CAC Item C6
Staff Report Item 18

To:	Ava Community Energy Authority
From:	Howard Chang, CEO
Subject:	Ava 5-year agency priorities
Date:	10/21/2026

Summary/Recommendation

Staff is providing an informational presentation providing an overview of Ava's 5-year agency priorities.

Analysis and Context

Since Ava's operational launch, staff have developed priorities to help guide staff workflows and deliverables. This presentation serves to provide an organized review of these priorities to the board. The presentation is not a comprehensive collection of all operational responsibilities, but rather more strategic needs from 2027-2031. The purpose is to raise awareness of these priorities with the board, seek feedback and alignment on what is identified, and provide a preview of substantive deliverables and future action items that staff will bring forward for discussion in 2027.

Attachment

A. 5-year Agency Priorities PPT

Attachment Staff Report Item 18A

Ava Community Energy



5-Year Agency Priorities

October 21, 2026

Introduction

Purpose:

Receive an informational presentation that outlines strategic priorities for the agency over the next 5 years (2026–2031)

Note: This does not reflect a comprehensive review of all operational priorities and deliverables.



Agency Objectives & Key Results (OKRs)

Provide Affordable, Clean Power to Everyone

Objective:

Decarbonize Ava's wholesale energy supply and drive down costs for our customers



Target Key Results:

1. Decrease greenhouse gas (GHG) emissions within Ava's wholesale energy portfolio
2. Ensure adequate generation and capacity resources to meet current and future load
3. Stabilize and lower wholesale energy costs

Example KPIs include: GHG emissions, GHG reduction, Rates: ¢ /kWh, PPA price: $/MWh, Peak load (GW) vs. volumetric load (GWh), etc.

Execution Mechanisms & Strategies

Channel & Deliverables	Mechanism/Strategy
Establish long-term power procurement targets	• Evaluate 24x7 vs. net annual emissions accounting frameworks and changing power content regulatory requirements • Complete supplemental internal IRP analysis and align on emissions/power content focused targets for 2030 and beyond
Renewable 100 & Bright Choice roadmap	• Evaluate a price and power content roadmap given convergence of these two products
Energy prepay optimization	• Maximize and optimize operations of energy prepay transaction to utilize tax exempt status and structurally lower procurement costs
Power generation project ownership	• Evaluate value creation and risk mitigation benefits • Review a project to pilot ownership
Innovation	• Continue to create new power contracting structures to diversify and mitigate risk (e.g. Options agreements, interconnection enhancement agreements, hybridization projects, etc.) • Evaluate emerging technologies to advance CA energy goals
Optimize equity-based funding tools	• Maximize local renewable energy projects in disadvantaged communities as part of DAC-GT program • Evaluate rate structures and cost allocation among customer segments; optimize Ava rate structures and CARE/FERA customer eligibility
Policy advocacy	• Engagement on IRP and Reliable and Clean Power Procurement Program (RCPPP) CPUC proceedings regarding procurement and emissions requirements

Key Deliverables

In the next year	Over the next 5 years	At the end of 5 years
A. Evaluate 24x7 emissions reporting requirements as indicated by CPUC and CEC B. Complete supplemental IRP analysis to evaluate least cost power portfolios across different emissions frameworks C. Execute on 1-2 additional energy prepay transactions D. Evaluate power generation project ownership for board consideration	A. Align power content targets with changing regulatory environment B. Develop mid-term Renewable 100 and Bright Choice content and price roadmap C. Execute [3-4] energy prepay transaction repricings D. Initiate project ownership pilot(s)	A. Establish long-term procurement targets within a 24x7 emissions framework B. Assess project ownership scalability and target portfolio share C. Define portfolio cost target ranges ($/kWh cost **or** % discount to PG&E)

Electrify Everything

Objective:

Leverage our clean energy supply in electrifying buildings and transportation to create tangible and sustained value for our customers and communities



Target Key Results:

1. Decrease emissions from buildings and transportation across our service area
2. Improve customer affordability of electrification measures
3. Leverage electrification to create cost savings for all customers
4. Bring electrification benefits to priority communities
5. Increase community resilience
6. Facilitate economic development opportunities

Example KPIs include: GHG reduction, $’s deployed, $’s saved, # of customers served, etc.

