Notes from June 17 BOD meeting

The BOD meeting consisted of a closed session to discuss the performance evaluation of the CEO and convene with labor negotiators.

The focus of these notes is on the Regular Agenda.

I want to direct you to the CEO Report (Caity do you want to include it in the CAC package?) The CEO Report included a summary of the Executive Meeting held on June 3, 2026, Finance, Administration, and Procurement Subcommittee meeting held on May 27, 2026, and the Marketing, Regulatory, and Legislative Subcommittee Meeting held on June 12, 2026. Of note, Ava once again received a Great Place to Work Certification.

<u>Summary of the CEO's Report</u>
The following long-term projects have reached commercial operation:
SunZia North 74.6 MW share of a larger wind facility in San Miguel County, NM
SunZia South 175.4 MW share of a larger wind facility in Lincoln County, NM
Alpaugh project 5 MW solar facility paired with a 5 MS/20 MWh battery energy storage system in Tulare County, CA
Tumbleweed - 8hr expansion of a 50 MW battery energy storage system in Kern County, CA

Rosamond Central was Ava's first long-term agreement to reach commercial operation 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.

On June 5th, Ava held a ribbon-cutting ceremony in East Oakland to celebrate a new community solar project designed to bring clean, affordable energy to local residents. It is the first of 5 projects developed in partnership with Prologis via California's Disadvantaged Communities Green Tariff and marketed to Ava customers as a Solar discount.

From May 2020 to March 2025, Ava partnered with BayREN, StopWaste, and other Bay Area CCA's on the Contractor Heat Pump Water Heater Incentive Program. Providing $1,000 post-installation rebates.

Ava is also exploring:

Alternative permit streamlining
Contractor incentive program
Direct-to-customer rebates
Financing solutions

Howard also listed 7 events held in June 2026 to raise awareness in Ava's service territory, support the community, and connect customers to Ava's offerings.

The major focus of the BOD meeting was the Action Item FY 2026-2027 Annual Budget.

Indira Balkissoon, CAC Vice Chair presented the CAC Report from our June 15, 2026 Meeting. Our recommendations were presented. Specifically,

1. In light of the fact that Ava revenues recovered to a $130 million deficit v the predicted $250 million deficit predicted back in December 2025. The CAC felt that the $10 million reduction in the local development fund budget should be restored.

The CAC recommendation - Since the revenue deficits are not as dire as were projected back in December 2025, the CAC recommends that the BOD approve of the Annual FY2026-2027 budget contingent on the restoration of the $10 million to the local development fund.

There were many public comments supporting this recommendation

2. Secondly, there was concern that funding projections showed 0 funding for Local Development Funding in FY2027 budget. This sends the wrong message to our communities as was reflected in many public comments on this topic. To this end the CAC proposes a second recommendation.

The CAC recommendation - The BOD develop a policy for a minimum dollar amount for local development each year based on some percentage of Ava's net revenues.

The BOD asked if the CAC was aware of the $83 million balance in the local development budget with $14 million untapped so far. Ms. Balkissoon mentioned that this was presented to the CAC.

The BOD asked if there wasn't already a waterfall policy related to some funding going to reserves and some to rate stabilization. Howard mentioned that we don't have a waterfall policy; the budget is decided each year.

There was a great deal of discussion amongst the BODs, and it was decided to approve the FY2026-2027 Annual Budget. The logic in this decision was based on the concern that Ava is not adding to the rate stabilization fund but is using it to address the **budget deficit**. Ava is using $24 million of our reserve to fund a projected deficit and make it zero. The CCA's are maturing overall, and that is lending us to be more conservative and trying to guide the organization for long-term success. The words fiscally disciplined came up. Also, affordability was mentioned as a big issue, and there was a request that we come back to this question about Ava's value proposition related to that.

The BOD observed that the budget process, especially this year, is getting much more complex than it has in the past. There has been so much budget variability. There have been many swings, and the regulatory elements have gotten more complex. This has been an exceptionally difficult budget year. Many jurisdictions are dealing with budgetary shortfalls.

