Staff Report Item 14

To:	Ava Community Energy Authority
From:	Annie Henderson, Chief Customer Officer
Subject:	Updating the board on the status of the Customer Programs Strategy development process, formerly referred to as the Roadmap.
Date:	September 16, 2026

Summary/Recommendation

This Staff Report provides an update on the proposed process, timeline, and engagement strategy for developing Ava's Customer Programs Strategy. This item is informational, but staff welcome Board feedback on the recommended level of engagement.

Financial Impact

There is no financial impact with this update item.

Analysis and Context

Background

Staff are developing a Customer Programs Strategy.

The foundational strategic framework establishes the objective, priorities, and targeted outcomes that will guide customer programs. It also defines a portfolio composition so that individual program decisions add up to an intentional and balanced whole.

Using the framework, staff will develop and evaluate a pipeline of program concepts and identify a rolling portfolio of initiatives that best advances the strategy based on current market, regulatory, and organizational conditions. The portfolio will be reviewed and adjusted as programs perform, customer needs change, and new opportunities emerge.

Glossary

Terms	Definition
Objective	Ava's goal with local programs. Every program would contribute to the objective.
Strategic Priorities	Things that are important to Ava stakeholders. Not every program will address each priority, but across a portfolio all priorities are addressed.
Success Metrics	How we measure our impact and progress towards objective and strategic priorities
Portfolio Composition Targets	Identifies various sectors or characteristics and their level of representation across a portfolio
Strategic Framework	Combination of Objective + Priorities + Portfolio Targets
Stakeholder Engagement	Outreach and engagement with interested parties and impacted groups to identify priorities, concerns, and desired outcomes
Program Concepts Pipeline	Market sector, customer segment, mechanism/approach, targeted impact, estimated budget, estimated duration
Portfolio Scenarios	Various combinations of programs that align with the strategic framework but have slightly different outcomes. Includes an assessment of how a combination of programs support each other to achieve a greater impact than individual, stand-alone programs.
Adaptive Program Portfolio	Selected portfolio of program concepts that is reviewed and adjusted as part of the iterative implementation of customer programs

Timeline

The Customer Programs Strategic Framework is anticipated to be completed in Spring 2027. An Adaptive Program Portfolio Roadmap is anticipated to be completed in Fall 2027.

Timing	Key Activities
Fall 2026	• Continue development of the Strategic Framework • Select external engagement consultant • Engage Board, CAC, and member agencies on the Strategic Framework
Winter 2026/2027	• Begin external stakeholder and public engagement • Develop and refine objectives, strategic priorities, portfolio distribution, and success metrics
Spring 2027	• Complete Strategic Framework • Complete external stakeholder and public engagement with selected consultant • Incorporate engagement findings and internal feedback into the framework • Present Strategic Framework to the Board
Summer 2027	• Develop program concepts • Estimate program costs and impacts • Develop and evaluate potential program portfolio scenarios
Fall 2027	• Select and refine proposed program portfolio • Identify initial Adaptive Program Portfolio • Present initial Adaptive Program Portfolio to the Board

Proposed Approach

Staff proposes a multi-phase development process with structured opportunities for input from the Board, CAC, member agencies, external stakeholders, and the public throughout the process. The first phase will produce the Customer Programs Strategy, while a second phase will generate the living expression of the strategy as an adaptive programs portfolio. An iterative third phase follows with execution, monitoring, and adjustments. Rather than beginning with individual program ideas, the proposed approach first establishes a shared strategic framework to guide Ava’s customer program investment decisions. That framework would then be used to develop and evaluate a portfolio of customer programs, while allowing for adjustments over time to meet current needs and conditions.

1- Strategic Framework: The first phase will establish the guiding principles and decision-making framework for customer programs. This includes:

- Defining what Ava is ultimately seeking to accomplish through its customer programs;
- Identifying the outcomes that should be prioritized when investment decisions require trade-offs;
- Clarifying where Ava can provide the greatest value given its role and available funding;
- Determining how investments should be balanced across customer groups, needs, and strategic priorities; and
- Establishing metrics for measuring success.