Execution Mechanisms & Strategies

Channel & Deliverables	Mechanism/Strategy
Customer Programs	• Customer Programs Strategy: Defines the objective, strategic priorities, and success metrics that lead to a portfolio of program concepts.
Municipal Support	• Advance energy and climate goals of our municipal members e.g. project investment, technical assistance, and economic development opportunities
Grants	• Current priority areas: Workforce Development, Education, Community Empowerment, Research & Innovation
Rate structures	• Utilize rate structures and dynamic pricing to drive deeper decarbonization through electrification. Includes: Hourly Flex Pricing, Time-of-Use rates, and other structures that support Virtual Power Plants (VPP), load modification, or load reduction. • May be influenced by regulatory mandates
Policy Advocacy	• Defined by Ava's legislative platform and regulatory agenda • Coordinated to support the objective and priorities identified in the Customer Programs Strategy
Local/State Ordinances or mandates	• Not within Ava's direct control, but Ava may support local code, permitting, and other supplemental municipal services

Key Deliverables

In the next year	Over the next 5 years	At the end of 5 years
A. Customer Programs Strategy with identified priorities for focus of next 5 years B. Customer Programs Funding Plan C. Adaptive Program Portfolio	A. Phased implementation of Customer Programs B. Tracking of programmatic success metrics C. Adaptation/iteration of individual programs to align with portfolio targets and market conditions while honoring established strategy	A. Report out on success metrics identified as part of Customer Programs Strategy B. Analysis of assets in Virtual Power Plant to determine long term resource viability/ scalability C. Revisit Customer Programs Strategy to align with current customer needs and priorities

Defeat Existential Threats

Objective:

Mitigate organizational risks and protect Ava's local autonomy in how we serve our customers and communities



Target Key Results:

1. Maintain effective governance through informed decision making, strong oversight & controls, and full transparency
2. Establish long-term sustainable rate structure competitiveness
3. Build financial resilience through a strong balance sheet, ample liquidity, and high credit quality
4. Minimize operating risks related to customer billing capabilities, power resource management tools, and cybersecurity
5. Advocate in the regulatory and legislative fields to protect Ava ratepayers, advance Ava priorities, and maintain autonomy

Example KPIs include: Value Proposition on rates, Reserve funding levels, Rate Stabilization Fund levels, Credit rating, IT penetration testing, Load served, etc.

Strategies & Mitigations Supporting Ava's Mission



Execution Mechanisms & Strategies

Channel & Deliverables	Mechanism/Strategy
Effective Governance	• Facilitate informed decision making through enhanced education, retreats, and community engagement • Enhance controls and ensure comprehensive oversight through periodic review of policies, consideration of operational audits, and implementation of a formal enterprise risk management framework • Evaluate and strengthen governance structure as needed
Establish sustainable competitive rate structure	• Evaluate rate-indexing methodology and longer-term value proposition setting; consider more granular rate variations and dynamic rate structures • Evaluate cost structures related to customer segmentation and regional load shapes • Build strong rates competency
Financial Resilience	• Maintain a strong balance sheet and liquidity to mitigate risk and create value • Target Reserve and RSF funding timeframes & utilization plans • Maintain A- credit rating and evaluate upgrade prioritization - implications on credit facility costs, project debt costs if owning
Policy Advocacy & Compliance	• Take action for short-term PCIA defense and longer-term reform • Enhance ratepayer advocacy • Advocate for procurement and rate setting autonomy • Ensure compliance in regulatory, legislative, CA, and federal obligations
Operational Readiness	• Build necessary and value creating operating capabilities (e.g. billing, scheduling, DERMS, power resource management/optimization) • Implement Cybersecurity defenses • Maintain optimal economies of scale and consider growth with strategic load growth and territory expansion

