Kathrin Sears, Chair
County of Marin

Tom Butt, Vice Chair
City of Richmond

Bob McCaskill
City of Belvedere

Alan Schwartzman
City of Benicia

Sloan C. Bailey
Town of Corte Madera

Greg Lyman
City of El Cerrito

Barbara Coler
Town of Fairfax

Brandt Andersson
City of Lafayette

Kevin Haroff
City of Larkspur

Sashi McEntee
City of Mill Valley

Brad Wagenknecht
County of Napa

Denise Athas
City of Novato

P. Rupert Russell
Town of Ross

Ford Greene
Town of San Anselmo

Genoveva Calloway
City of San Pablo

Andrew McCullough
City of San Rafael

Ray Withy
City of Sausalito

Emmett O'Donnell
Town of Tiburon

Bob Simmons
City of Walnut Creek

1125 Tamalpais Avenue
San Rafael, CA 94901

1 (888) 632-3674
mceCleanEnergy.org

Board of Directors Meeting

Thursday, August 18, 2016
7:00 P.M.

The Charles F. McGlashan Board Room
1125 Tamalpais Avenue, San Rafael, CA 94901

1. Swearing In of New Board Members (Discussion/Action)

2. Board Announcement (Discussion)

3. Public Open Time (Discussion)

4. Report from Chief Executive Officer (Discussion)

5. Consent Calendar (Discussion/Action)
   - C.1 6.16.16 Meeting Minutes
   - C.2 Approved Contracts Update
   - C.3 Resolution 2016-06 Approving Proposed Amendment MCE's Conflict of Interest Code
   - C.4 Amendment to MCE Policy 003: Records Retention
   - C.5 2nd Addendum to 5th Agreement with Community Energy Services Corporation (CESC)

6. Board Member Assignment to Committees (Discussion/Action)

7. Regulatory and Legislative Update (Discussion)

8. FY 2015/16 Financial Statement Presentation (Discussion)

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Board of Directors Meeting

Thursday, August 18, 2016
7:00 P.M.

The Charles F. McGlashan Board Room
1125 Tamalpais Avenue, San Rafael, CA 94901

9. Resolution 2016-07 Approving Amendment 12 to MCE Joint Powers Agreement (Discussion/Action)

10. Transportation Fund for Clean Air Funding Agreement with Bay Area Air Quality Management District (Discussion/Action)

11. FY 2016/17 Budget Amendment (Discussion/Action)

12. Board Member & Staff Matters (Discussion)

13. Adjourn

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MCE BOARD MEETING MINUTES
Thursday, June 16, 2016
7:00 P.M.
THE CHARLES F. MCGLASHAN BOARD ROOM
1125 TAMALPAIS AVENUE, SAN RAFAEL, CA 94901

Roll Call: Director Kate Sears called the regular Board meeting to order at 7:02 p.m. An established quorum was met.

Present:
Denise Athas, City of Novato
Sloan Bailey, Town of Corte Madera
Tom Butt, Vice Chair, City of Richmond
Larry Chu, Alternate, City of Larkspur
Barbara Coler, Town of Fairfax
Ford Greene, Town of San Anselmo
Greg Lyman, City of El Cerrito
Bob McCaskill, City of Belvedere
Sashi McEntee, City of Mill Valley
Emmett O'Donnell, Town of Tiburon
Elizabeth Robbins, Alternate, Town of Ross
Kate Sears, Chair, County of Marin
Bob Simmons, City of Walnut Creek
Christina Strawbridge, City of Benicia
Brad Wagenknecht, County of Napa

Absent:
Genoveva Calloway, City of San Pablo
Andrew McCullough, City of San Rafael
Ray Withy, City of Sausalito

Staff:
Greg Brehm, Director of Power Resources
John Dalessi, Operations & Development
Carol Dorsett, Administrative Assistant
Kirby Dusel, Resource Planning & Renewable Energy Programs
Darlene Jackson, Board Clerk
David McNeil, Finance and Project Manager
Beckie Menten, Director of Customer Programs
Justine Parmelee, Administrative Assistant
Nick Shah, Power Supply Contracts Manager
Jamie Tuckey, Director of Public Affairs
Dawn Weisz, Chief Executive Officer

1. <u>Swearing in of New Board Member Bob Simmons</u>

CEO Weisz conducted the Oath of Office with new Board Member Bob Simmons from the City of Walnut Creek. A round of applause followed and Directors welcomed Director Simmons.

2. Board Announcements (Discussion)

There were no announcements.

3. Public Open Time (Discussion)

There were no speakers.

4. Report from Chief Executive Officer (Discussion)

Dawn Weisz, Executive Officer reported on the following:

- There will be no July Board Meeting. The next meeting is scheduled for August 18th.
- Reminder to all regarding the MCE Board Retreat scheduled for Thursday, September 29th from 9AM – 4PM.
- The July Technical Committee is cancelled due to the 4th of July Holiday.
- Board Changes: Welcomed newly appointed Board Representatives Bob Simmons from Walnut Creek (alternate, Justin Wedel) and Brandt Andersson from Lafayette (alternate, Mark Mitchell); Congratulations to Director Brad Wagenknecht who has been recommended by the City Council Appointments Committee as the likely representative for all five of the Napa Cities and, Director Carla Small, who joined the MCE Board in July, 2012, has stepped off of our Board as she is moving to the City of Novato and leaving her City Council. The Board will be advised if Ross decides to appoint a new representative, or designate a different representative from another city in Marin.
- PCIA letters will soon be sent out to each member jurisdiction interested in signing on to request for transparency in data and other items.

5. Consent Calendar (Discussion/Action)

C.1 5.19.16 Meeting Minutes

C.2 Approved Contracts Update

C.3 Monthly Budget Report

C.4 Resolution 2016-05 Restating and Confirming Authority for Power Procurement and other Expenditures

C.5 Agreements Related to MCE Solar One Project including: Addendum to 1st Agreement with Net Electric, Inc. and Agreement with BAP Power Corporation for Project Management Services

Chair Sears opened the public comment period and there were no speakers.

ACTION: It was M/S/C (Wagenknecht/Lyman) to approve Consent Calendar Items C.1 through C.5. Motion carried by unanimous roll call vote: (Abstain on C.1: McEntee and Chu) (Absent: Calloway, McCullough, and Withy).

6. MCE Rates Adjustment for FY 2016/17 (Discussion/Action)

John Dalessi, Operations and Development Consultant, introduced this item, presented information directly related to the proposed revenue allocation and revenue comparison to PG&E rate benchmarks and addressed questions from Board members.

Chair Sears opened the public comment period and there were no speakers.

ACTION: It was M/S/C (Greene/Lyman) to approve rates for FY 2016/17 as presented and contained in Attachment A to become effective September 1, 2016. Motion carried by unanimous roll call vote. (Absent: Calloway, McCullough and Withy).

7. Budget Amendment for FY 2016/17 (Discussion/Action)

David McNeil, Finance and Project Manager, presented this item and addressed questions from Board members.

Chair Sears opened the public comment period and there were no speakers.

ACTION: It was M/S/C (Bailey/McCaskill) to approve the Amendment to the Operating Budget for FY 2016/17. Motion carried by unanimous roll call vote. (Absent: Calloway, McCullough and Withy).

8. MCE Power Supply Update (Discussion)

Greg Brehm, Director of Power Resources, presented this discussion item and addressed questions from Board members.

Chair Sears opened the public comment period and there were no speakers.

ACTION: No action required

9. Agreement with ZGlobal, Inc. for Scheduling Services (Discussion/Action)

Nick Shah, Power Supply Contracts Manager, presented this item and addressed questions from Board members.

Chair Sears opened the public comment period and there were no speakers.

ACTION: It was M/S/C (Lyman/Greene) to authorize approval of Agreement with ZGlobal, Inc. for Scheduling Services. Motion carried by unanimous roll call vote. (Absent: Calloway, McCullough and Withy).

10. MCE Strategic Plan (Discussion/Action)

Sarah Estes-Smith, Director of Internal Operations, introduced this item and addressed questions from Board members.

Chair Sears opened the public comment period and there were no speakers.

Noted: Director Coler left meeting prior to the vote.

ACTION: It was M/S/C (Bailey/Lyman) to approve the Vision Statement and Strategic Plan for implementation through March 2019. Motion carried by unanimous roll call vote. (Absent: Calloway, Coler, McCullough and Withy).

11. Customer Programs Update (Discussion)

Beckie Menten, Director of Customer Programs, presented this discussion item and addressed questions from Board members.

Chair Sears opened the public comment period and there were no speakers.

ACTION: No action required

12. Communications Update (Discussion)

Jamie Tuckey, Director of Public Affairs, presented this discussion item and addressed questions from Board members.

Chair Sears opened the public comment period and there were no speakers.

ACTION: No action required

13. Board Member & Staff Matters (Discussion)

There were none.

14. Adjournment

The Board of Directors adjourned the meeting at 9:22 p.m. to the next Regular Board Meeting on August 18, 2016.

____
Kate Sears, Chair

Attest:

____
Dawn Weisz, Secretary

August 18, 2016

TO: MCE Board of Directors

FROM: Catalina Murphy, Contracts Manager & Legal Assistant

RE: Report on Approved Contracts (Agenda Item #05 – C.2)

Dear Board Members:

SUMMARY: This report summarizes agreements entered into by the Chief Executive Officer in the past month. This summary is provided to your Board for information purposes only.

Review of Procurement Authorities

In March 2013 your Board adopted Resolution 2013-04 as follows;

> *The Chief Executive Officer is hereby authorized to enter into and execute contracts for an amount not to exceed $25,000 per contractor per fiscal year, consistent with the Board approved budget, the Joint Powers Agreement, and the Operating Rules and Regulations.*

In November 2012 your Board approved the MCE Integrated Resource Plan stating;

> *Power purchase agreements (energy, capacity, RECs) with terms of 12 months or less may be entered into on MCE's behalf by the Chief Executive Officer.*
>
> *Power purchase agreements (energy, capacity, RECs) with terms of greater than 12 months and less than or equal to 5 years and which are made pursuant to a Board approved resource plan may be entered into on MCE's behalf by the Chief Executive Officer in conjunction with the MCE Board Chair. An ad hoc committee of the MCE Board will be consulted prior to execution of any medium-term contracts.*
>
> *Power purchase agreements (energy, capacity, RECs) with terms of greater than 5 years shall require Board approval prior to execution.*

The Chief Executive Officer is required to report all such contracts and agreements to the MCE Board on a regular basis.

Summary of Agreements entered into by the Chief Executive Officer in the past month

Month	Purpose	Contractor	Maximum Annual Contract Amount	Term of Contract
June	Provide a grading plan and research regarding drainage near the Visitor's Center of the MCE Solar One Project	Wood Rodgers, Inc.	$3,200	2 months

June	Provide MCE Public Affairs Team with marketing and graphic design services	John (spike) Lomibao	$15,000	9 months
June	Electric vehicle charging and related energy consumption-shifting and cost optimization services for the Customer Programs Team	eMotorWerks	$6,500 plus revenue sharing	16 months
June	Addendum extending the term of the agreement to complete CCA Benefits Study performed by UCLA Luskin Center	UC Regents	$32,309	5 months
June	130MW-220MW Resource Adequacy for 2016	Dynegy	$513,315	4 months
June	Renewable Energy for 2016	Portland General Electric	$630,000	6 months
June	Renewable Energy for 2016	3 Phases Renewables Inc.	$403,750	6 months
July	Addendum increasing the agreement by $15,760 for additional coordination of regulatory technical reporting across MCE programs through October 2016	Bevilacqua-Knight, Inc. (BKi)	$25,000	8 months
July	Addendum increasing the agreement by $5,000 for additional staff photography sessions for MCE website	Kathleen Harrison Photography	$10,000	1 year
July	Addendum extending the term of the agreement through December	Precision GCC, Inc.	$25,000	1 year
July	Addendum increasing the agreement by $15,350 for additional website support services and extending the term of the agreement to complete new tasks	Kreativz, Inc.	$25,000	1 year
July	Provide MCE with private issuer credit rating	Moody's Investor Services	$15,000	Upon work completion
July	Addendum extending the term of the agreement to complete silt fencing at MCE Solar One Project	Net Electric, Inc.	$49,317	4 months
July	Addendum increasing the agreement by $7,000 for a supplemental topographic survey to MCE Solar One Project, construction staking for fence zones, and extending the term of the agreement to complete new tasks	Wood Rodgers, Inc.	$10, 200	4 months

July	Provide solar field array fencing and gates at MCE Solar One Project	Able Fencing Company, Inc.	$67,890	2 months
July	60,000 to 100,000 MWh Renewable Energy for 2016 & 2017	Sunpower	$5,010,000	9 Months
July	Resource Adequacy for 2016	SENA	$13,600	3 months
July	Renewable Energy for 2017	3 Phases Renewables Inc.	$403,750	6 months
August	60,000 MWh Renewable Energy for 2017	Powerex Corp.	$810,000	12 Months
August	450,000 MWh Renewable Energy for 2017-2019	Powerex Corp.	$1,507,500	36 Months

Fiscal Impact: Expenses associated with these contracts are included in the FY2016/17 Operating Fund, Energy Efficiency Program Fund, Local Renewable Energy Development Fund and Renewable Energy Reserve Fund Budgets.

Recommendation: Information only. No action required.

August 18, 2016

TO: MCE Board of Directors

FROM: Emily Fisher, Legal Counsel
Catalina Murphy, Legal Assistant

RE: Resolution 2016-06 Approving Update to MCE's Conflict of Interest Code (Agenda Item #05 - C.3)

ATTACHMENTS: A. Resolution 2016-06 Approving Proposed Amendment to MCE's Conflict of Interest Code
B. Written Description of Changes
C. MCE Conflict of Interest Code in Strikeout/Underline Format

Dear Board Members:

SUMMARY:

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and publish conflict of interest codes. The Conflict of Interest Code is intended to identify and disclose foreseeable disqualifying financial conflicts of interest for decision-makers within the agency and therefore provide transparency, as required by the Act. MCE's Conflict of Interest Code was last updated in October 2013. Pursuant to the Fair Political Practices Commission ("FPPC"), which has the primary responsibility to oversee the administration of the Political Reform Act, this Code must be regularly updated to reflect the current structure of the agency.

The recent growth of the agency requires the need to update MCE's Conflict of Interest Code to correctly identify the employees who must file Statements of Economic Interests to disclose their potential financial conflicts. The Proposed Amendment addresses the renaming of positions since the current Code was adopted and includes new positions that have been added since the current Code adoption.

MCE publicly noticed the Proposed Amendment by distributing the Proposed Amendment to the employees of the agency, posting a Notice to Amend on MCE's website as well as the information board outside MCE's door, and publishing a Notice to Amend in the local paper, the Marin Independent Journal. The Notice to Amend established a written comment period in which employees or the public could comment in writing on the Proposed Amendment. During the forty-five (45) day comment period, no comments were submitted and no requests for a hearing on the Proposed Amendment were made. The attachments included in this report are the documents that were made available to the public during the written comment period.

Fiscal Impact: No fiscal impact.

Recommendation: Adopt Resolution 2016-06 Approving Proposed Amendment to MCE's Conflict of Interest Code

RESOLUTION NO. 2016 - 06

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY UPDATING THE CONFLICT OF INTEREST CODE

THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

Section 1. On March 5 2009, Marin Clean Energy (then, Marin Energy Authority) approved Resolution 2009-02, duly adopting a Conflict of Interest Code as required by the Political Reform Act (Government Code Section 81000, *et seq.)*. On June 7, 2012, Marin Clean Energy (then, Marin Energy Authority) approved resolution 2012-12, duly amending the Conflict of Interest Code.

Section 2. Marin Clean Energy (MCE) wishes to amend Appendix A of its Conflict of Interest Code, which establishes economic disclosure categories for certain positions in Marin Clean Energy, and will update official employee designations, include added positions that require disclosure, and enumerate the appropriate disclosure categories to all designated positions listed.

Section 3. Accordingly, the amended designated positions and assigned disclosure categories described in Appendix A, are hereby incorporated into the MCE Conflict of Interest Code by reference.

Section 4. All officials and employees required to submit a statement of economic interests pursuant to Appendix A shall file their statements with the Chief Executive Officer or his or her designee. The Chief Executive Officer shall make and retain a copy of all statements filed and forward the originals of such statements to the Executive Office of the Board of Supervisors of Marin County. All retained statements, original or copied, shall be available for public inspection and reproduction (Government Code Section 81008).

Section 5. MCE hereby directs the General Counsel to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5. The revised Code should reflect any changes in official employee designations and/or disclosures. If no revisions to the Code are required, MCE shall submit a report to the Executive Office of the Board of Supervisors of Marin County no later than October 1st of the same year, stating that amendments to the Code are not required.

ADOPTED AND APPROVED BY MARIN CLEAN ENERGY, this 18th day of August, 2016 by the following vote, to wit:

	AYES	NOES	ABSTAIN	ABSENT
City of American Canyon				
City of Belvedere				
City of Benicia				
City of Calistoga				
Town of Corte Madera				
City of El Cerrito				
Town of Fairfax				
City of Lafayette				
City of Larkspur				
County of Marin				
City of Mill Valley				
City of Napa				
County of Napa				
City of Novato				
City of Richmond				
Town of Ross				
Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of Sausalito				
City of St. Helena				
Town of Tiburon				
City of Walnut Creek				
Town of Yountville				

CHAIR, MARIN CLEAN ENERGY BOARD

ATTEST:

SECRETARY, MARIN CLEAN ENERGY BOARD

MARIN CLEAN ENERGY
CONFLICT OF INTEREST CODE

APPENDIX A

Designated Positions	Disclosure Categories
General Counsel	1, 2, 3, 4
Director of Power Resources	1, 2, 3, 4
Director of Customer Programs	1, 2, 3, 4
Director of Internal Operations	1, 2, 3, 4
Director of Public Affairs	5
Finance and Project Manager	1, 2, 3, 4
Consultant/New Positions	*

*Definition of Consultant and Note Regarding Disclosure Categories for Consultants/New positions:

This category of designated positions includes consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation involving electric generation, adopt or grant MCE approval to design, develop, construct, sell, purchase, or acquire facilities that generate electricity, or adopt or grant MCE approval of policies, standards, or guidelines for MCE. Such consultants shall disclose at the same level as the comparable designated position identified elsewhere in the Code.

This category also includes all new/future positions that would include the performance of comparable, the same, or substantially all the same duties for MCE that are being performed by an individual holding a designated position in MCE's Conflict of Interest Code. Such new positions shall disclose at the same level as the comparable designated position identified elsewhere in the Code.