Development of the Strategic Framework will be iterative and informed by multiple sources of input. Staff will build on feedback already collected through member agency meetings, local Climate Action Plans, and surveys, while creating additional opportunities for the Board, CAC, member agencies, external stakeholders, and the public to inform key elements as they are developed. The intent is to establish a framework that reflects community and customer needs while also recognizing the practical trade-offs associated with funding, staff capacity, implementation feasibility, need for focus to drive impacts, and Ava's ability to meaningfully influence outcomes.

2 - Adaptive Program Portfolio: Once the Strategic Framework is established, staff will use it to develop the actual portfolio of customer programs. This phase will assess gaps and opportunities in the existing market, identify potential program concepts, estimate their costs and potential impacts, and evaluate different combinations of programs against the objectives, priorities, and success metrics established in the Strategic Framework. Stakeholder and internal feedback will continue to inform the development and refinement of the portfolio.

The outcome will be a portfolio of program concepts, including the customers and markets served, anticipated timing and funding, delivery approaches, expected outcomes, and adaptation guidelines for when we need to make adjustments based on various market, economic, and other conditions.

3 - Execution and Adaptation: Following development of the initial Adaptive Program Portfolio, staff will focus on implementation and ongoing management of the portfolio. Individual program concepts identified as part of the initial Adaptive Program Portfolio will move through Ava's typical program development and board approval processes before implementation. Staff will monitor program performance against the success metrics established through the strategy, report on progress over time, and adapt within programs and across the portfolio as necessary.

Engagement Strategy

Engagement is a core input to this process. Ava staff will lead engagement with the Board, CAC, and member agency staff, including proposed working sessions with ad hoc groups throughout phases of development. These discussions will provide opportunities to inform and provide feedback on the Strategic Framework's objective and priorities, portfolio distribution, and program concepts.

External Engagement Consultant

Additionally, Ava issued a public request for proposals (RFP) in July 2026 for a consultant to facilitate engagement with external stakeholders and the broader public. The consultant will support targeted stakeholder meetings and public workshops designed to gather input on customer and community needs, identify gaps and opportunities, and test and refine elements of the Strategic Framework and Adaptive Program Portfolio as they are developed.

The RFP requested pricing for two levels of engagement:

Engagement Activity	Option 1	Option 2
Targeted Stakeholder Meetings	3	6
In-person Public Workshops	2	5
Virtual Public Workshops	1	2
Total Engagements	6	13

Based on the proposals received, staff recommends proceeding to negotiate an agreement for Option 2, which provides a more robust engagement process with additional opportunities to hear from stakeholders across Ava's service territory. The expanded scope will support broader geographic and stakeholder representation and provide more opportunities to gather community input. Across the proposals received, the average cost for Option 1 is approximately $172,000 compared to approximately $267,000 for Option 2. Staff believes the expanded engagement under Option 2 is warranted given the importance of stakeholder and community engagement input in shaping the Customer Programs Strategy.

Work completed to date

Over the past year, staff has completed significant foundational work to better understand the priorities of Ava's member agencies, customers, and internal teams and to inform the development of a strategy that will ultimately provide a clear, holistic guide for how future program investments should be prioritized and deployed across Ava's service area.

In Spring 2026, staff reviewed 21 historical Ava customer surveys representing approximately 7,600 responses, to identify longer-term trends in customer priorities.

This analysis found that reliability and affordability have consistently ranked as top priorities, with programs and incentives emerging as an increasingly important consideration.

Staff also reviewed member jurisdictions' Climate Action Plans (CAPs) and related community feedback and met individually with member agencies to better understand their local climate and energy priorities, planned initiatives, and opportunities for Ava support. The CAP review helped inform these conversations, allowing staff to build on existing local planning and community input while hearing directly from member agencies about their current needs and priorities. Across these efforts, common themes included affordability, building and transportation electrification, interconnection and capacity needs, municipal funding needs, and staff capacity.

These inputs provide the foundation for the next phase of developing a strategy and will be supplemented by additional Board, Community Advisory Committee (CAC), member agency, stakeholder, and public engagement.

