



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Ava Non-Standard Rate Agreement (NSRA)

Agreement Renewal Recommendation



Presented by Facilities Planning & Management

Presented to OUSD Facility Committee

August 21, 2024

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Ask of the Board

To approve the amendment to the Ava Non-Standard Rate Agreement (NSRA) to ensure the District secures the most beneficial clean energy procurement method that offers the maximum annual utility bill savings possible.

Rate Change Summary

Time Period	OUSD's Non-Standard Rate	Ava Bright Choice	PG&E
	Negotiated Rate	Retail Rate	Retail Rate
May 2022 - April 2024		\$0.1482*	~\$0.156*
May 2024 - April 2026		\$0.13655 to \$0.16845 (5% less than PG&E)	\$0.15538 to \$0.17731

* Estimate based on Ava analysis for 2023

Key Takeaways

- 1. The NSRA is the cheapest rate option.** The 2024 negotiated flat rate is lower than the retail rate of both Ava Bright Choice and PG&E across the range of all tariff types. The benefit of an NSRA is having a flat rate. When consuming energy, the district will not have to worry about time-of-use rates and peak / partial peak pricing.
- 2. Energy prices have increased significantly** since OUSDs previous contract negotiations.

Ava Energy Mix

- Eligible Renewable is 11.1% higher than PG&E
- Solar is 18%
- Wind is 27.6%
- Large Hydroelectric is 21.9%
- **No Coal or Natural Gas Power**



Recommendation

- OUSD should renew the NSRA with Ava.
 - **Guaranteed Stability:** NSRA rate does not fluctuate with PG&E rate fluctuations.
- OUSD should engage in renegotiation at least 6 months prior to the contract expiration, which will be in October 2025.

FAQs

Is there a scenario where this is not the best rate decision for the District?

The only scenario where this would not be the most cost-effective option is if PG&E significantly reduces its rates in the next two years. We find this highly unlikely given the volatility experienced in the energy markets. The potential savings the District would realize in this unlikely scenario is not enough to make it worth taking the risk.

Do any OUSD Sites With Solar Installations also Benefit?

Once OUSD converts a site to a solar installation site, it is no longer part of the Ava Energy Agreement. During evening and intermittent weather conditions, power is provided by PG&E.

Does the NSRA cover all of the District electricity costs?

No, Ava does not cover transmission and distribution charges, which are provided by the regulated utility company, PG&E. The NSRA only covers the generation portion of the utility bill.

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