The following positions are NOT covered by the Conflict of Interest Code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

Members of the Board of Directors
Members of the Board of Directors (Alternates)
Chief Executive Officer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

WRITTEN EXPLANATIONS FOR THE PROPOSED AMENDMENT TO MCE CONFLICT OF INTEREST CODE

Pursuant to the needs of MCE's business, the additions of new staff and the restructuring of existing staff by re-classifying their position titles were addressed in the proposed amendment to the Conflict of Interest Code. Below is an explanation of what new positions were added and the title changes to existing positions.

General Counsel – Previously listed as Legal Director, was reclassified to General Counsel. Disclosure categories remained the same for this position.

Director of Power Resources – Previously listed as Resources Coordinator, was reclassified to Director of Procurement. Disclosure categories remained the same for this position.

Director of Customer Programs – Previously listed as Energy Efficiency Coordinator, was reclassified to Director of Customer Programs. Disclosure categories remained the same for this position.

Director of Internal Operations – Previously listed as Internal Operations Coordinator, was reclassified to Director of Internal Operations. Disclosure categories remained the same for this position.

Director of Public Affairs - Previously listed as Communications Director, was reclassified to Director of Public Affairs. Disclosure categories remained the same for this position.

Finance and Project Manager – This is a new position added to the MCE team. The disclosure categories for this new position were added as 1, 2, 3, and 4.

Consultant/New Positions – This classification remained the same as the original code, but the description of the assigned disclosure category was updated. The disclosure category refers to the following information: This category of designated positions includes consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation involving electric generation, adopt or grant MCE approval to design, develop, construct, sell, purchase, or acquire facilities that generate electricity, or adopt or grant MCE approval of policies, standards, or guidelines for MCE. Such consultants shall disclose at the same level as the comparable designated position identified elsewhere in the Code. This category also includes all new/future positions that would include the performance of comparable, the same, or substantially all the same duties for MCE that are being performed by an individual holding a designated position in the MCE's Conflict of Interest Code. Such new positions shall disclose at the same level as the comparable designated position identified elsewhere in the Code.

CONFLICT OF INTEREST CODE
FOR
MARIN CLEAN ENERGY ~~AUTHORITY~~

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code ~~conflict-of-interest code~~ of t~~he~~ **Marin Clean Energy** (**MCE**). ~~**Authority (MEA).**~~

Individuals holding designated positions shall file their statements of economic interests with the MCE ~~MEA,~~ which will make the statements available for public inspection and reproduction. (Government Code Section ~~Gov. Code Sec~~. 81008.) All statements will be retained by MCE ~~MEA~~.

Marin Clean Energy ~~Authority~~
Appendix A to the Conflict of Interest Code

Designated Positions

Designated Position	Assigned Disclosure Category
~~Legal Director~~ General Counsel	1, 2, 3, 4
~~Resources Coordinator~~ Director of Power Resources	1, 2, 3, 4
~~Energy Efficiency Coordinator~~ Director of Customer Programs	1, 2, 3, 4
~~Internal Operations Coordinator~~ Director of Internal Operations	1, 2, 3, 4
~~Communications Director~~ Director of Public Affairs	5
Finance and Project Manager	1, 2, 3, 4
Consultants/New Positions	*

*Definition of Consultant and Note Regarding Disclosure Categories for Consultants/New positions:

This category of designated positions includes consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation involving electric generation, adopt or grant MCE approval to design, develop, construct, sell, purchase, or acquire facilities that generate electricity, or adopt or grant MCE approval of policies, standards, or guidelines for MCE. Such consultants shall disclose at the same level as the comparable designated position identified elsewhere in the Code.

This category also includes all new/future positions that would include the performance of comparable, the same, or substantially all the same duties for MCE that are being performed by an individual holding a designated position in MCE's Conflict of Interest Code. Such new positions shall disclose at the same level as the comparable designated position identified elsewhere in the Code.

~~*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:~~

~~The Executive Officer may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Sec. 81008.)~~

The following positions are NOT covered by the Conflict of Interest Code ~~conflict-of-interest code~~ because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

Members of the Board of Directors
Members of the Board of Directors (Alternates)
Chief Executive Officer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

Marin Clean Energy ~~Authority~~
Appendix B to the Conflict of Interest Code

Disclosure Categories:

1. Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by MCE ~~MEA~~.

2. Interests in real property located within the jurisdiction of MCE ~~MEA~~ or within two miles of the boundaries of the jurisdiction of MCE ~~MEA~~, or within two miles of any land owned or used by MCE ~~MEA~~.

3. Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that engage in the design, development, construction, sale, or the acquisition of facilities that generate electricity, including, wind, solar, geothermal, hydroelectric, ocean, garbage, and biomass.

4. Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that are energy or environmental consultants, research firms, or engineering firms, entities that design, build, manufacture, sell, distribute, or service equipment of the type that is utilized by electric power suppliers, including, wind, solar, geothermal, hydroelectric, ocean, garbage, and biomass, or any entity that is party to a MCE ~~MEA~~ proceeding.

5. Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that are involved in marketing, communications, advertisements, public relations, and media relations.

August 18, 2016

TO: MCE Board of Directors

FROM: Martha Serianz, Legal Operations Manager

RE: Amendment to Policy No. 003: Records Retention (Agenda Item #05 - C.4)

ATTACHMENTS: A. Draft Policy No. 003: Records Retention
B. Blackline Policy No. 003: Records Retention

Dear Board Members:

SUMMARY: In order to comply with existing government code, and ensure historical information is adequately retained, Staff recommend several updates to Policy No. 003: Records Retention. A blackline of the current Policy is attached to highlight the proposed changes to the Policy.

OVERVIEW OF PROPOSED CHANGES:

<u>Non Successful Bids and Proposals (Added)</u>: In compliance with local government codes 26202.1 for counties, the destruction of any unaccepted bid or proposal for competitive procurements, including open season bids, is permissible after two years.

<u>General Electronic Correspondence (Modified)</u>: The current timeframe of two years for the retention of emails was modified to include "or longer at staff discretion" for staff who desire to retain emails containing important historical information for future reference.

<u>Customer Specific Usage Information (Deleted)</u>: This item was deleted and replaced with four more specific items (below) regarding different types of customer data and information in order to increase security and confidentiality. The retention periods were also specified to more appropriate lengths of time than the previously applied length of 2-10 years in order to establish best practices.

<u>Customer Data Requests (Added)</u>: Items requested by customers including cost comparisons, bill analyses, usage history, and billing history will be retained for a two years.

<u>Customer Database Information (Added)</u>: Items include customer data lists, data reports, program data, and account balances and will be retained for five years for historical reference.

<u>Ad Hoc Customer Reports and Lists (Added)</u>: Items include mailing lists and analysis reports and will be retained for five years for historical reference.

AMI Data Lists and Reports (Added): Items include non-aggregated customer AMI (Advanced Meter Infrastructure) data and will be retained at staff discretion and be deleted after staff use has been completed. This is in accordance with the compliance requirements for the handling of AMI data issued by California Public Utilities Commission Decisions 12-08-045.

Personnel Information (Deleted): This item was deleted and replaced with four more specific items (below) regarding the different types of personnel files and information. The retention period for all items was moved from five to six years after the employee end date, which is the longest retention period found in numerous federal and state laws.

Miscellaneous Personnel Information (Added): Items include I-9s, background checks, and confidential medical records and will be retained for six years after the employee end date.

Employee Files (Added): Items include resumes, offer letters, change of status, benefits, evaluations, and new hire forms and will be retained for six years after the employee end date.

Recruitment Files (Added): Items include applications, job announcements, testing materials, rating sheets, and interview notes and will be retained for six years after the employee end date.

Payroll Records (Added): Items include timecards and employee wage records and will be retained for six years after the employee end date.

FISCAL IMPACT: None

RECOMMENDATION: Approve updates to Policy No. 003: Records Retention.

MCE Clean Energy
My community. My choice.

DRAFT POLICY NO. 003: RECORDS RETENTION

Records will be retained according to the following schedule. After the required retention date has passed all documents or electronic files will be deleted or discarded.

Record Type	Required Retention	Sample Descriptions
Executed Contracts	10 years after termination date of the contract	Power supply contracts, contracts with vendors or consultants
Invoices from Vendors	2 years after completion of contract	Vendor invoices for payment
Non-Successful Bids and Proposals	2 years after close of RFO/RFP	Open season bids, other competitive procurements
Non-Disclosure Agreements	In perpetuity	NDA with vendor, employee, Board member or advisor
Board Approved Decisions	In perpetuity	Resolutions, meeting minutes, and other items approved at regular or special Board meetings
Board and Committee Meeting Materials	In perpetuity	Agendas, staff reports and other material provided to Board members in preparation for meetings
Board Approved Budgets	In perpetuity	Final, approved budgets
Drafts of Documents	30 days after final version is approved	Draft of contracts, programs, RFPs, etc.
General Electronic Correspondence	2 years or longer at staff discretion	Email correspondence
Customer- Data Requests	2 years	Cost comparisons, bill analyses, usage history, billing history

Customer Database Information	5 years	Customer database reports, usage history, billing data, account balances, program participation, opt-out data
Ad Hoc Customer Reports and Lists	5 years	Mailing lists, analysis reports
AMI Data Lists and Report	Deletion after staff use is completed	Non-aggregated customer AMI data
Marketing Material	2 years after public distribution	Flyers, brochures, electronic advertisements
General Educational or Informational Material	2 years	Brochures, reports, electronic information
Miscellaneous Personnel Information	6 years after employee end date	I-9s, background checks, confidential medical records
Employee Files	6 years after employee end date	Resumes, offer letters, change of status, benefits, evaluations, and new hire forms
Recruitment Files	6 years after employee end date	Applications, job announcements, testing materials, rating sheets, interview notes
Payroll Records	6 years after employee end date	Timecards and employee wage records

POLICY NO. 003:~~–~~ RECORDS RETENTION

Records will be retained according to the following schedule. After the required retention date has passed all documents or electronic files will be deleted or discarded.

Record Type	Required Retention	Sample Descriptions
Executed Contracts	10 years after termination date of the contract	Power supply contracts, contracts with vendors or consultants
Invoices from Vendors	2 years after completion of contract	Vendor invoices for payment
Non-Successful Bids and Proposals	2 years after close of RFO/RFP	Open season bids, other competitive procurements
Non-Disclosure Agreements	In perpetuity	NDA with vendor, employee, Board member or advisor
Board Approved Decisions	~~-~~In perpetuity	Resolutions, meeting minutes, and other items approved at regular or special Board meetings
Board and Committee Meeting Materials	~~-~~In perpetuity	Agendas, staff reports and other material provided to Board members in preparation for meetings
Board Approved Budgets	In perpetuity	Final, approved budgets
Drafts of Documents	30 days after final version is approved	Draft of contracts, programs, RFPs, etc.
General Electronic Correspondence	2 years or longer at staff discretion	Email correspondence
Customer-~~Specific Usage~~	2 ~~to 10~~ years	~~Electronic information and reporting~~

~~Information and~~ Data Requests		~~from Data Manager~~Cost comparisons, bill analyses, usage history, billing history
Customer Database Information	5 years	Customer database reports, usage history, billing data, account balances, program participation, opt-out data
Ad Hoc Customer Reports and Lists	5 years	Mailing lists, analysis reports
AMI Data Lists and Report	Deletion after staff use is completed	Non-aggregated customer AMI data
Marketing Material	2 years after public distribution	Flyers, brochures, electronic advertisements
General Educational or Informational Material	2 years	Brochures, reports, electronic information
Miscellaneous Personnel Information	~~5 to 10~~6 years after employee end date	~~Offer letter, resume, evaluations~~I-9s, background checks, confidential medical records
Employee Files	6 years after employee end date	Resumes, offer letters, change of status, benefits, evaluations, and new hire forms
Recruitment Files	6 years after employee end date	Applications, job announcements, testing materials, rating sheets, interview notes
Payroll Records	6 years after employee end date	Timecards and employee wage records

August 18, 2016

TO: MCE Board of Directors

FROM: Beckie Menten, Director of Customer Programs

RE: Second Addendum with Community Energy Services Corporation (CESC) (Agenda Item #05 – C.5)

ATTACHMENT: A. Fifth Agreement with Community Energy Services Corporation
B. First Addendum to the Fifth Agreement with Community Energy Services Corporation
C. Draft Second Addendum to the Fifth Agreement with Community Energy Services Corporation

Dear Board:

SUMMARY:
The proposed Second Addendum to the Fifth Agreement with Community Energy Services Corporation (CESC) would provide continuation of services to MCE for implementation of the small commercial energy efficiency program and broaden its program reach to the cities of San Pablo, Benicia, and El Cerrito.

BACKGROUND:
Energy efficiency has always been an integral component of the MCE vision. In July of 2012, MCE submitted an application for funding under the 2013 -2014 Energy Efficiency Funding Cycle (A. 12-11-007). The application was based on the initial Energy Efficiency Plan, and included the following proposed sub-programs:

1. Multifamily
2. Single family utility demand reduction pilot program
3. Small commercial
4. Four financing pilot programs: On Bill Repayment for single family[1], multifamily, small commercial and a standard offer pilot.

This application was approved on the 9th of November, 2012, allocating over $4 million to MCE for the implementation of energy efficiency programs. In November of 2014, the California Public Utilities Commission voted to extend the funding at annual levels through 2025, or until the CPUC moves otherwise.

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[1] The on-bill repayment pilot for single family customers was subsequently closed in fall of 2015 after the financial institution withdrew. Funds have since been re-directed to the multifamily energy efficiency program.

The small commercial program is one of four program elements approved by the CPUC, and is funded at a total of $432,379. The program is designed to serve hard to reach small commercial properties by making energy efficiency opportunities easy to capture. MCE's partnership with CESC has led to nearly 2,500,000 kWh since inception.

On November 1, 2012 your Board approved the First Agreement with CESC for energy efficiency services for the multifamily and small commercial sector, and then continued their role in providing technical services for MCE's small commercial energy efficiency program each year through 2015.

At the December 17, 2015 Board meeting, your Board approved the Fifth Agreement, in which CESC would continue to be the lead program implementer for the MCE small commercial energy efficiency program. Under the Fifth Agreement, CESC continued to provide energy evaluations at no cost to small businesses, prepared and delivered energy evaluation reports, identified qualified contractors from a pool of pre-determined professionals who had agreed to specific terms, and oversaw the installation of the efficiency measures for quality control. The Fifth Agreement was amended by MCE on March 30, 2016 to include thermal savings per completed project in addition to kWh savings per completed project.

In May, 2016 the CPUC granted MCE's Petition for Modification of its annual Energy Efficiency Programs and Budgets in order to account for MCE's inclusion of new communities. In light of the CPUC's decision, MCE proposes the Second Addendum to the Fifth Agreement to increase the overall contract amount with CESC by $73,000 to provide technical services for MCE's small commercial energy efficiency program for the calendar year 2016 in the cities of San Pablo, Benicia, and El Cerrito. With this budget increase is a new kWh reduction target of 1,200,000 gross kWh.

FISCAL IMPACT: The maximum amount of the contract will not exceed $226,800. This contract will be funded by CPUC ratepayer funds for energy efficiency programs. Costs related to contracts are included in the 2016/17 Budget.

RECOMMENDATION: Approve the Second Addendum to the Fifth Agreement with Community Energy Services Corporation.

MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT

FIFTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND COMMUNITY ENERGY SERVICES CORPORATION (CESC)

THIS FIFTH AGREEMENT ("Agreement") is made and entered into this day **December 17, 2015** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and COMMUNITY ENERGY SERVICES CORPORATION (CESC), hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: technical services to support MCE's Small Commercial Energy Efficiency Program;

WHEREAS, Contractor warrants that it is qualified and competent to render the aforesaid services;

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by MCE, the parties agree to the following:

1. SCOPE OF SERVICES:
Contractor agrees to provide all of the services described in **Exhibit A** attached hereto and by this reference made a part hereof.

2. FURNISHED SERVICES:
MCE agrees to make available all pertinent data and records for review, subject to MCE Policy 001 - Confidentiality.

3. FEES AND PAYMENT SCHEDULE; INVOICING:
The fees and payment schedule for furnishing services under this Agreement shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement. Contractor shall provide MCE with his/her/its Federal Tax I.D. number prior to submitting the first invoice. Contractor is responsible for billing MCE in a timely and accurate manner. Contractor shall invoice MCE on a monthly basis for any services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond 90 days will not be reimbursable. The final invoice must be submitted within 30 days of completion of the stated scope of services or termination of this Agreement.

4. MAXIMUM COST TO MCE:
In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of **$153,800**.

5. TIME OF AGREEMENT:
This Agreement shall commence on **January 1, 2016**, and shall terminate on **December 31, 2016**. Certificate(s) of Insurance must be current on the day the Agreement commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Contractor.

6. INSURANCE AND SAFETY:
All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MCE. The general liability policy shall be endorsed naming Marin Clean Energy and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to MCE prior to commencement of work. Each certificate shall provide for thirty (30) days advance written notice to MCE of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only, except those required by paragraph 6.4 which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing herein shall be construed as a limitation on Contractor's obligations under paragraph 16 of this Agreement to indemnify, defend and hold MCE harmless from any and all liabilities arising from the Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement. MCE agrees to timely notify the Contractor of any negligence claim.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the agreement. In addition to any other available remedies, MCE may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

6.1 GENERAL LIABILITY
The Contractor shall maintain a commercial general liability insurance policy in an amount of no less than one million dollars ($1,000,000) with a two million dollar ($2,000,000) aggregate limit. MCE shall be named as an additional insured on the commercial general liability policy and the Certificate of Insurance shall include an additional endorsement page. (see sample form: ISO - CG 20 10 11 85).

6.2 AUTO LIABILITY
Where the services to be provided under this Agreement involve or require the use of any type of vehicle by Contractor in order to perform said services, Contractor shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars combined single limit ($1,000,000.00).

6.3 WORKERS' COMPENSATION
The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to MCE prior to commencement of work.

6.4 PROFESSIONAL LIABILITY INSURANCE
Coverages required by this paragraph may be provided on a claims-made basis with a "Retroactive Date" either prior to the date of the Agreement or the beginning of the contract work. If the policy is on a claims-made basis, coverage must extend to a minimum of twelve (12) months beyond completion of contract work. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "retroactive date" prior to the Agreement effective date, the contractor must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of contract work. Contractor shall maintain a policy limit of not less than $1,000,000 per incident. If the deductible or self-insured retention amount exceeds $100,000, MCE may ask for evidence that contractor has segregated amounts in a special insurance reserve fund or contractor's general insurance reserves are adequate to provide the necessary coverage and MCE may conclusively rely thereon.

Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Agreement. Contractor shall monitor the safety of the job site(s) during the project to comply with all applicable federal, state, and local laws, and to follow safe work practices.

7. <u>NONDISCRIMINATORY EMPLOYMENT</u>:
Contractor and/or any permitted subcontractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any permitted subcontractor understands and agrees that Contractor and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

8. <u>SUBCONTRACTING</u>:
The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without prior written approval of MCE except for any subcontract work identified herein. If Contractor hires a subcontractor under this Agreement, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor under this Agreement and shall require subcontractor to name Contractor as additional insured under this Agreement. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and shall forward to MCE evidence of same.

9. <u>ASSIGNMENT</u>:
The rights, responsibilities and duties under this Agreement are personal to the Contractor and may not be transferred or assigned without the express prior written consent of MCE.

10. <u>RETENTION OF RECORDS AND AUDIT PROVISION</u>:
Contractor and any subcontractors authorized by the terms of this Agreement shall keep and maintain on a current basis full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this Agreement. Such records shall include, but not be limited to, documents supporting all income and all expenditures. MCE shall have the right, during regular business hours, to review and audit all records relating to this Agreement during the Contract period and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Contractor's premises or, at MCE's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from MCE. Contractor shall refund any monies erroneously charged.

11. WORK PRODUCT:
All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Contractor, its officers, employees and agents in the course of implementing this Agreement shall become the sole property of MCE upon payment to Contractor for such work. MCE shall have the exclusive right to use such materials in its sole discretion without further compensation to Contractor or to any other party. Contractor shall, at MCE's expense, provide such reports, plans, studies, documents and writings to MCE or any party MCE may designate, upon written request. Contractor may keep file reference copies of all documents prepared for MCE.

12. TERMINATION:

A. If the Contractor fails to provide in any manner the services required under this Agreement or otherwise fails to comply with the terms of this Agreement or violates any ordinance, regulation or other law which applies to its performance herein, MCE may terminate this Agreement by giving five (5) calendar days written notice to the party involved.

B. The Contractor shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.

C. Either party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days written notice to the other parties. Notice of termination shall be by written notice to the other parties and be sent by registered mail.

D. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s).

13. AMENDMENT:
This Agreement may be amended or modified only by written agreement of all parties.

14. ASSIGNMENT OF PERSONNEL:
The Contractor shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to MCE, as is evidenced in writing.

15. JURISDICTION AND VENUE:
This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Marin County, California.

16. INDEMNIFICATION:
Contractor agrees to indemnify, defend, and hold MCE, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement.

17. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE:
MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MCE's constituent members in connection with this Agreement.

18. COMPLIANCE WITH APPLICABLE LAWS:
The Contractor shall comply with any and all Federal, State and local laws and resolutions (including, but not limited to the County of Marin Nuclear Free Zone, Living Wage Ordinance, and Resolution #2005-97 of the Board of Supervisors prohibiting the off-shoring of professional services involving employee/retiree medical and financial data) affecting services covered by this Agreement.

19. NOTICES

This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted and approved by this Agreement Manager and all notices shall be given to MCE at the following location:

Contract Manager:	Sarah Estes-Smith
MCE Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901
Email Address:	invoices@mcecleanenergy.org
Telephone No.:	(415) 464-6028

Notices shall be given to Contractor at the following address:

Contractor:	Martin Bond
Address:	1013 Pardee Street
	Berkeley, CA 94710
Email Address:	martin@ebenergy.org
Telephone No.:	(510) 981-7757

20. ACKNOWLEGEMENT OF EXHIBITS

	☒	***Check applicable Exhibits***	**CONTRACTOR'S INITIALS**
EXHIBIT A.	☒	**Scope of Services**	
EXHIBIT B.	☒	**Fees and Payment**	

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

APPROVED BY
Marin Clean Energy:

By: [signature]
CEO
Date: 12-18-15

By: [signature]
Chairperson
Date: 12-17-15

CONTRACTOR:

By: [signature]
Name: MARTIN BOND
Date: 12/22/2015

MCE COUNSEL REVIEW AND APPROVAL ***(Only required if any of the noted reason(s) applies)***
REASON(S) REVIEW:

☐ **Standard Short Form Content Has Been Modified**
☐ **Optional Review by MCE Counsel at Marin Clean Energy's Request**

MCE Counsel: ______________________ **Date:** __________

EXHIBIT A
SCOPE OF SERVICES (required)

Contractor will provide the following technical services to support MCE's Small Commercial Energy Efficiency Program, as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

1	**Administrative**
a	Maintain data management, tracking and accounting protocols to comply with MCE and CPUC program reporting requirements
b	Update forms as needed, such as integrating customer-facing reports with financing options
c	Identify and implement process improvements
d	Assistance replying to data requests, CPUC financial audits and regulatory filings
2	**Marketing and Outreach**
a	Develop, modify, and distribute marketing materials (flyers, applications, website, customer report)
b	Create case studies
c	Design outreach campaigns
3	**Implementation**
a	Provide project management assistance from project inception to completion, including but not limited to scheduling site visits, conducting assessments, creating savings and rebate estimates and finals, responding to customer inquiries, coordinating contractors and equipment installation, and conducting final M&V
b	Recruit, educate, and train contractors and suppliers
c	Identify and Implement any changes to program installation labor and material pricing
d	Provide technical assistance services, including setting and documenting customer eligibility criteria, audit criteria, incentive levels, and overall project documentation
e	Program planning, development and design – as needed
f	IT development for project management tasks
4	**Quality Assurance/Quality Control**
a	Conduct QA/QC to ensure tracking and reporting documents are in sync and accurate
b	Periodically review contractor requirements and M&V protocols (% pre and post inspection) are sufficient to ensure reasonable savings claims
5	**Coordinate with PG&E on programs to avoid duplication/competition**
a	Hold meetings with complimentary and non-competitive EE & DR Programs operating in MCE territory
b	Be available to provide services in new communities as appropriate

EXHIBIT B
FEES AND PAYMENT SCHEDULE

Services will be billed as a time and material contract. For services provided under this agreement, MCE shall pay the Contractor in accordance with the following payment fees/schedule:

Community Energy Services Corporation		**2016 Rates**
Hourly Rates (unless otherwise noted)		
Admin		
	Program Manager	$ 75.00
	Division Director	$ 85.00
Marketing	Manager	$ 65.00
	Coordinator	$ 55.00
Direct Implementation		
	Program Manager	$ 75.00
	Sr. Project Manager	$ 70.00
	Project Managers	$ 65.00
	Operations Coordinator	$ 55.00
	Project Coordinator	$ 55.00
	Intern	$ 30.00
Mileage	Per Mile at current IRS rate	
Materials	At cost	

Budget	
Administrative Costs	$13,800
Marketing and Outreach	$13,000
Program Performance Incentive[1] (Target of 850,000 kWh)	$0.05 / kWh
Technical Assistance Direct Implementation (Small Commercial)	$84,500
Contract Total(NTE)	**$153,800**

[1]The program performance incentive may be invoiced by CESC on a kWh / project completed basis. This incentive is to be invoiced monthly, and the invoice must include sufficient background documentation to calculate the incentive amount based on kWh savings in completed projects. MCE reserves the right to reduce payment of the incentive if more than 80% of kWh savings result from free LED measures.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **$153,800** for the term of the agreement.

FIRST ADDENDUM TO FIFTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND COMMUNITY ENERGY SERVICES CORPORATION (CESC)

This FIRST ADDENDUM is made and entered into on March 30, 2016, by and between MARIN CLEAN ENERGY, (hereinafter referred to as "MCE") and COMMUNITY ENERGY SERVICES CORPORATION (CESC) (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, MCE and the Contractor entered into an agreement to provide technical services to support MCE's Small Commercial Energy Efficiency Program as directed by MCE staff dated December 17, 2015 ("Agreement"); and

WHEREAS, Exhibit B to the agreement outlines Program Performance Incentives for kWh savings per completed project; and

WHEREAS the parties desire to amend the agreement to include Program Performance Incentives for therm savings per completed project.

NOW, THEREFORE, the parties agree to modify Exhibit B as set forth below.

AGREEMENT

1. The Budget table in Exhibit B is hereby replaced in its entirety as follows:

Budget	
Administrative Costs	$13,800
Marketing and Outreach	$13,000
Program Performance Incentive[1] (Target of 850,000 kWh and 5,280 gross therms)	$0.05 / kWh $0.30 / therm
Technical Assistance Direct Implementation (Small Commercial)	$84,500
Contract Total (NTE)	**$153,800**

[1]The program performance incentive may be invoiced by CESC on a kWh / project and therm / project completed basis. This incentive is to be invoiced monthly, and the invoice must include sufficient background documentation to calculate the incentive amount based on kWh and/or therm savings in completed projects. MCE reserves the right to reduce payment if more than 60% of kWh savings result from free LED measures, or 80% of therm savings result from free therms measures. The performance kicker shall be evaluated on an annual, not monthly basis.

2. Except as otherwise provided herein all terms and conditions of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Addendum on the day first written above.

CONTRACTOR:

By: ______________________

Date: 3/31/2016

MARIN CLEAN ENERGY:

By: ______________________

Date: 3-30-16

SECOND ADDENDUM TO FIFTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND COMMUNITY ENERGY SERVICES CORPORATION (CESC)

This SECOND ADDENDUM is made and entered into on August 18, 2016, by and between MARIN CLEAN ENERGY, (hereinafter referred to as "MCE") and COMMUNITY ENERGY SERVICES CORPORATION (CESC) (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, MCE and the Contractor entered into an agreement to provide technical services to support MCE's Small Commercial Energy Efficiency Program as directed by MCE staff dated December 17, 2015, and amended on March 30, 2016 ("Agreement"); and

WHEREAS, Section 4 and Exhibit B to the Agreement, as amended, obligated Contractor to be compensated an amount not to exceed $153,800 for the technical services described within the scope therein; and

WHEREAS the parties desire to further amend the Agreement to increase the contract amount by $73,000 for a total not to exceed $226,800, in consideration for the inclusion of the cities of San Pablo, Benicia, and El Cerrito into MCE's Small Commercial Energy Efficiency Program.

NOW, THEREFORE, the parties agree to modify Section 4 and Exhibit B as set forth below.

AGREEMENT

1. Section 4 is hereby amended to read as follows:

   MAXIMUM COST TO MCE:
   In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of **$226,800**.

2. The Budget table in Exhibit B is hereby replaced in its entirety as follows:

Budget	
Administrative Costs	$19,050
Marketing and Outreach	$17,500
Program Performance Incentive[1] (Target of 1,200,000 gross kWh and 5,280 gross therms)	$0.05/kWh and $0.30/therm
Technical Assistance Direct Implementation (Small Commercial)	$130,250
Contract Total (NTE)	$226,800

[1]The program performance incentive may be invoiced by CESC on a kWh/project and therm/project completed basis. This incentive is to be invoiced monthly, and the invoice must include sufficient background documentation to calculate the incentive amount based on kWh and/or therm savings in completed projects. MCE reserves the right to reduce payment if more than 60% of kWh savings result from free LED measures, or 80% of therm savings result from free therms measures. The performance incentive shall be evaluated on an annual, not monthly basis.

SECOND ADDENDUM TO FIFTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND COMMUNITY ENERGY SERVICES CORPORATION (CESC)

3. The last sentence of Exhibit B is hereby amended to read as follows:

   In no event shall the total cost to MCE for the services provided herein exceed the maximum sum of $226,800 for the term of the agreement.

4. Except as otherwise provided herein all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Addendum on the day first written above.

CONTRACTOR:

By: ________________________

Date: ______________________

MARIN CLEAN ENERGY:

By: ________________________

Date: ______________________

MARIN CLEAN ENERGY:

By: ________________________

Date: ______________________

Overview of MCE Board Offices and Committees
(Updated 8.18.16)

Board Offices
Kate Sears, Chair
Tom Butt, Vice Chair
Denise Athas, Auditor/Treasurer
Dawn Weisz, Secretary

Executive Committee
1. Tom Butt, Chair
2. Denise Athas
3. Sloan Bailey
4. Ford Greene
5. Kevin Haroff
6. Bob McCaskill
7. Kate Sears

Technical Committee
1. Kate Sears, Chair
2. Kevin Haroff
3. Ford Greene
4. Emmett O'Donnell
5. Ray Withy
6. Greg Lyman
7. **VACANT SEAT**

Ad Hoc Contracts Committee for 2016 Open Season
1. Sloan Bailey
2. Barbara Coler
3. Ford Greene
4. Kevin Haroff
5. Brad Wagenknecht
6. Greg Lyman
7. Alan Schwartzman

Ad Hoc Audit Committee 2016
1. Bob McCaskill
2. Sashi McEntee
3. Ray Withy

Ad Hoc Expansion Committee
1. Barbara Coler
2. Andrew McCullough
3. Brad Wagenknecht
4. Ray Withy

Ad Hoc Ratesetting Committee
1. Bob McCaskill
2. Sloan Bailey
3. Kevin Haroff
4. Emmett O'Donnell
5. Andrew McCullough

August 18, 2016

TO: MCE Board of Directors

FROM: Jeremy Waen, Senior Regulatory Analyst

RE: Regulatory Update (Agenda Item #07)

ATTACHMENTS: SB 350 Panel One-Page Summary

SUMMARY:

Below is a summary of the key activities at the California Public Utilities Commission (CPUC) for July and August 2016 impacting Community Choice Aggregation (CCA) and MCE. Highlights include:

1. MCE Evaluates Proposed Diablo Canyon Nuclear Facility Shut-Down
2. MCE Presents Solutions to the CEC on Barriers for Low-Income and Disadvantaged Communities to Access Energy Efficiency and Solar
3. MCE Seeks and Attains Power Charge Indifference Adjustment Reform (PCIA) (A.14-05-024)
4. MCE Coordinates with Other CCAs to Address Energy Storage (ES) and PCIA Matters (A.15-12-003 et al.)
5. The CCAs Collaborate to Address SDG&E's Efforts to Market Against CCA Formation (Draft Resolution E-4874)
6. MCE Continues to Advocate for Improved Access to and Authority for CCA Administration of Energy Efficiency Funds (R.13-11-005)

More detail is set forth below for each of these items.

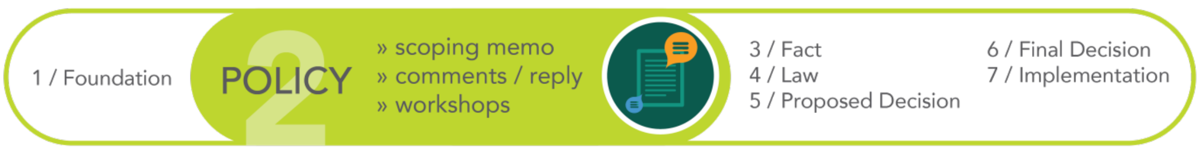
1. MCE Evaluates Proposed Diablo Canyon Nuclear Facility Shut-Down

On June 21, PG&E announced a Joint Proposal among PG&E, the Natural Resources Defense Council (NRDC), unions and certain anti-nuclear groups to shut down the Diablo Canyon Nuclear Facility by 2025. The Joint Proposal seeks funding for the shut down and for "replacement resources" for the facility. The PG&E proposal for replacement resources would have significant and lasting impacts on CCA administration of energy efficiency programs, and CCA procurement autonomy based on the methodologies proposed. PG&E is expected to file an Application before the CPUC to make the formal request set forth in the Joint Proposal. MCE will be deeply engaged in the proceeding to ensure that no improper cost allocation, cross-subsidization or impacts on CCA procurement autonomy results from this proposal.

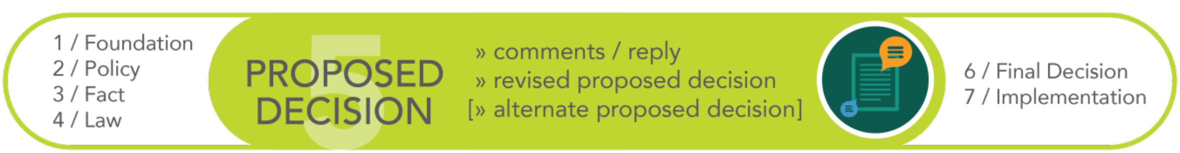
2. <u>MCE Presents Solutions to the CEC on Barriers for Low-Income and Disadvantaged Communities to Access Energy Efficiency and Solar</u>

On August 12, MCE will be an invited panelist at the Energy Commission Workshop Regarding Barriers of Low-Income and Disadvantaged Communities to Energy Efficiency and Renewable Energy. This workshop is to provide input on barriers faced by low-income and disadvantaged communities to investing in energy efficiency and weatherization, installing solar photovoltaic and other renewable generating resources, and contracting opportunities for small businesses. Input from this workshop will be included in the "Senate Bill 350 Barriers Study." Commissioners from the CEC, CPUC and other agencies will be in attendance.

3. <u>MCE Seeks and Attains Power Charge Indifference Adjustment Reform (PCIA) (A.14-05-024)</u>



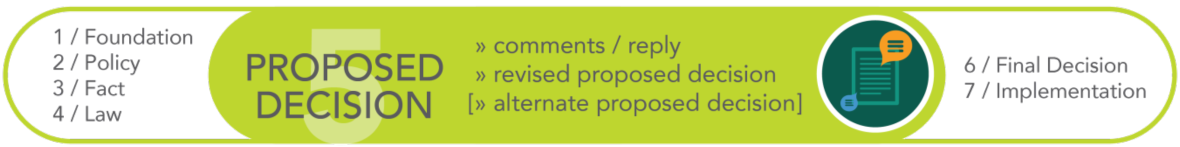
MCE is continuing to seek an appropriate venue for discussing reforms to the PCIA. Following the March 8 workshop to discuss needed reform to the PCIA, the CPUC staff issued its report on the workshop on June 6. Rather than set forth additional procedural steps to consider PCIA reform, the workshop report documented the happenings at the workshop and stated that the record for this proceeding would soon be closed with the issuance of the Proposed Decision addressing changes to PCIA vintaging assignments for CCA customers. On June 20 MCE commented on the report, pushing the CPUC to commit to a process for PCIA reform. On June 22 MCE staff held an ex parte meeting with the assigned Commissioner's staff on this matter, and on June 27 MCE staff also provided reply comments on this matter. MCE staff stressed the need for immediate PCIA reform throughout these communications.