Attachments

A. Slide Deck: Customer Programs Strategy Overview

Attachment Staff Report Item 14A

Ava Community Energy

Customer Programs Strategy

Board of Directors
September 16, 2026

Purpose and Ask of the Board

With this presentation, Staff is

- Providing an overview of the process to create a Customer Programs Strategy that will establish what we are trying to achieve and inform programmatic decisions over the next 5 years
- Highlighting the engagement approach

Staff is seeking Board feedback on:

- The proposed process timeline and key deliverables
- The recommended level of external, public engagement

Agenda

- Background, Glossary, & Timeline
- Overview of Development Process
- Overview of Stakeholder Engagement
- What We’ve Heard So Far
- Requests of the Board

Background, Glossary, & Timeline

Background

Ava is developing a **Customer Programs Strategy**.

The strategic framework establishes the objective, priorities, and targeted outcomes that will guide customer programs. It also defines portfolio composition targets so that individual program decisions **add up to an intentional and balanced whole.**

Using the framework, Ava will develop and evaluate a pipeline of program concepts and identify a rolling portfolio of initiatives that best advances the strategy based on current market, regulatory, and organizational conditions. The portfolio will be **reviewed and adjusted as programs perform, customer needs change, and new opportunities emerge**.

Glossary

Terms	Definition	Example (only an example!)
Objective	Ava's goal with local programs. Every program would contribute to the objective.	Reduce greenhouse gas emissions across our service area
Strategic Priorities	Things that are important to Ava stakeholders. Not every program will address each priority, but across a portfolio all priorities are addressed.	• Affordability - lowering costs for customers • Equity - delivering electrification benefits for priority communities
Success Metrics	How we measure our impact and progress towards objective and strategic priorities	• Tons of CO2e • Reduction in participating customers' bills • % funding allocated to vulnerable communities
Portfolio Composition Targets	Identifies various sectors or characteristics and their level of representation across a portfolio	• 60/40 split of focus on commercial vs. residential • 70/30 split focus on transportation vs. building electrification • 80/20 split on quick wins vs. longer term initiatives • % dedicated funding to priority communities • % dedicated funding to municipal facilities/support
Strategic Framework	Combination of Objective + Priorities + Portfolio Targets	Enduring architecture that guides future decisions
Stakeholder Engagement	Outreach and engagement with interested parties and impacted groups to identify priorities, concerns, and desired outcomes	• Internal: Board, CAC, Municipal Staff • External: Labor, CBOs, Industry, Customers, General Public
Program Concepts Pipeline	Market sector, customer segment, mechanism/approach, targeted impact, estimated budget, estimated duration	EV financing program for renters to increase adoption of EVs, reduce emissions, drive utilization of public charging; ~$1M over 3 years
Portfolio Scenarios	Various combinations of programs that align with the strategic framework but have slightly different outcomes. Includes an assessment of how a combination of programs support each other to achieve a greater impact than individual, stand-alone programs.	• High Risk Scenario: majority of programs are first-of-the-kind, leveraging R&D stage technology • High Reach Scenario: weighted towards programs with largest possible customer reach, providing a lower level of individual benefits across a wider population of customers
Adaptive Program Portfolio	Selected portfolio of program concepts that is reviewed and adjusted as part of the iterative implementation of customer programs	Adjustments based on changes to the market, regulations, legislation, economic conditions, technology advancements, resource allocation.

Timeline

Summer 2025

- Budget approval to develop a holistic view of customer programs
- Presentations on the process to executive committee and Community Advisory Committee (CAC)

Fall 2025

- Request for Proposals (RFP) for development consultant
- Contract did not moved forward due to procurement policy updates needed

Spring 2026

- Procurement policy updated and approved by the Board
- Initiated outreach for individual meetings with each member jurisdiction

Summer 2026

- 17 of 18 member jurisdiction meetings complete
- Issued an RFP for an engagement consultant
- Further project planning by Ava staff
- Analysis of local climate action plan (CAP) measures and community engagement feedback

Fall 2026

- Complete final member jurisdiction meeting
- Presentation of process to Board and CAC
- Selection of an engagement consultant
- Continue strategic framework development

Winter 2026/2027

- Stakeholder engagement begins
- Concurrent research and analysis

Spring 2027

- Consultant-supported public engagement complete
  - Public engagement will continue through regular reporting to the board and request for approval of budget allocation, contracts, and associated programmatic work
- Strategic Framework presented to the Board

Summer 2027

- Market analysis
- Program concept pipeline

Fall 2027

- Adaptive Program Portfolio identified and presented to the Board

On-Going

- Budget approval
- Program design, contract approvals
- Program and portfolio adjustments

Proposed Process

Critical Foundation: Strategic Framework

The critical foundation that guides decisions.

