's forecasted market prices with actualized prices
- 2026 rates were set by 2026 forecasted prices and trueing up 2025 actualized prices. 2027 rates will be set by 2027 forecasted prices and trueing up 2026 actualized prices.

Market Price Benchmark Trends 2020-2027

- Forecast MPBs used to develop PCIA and generation rates are calculated in Sept each year:
 - Energy: Avg forward price during Sept for delivery the following year
 - REC: Avg executed contract price in the past 15 months for delivery in following year
 - RA: Avg executed contract price in the past 3 years for delivery the following year
- Forecasted vs. Final MPBs vary significantly, reflecting year to year market volatility
- RA MPB in 2025 reflects regulatory changes, no future PCIA reform is assumed in forecasts
- "Final" numbers in 2026 reflect actuals through March and updated forecast as of April



Draft Budget: Base Case Revenue Assumptions

Year	Energy		RPS		RA	
	Brown Power		RPS Adder		All RA (\$/kW-mo)	
	Forecast	Final	Forecast	Final	Forecast	Final
2026	\$ 51.13	\$ 35.04	\$ 62.45	\$ 40.00	\$ 11.53	\$ 10.00
2027	\$ 46.02	\$ 46.02	\$ 36.92	\$ 36.92	\$ 10.00	\$ 10.00

- Base Case Assumptions have MPB's for calendar year 2026 down to align with market actuals and forwards year to date
- Forward looking prices in cost of energy reflect market price assumptions
- In addition to MPB assumptions, revenue requirement inputs directly from PG&E are critical in determining generation rates
 - In May ERRA filing, PG&E's revenue requirement stayed relatively flat despite declining load in 2027, which needs further diligence

FY 2026-2027 Scenarios & Sensitivities

Ava looked at possible alternative MPB/revenue scenarios —High-End and Low-End

- **High-end:** calendar year 2026 prices end up as current MPB forecasts from May ERRA filings, which are unchanged from the October ERRA filing
- **Low-end:** calendar year 2026 prices are one standard deviation down from current forward averages for brown power and Ava’s base case RPS and RA estimates
- There is upward pressure on rates based on PG&E's request for increase in revenue requirement in their GRC filing that is anticipated, but unlikely to be implemented in the 2026-27 fiscal year

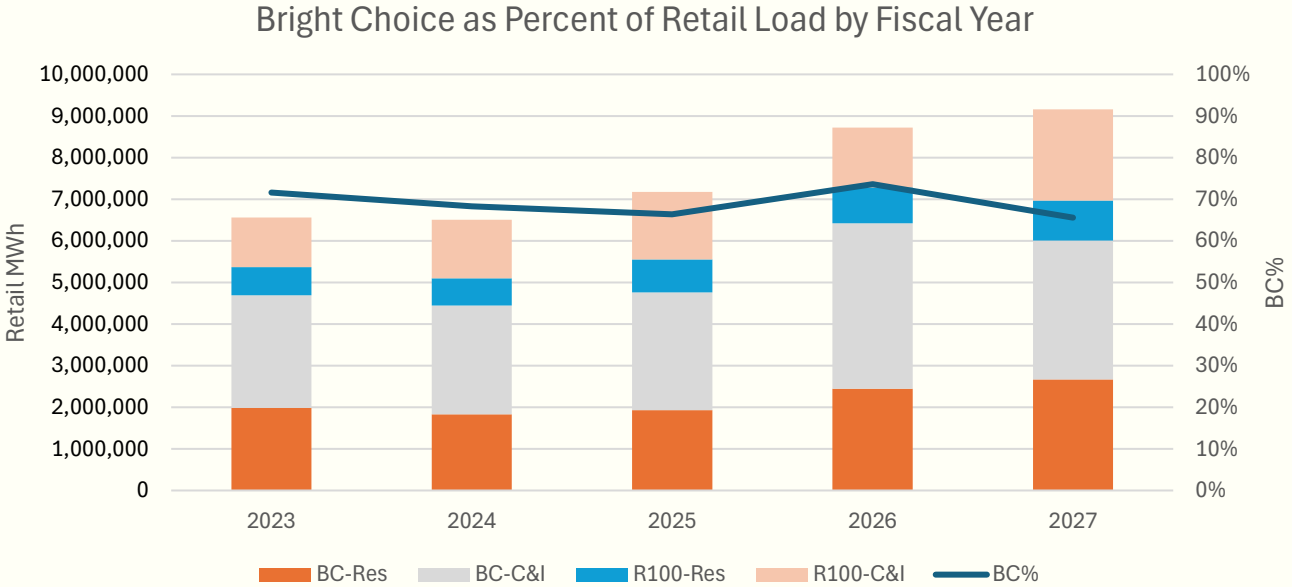
	Base Case	Low End	High End
Revenues	800,658,000	722,789,000	885,732,000
Cost of Energy	789,541,000	769,507,000	833,389,000
Overhead	54,306,000	54,306,000	54,306,000
Net Non-Op	24,279,000	15,988,000	23,849,000
Net Revenues	(18,910,000)	(85,036,000)	21,886,000
<i>Load (MWh)</i>	9,553,000	9,553,000	9,553,000