On July 19, the Commission finally released is Proposed Decision regarding PCIA vintaging assignments for CCA customers. MCE staff has been seeking reform in this area since mid-2014. The PD generally adopts the joint CCAs' recommendations for PCIA vintages to be assigned to the communities served by CCAs rather than individual customer accounts or points of service. This change would dramatically simplify and improve how PCIA vintages are assigned to CCAs and their customers and would prevent the "resetting" of these vintages due to movement of individual CCA customers, which has been occurring since MCE's launch of service. The CCAs are preparing comments on the PD seeking clarifying revisions to make sure there is no room for the IOUs to misinterpret the new approach to PCIA vintage assignment.

4. **<u>MCE Coordinates with Other CCAs to Address Energy Storage (ES) and PCIA Matters (A.15-12-003 *et al.*)</u>**

On June 8 MCE, Sonoma Clean Power Authority, the City of Lancaster, and the County of Los Angeles jointly filed a joint reply opening brief addressing how Energy Storage procurement should be reflected in the PCIA. The IOUs are seeking PCIA treatment for portions of their Energy Storage procurement, and these Applications will determine how Energy Storage costs fit into the PCIA methodology.

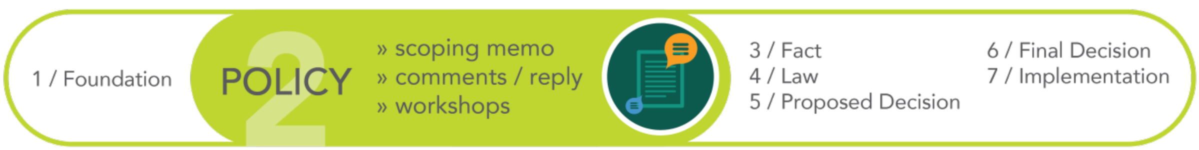


On July 20, the CPUC released the first draft of its Proposed Decision (PD) to resolve these matters. The PD rejects the CCA parties' unified proposal for including storage costs into the PCIA methodology using a 'storage adder' and instead adopt the IOUs' joint proposal with significant modifications (such as the exclusion of electricity charging costs for the ES). The CCAs are preparing comments on the PD seeking further, favorable revisions. Regardless the CPUC intends to revisit this matter in 2020 once ES procurement costs are less uncertain.

5. <u>The CCAs Collaborate to Address SDG&E's Efforts to Market Against CCA Formation (Draft Resolution E-4874)</u>

On July 5 MCE and the City of Lancaster provided comments on CPUC Resolution E-4874 which would approve SDG&E's Advice Letter to seek the formation of an independent SDG&E marketing affiliate to focus on CCA within SDG&E's service territory. Though such marketing affiliates are permitted under the SB 790 Code of Conduct, no IOU has yet to successfully form such an affiliate because no IOU has taken adequate steps to demonstrate how this affiliate would be functionally separate from the IOU's utility business. The Joint CCA comments challenged whether SDG&E's request and the corresponding Resolution provide adequate protection for CCAs and their customers and clear separation from SDG&E's marketing affiliate and its utility business. The Joint CCAs plan to take further action where necessary to contain the risk that SDG&E's request presents to CCA efforts in the San Diego area.

6. <u>MCE Continues to Advocate for Improved Access to and Authority for CCA Administration of Energy Efficiency Funds (R.13-11-005)</u>



In response to a CPUC Ruling seeking parties' input on Statewide and Third-Party Programs, MCE provided opening and reply comments addressing the need for balance between statewide and local Energy Efficiency (EE) program levels. Currently all State-wide programs are run by the investor-owned utilities, not other administrators, such as MCE. MCE also argued for the expansion of scope for EE programs that CCAs can provide at the local level.


Ruben Pedroza and family, MCE customer and RichmondBUILD graduate

MCE's Solutions to Barriers Faced by Low–Income and Disadvantaged Communities to Energy Efficiency and Renewable Energy

MCE provides our low–income and disadvantaged communities with a wide range of energy efficiency and solar offerings. In addition, our Low–Income Families and Tenants (LIFT) Program proposes increasing the number of services that we offer to these communities.

Existing MCE Energy Efficiency Offerings

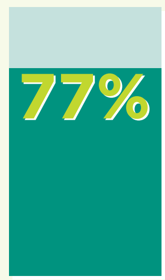
MCE currently administers energy efficiency programs in four key areas: multifamily, single family, small commercial, and financing. Due to CPUC requirements, MCE's current programs are limited to innovative offerings and areas not well served by other programs.

HIGHLIGHT: MCE'S MULTIFAMILY OFFERINGS

Since 2012, MCE has provided energy efficiency services to multifamily residences, which have included:

- Energy assessments
- Energy and water saving measures for tenant units
- Technical assistance

DID YOU KNOW?



of the multifamily residences that MCE's EE program served **WERE LOW–INCOME** (in 2015 alone)

AS OF DECEMBER 31, 2015, MCE HAS:

ACHIEVED **389 MWH & 53,277 THERMS** OF ENERGY SAVINGS

SAVED **15 MILLION** GALLONS OF WATER

AUDITED **627** MULTIFAMILY BUILDINGS

DISTRIBUTED **$427K+** IN REBATES

PROVIDED **1,179** UNITS WITH ENERGY SAVING EQUIPMENT

Existing MCE Renewable Energy Offerings Available to Low–Income Customers

SOLAR INCENTIVES

MCE has allocated $80,000 in rebates for new residential solar installations and partners with Grid Alternatives to offer $800 rebates to low–income customers who install solar panels.

DISCOUNTED RATE

Low–income, CARE–eligible customers are able to receive the CARE discounted energy rate in full with MCE.

MORE RENEWABLES

All MCE customers receive 50% renewable energy by default. The following two MCE 100% renewable energy offerings are equally available to low–income customers and particularly benefit renters and others who are unable to place solar on their roofs.

- Deep Green: 100% renewable energy for an average premium of $5/month for residential customers.
- Local Sol: 100% locally produced solar energy at a rate that remains fixed for up to 20 years.

LOCAL JOBS WORKFORCE

2,400+ TOTAL CALIFORNIA JOBS

MCE's commitment to community and the environment extends beyond supplying renewable power. MCE partners with local organizations and businesses to bring jobs home by investing in new community–based solar projects. MCE's contracted power projects have supported more than 2,400 California jobs. MCE follows a Sustainable Workforce Policy, adopted by MCE's Board of Directors.

SAN RAFAEL AIRPORT SOLAR PROJECT

As a model of business working to create local green jobs, Synapse Electric hired 20 workers, identified by the Marin City Community Development Corporation, a local job training program for low–income individuals, and CLP Resources, to install solar panels at the San Rafael Airport. The project was financed locally by the Bank of Marin and San Rafael businessman, Joe Shekou. San Rafael–based REP Energy designed the installation, REC Group manufactured 85% of the solar panels, and Power–One supplied all inverters. Both the solar panels and inverters were American–made.

ENERGY EFFICIENCY JOBS FOR LOW–INCOME & DISADVANTAGED WORKERS

MCE has contracted more than $200,000 with RichmondBUILD, the Marin City Community Development Corporation, and Rising Sun Energy Center to train and provide workers to help implement energy upgrades for our energy efficiency programs. MCE is joining with Richmond Works on a new solar installation that will employ local residents under the Richmond Local Hire Ordinance.

MCE's Low–Income Families and Tenants (LIFT) Proposal

LIFT MULTIFAMILY COMPONENTS

» Expanding on existing energy efficiency programs for income–qualified customers to provide additional incentives and achieve deeper energy savings.

» Using an alternative enrollment processes to reduce concerns related to privacy and immigration status.

» Creating opportunities for switching from natural gas combustion appliances to heat pumps in order to support cleaner and more efficient energy use.

» Delivering On–Bill Repayment options for financing energy efficiency improvements.

LIFT SINGLE–FAMILY COMPONENTS

» Launching a mobile platform–based behavioral program that encourages low and no cost changes to reduce energy use and save money.

» Depositing funds equal to twice the energy saved to reinforce the existing savings; these funds can be spent on additional energy savings investments.

MCE Clean Energy
My community. My choice.

FOR MORE INFORMATION, PLEASE CONTACT:

Elizabeth Kelly
MCE General Counsel
ekelly@mceCleanEnergy.org | (415) 464–6022

Marin Clean Energy

Regulatory Update

Jeremy Waen, Senior Regulatory Analyst

Proposed Decision on PCIA “Vintaging”

Would assign “vintage” to CCA service areas rather customers

- Mostly fixes “revintaging” resulting in never-ending PCIA

- Final Decision expected this month

Proposed Decision on Storage and PCIA

How Energy Storage will fit into the PCIA:

- Excludes charging costs from the PCIA
- Fails to adopt the Joint CCA proposal for an Energy Storage Adder; allows revisiting the methodology in 2020

Final Decision expected this month.

PG&E General Rate Case (Ph. 2)

PG&E Proposal for 2017:

- Significantly reduce CCA Service Fees
- Rate changes for solar (Time of Use)
- Rate changes for EV

PG&E General Rate Case (Ph. 2)

CCA Service Fees proposed for 2017:

- Going down from $0.44 to $0.21 per bill per month

- MCE savings: ~ $700,000/year

PG&E General Rate Case (Ph. 2)

Non-Residential Time of Use (TOU)	2016	2017
Peak TOU Period (Summer)	Noon-5pm	5pm-10pm
Peak Rate Paid	$0.55/kWh	$0.29/kWh

These changes will significantly impact the cost-effectiveness of rooftop solar.

PG&E General Rate Case (Ph. 2)

Proposed Residential EV Changes	Peak and Off-Peak Periods	Rate Changes (Summer)
Peak	4pm-10pm	$0.44 → $0.37/kWh
Partial Peak	Starts at 10pm	$0.24 → $0.27/kWh
Off Peak	Starts at 1am	$0.11 → $0.15/kWh

<u>Impact</u>: EV charging will be less cost-effective and/or less convenient for residential EV owners.

PG&E Diablo Canyon

Joint Proposal (w/ NRDC, Anti-Nuclear Groups):

- Close Diablo Canyon by 2025
- Pay for employee and community costs
- Replace Diablo Canyon with Energy Efficiency and GHG-free electricity

PG&E Diablo Canyon

Key CCA Issues with the Proposal:

- Energy Efficiency proposal provides unfair benefits to PG&E, excludes CCA
- New CCA fees to pay for GHG-free and RPS energy for PG&E's bundled customers

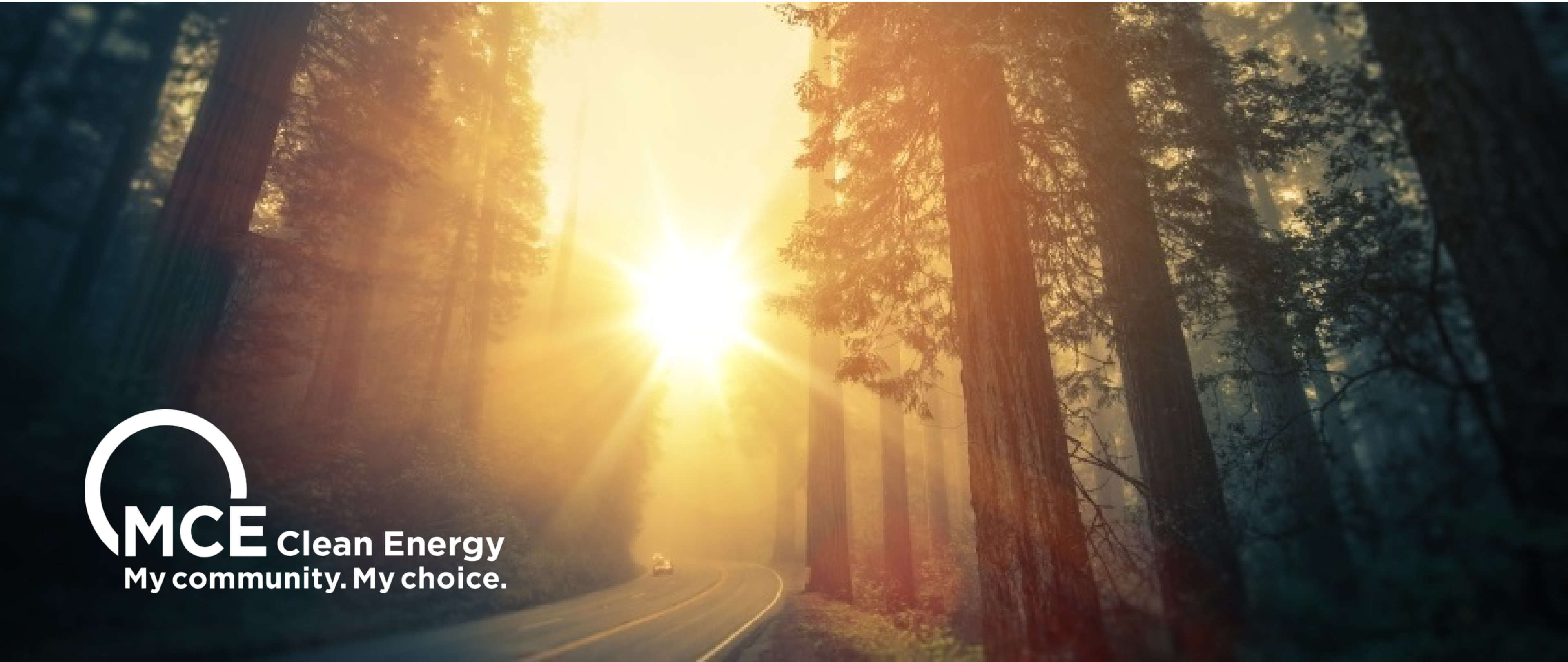
PG&E Diablo Canyon

MCE exceeds PG&E in both GHG-free content and RPS content and has more aggressive goals.

	GHG-Free Today	GHG-Free Goal	RPS Today	RPS Goal
MCE	64%	95% (2025)	52%	80% (2025)
PG&E	59%	?	30%	55% (2031)

Thank You!

Jeremy Waen, Senior Regulatory Analyst
jwaen@mceCleanEnergy.org



August 18, 2016

TO: MCE Board of Directors

FROM: Shalini Swaroop, Regulatory and Legislative Counsel

RE: Legislative Executive Staff Report (Agenda Item #07)

ATTACHMENTS: None

SUMMARY:

The legislature is required to send all bills to the Governor's office for veto or approval by August 31, 2016. Therefore, August holds rapid movement on all bills and MCE staff is in constant contact with legislative staff at its sister CCAs, such as CleanPowerSF. Below please find a summary bill status in early August. Due to deadlines imposed by the Brown Act, some of this information may not be current by August 18, 2016.

I. MCE Legislative Priorities

1) AB 1110 (Ting) – Calculating Greenhouse Gas Emissions for Annual Customer Disclosures

AB 1110 (Ting) changes annual customer reporting requirements for load serving entities (LSEs), including CCAs. New amendments to the bill were released on August 1, 2016. The new amendments indicated that the California Energy Commission will be responsible for calculating the greenhouse gas emissions associated with individual generators.

The bill currently sits on the Senate floor and can be heard at any time. However, given that this was a two-year bill with substantial amendments, it may be required to pass through the Assembly Utilities and Commerce committee.

MCE has some remaining concerns, including restrictions on marketing. MCE is in contact with the author's office on these issues and working with a number of Senators who sit on the Senate Energy Committee in order to inform them of the issues.

2) AB 2868 (Gatto) – Cost-Shifting for Installation of Distributed Energy Storage Systems

AB 2868 (Gatto) requires Investor-Owned Utilities (IOUs) to submit applications to the California Public Utilities Commission (CPUC) to accelerate widespread deployment of distributed energy storage systems. The bill is problematic because it specifically indicates cost recovery from all transmission and distribution customers, which includes CCA customers, for energy storage systems put in by IOUs.

MCE and other CCAs have drafted amendments and submitted to the author's office for consideration. This coalition is currently awaiting feedback and the author has suggested we collaborate with labor interests.

The bill passed out of Senate Energy, and CCA champions Senator McGuire and Senator McGuire asked for a commitment from the author to address CCA issues, which the Assemblyman agreed to. The bill now sits in the Senate Appropriations Committee. MCE staff is working with the Senate Energy Committee staff on potential amendments to be taken out of Senate Appropriations' Committee.

3) SB 886 (Pavley) – Energy Storage Requirements for All LSEs

SB 886 (Pavley) requires Load Serving Entities (LSEs), including CCAs, to consider energy storage in their Integrated Resource Plans filed to the CPUC under SB 350. This bill reinforces the procurement autonomy of a CCA's Board of Directors.

Senator Pavley accepted amendments reflecting MCE's concerns before the bill was heard on the Senate floor. These amendments require the governing board of a CCA to determine appropriate targets for viable and cost-effective energy storage systems as opposed to the CPUC. The bill passed out of the Senate Floor and will now be heard in Assembly fiscal committees. The utilities remain opposed to the bill and oppose the provision that allows a CCA's governing board to set battery procurement targets for their own programs.

4) AB 1530 (Levine) – Reducing Non-Bypassable Charges for Installation of Distributed Energy Resources

In order to encourage the installation of distributed energy resources, this bill reduces non-bypassable charges on customers who install these resources on their properties. While the goal is laudable, shifting those non-bypassable charges onto other customers will increase those costs paid by CCA customers. Portions of this bill were also included in AB 1612, the bill related to the state's budget.

The bill did not pass through the Senate Environmental Quality Committee. However, similar language was inserted into a budget trailer bill (AB 1612) and amendments were made to address CCA concerns. However, there have been indications that AB 1612 would not pass through the Assembly. The sponsors of both bills have put a hold on their activities. MCE staff expects these bills to become active again in the final days of the session.

5) AB 692 (Eggman) – Directing the California Public Utilities Commission (CPUC) to Determine Eligibility of CCA Customers to Participate in Low-Income Solar Programs

In last year's session, bill language originally protecting the ability of CCA customers to participate in the Multifamily Affordable Solar Homes (MASH) program was adjusted to allow the CPUC to determine the eligibility of CCA customers. MCE is working with the author's office to adjust this provision to accurately reflect the limited jurisdiction of the CPUC. The author's office has been responsive to MCE's concerns, but the Assembly Utilities and Commerce Committee is not as receptive.

August 18, 2016

TO: MCE Board of Directors

FROM: David McNeil, Finance and Project Manager

RE: Presentation of FY 2015/16 Audited Financial Statements and Budget Comparisons (Agenda Item #08)

ATTACHMENTS: A. MCE Financial Statements for the Years Ended March 31, 2016 & 2015 with Independent Auditors' Report
B. FY 2015/16 Budgetary Comparison Schedules

Dear Board Members:

SUMMARY:

Each year MCE publishes fiscal year-end financial statements prepared by Staff and Maher Accountancy and audited by an independent accounting firm. In April 2016 your Board created an Ad hoc Audit Committee consisting of three board members to engage an independent auditing firm and receive its report. As in previous years the independent audit of MCE financial statements was undertaken by Vavrinek, Trine, Day and Company, LLP.

