



DATE: September 8, 2025

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT Ava Community Energy Update: Local Programs and Customer Bill Savings – Information and Discussion

RECOMMENDATION

That the Committee reviews and comments on this report.

SUMMARY

Staff from Ava Community Energy will present an update on local programs, partnerships, and customer bill savings. This report includes brief updates on local programs, including incentives available to Hayward customers; greenhouse gas emissions associated with Ava's electricity products; and rates and bill savings for Ava's electricity products. The agency was established in 2016 as East Bay Community Energy (EBCE) and in 2023, the name was changed to Ava Community Energy.

BACKGROUND

In December 2016, Hayward joined the County of Alameda and ten of its cities in launching EBCE as a joint powers authority to provide cleaner, greener energy to their customers at lower rates. EBCE began providing electricity to commercial, municipal, and residential accounts in 2018. Since 2018, EBCE has continued to increase investments in local programs, leading to an expansion in the number of programs offered and an increase in customer savings throughout EBCE's service area. In 2023, EBCE changed its name to Ava Community Energy to reflect the expanded service territory, which is now more than the East Bay. Ava now includes all cities in Alameda County except the City of Alameda, which has its own electric utility, and Lathrop, Stockton, and Tracy. Ava will begin serving unincorporated San Joaquin County in 2026.

Ava Community Energy offers two electricity products:

- Bright Choice – Carbon content is higher than PG&E. Rates are 5% lower than PG&E rates.
- Renewable 100 – 100% renewable electricity, sourced entirely from California solar and wind energy. Rates are currently ¼ of a penny per kWh more than PG&E rates.

On November 10, 2020¹, Council approved the enrollment of all City facilities in the Renewable 100 product. On July 6, 2021², Council voted to transition most Hayward customers to Renewable 100, effective January 2022. Customers on income or medical-related discounts are automatically enrolled in Bright Choice. The last update about Ava Community Energy to the CSC was on September 16, 2024³.

DISCUSSION

In addition to its core services related to procuring alternative sources of energy, Ava also offers programs aimed at improving resiliency and electrifying buildings and vehicles. Following are some of the programs that will be included in Ava's presentation:

- Energy Resilience at Critical Facilities – The City is partnering with Ava to develop solar and battery energy systems at Hayward's Corporation Yard and Fire Station 1.
- Existing Building Electrification – Partnerships with member-jurisdictions and public agencies to offer options and incentives for customers looking to electrify their homes and businesses.
- Health-e Communities – Ava is installing induction ranges in 200 low-income households. Ava will complete indoor air monitoring before and after the installation of induction ranges to measure indoor air quality benefits.
- Public EV Charging – Ava is installing publicly accessible electric vehicle fast charging infrastructure in the East Bay, including a hub planned for Municipal Parking Lot #4 in Downtown Hayward.
- Home EV Charging – Ava's *SmartHome Charging* program will help customers save money, earn rewards, and use more renewable energy by optimizing their home charging schedule.
- Incentives for E-Bikes – Ava recently launched *Ava Bike Electric*, a program providing \$10 million in incentives to customers in Ava's service area to purchase e-bikes. The program, partially funded with a \$4 million grant from the Alameda County Transportation Commission (ACTC), will direct at least 40% of incentives dedicated to low-income customers.
- Solar and Storage Incentive Program – Scheduled to launch in December 2025, Ava will offer an incentive program for customers to install new solar and storage on their homes. Half of the total program budget is reserved for low-income residential customers and community resilience hubs.

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4688323&GUID=F7AA3CB1-0D7A-48C3-A886-6C7CE8C13EB7&Options=&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=5018124&GUID=8CCC9164-4B0D-463C-AD16-709EFC1035D4&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6864658&GUID=C921A444-A145-4CB7-A33E-8EF12B9B326A&Options=&Search=>

Greenhouse Gas Emissions – Ava Community Energy was established with the intention to provide electricity at rates that are lower or competitive with those offered by PG&E and to develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E. Ava’s base product, Bright Choice, is less expensive than PG&E’s base product and Ava’s Renewable 100 product has a small premium, however, the Bright Choice product has been much more carbon intensive than PG&E’s base product. However, as shown in the tables below, Ava’s Bright Choice has started to close the gap in 2023 and 2024. In 2024, Bright Choice was 96% carbon free while PG&E was 98% carbon free. Approximately 30% of Hayward’s customers are on Bright Choice, so the emissions associated with this product make a significant impact on Hayward’s overall GHG emissions. The targets set by Ava’s Board of Directors target for Bright Choice are 81% for 2024 through 2026. Ava’s goal is for its entire portfolio to be carbon free by 2030.

