Ava Community Energy

Ava Charge Program Update

JP Ross | Sept 2, 2026

Introduction

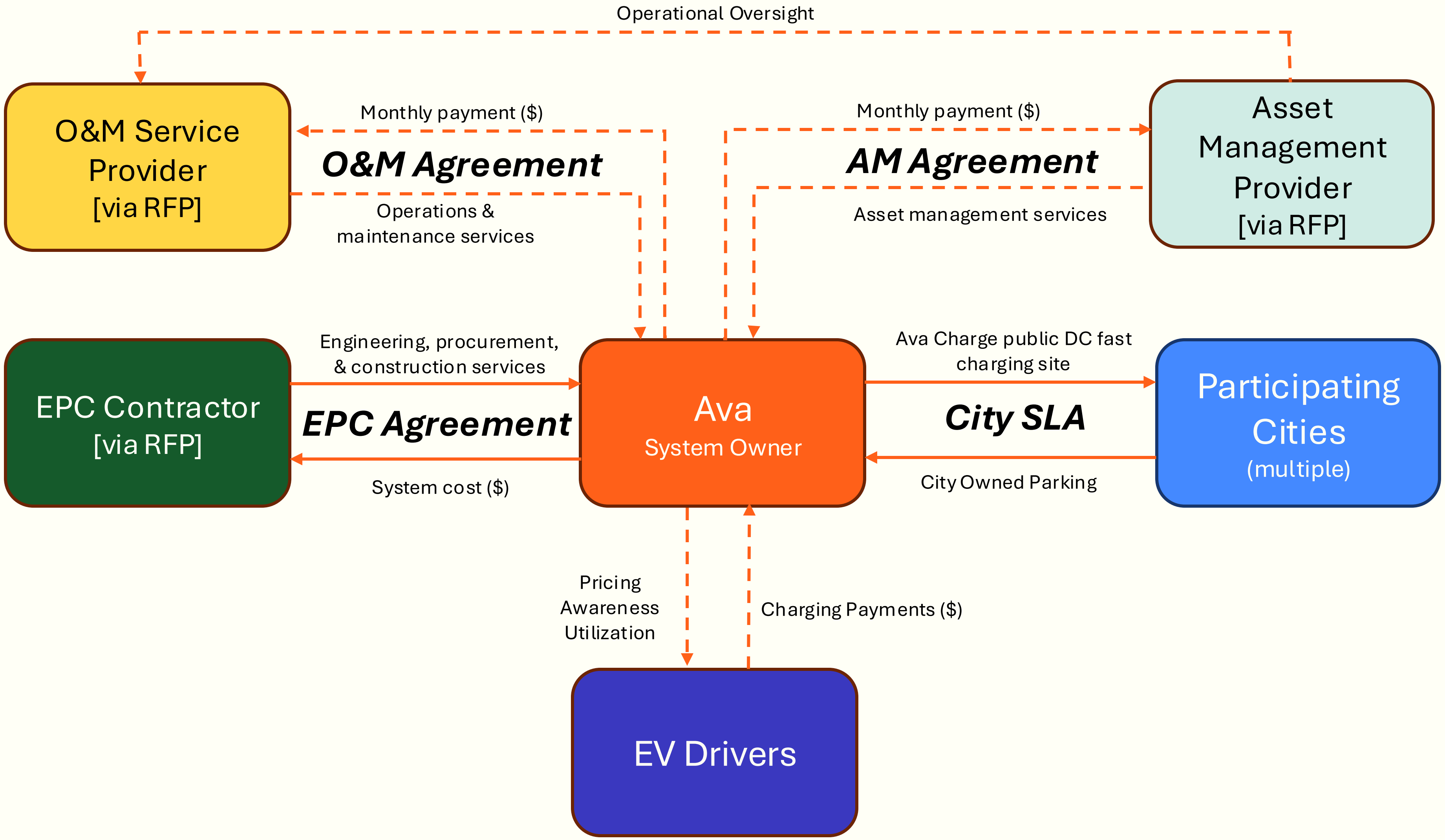
- Staff is presenting an informational update on the Ava Charge program and providing an alternative direct ownership model for feedback
- In April, 2026 staff presented a project status update on the Ava Charge Program to the Executive Committee
- In November 2022 the Board authorized Ava to execute contracts with two different parties, EV Realty and Calibrant Energy to develop and operate Ava Charge sites for 10 years
- In July 2025 Calibrant notified Ava of their intention to shift their business model away from operating EV assets. Calibrant has been working to sell their interest in operating Ava Charge sites to another party through a membership interest purchase agreement (MIPA) and has been in discussions with several potential buyers
- Ava Charge has been operating one site at OCCWG with 31 stalls, and hosted a ribbon cutting in November of 2025. The site is currently operating at 99% availability and has provided almost 3,000 charging sessions to electric vehicles