Staff are responsible for the preparation and fair presentation of the financial statements. The independent auditor performs tests to assure that the financial statements are free from material misstatement.

The FY 2015/16 Financial Statements consist of the following;

- Independent Auditors' Report
- Management's Discussion and Analysis
- Financial Statements - Statements of Net Position, Revenues and Expenses and Changes in Net Position, Statements of Cash Flows and Notes to the Financial Statements

AUDITORS' REPORT:

In the Auditors' Opinion the financial statements "present fairly, in all material respects, the financial position of Marin Clean Energy as of March 31, 2016 and 2015… in accordance with accounting principles generally accepted in the United States of America."

The Auditors' Report essentially gives MCE a clean bill of health and as in previous years, the Auditor observed no material issues with MCE's reporting or controls.

FINANCIAL HIGHLIGHTS:

- Revenues increased 51% to $151 million reflecting in part a 30% increase in average customer accounts

- The annual contribution to the net position increased to $16 million

- MCE increased its cash on hand and net position to $21.6 million and $29.5 million respectively

- MCE repaid its bank loans early and has no debt outstanding

MCE is financially strong and it remains well positioned to serve its customers and deliver on its mission.

FY 2015/16 BUDGETARY COMPARISON SCHEDULES:

The FY 2015/16 Budgetary Comparison Schedules compare the FY 2015/16 Operating Fund, Energy Efficiency Program Fund, Local Renewable Energy Development Fund and Renewable Energy Fund Budgets to actual financial results in each of these funds for the 12 months ending March 31, 2016.

For each budget category MCE either exceeded budgeted revenues or recorded lower than budgeted expenditures. The exceptions to this are the Technical Consultant and Data Manager categories in the Operating Fund which exceeded approved budgets by $139 and $4,828 respectively. These amounts are 0.022% and .0016% of the approved limits. The contractual terms related to these line items include volumetric pricing and Staff became aware that volumes exceeded expectations only after the period had closed.

Fiscal Impact: None

Recommendation: No action needed. Informational only.

MCE Clean Energy
My community. My choice.

FINANCIAL STATEMENTS

Years Ended March 31, 2016 & 2015
with Independent Auditors' Report

MARIN CLEAN ENERGY
YEARS ENDED MARCH 31, 2016 AND 2015

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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Board of Directors
Marin Clean Energy
San Rafael, California

We have audited the accompanying financial statements of Marin Clean Energy ("MCE"), as of and for the years ended March 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise MCE's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 Fax: 925.734.6611 www.vtdcpa.com

FRESNO • LAGUNA HILLS • PALO ALTO • PLEASANTON • RANCHO CUCAMONGA • RIVERSIDE • SACRAMENTO

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marin Clean Energy, as of March 31, 2016 and 2015, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California
July 19, 2016

MARIN CLEAN ENERGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis provides an overview of Marin Clean Energy's (MCE) financial activities for the fiscal years ended March 31, 2016 and 2015. The information presented here should be considered in conjunction with the audited financial statements.

Contents of this Report
This report is divided into the following sections:

- Management discussion and analysis, which provides an overview of operations.

- The Basic Financial Statements, which offer information on MCE's financial results.

    - The *Statements of Net Position* includes all of MCE's assets, liabilities, and net position using the accrual method of accounting. The Statements of Net Position provide information about the nature and amount of resources and obligations at a specific point in time.

    - The *Statements of Revenues, Expenses, and Changes in Net Position* report all of MCE's revenue and expenses for the years shown.

    - The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and payments, such as debt financing.

    - Notes to the Basic Financial Statements, which provide additional details and information pertaining to the financial statements.

Nature of Operations

MCE is a California Joint Powers Authority founded in 2008 pursuant to the Joint Exercise of Powers Act and is a public agency separate from its members. MCE provides electric service to retail customers as a Community Choice Aggregation Program under the California Public Utilities Code Section 366.2.

MCE's mission is to address climate change by reducing energy related greenhouse gas emissions through renewable energy supply and energy efficiency at stable and competitive rates for customers while providing local economic and workforce benefits. MCE provides electric service to retail customers and has the rights and powers to set rates and charges for electricity and services it furnishes, incur indebtedness, and issue bonds or other obligations. MCE acquires electricity from commercial suppliers and delivers it through existing physical infrastructure and equipment managed by the California Independent System Operator and Pacific Gas and Electric Company. MCE's Energy Efficiency Program supports the development, coordination and implementation of residential, commercial and multi-family energy efficiency programs in and around MCE's service area.

MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The parties to MCE's Joint Powers Agreement consist of local governments whose governing bodies elect to join MCE. Pursuant to the Public Utilities Code, when new parties join MCE, all electricity customers in its jurisdiction automatically become default customers of MCE for electric generation, provided that customers are given the option to "opt out". MCE receives no financial support from the parties to its Joint Powers Agreement and relies exclusively on operating revenues to meet its financial commitments.

MCE began to deliver electricity and energy efficiency programs in May 2010 and April 2013 respectively. From time to time new communities apply and are accepted to join MCE. MCE began serving customers in unincorporated Napa County in February 2015 and customers in Benecia, El Cerrito and San Pablo during May 2015. MCE accepted the membership applications of the cities of American Canyon, Calistoga, Lafayette, Napa, Walnut Creek and the Town of Yountville in April, 2016 and is initiating service to these communities in September 2016.

MCE's historical and projected retail accounts by customer group are as follows:

Enrolled Retail Service Accounts
Phase-In Period (End of Month)

	July 2013	Feb 2015	May 2015	Projected Sep 2016
MCE Customer Groups				
Residential	106,510	120,204	149,610	225,128
Small Commercial	11,829	13,761	17,119	24,107
Medium Commercial	903	1,120	1,429	2,278
Large Commercial	351	416	575	857
Industrial	15	19	24	32
Street Lighting & Traffic	748	1,014	1,219	1,866
Agriculture & Pump	109	1,467	1,625	1,700
Total	120,465	138,001	171,601	255,968
Customer Account Additions	32,651	17,536	33,600	84,367
% Increase in Customers Accounts	37%	15%	24%	49%

MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Financial and Operational Highlights

MCE's net position increased by $16.3 million to $29.5 million as of March 31, 2016 up from a $3.7 million increase in net position in the prior period. During fiscal 2015-16, MCE increased its cash and cash equivalents to $21.7 million. Working capital and the current ratio (current assets divided by current liabilities) increased to $26.5 million and 2.81:1 respectively. 78% of MCE's total liabilities consist of accrued electricity costs which represent electricity delivered to MCE but not yet billed by the supplier. During fiscal 2015-16 MCE repaid notes payable to the bank ahead of schedule. MCE had no bank debt outstanding as of March 31, 2016.

The following table is a summary of MCE's assets, liabilities, and net position as of March 31:

	2016	2015	2014
Current assets			
Cash and cash equivalents	$ 21,696,949	$ 10,173,815	$ 8,248,488
Other current assets	19,424,154	16,027,326	12,906,255
Total current assets	41,121,103	26,201,141	21,154,743
Noncurrent assets			
Capital assets	542,199	407,626	58,807
Other noncurrent assets	2,479,516	1,378,587	1,278,698
Total noncurrent assets	3,021,715	1,786,213	1,337,505
Total assets	44,142,818	27,987,354	22,492,248
Current liabilities			
Accrued cost of electricity	11,500,898	8,808,354	6,409,847
Other current liabilities	3,110,850	3,898,645	3,430,932
Notes payable to bank	-	1,035,409	1,069,125
Total current liabilities	14,611,748	13,742,408	10,909,904
Noncurrent liabilities			
Notes payable to bank	-	988,627	2,024,308
Total liabilities	14,611,748	14,731,035	12,934,212
Net position:			
Net investment in capital assets	542,199	407,626	58,807
Restricted	1,659,164	598,200	598,200
Unrestricted	27,329,707	12,250,493	8,901,029
Total net position	$ 29,531,070	$ 13,256,319	$ 9,558,036
Working Capital:	$ 26,509,355	$ 12,458,733	$ 10,244,839
Current Ratio:	2.81	1.91	1.94
Total Liabilities / Net Position:	0.49	1.11	1.35

MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Consistent with its Reserve Policy, MCE is building its net position to support the working capital requirements of the agency, to provide a reserve to manage the risk of adverse economic or regulatory events, and to improve its credit worthiness. A strong net position allows MCE to provide consistent and reliable service to the community and to contract for energy and other services at lower costs and on more favorable terms.

MCE's results of operations are summarized as follows for the fiscal year ended March 31:

	2016	2015	2014
Operating revenues	$ 151,664,778	$ 100,654,696	$ 85,561,759
Interest income	12,179	3,716	8,965
Total income	151,676,957	100,658,412	85,570,724
Operating expenses	135,257,348	96,835,644	83,749,875
Interest and related expenses	144,858	124,485	175,687
Total expenses	135,402,206	96,960,129	83,925,562
Increase in net position	$ 16,274,751	$ 3,698,283	$ 1,645,162

Electricity Sales and Costs

Electricity revenues increased by $50.6 million to $149.5 million in fiscal 2015-16 as a result of the inclusion of new communities and the growth of customer accounts which grew from approximately 138,000 in February 2015 to 171,000 during the year. Cost of electricity increased by $36.1 million to $124.1 million as MCE acquired electricity to serve the new customers. Gross surplus, defined as electricity sales less cost of electricity, increased to $25.4 million from $10.8 million in the prior year as a result of increased sales and increased margins. Gross margin, defined as gross surplus as a percent of electricity sales, increased from 11% in 2015 to 17% in 2016 in part as a result of lower per unit energy costs.

MCE's gross surplus and gross margin are summarized as follows for the fiscal year ended March 31:

	2016	2015	2014
Electricity sales, net	$ 149,486,696	$ 98,840,861	$ 84,605,751
Cost of electricity	124,095,978	87,996,399	76,088,268
Gross surplus	$ 25,390,718	$ 10,844,462	$ 8,517,483
Gross margin:	17.0%	11.0%	10.1%

MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Operating Revenues and Operating Expenses less Cost of Electricity

Total operating revenue less the cost of electricity increased by 117.8% to $27.6 million in fiscal 2015-16. This was driven by increased gross surplus and increased grant funding from the California Utilities Commission to support the growth of the Energy Efficiency Program. Other revenues, consisting predominately of payments required from energy suppliers as a result of delays in energy deliveries, were flat for the year. Year-over-year operating expenses, excluding cost of electricity, increased by 26.3% to $11.2 million reflecting increased staffing, contractor, legal and general overhead costs. Operating expenses, excluding cost of electricity, as a percent of operating revenue less cost of electricity fell from 70% in 2014-15 to 40% in fiscal 2015-16.

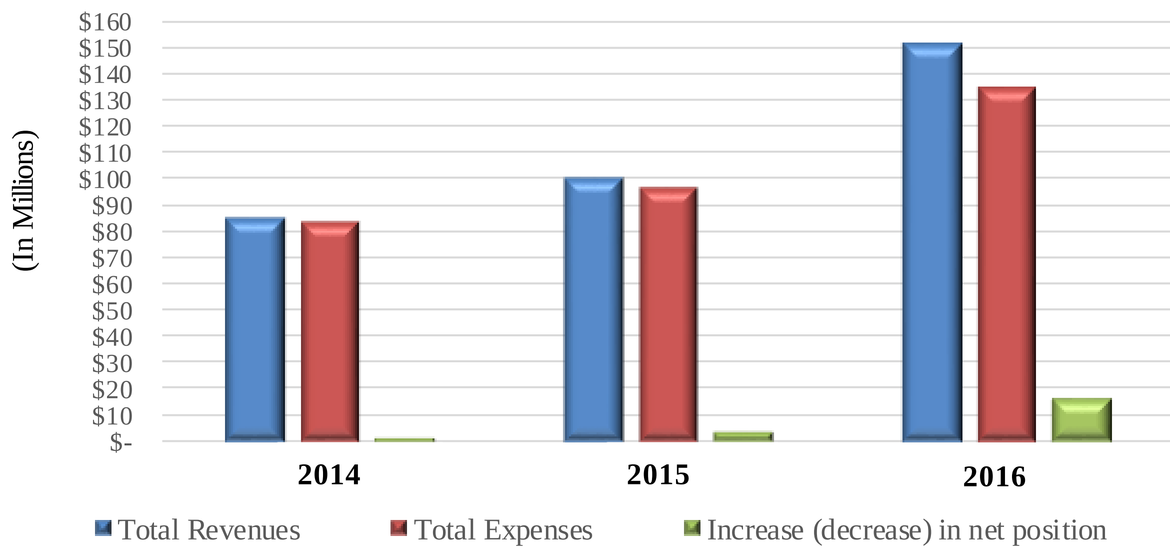
MCE's gross surplus, operating income, and various ratios are summarized as follows:

	2016	2015	2014
Gross surplus	$ 25,390,718	$ 10,844,462	$ 8,517,483
Grant revenue - Energy Efficiency Program	1,545,030	1,125,344	917,947
Other revenue	633,052	688,491	38,061
Total operating revenues less cost of electricity	27,568,800	12,658,297	9,473,491
Operating expenses, excluding cost of electricity	11,161,370	8,839,245	7,661,607
Operating income	$ 16,407,430	$ 3,819,052	$ 1,811,884
Operating expenses, excluding cost of electricity, over total operating revenues less cost of electricity:	40.5%	69.8%	80.9%
% increase in Gross surplus:	117.8%	33.6%	1.0%
% increase in operating expenses less cost of electricity:	26.3%	15.4%	47.0%
% increase in operating income:	329.6%	110.8%	-95.0%

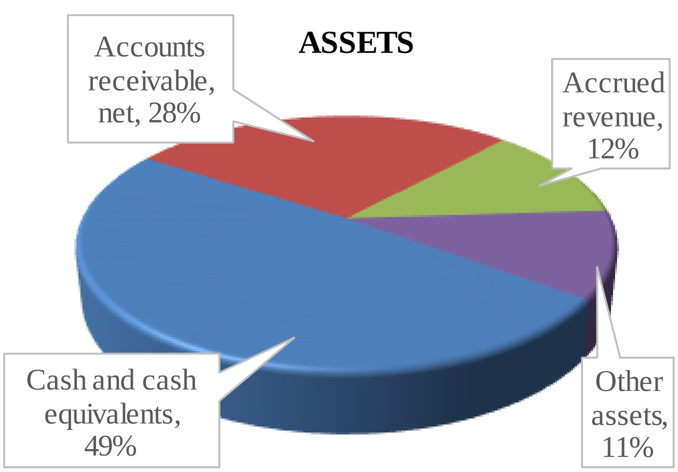
MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

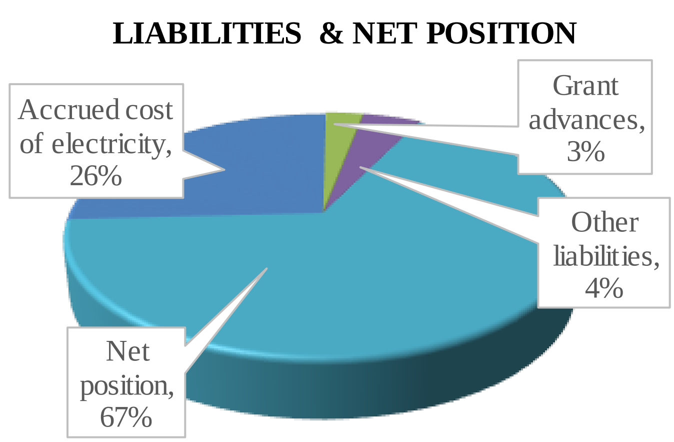
FINANCIAL SUMMARY

FINANCIAL POSITION: FISCAL YEAR ENDED MARCH 31:



ASSETS, LIABILITIES, AND NET POSITION AS OF MARCH 31, 2016:





Cash and cash equivalents	$	21,696,949	Accrued cost of electricity	$	11,500,898
Accounts receivable, net		12,217,586	Grant advances		1,220,909
Accrued revenue		5,356,608	Other liabilities		1,889,941
Other assets		4,871,675	Net position		29,531,070
Total Assets	**$**	**44,142,818**	**Total liabilities & net position**	**$**	**44,142,818**

PURCHASE COMMITMENTS AND ECONOMIC OUTLOOK

In the normal course of business, MCE enters into various agreements, including renewable energy agreements and other power purchase agreements to purchase power and electric capacity. These agreements involve short, medium and long term commitments. Entering into long term purchase commitments is an effective means of bringing new solar, wind and other renewable energy generating facilities on-line and of helping the agency to accomplish its mission of providing renewable energy and reducing greenhouse gas emissions. MCE manages risks associated with these commitments by aligning purchase commitments with expected demand for electricity and assuring diversity of technologies, geographical locations, and suppliers. Total expected obligations under power purchase agreements totaled approximately $824.2 million as of March 31, 2016.

In September 2016 MCE will begin to provide service to customers located in the cities of American Canyon, Calistoga, Lafayette, Napa, Walnut Creek and the Town of Yountville resulting in an expected increase in the number of MCE customer accounts of 84,000 or 49% of its current customer base. In June 2016, MCE's Board of Directors approved a reduction in electricity rates effective September 1, 2016 consistent with MCE's Reserve Policy and Rate Setting Guidelines.

Management intends to continue its conservative use of financial resources and expects ongoing operating surpluses.

REQUESTS FOR INFORMATION

This financial report is designed to provide MCE's board members, stakeholders, customers and creditors with a general overview of the MCE's finances and to demonstrate MCE's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to Finance and Project Manager, 1125 Tamalpais Avenue, San Rafael, CA 94901.