There was concern that even if we funded the $10 million, Ava would be removing even more money from a different reserve. There was concern that the money would be moved around but could not be deployed in the fiscal year with the budget shortfalls. The funding that is committed is already committed. By keeping the $10 million in the rate stabilization, it keeps it available to fund local development.

The BOD stated that they remain committed to local development, and it is a priority.

The BOD chair stated as a point of order:
“All of us are proud of the work that has been done and is being done with respect to local development. So we are all on the same page thinking local development is a good thing and proud of our agency for the prior board’s allocation of dollars and resources to local development. The question was asked if we should talk about this question of restoring the $10 million to the local development when we are discussing our potential surplus from the 2025-2026 year because the $10 million was potentially taken away from the 2025-2026 allocation. In the fall, the BOD will have the audited budget. This year, the BOD was more conservative than we realized, so that might be the time to revisit whether or not we want to refund those monies to local development or do we want to do something else with those monies? So as a point of order, it may line up year over year budget-wise to have that conversation in the fall”.

BOD Motion: Adopt staff recommendation and that we discuss in the Fall with respect to the surplus that considers the ask of the public members. Passed unanimously.

The BOD indicated that they want to develop a policy for local development funding but that was not an agenda item. This will need to be included in the Fall budget discussions.

My take aways from the budget discussion is that the BOD is well aware of the need to fund local development funding. They however are very concerned about Ava’s deficit and long term financial impacts.

Board of Directors Meeting
Wednesday, June 17, 2026
6:00 pm

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

Or from the following locations:

- Clipper Club – 5 Captain Dr. Emeryville, CA 94608
- 4917 Knowlson Terrace, Fremont, CA 94555
- 35653 Scarborough Dr Newark, CA 94560
- 1100 Webster St, 2nd Floor Conference Room, Oakland, CA 94607
- 501 W Weber Ave Building 1 Stockton CA 95203

Via Zoom:
https://avaenergy-org.zoom.us/j/87023071843

Or join by phone:
Dial(for higher quality, dial a number based on your current location): US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or +1 301 715 8592 or 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)
Webinar ID: 870 2307 1843

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@avaenergy.org.

If you have anything that you wish to be distributed to the Board of Directors, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. **Welcome & Roll Call**

2. **Pledge of Allegiance**

3. **Public Comment**
This item is reserved for persons wishing to address the Board on any Ava-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 Board are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Board Chair may increase or decrease the time allotted to each speaker.

4. **Closed Session Public Comment**

5. **Closed Session**

    a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Government Code Section 54957. Title: Chief Executive Officer

    b. CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Government Code Section 54957.6. Agency Representatives: Inder Khalsa, Jonathan Tedesco, Betsy Andersen, and González. Unrepresented employee: Chief Executive Officer.

6. **Report Out of Closed Session**

<u>CONSENT AGENDA</u>

7. **Approval of Minutes from May 20, 2026**

8. **Contracts Entered Into (Informational Item)**

9. **FY 2025-2026 Q3 Financial Statements (Informational Item)**
Ava's third quarter financial statements for fiscal year 2025-2026

10. **PFM Financial Advisors Contract (Action Item)**
Authorize staff to retain PFM Financial Advisors LLC for consulting services related to prepayment bond transactions.

11. **Fourth Amendment Renewing SmartBidder Master Agreement with Ascend Analytics LLC (Action Item)**
Authorize CEO to negotiate and sign a fourth amendment renewing the Agreement for a new one-year term.

<u>REGULAR AGENDA</u>

Pursuant to Board direction, any agenda item not started by 9:00 p.m. will be continued to a future meeting unless the Board, by majority vote, elects to hear the item that evening. The Board may also determine an alternate disposition of the item at its discretion.

12. CEO Report

13. CAC Report

14. FY 2026-2027 Annual Budget (Action Item)
Approve the FY 2026-2027 budget

15. Prepay Financings (Action Item)
Authorize staff to enter into all agreements necessary to transact and close two to three Prepay Bond transactions

16. Board Member and Staff Announcements including requests to place items on future Board of Directors Meeting Agendas

17. Adjourn

The next Ava Board of Directors meeting will be held on Wednesday, July 15, 2026 at 6pm.

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)

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.