Outcomes:

1. Objective + Strategic Priorities
2. Ava's Unique Role + Operational Constraints
3. Portfolio Composition Targets
4. Success Metrics

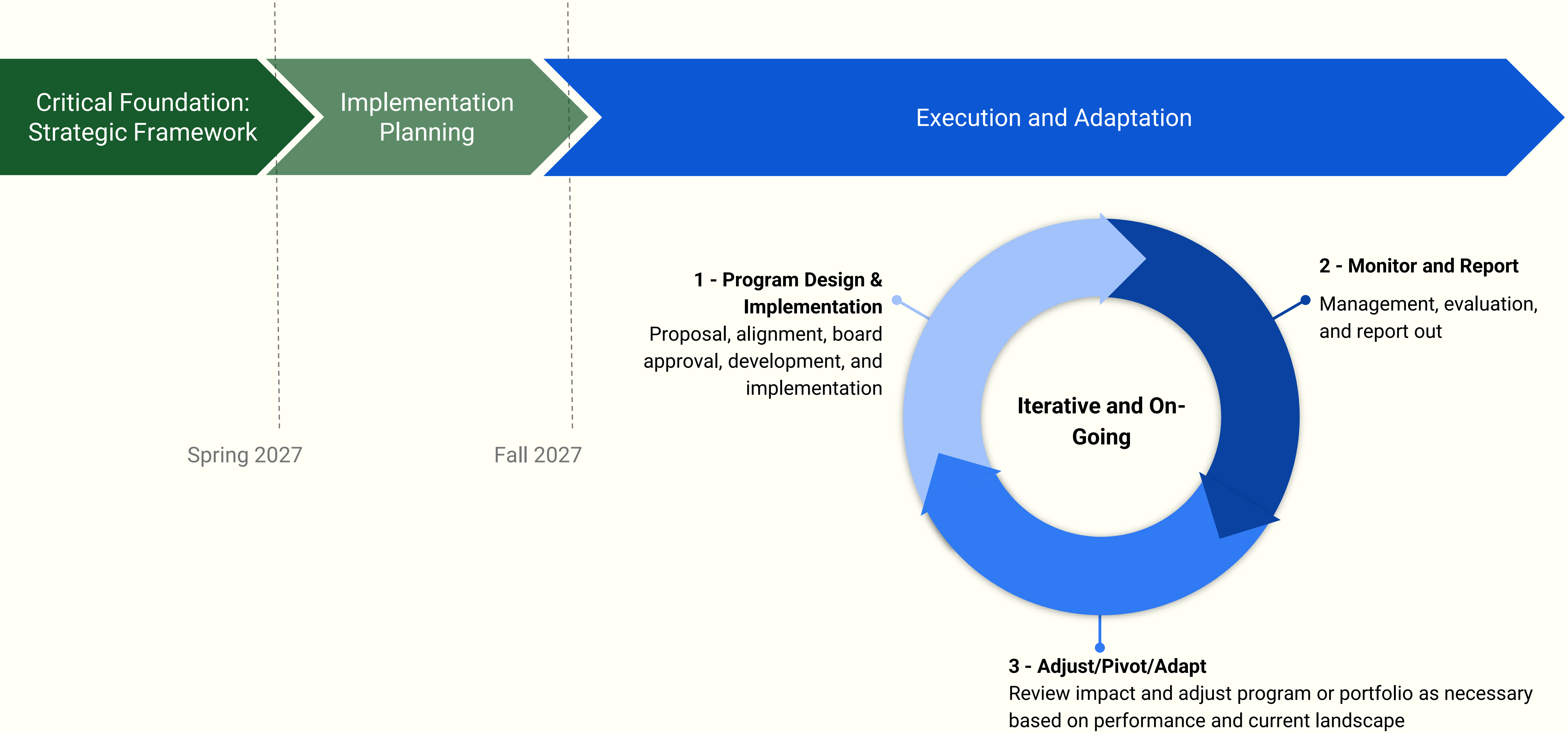
Implementation Planning

The practical application of the strategic framework.