Case estimates do not include RSF contributions

	Base Case		Low End		High End	
MPBs	2026	2027	2026	2027	2026	2027
Power	35.04	46.02	23.70	33.28	40.90	47.61
RPS	40.00	36.92	40.00	36.92	62.45	62.45
RA	10.00	10.00	10.00	10.00	11.53	11.53

Electricity Product Load & Rates

- Renewable 100:
 - Originally set at \$0.01/kWh above PG&E and has migrated down as Ava financials improved
 - Currently priced at \$0.0175/kWh above PG&E rates
- Bright Choice:
 - Originally set at 1.5% discount to PG&E, reduced to a 1% discount in 2021, increased to a 3% discount in 2022, increased to 5% discount to PG&E rates in 2023. Latest adjustment was to 0.5% discount to PG&E in January of 2026
- The percent load of Bright Choice customers is estimated at ~66% for FY 2027



- Growth in Bright Choice in FY 2026 is due to unincorporated SJC
- Growth in Renewable 100 in FY 2027 is due to Fremont opt up
- Annual load and load shape can vary materially year to year and between budget to actuals due to weather, individual customer usage, and expansion to new territories

Draft Budget: Renewable & Large Hydro Content

Year	Bright Choice				CA-RPS %
	Renewable %	Carbon Free %	TCR*-Emission Factor	PSDR-Emission Factor	Renewable %
2018	41%	87%	101	n/a	29%
2019	60%	85%	135	n/a	31%
2020	40%	54%	n/a	580	33%
2021	41%	55%	n/a	577	36%
2022	45%	63%	n/a	566	39%
2023	49%	66%	n/a	521	41%
2024	52%	71%	n/a	455	44%
2025	56%	76%	n/a	387	47%
2026	60%	81%	n/a	315	49%
2027	64%	85%	n/a	241	52%
2028	67%	90%	n/a	163	55%
2029	71%	95%	n/a	83	57%
2030	75%	100%	n/a	-	60%

- In April 2022, the Board approved the “Path to Zero by 2030” plan for the Bright Choice product, as shown in the table to the left
- Periodically, the Board has approved adjusting targets to fit Ava’s financial position, typically raising targets
- In December 2025, the Board approved a compliance period approach across multiple years instead of single year targets specifically

Year	Annual Targets			Actuals/Forecast			Long/Short
	Renewables	Lg. Hydro	Total	Renewables	Lg. Hydro	Total	
2024	52.0%	29.0%	81.0%	62.0%	33.7%	95.6%	14.6%
2025	56.0%	25.0%	81.0%	54.5%	35.5%	90.0%	9.0%
2026	55.6%	21.0%	76.6%	54.7%	18.0%	72.7%	-3.9%
2027	64.0%	21.0%	85.0%	58.4%	12.3%	70.8%	-14.3%
Period*	57.3%	23.7%	80.9%	57.4%	24.9%	82.3%	1.4%

This table shows where Ava currently stands with procurement relative to the compliance period, and annual, targets

Public Hearing - AB 2561: Ava FY 25-26 YTD

FY 2025 - 2026 Budgeted Headcount	
Total Active FTE Budgeted	105
New FTE Budgeted	7
New FTE Filled to date	5
Average Time to Hire	67 Days
Vacancy Rate	29%
Retention Rate	95%
Average Turnover Rate	5%

Ava has a strong retention rate of 95%, with only 5 terminations so far this year.