Bright Choice Power Content							
Resources	2018	2019	2020	2021	2022	2023	2024
Renewable	41.0%	59.9%	39.6%	42.3%	49.4%	54.8%	61.8%
Large Hydro	21.0%	25.3%	14.5%	15.9%	21.9%	34.1%	33.7%
Nuclear		1.5%	0.9%	1.7%	0.2%	0.0%	0.5%
Total Carbon Free	62.0%	86.7%	55.0%	59.9%	71.5%	88.9%	96.0%
Natural Gas		0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Other		0.2%	0.2%	0.1%	0.0%	0.0%	0.0%
Unspecified	38.0%	13.1%	44.7%	40.0%	28.4%	11.1%	4.0%
Board-adopted carbon free target:						76%	81%

PG&E's Base Plan							
Resources	2018	2019	2020	2021	2022	2023	2024
Renewable	39.0%	28.5%	30.6%	47.7%	38.0%	32.8%	23.0%
Large Hydro	13.0%	27.2%	10.1%	4.0%	8.0%	13.8%	12.0%
Nuclear	34.0%	44.3%	42.8%	39.3%	49.0%	53.4%	63.0%
Total Carbon Free	86.0%	100.0%	83.5%	91.0%	95.0%	100.0%	98.0%
Natural Gas	15.0%	0.0%	16.4%	8.9%	5.0%	0.0%	2.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unspecified	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

California is changing the way utilities report on their annual compliance with the renewable portfolio standard and the preparation of power content labels, which are provided to customers annually. Due to the upcoming changes, PG&E's reported 2025 power content is expected to change significantly, likely with lower nuclear and higher natural gas content.

ECONOMIC IMPACT

While most Hayward customers are automatically enrolled in Renewable 100, customers enrolled in the medical baseline discount program or the income-qualifying CARE/FERA⁴, discount programs are enrolled in Bright Choice. In addition, some Hayward customers have opted for the Bright Choice product. Rates for Bright Choice were originally set at 1% less than PG&E rates, but in 2022, the discount was increased to 3% and in 2023, the discount was increased to 5%. In addition, since 2018, Hayward customers enrolled in CARE/FERA have received bill credits totaling approximately \$2.8 million. Rates for Renewable 100 were originally one penny per kWh more than PG&E rates, but the premium has since been reduced to ¼ of a penny per kWh.

FISCAL IMPACT

Hayward's participation in Ava Community Energy has no impact on the City's General Fund or other funds other than staff time from existing budgeted positions.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority to *Champion Climate Resilience & Environmental Justice*, and specifically relates to implementation of the following Project under that heading:

Reduce Greenhouse Gases and Dependency on Fossil Fuels:

Project CP1: Implement Year 1 Programs from the adopted GHG Roadmap (Climate Action Plan).

SUSTAINABILITY FEATURES

Community choice energy was identified in the City's Climate Action Plan as the program with the greatest potential to reduce community wide GHG emissions. In 2018, Hayward's participation in Ava Community Energy resulted in the 20% GHG reduction goal for 2020 being met two years early. In 2019, due in large part to EBCE, Hayward's emissions were 25.7% lower than the 2005 baseline. However, in 2020-2022, the carbon content for Bright Choice increased significantly while PG&E decreased theirs. Bright Choice emissions are again declining and will be zero by 2030. In addition, Ava's current and proposed local development programs are supporting the implementation of many initiatives identified in Hayward's Climate Action Plan.

PUBLIC CONTACT

No public contact was made for this agenda item.

⁴ CARE is the California Alternate Rates for Energy Program and FERA is the Family Electric Rate Assistance Program. More information is available at <https://avaenergy.org/your-energy-options/rate-discounts-assistance/state-discount-programs/>

NEXT STEPS

Staff will continue to coordinate closely with Ava staff to implement programs that benefit the Hayward community, implement the City's Climate Action Plan, and carry out related projects identified in the Strategic Roadmap.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Jayanti Addleman, Interim City Manager