Ava Charge Program Background

- Ava Charge is a program to increase reliable, affordable and publicly accessible fast charging for residents of multi-family housing (MFH), by partnering with Cities to site projects in City owned lots and located near retail amenities.
- Ava works with City partners to identify lots and garages that are near amenities and MFH with sufficient parking spaces to support dedicated EV charging and access to electrical capacity. Ava signs site license agreements with cities for sites that will be good candidates for Ava Charge sites.
- Ava controls customer pricing and is responsible for marketing Ava Charge to EV drivers.
- Ava takes utilization risk and plans to allocate ~$3M/year to this program over 10 years. To date, Ava has allocated a total of $18.65M towards Ava Charge.
    - This budget accounts for charging infrastructure costs, netted with charging revenue and was anticipated to operate at a loss due to serving charging desserts and underserved communities with lower utilization forecasts

Ava Charge Direct Ownership Structure

Direct ownership would require third-parties to perform development, construction, and maintenance services.



Structural Summary

1. Ava enters into Site License Agreement (SLA) with Cities to develop and operate Ava Charge sites at city owned parking areas
2. EPC Contractor designs & constructs projects for Ava
3. Ava enters O&M Agreement with O&M Service Provider to maintain chargers and sites according to service level agreement (SLA)
4. Ava enters Asset Management agreement with Asset Management provider for remote monitoring, O&M contractor and issue resolution oversight, and system performance reporting
5. Ava is responsible for creating awareness of the site, driving utilization by customers, and setting pricing and receives charging revenue

Ava Charge Direct Ownership Costs

- Ava and Calibrant have progressed 4 projects ready for construction in 3 Cities: Oakland, Livermore and Hayward
- Projects total 72 charging stalls and 7.38MW of charging capacity
- Ava has up to $2.7M in grants covering 75% of the costs to develop the Oakland & Hayward sites
- Operational costs and revenues are estimated based on 3-5% utilization scenarios

Ava Charge Economics for 4 sites	**Total ($M)**
Build Cost	$5.7 - $6.7
Grants	$2.7
Net Capex	**$3.0 - $4.0**
Capex Grant Coverage	*41% - 48%*
10 Year Operational Costs	$18.8 - $23.9
10 Year Operational Revenues	$19.2 - $29.2
Net Cash Flow over 10 years	**($3.6) - $1.2**

Ava Charge Direct Ownership Risks

Risk	Sub-Risk or Description	Risk Level	Next Steps / Mitigation
Development timing	• Project construction and commissioning runs late, causing certain projects to miss grant deadlines	Moderate	• Include liquidated damages in the EPC Agreement for not meeting the desired schedule/milestones
EPC does not perform	• EPC costs are higher than forecasted • EPC does not deliver high quality project	Moderate	• Issue a competitive solicitation to secure best pricing • EPC contract with clear delivery requirements and penalties for poor performance • Include EPC contingency budget
Equipment performance	• Hardware doesn't perform as expected or becomes outdated • Hardware requires additional replacements	Moderate	• Secure SLAs from operators and manufacturers for fast response times and equipment performance • Build in contingency for additional major equipment replacement into base case financial projections
Project operations and maintenance	• O&M doesn't perform as expected • O&M costs are higher than budgeted	Moderate	• Have O&M agreement with reputable third-party responsibility for project monitoring and issue resolution • Contingency included in O&M budget • Option to contract with third party extended warranty insurance provider
Poor asset management	• Active monitoring site and system performance is challenging due to limited information and team bandwidth • Poor system performance could lead to customer experience and reduce revenue projects	Moderate	• Hire a third party asset manager and software provider to provide more visibility on site performance • Included initial cost estimates for third party asset manager and software in our financial modeling

Ava Asset Ownership Summary

- Ava is evaluating direct ownership across utility scale and distributed clean energy assets. It can create strategic value, but also carries meaningful balance sheet risk.
- In 2025, the Ava Board approved the construction and ownership of a portfolio of eight Critical Municipal Facilities (CMF) solar & storage projects
  - CMF Build Cost $8.9M, less tax credits of $3.6M for a Net Build Cost of $5.3M
  - Ava issued a public works RFP, signed a contract with a local construction company and delivered all projects within the NEM2.0 timeline
  - Solar & storage assets have different operating characteristics and risks compared to public charging but do share efficiencies and build on existing expertise within Ava
- In June of 2026, staff provided an update on utility scale asset ownership with the Executive Committee

Fremont Tri-City Volunteers CMF Project

Conclusion & Next Steps

- Ava is actively working through 3rd party ownership options currently and in parallel completing further evaluation of asset ownership options through September
- Staff anticipates bringing forward an update to the board in the fall regarding project status and a potential change to the proposed delivery model for consideration
- At this time staff is providing an informational update to the Executive Committee and seeking any input on direct ownership