BASIC FINANCIAL STATEMENTS

MARIN CLEAN ENERGY

STATEMENTS OF NET POSITION

MARCH 31, 2016 AND 2015

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 21,696,949	$ 10,173,815
Accounts receivable, net of allowance	12,217,586	10,528,880
Other receivables	525,658	583,185
Accrued revenue	5,356,608	4,502,232
Prepaid expenses	1,261,373	368,152
Other current assets and deposits	62,929	44,877
Total current assets	41,121,103	26,201,141
Noncurrent assets		
Capital assets, net of depreciation	542,199	407,626
Restricted cash	2,206,664	1,145,700
Other noncurrent assets and deposits	272,852	232,887
Total noncurrent assets	3,021,715	1,786,213
Total assets	44,142,818	27,987,354
LIABILITIES		
Current liabilities		
Accounts payable	657,336	878,967
Accrued cost of electricity	11,500,898	8,808,354
Other accrued liabilities	305,054	199,357
User taxes and energy surcharges due to other governments	927,551	611,230
Advances from grantors	1,220,909	2,209,091
Notes payable to bank	-	1,035,409
Total current liabilities	14,611,748	13,742,408
Noncurrent liabilities		
Notes payable to bank	-	988,627
Total liabilities	14,611,748	14,731,035
NET POSITION		
Net position		
Net investment in capital assets	542,199	407,626
Restricted for line of credit collateral	1,659,164	598,200
Unrestricted	27,329,707	12,250,493
Total net position	$ 29,531,070	$ 13,256,319

The accompanying notes are an integral part of these financial statements

MARIN CLEAN ENERGY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FISCAL YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
Operating revenues		
Electricity sales, net	$ 149,486,696	$ 98,840,861
Grant revenue for Energy Efficiency Program	1,545,030	1,125,344
Other revenue	633,052	688,491
Total operating revenues	151,664,778	100,654,696
Operating expenses		
Cost of electricity	124,095,978	87,996,399
Contract services	6,584,384	5,769,008
Staff compensation	3,405,416	2,216,199
General and administration	1,094,963	825,510
Depreciation	76,607	28,528
Total operating expenses	135,257,348	96,835,644
Operating income	16,407,430	3,819,052
Non-operating revenues (expenses)		
Interest income	12,179	3,716
Interest and related expenses	(144,858)	(124,485)
Net non-operating revenues (expenses)	(132,679)	(120,769)
Changes in net position	16,274,751	3,698,283
Net position at beginning of period	13,256,319	9,558,036
Net position at end of period	$ 29,531,070	$ 13,256,319

The accompanying notes are an integral part of these financial statements

MARIN CLEAN ENERGY

STATEMENTS OF CASH FLOWS

FISCAL YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 147,265,935	$ 96,695,557
Grant receipts from Energy Efficiency Program	291,375	1,505,702
Cash received from other revenue sources	926,607	142,297
Cash payments to purchase electricity	(122,324,217)	(86,220,713)
Cash payments for contract services	(6,560,471)	(5,763,707)
Cash payments for staff compensation	(3,312,945)	(2,179,654)
Cash payments for general and administration	(1,080,328)	(751,575)
Other cash receipts	(41,598)	(144,766)
Net cash provided by operating activities	15,164,358	3,283,141
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Return of financing reserve	598,200	-
Payments of financing reserve	(1,659,164)	-
Principal payments of notes payable to bank	(2,024,036)	(1,069,397)
Interest and related expenses	(144,858)	(124,485)
Net cash provided (used) by non-capital financing activities	(3,229,858)	(1,193,882)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(421,261)	(167,648)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	9,895	3,716
Net change in cash and cash equivalents	11,523,134	1,925,327
Cash and cash equivalents at beginning of year	10,173,815	8,248,488
Cash and cash equivalents at end of year	$ 21,696,949	$ 10,173,815

The accompanying notes are an integral part of these financial statements

MARIN CLEAN ENERGY

STATEMENTS OF CASH FLOWS (CONTINUED)

FISCAL YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 16,407,430	$ 3,819,052
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	76,607	28,528
(Increase) decrease in net accounts receivable	(1,688,706)	(1,432,309)
(Increase) decrease in other receivables	59,811	(527,269)
(Increase) decrease in accrued revenue	(854,376)	(779,949)
(Increase) decrease in prepaid expenses	(893,221)	(336,667)
(Increase) decrease in other assets and deposits	(54,327)	(144,766)
Increase (decrease) in accounts payable	(15,240)	54,137
Increase (decrease) in accrued cost of electricity	2,692,544	2,055,009
Increase (decrease) in other accrued liabilities	105,697	27,237
Increase (decrease) in user taxes due to other governments	316,321	44,268
Increase (decrease) in advances from grantor	(988,182)	475,870
Net cash provided by operating activities	$ 15,164,358	$ 3,283,141

The accompanying notes are an integral part of these financial statements

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Marin Clean Energy (MCE) is a California joint powers authority created on December 19, 2008. As of March 31, 2016 parties to its Joint Powers Agreement consist of the following local governments: the Counties of Marin and Napa, the cities of Belvedere, Benicia, El Cerrito, Larkspur, Mill Valley, Novato, Richmond, San Pablo, San Rafael, and Sausalito and the towns of Corte Madera, Fairfax, Ross, San Anselmo, and Tiburon (collectively, "the Parties"). MCE is governed by a Board of Directors whose membership is composed of elected officials representing each of the Parties.

MCE's mission is to address climate change by reducing energy related greenhouse gas emissions through renewable energy supply and energy efficiency at stable and competitive rates for customers while providing local economic and workforce benefits. MCE provides electric service to retail customers as a Community Choice Aggregation Program under the California Public Utilities Code Section 366.2.

MCE began the delivery of electricity and energy efficiency programs in May 2010 and April, 2013 respectively. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by the California Independent System Operator and Pacific Gas and Electric Company. The Energy Efficiency Program supports the development, coordination and implementation of energy efficiency programs in and around MCE's service area. The Energy Efficiency Program is supported by grants from the California Public Utilities Commission.

ACCOUNTING POLICIES

MCE's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

MCE's operations are accounted for as a governmental enterprise fund, and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred.

When both restricted and unrestricted resources are available for use, it is the MCE's policy to use restricted resources first, then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For purpose of the Statements of Cash Flows, MCE has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments. Amounts restricted for debt service and collateral for energy efficiency loan program are not considered cash and cash equivalents. These restricted balances are presented separately in the Statement of Net Position.

CAPITAL ASSETS AND DEPRECIATION

MCE's policy is to capitalize furniture and equipment valued over $500 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment and seven years for furniture. Leasehold improvements are depreciated over 10 years.

OPERATING AND NON-OPERATING REVENUE

Operating revenues consists of revenue from the sale of electricity to customers and grant revenue related to the Energy Efficiency Program. Other revenues primarily consist of payments from energy suppliers that result from delays in energy deliveries. Interest income is considered "non-operating revenue".

REVENUE RECOGNITION

MCE recognizes revenue on the accrual basis. This includes invoices issued to customers during the period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will not be collected. Accordingly, an allowance has been recorded.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ELECTRICAL POWER PURCHASED

During the normal course of business MCE purchases electrical power from numerous suppliers. The cost of electricity and ancillary services are recognized as "Cost of Electricity" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, MCE acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). MCE obtains Certificates with the intent to retire them, and does not sell or build surpluses of Certificates. An expense is recognized at the point that the cost of the RPS eligible energy is due and payable to the supplier. MCE is in compliance with external mandates and self-imposed benchmarks.

STAFFING COSTS

MCE pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. MCE is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements.

INCOME TAXES

MCE is a joint powers authority under the provision of the California Government Code, and is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements.

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

2. CASH AND CASH EQUIVALENTS

MCE maintains its cash in both interest and non-interest-bearing demand and term deposit accounts at River City Bank of Sacramento, California. MCE's deposits with River City Bank are subject to California Government Code Section 16521 which requires that River City Bank collateralize public funds in excess of the FDIC limit of $250,000 by 110%. MCE monitors its risk exposure to River City Bank on an ongoing basis. MCE's Investment Policy permits the investment of funds in depository accounts, certificates of deposit and the Local Agency Investment Fund.

3. ACCOUNTS RECEIVABLE

Changes in accounts receivable were as follows:

	2016	2015	2014
Accounts receivable from customers	$ 15,317,586	$ 12,888,880	$ 10,126,845
Allowance for uncollectible accounts	(3,100,000)	(2,360,000)	(1,030,274)
Net accounts receivable	$ 12,217,586	$ 10,528,880	$ 9,096,571

The majority of account collections occur within the first few months following customer invoicing. MCE estimates that a portion of the billed accounts will not be collected. MCE continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, MCE continues to have success collecting older accounts. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years.

4. CAPITAL ASSETS

Changes in depreciable capital assets were as follows:

	Furniture & Equipment	Leasehold Improvements	Accumulated Depreciation	Net
Balances at March 31, 2014	$ 100,416	$ 5,881	$ (47,490)	$ 58,807
Additions	51,836	325,511	(28,528)	348,819
Balances at March 31, 2015	152,252	331,392	(76,018)	407,626
Additions	85,591	125,589	(76,607)	134,573
Balances at March 31, 2016	$ 237,843	$ 456,981	$ (152,625)	$542,199

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

5. ADVANCES FROM GRANTOR

MCE receives grant funding through the Public Utilities Commission of the State of California (CPUC) for its Energy Efficiency Program. Funds received are not recognized as revenue until they are expended for designated purposes. Total grant funding received for this Program during the fiscal year 2016 was $172,000, and $1,203,000 was spent and earned. In 2015, grant funding received was $1,506,000 and $1,030,000 was spent and earned. The Energy Efficiency Program receives additional grant funding under the Gas Public Purpose Program that is not received in advance. Revenue of $332,000 and $96,000 was recognized under this grant in fiscal years 2016 and 2015, respectively.

6. DEBT

NOTES PAYABLE TO RIVER CITY BANK

During the fiscal year ending March 31, 2016, MCE paid off both of its bank notes ahead of schedule.

Changes in notes payable were as follows:

	Beginning	Payments	Ending
Year ended March 31, 2015			
Note A	$ 916,764	$ (489,283)	$ 427,481
Note B	2,176,669	(580,114)	1,596,555
Totals	$ 3,093,433	$ (1,069,397)	2,024,036
Amounts due within one year			(1,035,409)
Amounts due after one year			$ 988,627
Year ended March 31, 2016			
Note A	$ 427,481	$ (427,481)	$ -
Note B	1,596,555	(1,596,555)	-
Totals	$ 2,024,036	$ (2,024,036)	-
Amounts due within one year			-
Amounts due after one year			$ -

LINE OF CREDIT AND LETTERS OF CREDIT

MCE enters into certain power purchase agreements which require MCE to post collateral in the form of cash or letter of credit. In order to comply with these requirements, MCE entered into a non-revolving, $15,000,000 credit agreement with River City Bank (RCB) during fiscal 2015-16 that may be used for short term borrowing and to issue standby Letters of Credit used for performance security. RCB requires collateral for the line of credit of $1,659,164 which is reported as restricted cash and restricted net position.

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2016 AND 2015

6. DEBT (continued)

During fiscal 2015-16, MCE posted standby Letters of Credit totaling $7,300,000. As of March 31, 2016, MCE has not drawn any cash on the line of credit. Fees related to opening the line of credit and posting the letters of credit are reported as interest and related expenses. Subsequent to March 31, 2016, MCE amended the credit agreement with River City Bank to increase the line of credit limit to $20,000,000 and allow for revolving use.

7. DEFINED CONTRIBUTION RETIREMENT PLAN

The Marin Clean Energy Plan (Plan) is a defined contribution retirement plan established by MCE to provide benefits at retirement to its employees. The Plan is administered by Nationwide Retirement Solutions. As of March 31, 2016, there were 31 plan members. MCE is required to contribute 10% of annual covered payroll to the Plan and contributed $257,000 and $177,000 during the years ended March 31, 2016 and 2015, respectively. The Plan includes vesting provisions intended to encourage employee retention. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

8. RISK MANAGEMENT

MCE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, MCE purchased insurance policies from investment grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, and property damage.

9. PURCHASE COMMITMENTS

POWER AND ELECTRIC CAPACITY

In the ordinary course of business, MCE enters into various power purchase agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind and small hydro-electric facilities.

9. PURCHASE COMMITMENTS (continued)

The following table represents the expected, undiscounted, contractual obligations outstanding as of March 31, 2016:

Year ended March 31,		
2017	$	113,490,717
2018		108,981,210
2019		77,023,813
2020		51,774,332
2021		39,523,348
2022-42		433,386,229
	$	824,179,649

SERVICE CONTRACTS

As of March 31, 2016, MCE had contractual commitments to professional service providers through April 30, 2019 for services yet to be performed. Fees associated with these contracts are based on volumetric activity and are expected to be $12.4 million.

10. OPERATING LEASE

Marin Clean Energy rents office space. Rental expense was $179,000 and $190,000 for the years ended March 31, 2016 and 2015, respectively. On March 9, 2015, MCE entered into a ten year non-cancelable lease for its office premise. The rental agreement includes an option to renew the lease for five additional years.

Future minimum lease payments under the lease are as follows:

Year ended March 31,		
2017	$	321,480
2018		417,216
2019		429,744
2020		442,632
2021		460,332
2022-25		2,032,992
	$	4,104,396

MARIN CLEAN ENERGY

OPERATING FUND

BUDGETARY COMPARISON SCHEDULE

April 1, 2015 through March 31 ,2016

	Actual - from April 1 through March 31		YTD Budget (Amended)	YTD Budget Variance (Under) Over	YTD Actual/Budget %
	2014/15	2015/16	2015/16	2015/16	2015/16
REVENUE AND OTHER SOURCES:					
Revenue - Electricity (net of allowance)	$ 98,840,861	$ 149,486,696	145,933,097	$ 3,553,599	102%
Other revenues	292,208	645,231	-	645,231	0%
Total sources	99,133,069	150,131,927	145,933,097	4,198,830	103%
EXPENDITURES AND OTHER USES:					
CURRENT EXPENDITURES					
Cost of energy	87,996,399	124,095,977	129,035,714	(4,939,737)	96%
Staffing	2,060,396	3,103,941	3,142,000	(38,059)	99%
Technical consultants	520,602	629,139	629,000	139	100%
Legal counsel	298,104	354,884	387,000	(32,116)	92%
Communications consultants and related expenses	647,133	617,712	751,000	(133,288)	82%
Data manager	2,543,894	2,872,828	2,868,000	4,828	100%
Service fees- PG&E	736,336	864,310	921,000	(56,690)	94%
Other services	361,793	421,937	465,000	(43,063)	91%
General and administration	445,446	244,902	344,000	(99,098)	71%
Occupancy	-	227,764	260,000	(32,236)	88%
Integrated Demand side pilot programs	-	10,190	50,000	(39,810)	20%
Marin County green business program	15,000	-	10,000	(10,000)	0%
Solar rebates	3,500	5,600	35,000	(29,400)	0%
Total current expenditures	95,628,603	133,449,184	138,897,714	(5,448,530)	96%
CAPITAL OUTLAY	370,117	211,179	296,000	(84,821)	71%
DEBT SERVICE	1,193,880	2,168,896	2,148,000	20,896	101%
INTERFUND TRANSFER TO:					
Renewable Energy Reserve Fund	-	1,000,000	1,000,000	-	100%
Local Renewable Energy Development Fund	109,994	151,383	151,383	-	100%
Total expenditures	97,302,594	136,980,642	142,493,097	$ (5,512,455)	96%
Net increase (decrease) in available fund balance	$ 1,830,475	$ 13,151,285	$ 3,440,000	$ 9,711,285	

MARIN CLEAN ENERGY
ENERGY EFFICIENCY PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through March 31, 2016

	Budget	Actual	Budget Remaining	Actual/ Budget
REVENUE AND OTHER SOURCES:				
Public purpose energy efficiency program	$ 1,505,702	$ 1,545,030	$ (39,328)	102.61%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Public purpose energy efficiency program	1,505,702	1,492,246	13,456	99.11%
Net increase (decrease) in fund balance	$ -	$ 52,784		

LOCAL RENEWABLE ENERGY DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through March 31, 2016

	Budget	Actual	Budget Remaining	Actual/ Budget
REVENUE AND OTHER SOURCES:				
Transfer from Operating Fund	$ 151,383	$ 151,383	$ -	100.00%
EXPENDITURES AND OTHER USES:				
Capital Outlay *	151,383	138,804	12,579	91.69%
Net increase (decrease) in fund balance	$ -	$ 12,579		

* Consists entirely of costs related to the Richmond Solar One facility

RENEWABLE ENERGY RESERVE FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through March 31, 2016

	Budget	Actual	Budget Remaining	Actual/ Budget
REVENUE AND OTHER SOURCES:				
Transfer from Operating Fund	$ 1,000,000	$ 1,000,000	$ -	100.00%
EXPENDITURES AND OTHER USES:	-	-	-	-
Net increase (decrease) in fund balance	$ 1,000,000	$ 1,000,000		

August 18, 2016

TO: MCE Board of Directors

FROM: Emily Fisher, Legal Counsel

RE: Resolution 2016-07 Approving Amendment 12 to the Marin Energy Authority Joint Powers Agreement, Clarifying Issue of "Continuing Liability" After Withdrawal from JPA (Agenda Item #09)

ATTACHMENTS: A. Resolution 2016-07 Approving Amendment 12 to the Marin Energy Authority Joint Powers Agreement
B. Proposed Amendment 12 to the Marin Energy Authority Joint Powers Agreement

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Dear Board Members:

MCE must continue to ensure that its governing documents articulate, as clearly as possible, the rights and obligations of its constituent members, while safeguarding the best interests of MCE and its customers. One issue in MCE's Joint Powers Authority (JPA) Agreement which needs some further clarification is how the Agreement addresses a party's voluntarily withdrawal from membership (whether for purposes of joining a different CCA, or for any other reason),[1] and what ongoing responsibilities the withdrawing party may have.

Provisions for Liability of Parties Withdrawing from the JPA

Article 7.1 of the JPA Agreement provides a right of voluntary withdrawal from MCE membership, subject to timing and notice requirements. However, a withdrawing party is subject to "certain continuing liabilities" set forth in Article 7.3, which describes the continuing liabilities as any "claims, demands, damages, or liabilities arising from the Party's membership" in MCE, through the date of withdrawal or involuntary termination, along with costs associated with the party's participation in any program according to the terms and conditions of the program. Additionally, the JPA Agreement provides that MCE may require the withdrawing party "to deposit sufficient funds…to cover any costs for which it is liable prior to the withdrawal."

This language was included in the JPA Agreement to ensure that a withdrawing party is held liable for MCE's costs of reselling energy previously purchased by MCE to supply customers in the party's jurisdiction, since these losses would be directly tied to the party's participation in MCE programs, and were incurred while the party was a member. However, Article 2.3 of the

[1] Questions concerning what, if any, CPUC requirements or other legal provisions may apply to a party's obtaining membership in a different CCA after withdrawal are outside the scope of this report.

Agreement states that the parties to the Agreement are not responsible for MCE's contractual debts and liabilities, unless they have assumed such responsibility. The apparent contradiction between 2.3 and 7.3 creates some uncertainty about the scope of a withdrawing party's liability, posing a risk of future disputes and potential litigation costs, along with risk that MCE would have to absorb other costs resulting from the party's voluntary decision to withdraw.