Outcomes:

5. Market Gap Analysis
6. Program Concepts Pipeline
7. Portfolio Scenarios
8. Adaptive Program Portfolio

Full Life Cycle for Programs



Stakeholder Engagement

Overview of Engagement

- Ava staff will facilitate all internal engagement with ad hoc groups and subject matter experts and external engagement through presentations at regular public meetings and customer surveys.
- A consultant will facilitate external engagement through focused group discussions and public workshops.

Internal
Ad Hoc Group of Board
Ad Hoc Group of CAC
Ad Hoc Group of Local Municipal Staff
Ava Staff Subject Matter Experts

External
Targeted Stakeholder Meetings *(still TBD, below are likely groups)* ● Local Community Based Organizations ● Labor ● Industry ● Agriculture Customers ● Large Commercial Customers ● Small & Medium Commercial Customers
General Public ● Survey Data ● Public Workshops
Regular Public Meetings of Board and CAC

External Engagement Activities and Scope Options

- An RFP for a consultant was issued in July 2026 and due in late August 2026.
- Staff is currently in the process of making a final consultant selection and negotiating an agreement.
- The RFP requested bids on two different engagement scenarios.

Engagement Activity	Option 1	Option 2
Targeted Stakeholder Meetings	3	6
In-Person Public Workshops	2	5
Virtual Public Workshops	1	2
Total Engagements	*6*	*13*

- **Targeted Stakeholder Meetings:** Gather stakeholder perspectives on customer and community needs, implementation barriers, market opportunities, and other considerations that will inform future customer program concepts. Potential participants include CBOs, labor organizations, industry representatives, specific customer segments (such as agriculture), etc.
- **Public Workshops:** Combination of in-person and virtual workshops across Ava's service territory, primarily focused on presenting potential program portfolios and gathering feedback to inform the final Roadmap.

Summary of Responses & Recommendation

Total Responses	
Conforming	9
Non-Conforming	0

Location of Bidders
Berkeley El Sobrante Monterey Sacramento San Francisco Texas

Of conforming bids	Option 1	Option 2
Minimum Bid Response	$74,000	$124,000
Maximum Bid Response	$364,000	$507,000
Average	$172,000	$267,000

Staff recommends proceeding with a consulting agreement for **Option 2** that includes

- 6 stakeholder meetings
- 5 geographically diverse in-person public workshops
- 2 virtual workshops

What we've heard so far

Building on Prior Community Engagement

Initial focus on most recently published Climate Action Plans (CAPs):

- Stockton MSA (2026)
- BAAD (2025)
- Hayward (2024)
- Fremont (2023)
- Pleasanton (2023)
- Livermore (2022)
- Oakland (2021)

By a rough estimation, existing CAPs incorporate feedback from at least:

- 3,800 survey responses
- 1,150 workshops, town halls, focus groups, or events
- 110 stakeholder organizations
- 950 written public comments
- 195 public meetings
- 10,900 community participants

This foundational understanding informed individual discussions with all 18 Ava member jurisdictions conducted from May to September.

Areas of community interest/concern

Trends in Member Feedback

- **Interconnection and capacity** constraints are an issue across the Ava service territory, which negatively impacts local economic development.
- While many jurisdictions have electrification and climate-related plans, the barrier is **staff capacity** and funding.
- Many members have **municipal electrification projects** that need financial support.
- **Building electrification** is a common priority with local needs ranging from Building Performance Standards to residential panel upgrades to HPWH rebates and contractor support.
- **Transportation electrification** is also a common priority. Local efforts are at different stages of development from shovel-ready charging projects in need of financing to technical assistance on legislative compliance.
- **Affordability** is an overarching theme. We heard about related needs for rate stability, energy efficiency, general education, and customer outreach on financial support programs.