Hiring Decision: Ava elected not to fill 2 positions this FY, bringing the total budgeted FTE down to 103.

Challenges faced in hiring:

- Finding a great fit can take time, but it's worth it.
 - We are prudent in our hiring process, strategically planning the timing of hiring, carefully considering all aspects of the role and desired impact.
- Competition for talent is high, especially in the Bay Area

What helps us overcome challenges?

- A strategic and robust hiring approach
- Ava is mission-driven & a certified Great Place to Work!

**For recruitment, only new budgeted positions are included. This does not account for other roles, like backfill positions.*

**Reporting Period: FY 25-26; July '25 - April '26 (YTD at time of report)*

**Average Time to Hire: Days from role posted to start date.*

**FTE: Full-time employee; YTD: Year-to-date*

This slide and data presented ensure compliance to AB 2561, which requires local public agencies to present the status of vacancies and recruitment and retention efforts at a public hearing before the governing board of the local agency at least once per fiscal year.

Rosenberg's Rules of Order – CAC Orientation

Adrian Bankhead | June 13, 2026



Ava Community
Energy



Rosenberg's Rules of Order

- <https://www.cacities.org/UploadedFiles/LeagueInternet/77/77d4ee2b-c0bc-4ec2-881b-42ccdbbe73c9.pdf>



Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg

Brown Act vs. Rosenberg's Rules

Brown Act = Public Meeting Law

- Governs transparency, public access, agendas, and open meetings
- Focuses on what the committee legally must do

Rosenberg's Rules = Meeting Procedure

- Governs motions, debate, voting, and orderly discussion
- Focuses on how the committee conducts business

Both Work Together

- The Brown Act ensures meetings are open and lawful
- Rosenberg's Rules helps meetings function fairly and efficiently

What Are Rosenberg's Rules?

- Simplified parliamentary procedure
- Designed for California local agencies
- More practical than full Robert's Rules
- Used by boards, commissions, and advisory committees
- Focus on simplicity, courtesy, and efficiency

Why Rosenberg's Rules of Order?

- Rules should establish order
- Rules should be clear
- Rules should be user friendly
- Rules should enforce the will of the majority while protecting the rights of the minority

The Role of the Chair

- Applies conduct rules for the meeting and makes final rulings
- All decisions by the chair are final unless overruled by the body itself (“Appeal the ruling of the chair” = majority vote to pass)
- Usually plays less active role in debate (although the chair retains full rights to participate in debate).
- Is usually last to speak at the discussion and debate stage.

The Basic Format for an Agenda Item Discussion

The agenda is the roadmap for the meeting.

1. Chair introduces the item
2. Staff presentation
3. Committee questions (Discussion – technical questions of clarification)
4. Public comment
5. Motion and second
6. Debate – discussion of the motion (if needed)
7. Vote
8. Chair announces result

Motions, Seconds and Discussion

- **A motion** is a formal proposal for committee action
- Examples:
 - Approve the recommendation
 - Continue the item
 - Amend the motion
- Motions require a motion, second, discussion, and vote
- **A second** means the idea is worth discussing
- A second does not necessarily mean support
- **Discussion** should stay focused on the motion
- Members should speak respectfully and through the Chair

Amendments

- An amendment changes the wording of a motion
- One main motion
- One primary amendment
- One secondary amendment
- Maximum of three motions pending at once

Friendly Amendment vs. Substitute Motions

Friendly Amendment (simplified version of motion to amend):

- Minor changes accepted by the motion-maker and second
- No formal vote needed to add friendly amendments to main motion

Substitute Motion:

- Replaces the original motion
- Substitute motions are voted on before the original motion

Managing Discussion & Debate

- The Chair has broad practical authority to keep discussion/debate on topic, prevent repetition, maintain order, recognize speakers and move the meeting along.
- If the body wishes to limit debate the following motions are not debatable:
 - Motion to adjourn – majority vote
 - Motion to recess – majority vote
 - Motion to fix the time to adjourn – majority vote
 - Motion to table – majority vote
 - Motion to limit debate – 2/3 vote if for current meeting