Amendment 12 Clarifies Withdrawing Party's Responsibilities and Resolves Inconsistency

To clarify this uncertainty and reduce the risks it poses, the proposed Amendment 12 modifies the language in Article 7.3 to state explicitly that a withdrawing party assumes responsibility and may be liable for costs arising from its participation as a member of MCE, as well as losses or damages resulting from its withdrawal, such as losses MCE may realize on resale of energy contracted for by MCE to supply customers within the party's jurisdiction. The Amendment resolves the potential inconsistency between Articles 2.3 and 7.3 by ensuring that a party withdrawing from the JPA has assumed responsibility for contractual liabilities, losses or other costs arising from the party's withdrawal.

Fiscal Impact: No immediate fiscal impact. Potential savings in the form of reduced costs, losses, legal fees, or other expenses.

Recommendation: Adopt Resolution 2016-07 Approving Amendment 12 to the Marin Energy Authority Joint Powers Agreement.

RESOLUTION NO. 2016-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY ADOPTING AMENDMENT 12 TO THE MARIN ENERGY AUTHORITY JOINT POWERS AGREEMENT

WHEREAS, Marin Clean Energy (MCE) is a joint powers authority established on December 19, 2008, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.); and

WHEREAS, MCE members include the following communities: the County of Marin, the County of Napa, the City of American Canyon, the City of Belvedere, the City of Benicia, the City of Calistoga, the Town of Corte Madera, the City of El Cerrito, the Town of Fairfax, the City of Lafayette, the City of Larkspur, the City of Mill Valley, the City of Napa, the City of Novato, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of Sausalito, the City of St. Helena, the Town of Tiburon, the City of Walnut Creek, and the Town of Yountville; and

WHEREAS, Article 7.3 of the Marin Energy Authority Joint Powers Agreement (“Agreement”) provides that members who withdraw from MCE in accordance with Article 7.1 of the Agreement may be subject to certain continuing liabilities arising from the party’s membership and participation in MCE before the date of the party’s withdrawal; and

WHEREAS, such continuing liabilities may (without limitation) include losses incurred by MCE in reselling electricity purchased to supply customers within the jurisdiction of the withdrawing party; and

WHEREAS, Article 7.3 of the Agreement, as currently worded, does not expressly address the issue of a withdrawing party’s liability for the losses particularly described above, nor does it clearly address issues of consistency with Article 2.3 concerning liability of individual Parties to the Agreement, resulting in uncertainty that could lead to future disputes about the rights and obligations of MCE and the Parties to the Agreement and pose a risk of significant economic or other harms to MCE; and

WHEREAS, an amendment to Article 7.3 of the Agreement is necessary to resolve potential uncertainty and/or inconsistency in the Agreement as to the issues described above, thereby minimizing risk to MCE of costly future disputes and ensuring a fair and reasonable allocation of liabilities.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of MCE that the MCE Board hereby approves Amendment No. 12 to the Marin Energy Authority Joint Powers Agreement, in order to effect the purposes herein described.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 18th day of August, 2016, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
City of American Canyon				
City of Belvedere				
City of Benicia				
City of Calistoga				
Town of Corte Madera				
City of El Cerrito				
Town of Fairfax				
City of Lafayette				
City of Larkspur				
County of Marin				
City of Mill Valley				
City of Napa				
County of Napa				
City of Novato				
City of Richmond				
Town of Ross				
Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of Sausalito				
City of St. Helena				
Town of Tiburon				
City of Walnut Creek				
Town of Yountville				

CHAIR, MCE BOARD

Attest:

SECRETARY, MCE BOARD

PROPOSED AMENDMENT NO. 12 TO MARIN ENERGY AUTHORITY JOINT POWERS AGREEMENT

1. Article 7.3 of the Marin Energy Authority Joint Powers Agreement ("Agreement") is hereby amended to read as follows:

> **7.3** **Continuing Liability; Refund**. Subject to Article 2.3 and in accordance with the assumption of responsibility provisions therein, upon a withdrawal or involuntary termination of a Party pursuant to Articles 7.1 or 7.2, the Party shall ~~remain~~ assume responsibility ~~responsible~~ for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the date of its withdrawal or involuntary termination. Notwithstanding Article 2.3, thereafter, the withdrawing or terminated Party shall assume responsibility for any damages, losses or costs incurred by the Authority resulting from the Party's withdrawal, including but not limited to losses from the resale of power contracted for by the Authority to serve the Party's load, it being agreed that ~~the Party shall not be responsible for any claims, demands, damages, or liabilities arising after the date of the Party's~~ such liabilities were incurred and arose from the Party's membership in the Authority prior to the date of withdrawal or involuntary termination. In addition, such Party also shall be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's liability for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party.

This Amendment No. 12 to the Marin Energy Authority Joint Powers Agreement was duly approved by the MCE Board of Directors in accordance with Article 8.4 of this Agreement on August 18, 2016.

August 18, 2016

TO:	MCE Board of Directors
FROM:	Sarah Estes-Smith, Director of Internal Operations
RE:	Transportation Fund for Clean Air Funding Agreement with The Bay Area Air Quality Management District (Agenda Item #10)
ATTACHMENT:	Transportation Fund for Clean Air Funding Agreement Between The Bay Area Air Quality Management District and MCE

Dear Board Members:

SUMMARY:
MCE has been selected by The Bay Area Air Quality Management District (BAAQMD) for a grant award totaling up to $60,000. Under the terms of the agreement MCE is committing to construct and install 5 dual level 2 electric vehicle ("EV") charging stations which can charge two vehicles at a time and a 80KW photovoltaic ("PV") solar array. Both the EV and PV equipment would be located in the parking lot of MCE's offices at 1125 Tamalpais Avenue. Funds are being awarded from the Transportation Fund for Clean Air under a proposed Funding Agreement with BAAQMD (attached).

The terms of the grant allow MCE to recover up to $30,000 of eligible project costs which include the cost and installation of the PV and EV equipment. Eligible costs are described below. An additional bonus of up to $30,000 is awarded based on the electricity production of the PV equipment. MCE is required to fund the costs of the EV and PV equipment. MCE's minimum financial commitment is 25% of total eligible project costs. Following execution of the Funding Agreement, MCE would have 6 months to begin work (i.e., file permit requests, evaluate and upgrade electrical infrastructure) and 12 months to complete the installation.

When the project is complete the charging stations would be made available to the public during business hours, and members of the public could be required to pay for usage, at MCE's discretion. It is also important to note that advertisements and public relations regarding this project would need to include mention of BAAQMD as a funding agency.

Eligible costs under the Funding Agreement include the following:

- Charging station hardware, including tax and shipping fees;
- Labor and material (i.e. trenching, wiring, and conduit);
- Necessary electrical upgrades to meet the demands of the charging stations (i.e. electrical panels and transformers);

- Permit fees;
- Hardware equipment separate from the charger used to record the kWh dispensed from the equipment to electric vehicles (i.e. separate meter, data logger);
- Power generation and/or battery storage hardware, including tax and shipping fees;
- Labor and materials directly related to the installation of power generation and/or battery storage equipment.

Either party may voluntarily terminate the agreement with 30 days written notice. In the event of voluntary termination BAAQMD may fund a portion of the project already completed as described in the agreement.

FISCAL IMPACT: Grant Revenues associated agreement earned in FY 2016/17 are included in the “Grant Revenue” line item in the proposed Budget Amendment that is being presented to your Board at its August meeting. Capital Expenses incurred in fiscal 2016/17 are included under Capital Expenses in the Proposed Budget Amendment. Early planning for the PV installation is underway. The timing and total costs of the project have not yet been determined.

RECOMMENDATION: Authorize execution of Funding Agreement with The Bay Area Air Quality Management District.

TRANSPORTATION FUND FOR CLEAN AIR FUNDING AGREEMENT

BETWEEN

THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT

AND

MARIN CLEAN ENERGY

PROJECT NUMBER: 16EV055

This funding agreement "Agreement" is made and entered into between Marin Clean Energy ("Project Sponsor") and the Bay Area Air Quality Management District (the "Air District" hereinafter referred to jointly as the "Parties").

SECTION I

RECITALS

1) California Health and Safety Code Sections 44223 and 44225 authorize the Air District to levy a fee on motor vehicles registered within its jurisdiction and to use those fees to implement mobile source and transportation projects that result in surplus emission reductions.

2) The Air District has established a grant fund, entitled the Transportation Fund for Clean Air ("TFCA") to implement such projects.

3) California Health and Safety Code Section 44241 lists the permissible types of projects, all of which must conform to the transportation control measures and mobile source measures that are included in the plan(s) adopted pursuant to California Health and Safety Code Sections 40233, 40717, and 40919 and are in effect as of the date of execution of this Agreement.

4) The Air District developed the *Clean Air Vehicle Program* to provide financial incentives to public and private entities to implement certain vehicle-based projects that reduce mobile source emissions. On May 6, 2015, the Air District Board of Directors authorized the allocation of $13.32 million of new and prior-year TFCA funding for the *Clean Air Vehicle Program.*

5) Under the *Clean Air Vehicle Program*, the Air District developed the *Charge!* Program ("Program"), which provides financial incentives to install charging stations in order to accelerate the deployment of plug-in electric vehicles (PEVs) in the Bay Area.

6) The Air District released the September 2015 Program "Grant Funding Application Guidance for PEV Charging Station Projects" for Cycle 2 ("Guidance"), which sets forth the Program requirements.

7) The Air District selected Project Number 16EV055 ("Project") as an eligible project to improve air quality in the San Francisco Bay Area Basin based on the Program's Guidance, eligibility criteria, and the information provided in the Project Sponsor's application.

8) The Project Sponsor affirms that the Project has not commenced, would not have otherwise commenced without Program funding, and will result in surplus emission reduction.

9) The Air District and Project Sponsor desire to enter into this Agreement to implement the Project in accordance with the terms and conditions of this Agreement, including all attachments thereto.

NOW, THEREFORE, the Parties hereby agree as follows:

SECTION II

PROJECT SPONSOR OBLIGATIONS

1) The Project Sponsor hereby agrees to implement the Project, which is described in the "Project Description" (Attachment B), in accordance with the cost, terms, and conditions prescribed in the "Project Specific Information" (Attachment A). Failure to implement the Project in accordance with the terms and conditions set forth in this Agreement and all attachments thereto shall be deemed a breach of this Agreement and may result in termination of the Agreement or a reduction of the award.

2) The Project Sponsor shall complete the Project within the Total Project Cost (as set forth in Section 3 of Attachment A) and in accordance with Sections 4 and 5 of Attachment A. The Project Sponsor shall be solely responsible for all costs that exceed either the Total TFCA Funds Awarded or the Maximum Award per Charger specified in Section 6 of Attachment A.

3) The Project Sponsor shall contribute or expend its Matching Funds prior to submission of the Final Invoice. The Project Sponsor is responsible for assuring that the use of the Matching Funds does not conflict with any federal, state, or local requirements for their use.

4) Reserved.

5) Reserved.

6) Reserved.

7) The Project Sponsor shall allow the Air District or its authorized representatives to conduct performance and fiscal audits of the Project at all times during the Term of this Agreement. The Project Sponsor shall cooperate with such audits and shall make available to the Air District all records relating to Project performance and expenses incurred in the implementation of the Project.

   The Project Sponsor shall allow the Air District or its authorized representatives to inspect the Project at all times during the Project Useful Life. The Project Sponsor shall cooperate with such inspections.

8) The Project Sponsor shall prepare and maintain all necessary Project Records to document Project activities and performance, including invoicing documentation set forth in Section 7 of Attachment A, documentation to support the Project reporting requirements set forth in Attachment C, and insurance documentation set forth in Attachment D (all of which comprise "Project Records"). Project Records shall also include documentation that verifies compliance with the requirements set forth in Section II.11 below. The Project Sponsor shall keep Project Records in one central location for a period of three (3) years after the later of a) the date of the Air District's final payment, or b) the end of the Project Useful Life. The Project Sponsor shall submit the following reports to the Air District by the due dates specified in Attachment C:

   a. Semi-annual Report(s),

   b. Interim Status Report, and

   c. Annual Reports.

   These reports are public documents.

9) The Project Sponsor shall implement and operate the Project for the duration of the Project Useful Life. The Project Sponsor may not make any changes to the operational status of the Project without the prior approval of the Air District. Failure to obtain prior approval is a breach of this Agreement.

For purposes of this Agreement, a "change to the operational status" occurs whenever any portion of the Project is removed from active service, relocated to a different location, rendered inoperable, sold, or transferred to another entity, before full completion of the Project Useful Life.

If the Project Sponsor intends to make a change to the Project, the Project Sponsor may seek to modify this Agreement in advance, pursuant to Section IV.3.

10) Reserved.

11) The Project Sponsor shall acknowledge the Air District as a Project funding source at all times during the Project Useful Life. The Project Sponsor shall use, and require any third party that implements the Project to use, the Air District's approved logo for the Project. The required documentation and materials are specified in Attachment C.

12) The Project Sponsor shall obtain and maintain throughout the Project Useful Life the insurance coverage specified in Attachment D, "Insurance Requirements," and shall comply with all insurance requirements set forth therein, including the provision of documentation of said insurance coverage. Project Sponsor shall retain copies of insurance as part of the Project Records. Failure to obtain and maintain the insurance coverage and to comply with all insurance requirements is a breach of this Agreement.

13) To the extent not otherwise prohibited by law, and to the extent required by the California Public Records Act (Government Code section 6250 et seq.), the Project Sponsor shall place in the public domain any software, written document, or other product developed with TFCA funds as part of the Project and shall require recipients of Project funds, if any, to do the same.

14) The Project Sponsor shall use TFCA Funds Awarded only for the implementation of a project that the Air District determines will result in surplus motor vehicle emission reductions within the Air District's jurisdiction. Surplus emission reductions are those that exceed the requirements of applicable regulations or other legal obligations (including contracts) as of the Effective Date of this Agreement.

15) The Project Sponsor shall comply with all Program requirements set forth in the Air District's Guidance, which are incorporated herein and made a part hereof by this reference as if fully set forth herein.

SECTION III

AIR DISTRICT OBLIGATIONS

1) The Air District will provide TFCA funds for this Project in an amount not to exceed the TFCA Funds Awarded, in accordance with the formula set forth in Attachment A. Thus, if the approved total Eligible Costs of the Project are less than the Total Project Cost, the Air District shall reduce the amount of TFCA Funds Awarded.

2) The Air District will endeavor to pay the undisputed amount of an approved invoice within thirty (30) calendar days of the date of Air District's receipt of such invoice and in accordance with the Invoice and Payment Schedule set forth in Section 7 of Attachment A.

3) The Air District will provide timely notice to the Project Sponsor prior to conducting any audits of the Project. Also, the Air District makes reasonable efforts to conduct inspections during normal business hours of the Project Sponsor.

4) The Air District will provide the Project Sponsor a copy of the fiscal and performance audits of the Project.

5) The Air District will provide the Project Sponsor all applicable Air District-approved reporting and invoice forms.

6) The Air District will make its logo available to Project Sponsor solely for use to fulfill the Project Sponsor's obligation under Section II.11 of this Agreement.

SECTION IV

GENERAL PROVISIONS

1) Effective Date: The effective date of this Agreement is the date the Air District Executive Officer/Air Pollution Control Officer executes this Agreement (the "Effective Date").

2) Term: The term of this Agreement shall commence on the Effective Date of this Agreement and end on three (3) years from the last day of the Project Useful Life, unless this Agreement is terminated or amended as provided below, or the Term is extended.

3) Amendment: This Agreement may not be modified except in writing, signed by both Parties hereto, and any attempt at oral modification of this Agreement shall be void and of no effect. Any change in Project scope shall constitute an Amendment under this Agreement.

4) Project Liaison: Within thirty (30) calendar days from the Effective Date of this Agreement, the Project Sponsor shall notify the Air District of the Project Sponsor's Project Liaison and of the Liaison's address, telephone number, and email address. The Project Liaison shall be the liaison to the Air District pertaining to implementation of this Agreement and shall be the day-to-day contact about the Project. All correspondence shall be addressed to the Project Liaison. The Project Liaison shall notify the Air District of a change of Project Liaison or of the Liaison's contact information in writing no later than thirty (30) calendar days from the date of the change.

5) Notices: Any notice that may be required under this Agreement shall be in writing, shall be effective when received, and shall be given by personal service, by U.S. Postal Service first class mail, or by certified mail (return receipt requested). Within thirty (30) calendar days of the Effective Date of this Agreement, the Parties shall inform the other Party of the addressee for notice. Each Party shall promptly inform the other of any changes for notice. All correspondence shall reference the Project Number.

6) Project Due Dates: If any Project act or task must be performed by a particular deadline or date, which day falls on a Saturday or holiday (which includes Sunday), that act or task may be performed by the next business day, except where otherwise noted in Special Conditions, Attachment A.

7) Termination:

A. Voluntary. Either Party may terminate this Agreement by giving written notice to the other Party. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of receipt of such notice. Notice shall be delivered as provided for in Section IV.5 above. If the Project Sponsor terminates this Agreement, the Project Sponsor shall not be entitled to the full amount of the TFCA Funds Awarded. The Project Sponsor may retain or receive payment for that portion of the TFCA Funds to which they are entitled as well as all amounts due to Project Sponsor that Air

District has not yet paid, including but not limited to, those Eligible Costs on the Project incurred by Project Sponsor.

The amount of TFCA funds that Project Sponsor is eligible for under this Section IV.7 shall be determined as follows:

i. First, the Project Sponsor shall submit a report that identifies each Project Charger's number of kilowatt hour (kWh) dispensed (Actual kWh Dispensed) and the number of cumulative days in operation (Actual Operating Days) from when the Chargers were placed into service until the effective date of termination.

ii. Second, the Air District shall calculate the percentage of the award amount that Project Sponsor is eligible for, which will be the lesser of:

   a. The percentage of the Operational Period that the project has completed, which shall be determined by dividing the sum of the Actual Operating Days of all Chargers by the sum of the Operational Period for all Chargers; and

   b. The percentage of the Usage Requirement that the project has completed, which shall be determined by dividing the sum of the Actual kWh Dispensed of all Chargers by the Usage Requirement.

iii. Third, the Air District shall multiply TFCA Funds Awarded by the percentage calculated above in subsection 7.A.ii to determine the amount that the Project Sponsor is eligible for.

If the Air District has paid the Project Sponsor more than the amount of funds to which the Project Sponsor is eligible, the Project Sponsor shall return the difference between the funds paid and the funds eligible to the Air District within thirty (30) calendar days of the effective date of termination.