Key Deliverables

In the next year	Over the next 5 years	At the end of 5 years
A. Implement a formal enterprise risk management framework to measure, mitigate, and communicate risks B. Improve board and community engagement C. CPUC PCIA Track 3 engagement D. Initiate Phase 1 of rates analysis to evaluate various rate structures	A. Undergo build vs. buy analysis to evaluate mission critical operating capabilities B. Review long-term funding plans to meet target Reserve Fund and Rate Stabilization Fund levels C. Advocate on longer-term PCIA and other potential regulatory reform D. Identify potential rate structure changes to optimize cost allocation and long term value proposition	A. Evaluate debt optimization for project ownership and programs B. Establish plans to meet target financial funding goals C. Preserve local decision making and maintain procurement autonomy D. Establish timeline to implement rate structure adjustments

Build an Ethos-Driven Organization

Objective:

Create an employee experience and operational environment where staff can thrive, collaborate effectively, grow professionally, and safely deliver on Ava's mission

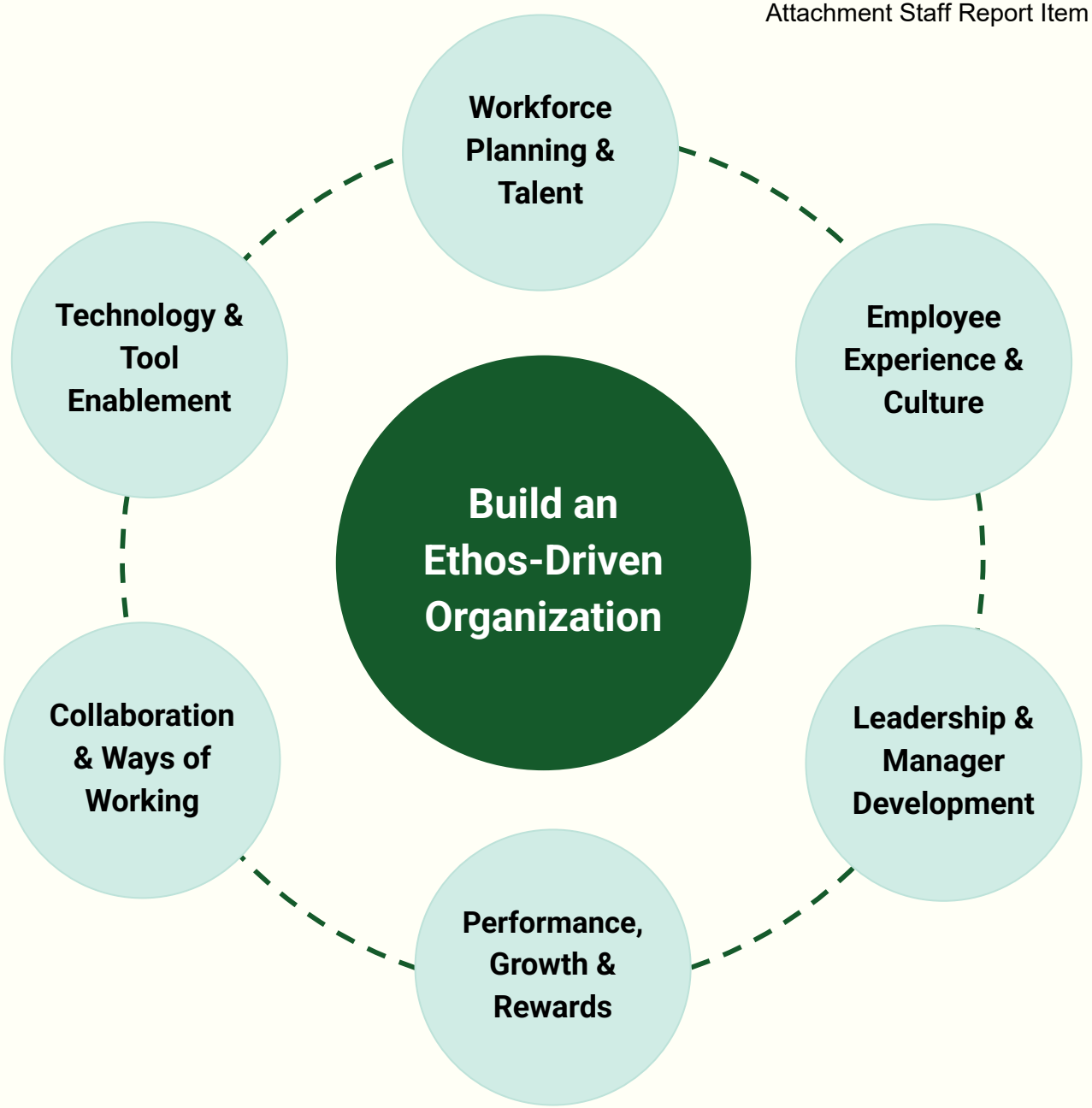


Target Key Results:

