



Consent Item 8

To:	Ava Community Energy Authority
From:	Brett Wiley, Program Manager
Subject:	Authorizing CEO to Negotiate and Execute two Main Services Agreement amendments with Lunar Energy Limited to Update SmartHome Charging Program Scope
Date:	October 21, 2026

Summary/Recommendation

Adopt a resolution authorizing the Chief Executive Officer to negotiate and execute two amendments to the Main Services Agreement (“MSA”) with Lunar Energy Limited (“Lunar Energy”). The Second Amendment would clarify and revise the scope for the SmartHome Charging program after learnings in Year 1 and extend the managed charging scope end date from March 31, 2027 to December 31, 2027. The Third Amendment would allow Lunar Energy to subcontract with automakers as additional managed charging providers, pending Ava’s review and approval.

Ava initially contracted with Lunar Energy on July 3, 2024 to provide Ava with a Distributed Energy Resource Management System (“DERMS”) as part of Ava’s Virtual Power Plant. Lunar Energy subsequently subcontracted with Optiwatt to launch and manage a managed home charging program on behalf of Ava, called SmartHome Charging.

The First Amendment was executed March 3, 2025 and extended the MSA term to March 31, 2027 and clarified administrative contract provisions.

Financial Impact

These amendments will not increase the currently approved budget of \$2,300,000 for the SmartHome Charging Program scope.

Analysis and Context

According to the California Energy Commission, there are more than 168,000 EVs registered in Alameda and San Joaquin Counties as of April 2026. Currently, many customers charge in the afternoon during higher cost, higher carbon hours of the day. Relatedly, over half of these customers are not enrolled in a dedicated EV or electrification Time of Use (“TOU”) rates. Ava’s SmartHome Charging program (the “Program”) aims to address these issues by optimizing when and how Ava customers charge their EVs, reducing peak demand and the associated greenhouse gas (“GHG”) emissions while lowering Ava’s procurement costs and customers’ fuel costs.

Launched in March 2025, Ava’s SmartHome Charging program allows customers to enroll their vehicle or home charger into a platform that manages their charging to optimize electricity costs while still meeting each customer’s specific charging needs. Customers set their target charge and deadline, and the platform optimizes the charging process to meet those parameters. Most participants save money on their energy costs and reduce GHG emissions, while Ava can shift and shape EV load to reduce procurement costs and portfolio-wide emissions, which benefits all Ava customers. Participants also receive an enrollment incentive and monthly performance-based incentives to encourage enrollment and ongoing participation.

In Year 1, Optiwatt, Lunar Energy’s sub-contractor, enrolled over 2,700 devices and met five of the Program’s six load-management and customer experience key performance indicators (“KPIs”). The one KPI not met in Year 1 was on-peak charging, which was reduced by 46% instead of the 50% reduction target.

While the Program has had success, enrollment and retention were the Program’s main challenges. Some Ava customers have not enrolled because they did not “want another phone app.” Other customers had trouble staying enrolled because their automakers required software updates and additional steps to connect to third-party service providers like Optiwatt. Ava believes customers will be more likely to enroll in SmartHome Charging if customers can participate through an app they already use for their EV.

Currently, only 3.3% of EVs in Ava’s service area are enrolled in a managed charging program offered by Ava or PG&E. There’s a high market potential to have more EVs under management, which Ava believes will improve with a more integrated program

enrollment experience through the automakers' existing EV phone apps. Ava estimates that 68% of its current EV market can participate today, or will soon be able to, in utility programs offered directly by automakers or managed charging providers through the customer's existing vehicle app.

In Year 2 of the program, Ava will implement the lessons learned from Year 1 and refine its programmatic approach with Lunar Energy to extract additional learnings from already enrolled customers. At the same time, Lunar Energy will onboard automakers as additional vendors and extract comparative learnings around automaker channel marketing, customer experience, and load management performance through newly enrolled participants that also leverage Lunar Energy as our DERMS provider.

The Second Amendment will refine the scope of managed charging with Lunar and their management of third-party service providers like Optiwatt, while the Third Amendment will permit Lunar to subcontract directly with automakers, subject to Ava's approval, to bring additional services and enrollments into the program. The MSA already allows Lunar Energy to bring on additional managed charging vendors; this amendment codifies the specific terms governing that expansion for SmartHome Charging.

Attachment

- A) Resolution of the Board of Directors of Ava Community Energy Authority Authorizing the CEO to Negotiate and Execute Two Amendments to the Existing Consulting Main Services Agreement with Lunar Energy Limited for the SmartHome Charging Program

RESOLUTION NO. R-2026-XX
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO
NEGOTIATE AND EXECUTE A SECOND AMENDMENT TO THE MAIN SERVICES
AGREEMENT WITH LUNAR ENERGY LIMITED FOR THE SMARTHOME CHARGING
PROGRAM

WHEREAS Ava Community Energy Authority (“Ava”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, under the Joint Exercise of Powers Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of Ava and parties to the Joint Powers Agreement (“JPA”) in March of 2020. The city of Stockton was added as a member to Ava in September of 2022. The city of Lathrop was added as a member to Ava in October of 2023. San Joaquin County was added as a member to Ava in July 2024. On October 24, 2023, Ava legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS Ava and Lunar Energy Limited (“Lunar Energy”) entered into that certain Main Services Agreement dated July 3, 2024 (“Agreement”), under which Lunar Energy agreed to, among other things, implement the SmartHome Charging Program (the “Program”) that leverages their Distributed Energy Resource Management System and management of third-party service providers, like Optiwatt, to enroll and retain Ava customers, for a not-to-exceed (“NTE”) amount of \$2,300,000; and

WHEREAS the Program launched on March 27, 2025, and, in its first year, enrolled over 2,700 devices and effectively met the load management key performance indicators; and

WHEREAS Ava and Lunar Energy entered into a First Amendment to the Agreement to extend the term to March 31, 2027, add an Operational Service Level Agreement for the managed charging program, and clarify administrative contract provisions; and

WHEREAS as of April 2026, there are more than 168,000 electric vehicles (“EVs”) domiciled in Alameda and San Joaquin Counties, yet only 3.3% of EVs in Ava’s two-county service area are enrolled in a managed charging program by Ava or PG&E, while 68% of Ava’s current EV market currently has or will soon have the potential to participate in utility managed charging programs through direct partnerships with automakers; and

WHEREAS Ava seeks to effectively manage the home charging load of its customer's EVs to reduce Ava's procurement costs and portfolio emissions while helping its customers lower their electricity bills; and

WHEREAS Ava desires to amend the Agreement to refine the scope of managed charging; extend the Agreement's managed charging scope through December 31, 2027; and expand Lunar's management of third-party service providers, like Optiwatt, while also permitting Lunar Energy to subcontract directly with automakers, subject to Ava's approval; and

WHEREAS the proposed Second and Third Amendments to the Agreement does not increase the NTE amount of \$2,300,000.

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

Section 1. The CEO, in consultation with staff and legal counsel, is hereby authorized to negotiate and execute two Amendments to the Main Services Agreement with Lunar Energy Limited to, among other things: (1) revise the scope of the SmartHome Charging Program; (2) extend the scope end date to December 31, 2027; and (3) allow Lunar Energy Limited to subcontract with automakers as additional managed charging providers, subject to Ava's approval.

ADOPTED AND APPROVED this 21st day of October, 2026.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board