Voting

- Most actions require a majority vote
- Roll call vote: (yes, no, abstain, recuse, not present)
- Votes are counted on the basis of members *seated* and *present*
- Abstain = “could have voted but chose not to” – can participate in discussion/debate. Reduces total number of votes cast.
- Recuse = “Legally or Ethically Stepping Away” ie conflict of interest. Can not participate in discussion/debate. Reduces total number of votes cast.
- **Votes on multiple motions (up to three) occur in reverse order**

Supermajority Votes

- Supermajority (2/3 vote) is required when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. Examples of motions that require a supermajority:
 - Motion to limit debate
 - Motion to close nominations
 - Motion to object to the consideration of a question
 - Motion to suspend the rules

Motion to Reconsider

- It allows the committee to correct errors or revisit decisions when appropriate.
- Must be made by a member who voted *with the majority*
- Must be made in the meeting in which the original decision was made.
- Used when new information or concerns arise
- Prevents the committee from being locked into mistakes

Points of Order, Privilege, and Information

Members may interrupt the speaker to raise a point of order, privilege or information:

A **Point of Order** addresses procedural concerns.

- Example: 'Point of order — the motion has not been seconded.'

A **Point of Privilege** addresses comfort or functioning of the meeting.

- Example: difficulty hearing, room temperature, technical issues

A **Point of Information** requests factual clarification relevant to the discussion.

- Example: asking staff to clarify a figure or timeline

Key Principles

- Be respectful
- Be efficient
- Be fair
- Be clear
- Procedure exists to help meetings function effectively

Special Notes about Public Input

- Rule One: Tell the public what the body will be doing.
- Rule Two: Keep the public informed while the body is doing it.
- Rule Three: When the body has acted, tell the public what the body did.

ROSENBERG'S RULES OF ORDER CHEAT SHEET

To:	You say:	Interrupt Speaker	Second Needed	Debatable	Amendable	Vote Needed
Adjourn	"I move that we adjourn" (Only needed prior to the end of the agenda)	No	Yes	No	No	Majority
Recess	"I move that we recess until..."	No	Yes	No	Yes	Majority
Complain about noise, room temp., etc.	"Point of privilege"	Yes	No	No	No	Chair Decides
Suspend further consideration of	"I move that we table it"	No	Yes	No	No	Majority
End debate	"I move the previous question" or "Call the question"	No	Yes	No	No	2/3
Postpone consideration of	"I move we postpone this matter until..."	No	Yes	Yes	Yes	Majority
Introduce a motion	"I move that..." or "I move to..."	No	Yes	Yes	Yes	Majority
Amend a motion	"I move that this motion be amended by..." (You can also ask for a friendly amendment, which is less formal; if mover and second concur, no vote needed)	No	Yes	Yes	Yes	Majority
Refer to a Committee	"I move that the question be referred to a committee for more study"	No	Yes	Yes	Yes	Majority

The above listed motions and points are listed in established order of precedence. When any one of them is pending, you may not introduce another that is listed below, but you may introduce another that is listed above it.

To:	You say:	Interrupt Speaker	Second Needed	Debatable	Amendable	Vote Needed
Object to procedure or personal affront	"Point of order"	Yes	No	No	No	Chair decides
Request information	"Point of information"	Yes	No	No	No	None
Object to considering some undiplomatic or improper matter	"I object to consideration of this question" (This would generally just be used if something is not on the agenda)	Yes	No	No	No	2/3
Reconsider something already disposed of	"I move we now (or later) reconsider our action relative to..." (Only a member of the prevailing side can make a motion to reconsider)	Yes	Yes	Only if original motion	No	Majority
Vote on a ruling by the Chair	"I appeal the Chair's decision"	Yes	Yes	Yes	No	Majority

The motions, points and proposals listed above have no established order of preference; any of them may be introduced at any time except when meeting is considering one of the top three matters listed from the first chart (Motion to Adjourn, Recess or Point of Privilege).