1. Sustain a high-quality and engaging employee experience
2. Retain and grow top talent through strong manager effectiveness, development, and performance systems
3. Establish clear, consistent collaboration and communication practices enabled by tools, technology, and operational frameworks
4. Ensure a secure, safe, and compliant workplace and environment that protects staff, data, and operations

Example KPIs include: Employee Net Promoter Score (eNPS), Employee retention, Staffing headcount

The People and Tools to Power Ava's Mission



Execution Mechanisms & Strategies

Execution Channel	Mechanism/Strategy
Workforce Planning & Talent	• Use 3-5 year workforce planning, recruitment, succession planning, and internal growth pathways to build future organizational capacity
Employee Experience & Culture	• Use engagement surveys, onboarding, recognition, DEIB initiatives, and Ethos-based programs to strengthen connection and belonging
Leadership & Manager Development	• Build leadership and manager effectiveness through training, coaching, shared expectations, and team-development support
Performance, Growth & Rewards	• Align OKRs, feedback, performance management, compensation, and development to reinforce impact and employee growth
Collaboration & Ways of Working	• Establish clear communication practices, cross-functional workflows, project management standards, and knowledge-sharing systems
Technology & Tool Enablement	• Adopt tools, technology, and AI that improve the employee experience, collaboration, efficiency, and decision-making

Key Deliverables

In the next year	Over the next 5 years	At the end of 5 years
A. Develop 3-5 year workforce hiring plan B. Launch a multi-year succession planning initiative C. Assess AI adoption opportunities, conducting pilots and enhancing how we work with a “put people first” mentality D. Define and measure manager effectiveness and provide training and workshops to support manager growth and alignment.	A. Execute & refine long-term workforce hiring plan, inclusive of relevant outcomes from succession planning and operational initiatives B. Focused training efforts aligned with opportunities identified in engagement surveys and other assessments C. Continued optimization of goal setting, performance, and retention practices	A. Continuous optimization of tools across the agency, inclusive of newly adopted technology B. Maintain a high performance based culture with strong staff retention C. Provide the people and tools to effectively deliver on the goals previously stated

Conclusion

Conclusion

- 2031 will approach quickly and this presentation consolidates the broad range of strategic priorities that Ava needs to resource outside of the day to day operational needs
- While this list of objectives, key results, and deliverables is not comprehensive of all priorities, even what has been presented here will need to be further prioritized & streamlined given limited time and resources
- Staff welcomes board feedback on this informational presentation



Glossary Appendix

Acronym Glossary

Acronym	Definition
24x7	24 hours, 7 days/week
AI	Artificial Intelligence
CARE/FERA	California Alternate Rates for Energy / Family Electric Rate Assistance
CEC	California Energy Commission
CPUC	California Public Utilities Commission
DAC-GT	Disadvantaged Community Green Tariff
DEIB	Diversity, Equity, Inclusion, and Belonging
DERMS	Distributed Energy Resource Management System
eNPS	Employee Net Promoter Score
GHG	Greenhouse Gas
GW	Gigawatt
GWh	Gigawatt-hour

Acronym	Definition
IRP	Integrated Resources Plan
IT	Information Technology
KPI	Key Performance Indicator
kWh	Kilowatt-hour
MW	Megawatt
OKR	Objectives and Key Results
PCIA	Power Charge Indifference Adjustment
PPA	Power Purchase Agreement
RCPPP	Reliable and Clean Power Procurement Program
RSF	Rate Stabilization Fund
TWh	Terawatt-hour
VPP	Virtual Power Plant