Rate Setting Policy

Third Amended and Restated Rate Setting Policy

Policy Number 14.3
Approval Date: October 21, 2026
Agenda Item: Consent Item 9
Approved by Resolution: R-2026-26

I. Purpose

This policy serves to provide direction to Ava staff on actions related to electric rates.

II. Rate Actions

a. Rate Setting

Ava Staff must receive Board approval to revise the service level value propositions (e.g. offering a greater or lesser discount on Bright Choice).

b. Rate Setting Process

Ava's Implementation Plan and Statement of Intent (August 2017) states that "Ava will review its rates at a minimum once a year".

The rate review and setting process is as follows:

1. **Board, Executive Committee, or Subcommittee meeting.** Staff will provide a staff report containing analysis of PG&E rates and preliminary recommendations for changes to Ava's value proposition, if any, at a public meeting of the Board, Executive Committee, or Subcommittee.
2. **Community workshops.** In a year when there is a proposed change to the value proposition, staff will conduct community workshops. Based on feedback received at a Board, Executive Committee, or Subcommittee meeting, staff will revise analysis if needed, and solicit comments from the community. This will be achieved through a minimum of two (2) community meetings in geographically diverse locations, or online in a webinar-style format. Staff will consolidate feedback fromthese meetings into a supporting document that will be presented to the Board.
3. **Written comments.** When there is a proposed change to the value proposition, written comments will be accepted in lieu of, or in addition to, verbal comments

made during these community workshops. A period of time will be designated for written comments. A specific email address will be provided to the public to submit comments, along with a clear deadline for submission.

4. **Community Advisory Committee meeting.** The CAC will receive a presentation from staff and discuss the staff recommendation.
5. **Board meeting.** Staff will present analysis, findings, and recommendations, including feedback from the public. The Board will have the opportunity to vote on staff recommendations. If the Board requests further analysis, staff will present a revised recommendation at a subsequent Board meeting, or at the Board's discretion, first to the Executive Committee or Subcommittee.
6. **Accessibility.** Ava will accommodate individuals who need special assistance or a disability-related modification or accommodation to participate in the rate setting process, or wish to request an alternative format for the rate setting process materials. Accommodation requests should be made to staff at least 2 working days before the accommodation is needed.

c. Rate Modification

Ava Staff is authorized to adjust Ava's rates to maintain the approved value proposition for each service level. If there are changes to PG&E generation rates or fees that result in a more beneficial value proposition for customers, Ava Staff is authorized to not adjust the rates.