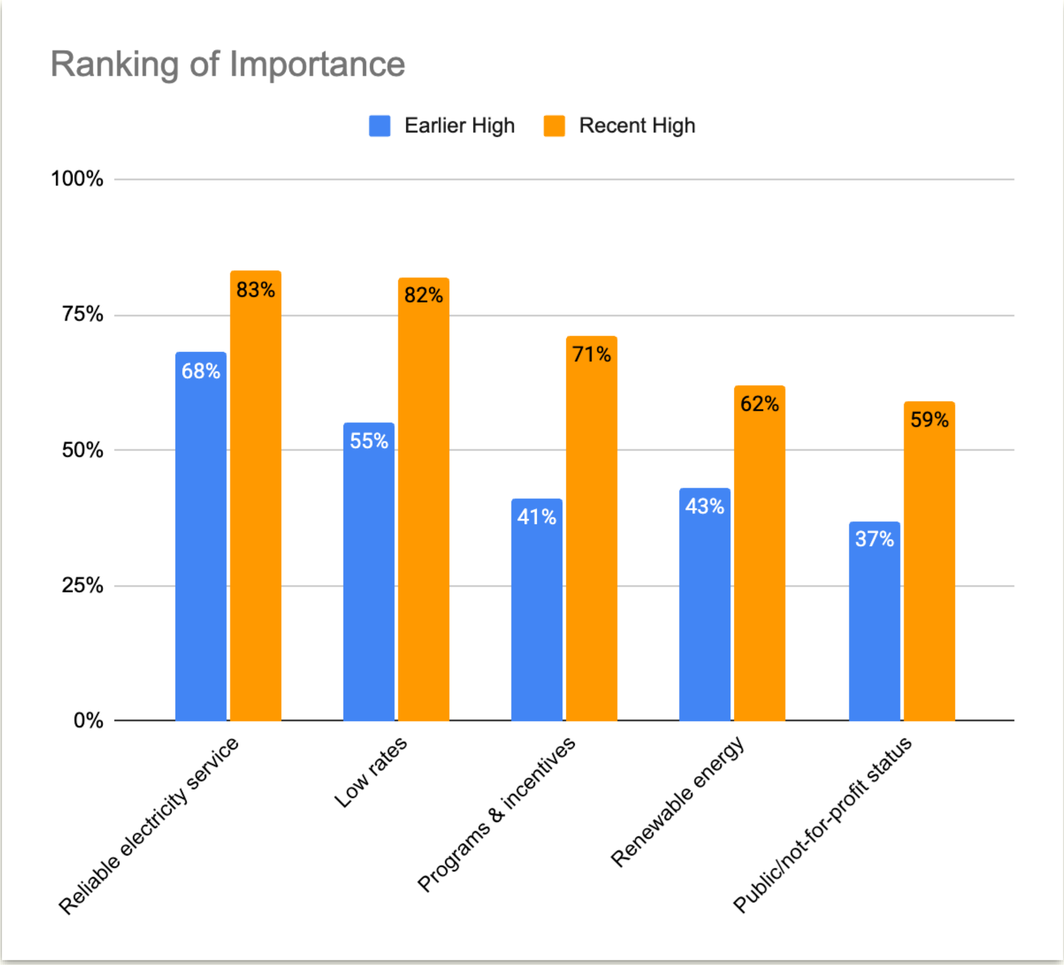
Customer Survey Data from 2020-2025

21 online customer surveys = 7,600 survey responses

Included the following question:

> "In terms of your electricity provider, how important are the following qualities?" with ranking given to each of the below qualities. A user did not have to stack rank these qualities, meaning a user could select Extremely Important for every selection.

- Reliable electricity service
- Low rates
- Offers energy-related programs and incentives
- Electricity comes from renewable sources like wind and solar power
- Is a public agency (not a for-profit company)



Summary Analysis:

- ✓ Reliability and low rates are most critical over time.
- ✓ Recent responses indicate an increased importance of programs.

Conclusion

Requests of the Board

Staff asks the Board to:

- Confirm alignment on the proposed process timeline and key deliverables
- Confirm the recommended level of external, public engagement