If the Air District terminates this Agreement pursuant to this provision, any costs incurred on the Project following the effective date of termination shall be ineligible for reimbursement of TFCA funds, except costs for any work that the Air District has specified in the notice of termination that the Project Sponsor may continue to perform for the specified period of time. The Air District will reimburse Project Sponsor for all of the Eligible Costs based on the formula set forth in Attachment A on the Project expended prior to the effective date of the termination.

B. Breach. The Air District may terminate this Agreement for breach of any term of this Agreement. The Air District will deliver a written notice of breach that specifies the date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of such notice. The notice will specify the nature of the breach and will direct the Project Sponsor to cease all work immediately upon receipt of the notice, except as specifically provided for in the notice. In the alternative, or as provision of the notice of termination, the Air District may allow the Project Sponsor to cure the breach; in that instance, the notice shall specify the date by which such breach must be cured (the "Cure Period"). The notice of termination will specify the amount of the TFCA Funds Awarded that the Air District has paid and the amount owed, if any, by the Project Sponsor to the Air District. The Project Sponsor shall reimburse any funds owed to the Air District prior to the effective date of termination.

The Air District will calculate the amount of funds owed based on the remaining contract term and usage requirement that Project Sponsor has not completed prior to the breach, based on the methodology described in subsection 7.A.

C. Reserved.

8) Additional Provisions and Additional Acts and Documents: Each Party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents that are reasonably required to carry out the provisions, intent and purpose of this Agreement. All attachments to this Agreement are expressly incorporated herein by this reference and made a part hereof as though fully set forth.

9) Indemnification: The Project Sponsor shall indemnify and hold the Air District, its officers, employees, agents, and successors-in-interest harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the Project Sponsor, its officers, agents, or employees. The Project Sponsor shall require any third party who owns, operates, controls, or implements any portion of the Project to indemnify and hold the Air District, its officers, employees, agents, and successors-in-interest harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the third party, its officers, agents, or employees.

10) Independent Contractor: Neither the Project Sponsor nor its officers, employees, agents, or representatives shall be considered employees or agents of the Air District. This Section does not apply to elected officials serving concurrently on the governing boards of both the Project Sponsor and the Air District.

11) Assignment: Neither Party shall assign, sell, license, or otherwise transfer any rights or obligations under this Agreement to a third party without the prior written consent of the other Party. All of the terms, provisions and conditions of this Agreement will be binding upon and inure to the benefit of the Parties and their respective successors, assigns and legal representatives.

12) Waiver: No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the Party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a Party to enforce performance by the other Party of any term, covenant, or condition of this Agreement, and the failure of a Party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that Party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

13) Severability: If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

14) Force Majeure: Neither the Air District nor the Project Sponsor shall be liable for, or deemed to be in default for, any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action,

civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the Project, or other causes, except financial, that are beyond the reasonable control of the Air District or the Project Sponsor, for a period of time equal to the period of such force majeure event, provided that the Party failing to perform notifies the other Party within fifteen (15) calendar days of discovery of the force majeure event, and provided further that that Party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to a Party's own action or inaction, then such cause shall not excuse that Party from performance under this Agreement.

15) Governing Law: Any dispute that arises under or relates to this Agreement shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Agreement, including mediation, shall be San Francisco, California.

16) Public Entities - Conflict of Interest: The Project Sponsor warrants and represents that its public officials, including its officers and employees in their official capacity, presently have no interest and agrees that its public officials, including its officers and employees in their official capacity, will not acquire any interest which would represent a conflict of interest under California Government Code sections 1090 et seq. and 87100 et seq. during the performance of this Agreement.

17) Integration: This Agreement, including all attachments hereto, represents the final, complete, and exclusive statement of the agreement between the Air District and the Project Sponsor related to the Parties' rights and obligations and subject matter described in this Agreement, and supersedes all prior and other contemporaneous understandings and agreements of the parties. No Party has been induced to enter into this Agreement by, nor is any Party relying upon, any representation or warranty outside those expressly set forth herein.

18) Survival of Terms: Any terms of this Agreement that by their nature extend beyond the term (or termination) of this Agreement shall remain in effect until fulfilled, and shall apply to both Parties' respective successors and assigns. Such terms include the requirements set forth in Section IV.9.

19) Each of the undersigned expressly affirms that he or she is authorized to execute this Agreement on behalf of the Party whom he or she represents.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized officers.

SIGNATURES:

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

by: ______________________________
Jack P. Broadbent
Executive Officer/APCO

Date: ____________________________

Approved as to legal form

by: ______________________________
Brian C. Bunger
District Counsel

MARIN CLEAN ENERGY

by: ______________________________
Dawn Weisz
CEO

Date: ____________________________

Approved as to legal form (optional)

by: ______________________________

Legal Counsel

ATTACHMENT A
PROJECT SPECIFIC INFORMATION

(Note: The section numbers shown in parentheses below refer to sections in the Funding Agreement.)

1. **Project Sponsor:** Marin Clean Energy
2. **Project Number (Section IV.5):** 16EV055
3. **Total Project Cost (Section II.2):** $117,114. The Total Project Cost is the sum of the Eligible Costs listed below that the Project Sponsor incurred after the execution of the funding agreement and prior to the date when all stations are installed and placed into service.

   For purposes of determining the Project Costs incurred, the date for equipment costs incurred shall be the date the Project Sponsor submits a signed Purchase Order or other document that commits the order and the date for direct labor costs incurred shall be the date such services were rendered.

   Eligible Costs include:

   A. Charging station hardware, including tax and shipping fees;

   B. Labor and materials (e.g., trenching, wiring, and conduit) at the approved location;

   C. Necessary electrical upgrades to meet the demands of the charging stations (i.e., electrical panels, and transformers);

   D. Permit fees;

   E. Hardware equipment separate from the charger used to record the kWh dispensed from the equipment to PEVs (e.g., separate meter, data logger); and

   F. Additionally, for projects that propose to offset grid demand: i) Power generation and/or battery storage hardware, including tax and shipping fees; ii) Labor and materials directly related to the installation of power generation and/or battery storage equipment.

4. **Matching Funds (Section II.3):** $57,114.

   Matching Funds must be at least 25% of the Total Project Cost. Only funds used for Eligible Costs can be applied as matching funds.

5. **TFCA Funds Awarded (Sections II.3, II.14, III.1, IV.7):** The maximum TFCA Funds awarded for the Project shall not exceed $60,000.

   The Air District will determine the final TFCA Funds Awarded based on Section 6 below. If the project does not fulfill the usage or operational requirements or if the approved total Eligible Costs of the Project are less than the Total Project Cost, the Air District shall proportionally reduce the amount of TFCA Funds Awarded.

6. **TFCA Line Item Project Budget (Sections II.2):** TFCA Funds may only be used to pay for Eligible Costs. The table below shows how funds are allocated to the chargers in the Project. The solar or wind bonus for each charger is based on $0.50/kWh generated and in no case shall the bonus exceed the Maximum Award per Unit. Solar or wind generation systems that are connected to more than one Project charging station will have the kWh generated from that system equally distributed among those charging stations.

Facility ID:	Equipment to be Installed	# of Units	Solar/Wind Bonus per Unit	Eligible Cost per Unit	Maximum Award per Unit (excludes Solar/Wind Bonus)
16EV055_F01	Chargepoint CT4021 or CT4021-GW1 (dual-port level 2)	5	Yes	$23,422.74	25.6161% of Eligible Cost not to exceed $6,000 per unit.

7. **Invoice and Payment Schedule (Sections III.2):** The Project Sponsor will submit one invoice (Final Invoice) for payment after all charging station(s) identified in Attachment B, Project Description, has been constructed and placed into service.

   The Invoice shall be prepared on the Air District's General Invoice Form, and shall include:

   A. The Project Number

   B. An itemized list of all expenses incurred by the Project Sponsor, specifying which are Eligible Costs.

   C. The total funds being requested.

   D. Supporting documentation of Project Sponsor's payments made for goods and services incurred, such as copies of receipts for services paid; invoices from vendors, consultants, or contractors, with an explanation of the goods or services provided for the Project; and time sheets documenting hourly labor costs incurred.

   The Air District shall retain fifteen percent (15%) of the final TFCA Funds Awarded until the final Annual Report is approved by the Air District.

8. **Special Conditions**:

   A. Project Sponsor shall maintain the charging stations properly and guarantee that the stations are accessible and serviceable for 90 percent of the days during each calendar year.

   B. Project Sponsors may require payment to access or use the charging station. If payment is required to access or use the charging station, subscription fees or memberships are allowed; however, stations at Transportation Corridors, Workplaces, and Destinations must also be capable of accepting payment from non-members (e.g., credit cards, or other forms of on-demand payment).

   C. Charging stations at Workplaces shall be accessible for use by the public, at a minimum, during regular business hours.

   D. Project Sponsor shall install, maintain, and operate the funded equipment in accordance with all applicable state, federal and local laws and regulations including compliance with all applicable requirements of the Americans with Disabilities Act (ADA) throughout the Project Life.

   E. Project Sponsor shall allow the Air District or its authorized representatives collect and share usage information about the project.

   F. For compelling reasons, Project Sponsor may seek to amend this Agreement to extend any of the Project Milestone Completion Dates, set forth in the Project Schedule (Attachment B). In no event shall the last day to fulfill Usage Requirements be extended past four years from the date all Project charging stations have been installed and placed into service.

G. Project Sponsor shall have the ability to collect fees from station users/customers (e.g., pay-for-use, pay at parking garage.)

H. The dates all stations installed and placed into service and the last day to fulfill Usage Requirements shall be the dates specified in Attachment B, regardless of whether that date falls on a Saturday or holiday.

I. Project Sponsor shall notify the US Department of Energy-Alternative Fuel Data Center of the address where the charging stations are installed within 60 days from the date the charging stations are placed into service.

J. For Projects that receive funding from another source (e.g., California Energy Commission, NRG), Project Sponsor is required to provide documentation along with invoice that adequately demonstrates the charging station(s) installed as part of this Project will result in surplus emission reductions that are beyond what is required by regulations, settlement, local ordinances, and other legally binding obligations.

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ATTACHMENT B
PROJECT DESCRIPTION

1. **Project Title:** Install 5 dual-port level 2 charging stations (with solar) in San Rafael

2. **Project Description:** Project Sponsor shall install and operate five dual-port level 2 charging stations (with solar) at a workplace facility.

Facility ID:	Address	Facility Type
16EV055_F01	1125 Tamalpais Ave., San Rafael, CA 94901	Workplace

Details on the equipment and facility are listed in the table below.

Facility ID:	Equipment to be Installed	# of Units	Usage Requirement per Unit
16EV055_F01	Chargepoint CT4021 or CT4021-GW1 (minimum of 2 independent 40A branch circuits to support a minimum 7.2 kW x 2 electrical output)	5	Dispense 18,000 kWh
	80 kW Photovoltaic (PV) Solar Array	1	Generate 60,000 kWh

3. **Operational Period:** Each charger listed above shall be operated for a minimum of three (3) years beginning on the date that the charger is placed into service.

4. **Usage Requirement:** The charger(s) listed above shall dispense an aggregate total of 90,000 kWh and the solar array shall generate a minimum of 60,000 kWh of electricity during the Operational Period.

5. **Project Useful Life:** The Project Useful Life commences on the day that the first charger is placed into service and end on the date that both the Operational Period and the Usage Requirement for all chargers have been fulfilled.

6. **Project Schedule**:

Milestone	**Date**
Project Start	Effective Date of Agreement
All stations installed and placed into service	Within 12 months from Effective Date of Agreement
Final Invoice & Interim Status Report, per Attachment C	Within 60 calendar days from the date all Project charging stations have been installed and placed into service
Annual Report	Every March 1, after the Interim Status Report has been submitted for a period of at least 3 years

Last day to fulfill Usage Requirement	Three years from the date all Project charging stations have been installed and placed into service

7. **Project Goal:** The goal of this Project is to reduce on-road vehicle emissions by expanding the availability of plug-in electric vehicle charging infrastructure.

ATTACHMENT C
MONITORING OF PROJECT PERFORMANCE

1. **Semi-annual Reports (Section II.8):** The Project Sponsor shall submit Semi-annual Reports to the Air District summarizing Project progress. Semi-annual Reports shall be prepared on the Air District's Semi-annual Report form.

   Due Dates: Beginning 60 calendar days after the commencement of the Term of this Agreement, every April 15, and October 15, following the Effective Date until the Interim Status Report has been submitted.

2. **Interim Status Report (Section II.8):** Once the chargers are installed and place into service, the Project Sponsor shall prepare and submit an Interim Status Report in order to notify the Air District that all of the Project Charging Stations have been installed and comply with the Program Requirements. The Interim Status Report shall be prepared on the Air District-approved Interim Status Report form.

   Due Date: Within 60 calendar days from the date the last Project charging station has been installed and placed into service.

   The Interim Status Report shall include the following information:

   A. A table that shows the following information for each charger that was funded through this Project: address; date construction was completed; date charger was placed into service; dates and time charger was open for use by employees, residents, or the public; and the pricing structure ($ per kWh, flat fee per use, etc.).

   B. A discussion of any pertinent issues or problems that arose.

   C. Documentation that the Project Sponsor has acknowledged the Air District as a Project funding source, such as photographs of the charging station(s) with Air District logos attached; documentation of use of the Air District's logo on promotional materials, brochures, handbooks, and maps that promote or inform the public about the Project services; and copies of press releases and newsletter articles related to the Project (Section II.11).

3. **Annual Reports (Sections II.8):** Annual Reports shall be prepared on the Air District's Annual Report form.

   Due Dates: Every March 1, after the Interim Status Report has been submitted, until the end of Project Useful Life.

   Each Annual Report shall cover a 12 month period (from January 1 to December 31) and include the following information for each charger:

   A. For each month, the amount of electricity in kWh dispensed (*if project has a solar or wind component, Project Sponsor must provide information on the amount of electricity generated*.)

   B. A discussion of any pertinent issues or problems that arose during the charging station(s)'s operation (e.g., repairs, downtime).

   C. A discussion of any work that has been performed to the Station(s) (e.g., maintenance, repair), as well as any expansion or upgrade plans.

   D. The actual number of days that each charger was operating.

   E. The pricing structure (per kWh, flat fee per use) on a charger basis.

F. For projects with a solar or wind component, the amount of electricity generated from the solar or wind component in kWh.

The final Annual Report shall include the same information listed above and must be received by the Air District within 60 calendar days from the date that the Project has completed its Project Useful Life.

ATTACHMENT D
INSURANCE REQUIREMENTS

Verification of Coverage

Project Sponsor shall provide the Air District certificates and/or other evidence of the insurance coverage required below. The Air District reserves the right to require Project Sponsor to provide complete, certified copies of any insurance offered in compliance with these specifications. Certificates, policies and other evidence provided shall specify that the Air District shall receive 30 calendar days advanced notice of cancellation from the insurers.

The Project Sponsor may submit evidence that listed insurance is not required for the Project.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Air District may, at its sole discretion, waive or alter this requirement or accept self-insurance in lieu of any required policy of insurance.

Minimum Scope of Insurance

Throughout the Project Useful Life, Project Sponsor shall obtain and maintain in full force and effect the insurance as set forth below. Project Sponsor must initial next to each checked insurance requirement to confirm understanding and Agreement with the applicable Project insurance requirements:

Required if marked

1. **Liability Insurance**

[X] ____ Initial — Corporations/Private and Public Entities - a limit of not less than $1,000,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, engines or equipment operated by the Project Sponsor.

[ ] ____ Initial — Single Vehicle Owners - a limit of not less than $750,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, engines or equipment operated by the Project Sponsor.

2. **Property Insurance**

[X] ____ Initial — Repower and New Vehicle/Equipment Purchase - in an amount of not less than the insurable value of Project Sponsor's vehicles, engines or equipment funded under the Agreement of which this Attachment is a part, and covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

[ ] ____ Initial — Property Insurance for Retrofit Projects – for all 2003 model year or newer vehicles in an amount of not less than the insurable value of Project Sponsor's vehicles, covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

3. **Workers Compensation Insurance**.

[X] ____ Initial — Workers Compensation Insurance - as required by California law and employers liability insurance with a limit not less than $1 million.

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August 18, 2016

TO: MCE Board of Directors

FROM: Beckie Menten, Director of Customer Programs
David McNeil, Finance and Project Manager

RE: FY 2016/17 Budget Amendment (Agenda Item #11)

ATTACHMENT: A. Proposed FY 2016/17 Energy Efficiency Program Fund Budget
B. CPUC Advice Letter MCE 16-E
C. Proposed FY 2016/17 Operating Fund Budget

Dear Board:

SUMMARY:

PROPOSED ENERGY EFFICIENCY PROGRAM FUND BUDGET AMENDMENT

Energy efficiency has always been an integral component of the MCE vision. In July of 2012, MCE submitted an application for funding under the 2013 -2014 Energy Efficiency Funding Cycle (A. 12-11-007). The application was based on the initial Energy Efficiency Plan, and included the following proposed sub-programs:

1. Multifamily
2. Single family utility demand reduction pilot program
3. Small commercial
4. Four financing pilot programs: On Bill Repayment for single family,[1] multifamily, small commercial and a standard offer pilot.

This application was approved on the 9th of November, 2012, allocating over $4 million to MCE for the implementation of energy efficiency programs. In November of 2014, the California Public Utilities Commission voted to extend the funding at annual levels through 2025, or until the CPUC moves otherwise.

In May, 2016 the CPUC granted MCE's Petition for Modification of its annual Energy Efficiency Programs and Budgets in order to account for MCE's inclusion of new

[1] The on-bill repayment pilot for single family customers was subsequently closed in fall of 2015 after the financial institution withdrew. Funds have since been re-directed to the multifamily energy efficiency program.

communities[2]. The additional funds allocated to MCE were $366,090 bringing total expect FY 2016/17 funding allocated by the CPUC to $1,586,357.

In July of 2016, MCE filed an Advice Letter with the CPUC demonstrating the intended use of the additional funds (Attachment B). MCE is proposing to use the additional funding to support existing rebate programs (Table 1.) The program funds will support additional technical assistance to property owners throughout MCE's service territory, including free energy assessments for multifamily and small commercial properties and financial incentives for energy improvement projects. This funding increase will also support a direct install program, providing no cost energy saving measures to rental units. This program will initially target the new east bay communities of San Pablo, El Cerrito, and Benicia.

Table 1. Revised Program Budgets Incorporating Additional CPUC Funding.

Program and Budget Category		Prior Budget	%	Additional Funding	New 2016 Budget
Multifamily Program		**$484,515**		**$183,040**	**$667,555**
	Admin	$30,408	0%	-	$30,408
	Direct Implementation	$284,837	60%	$107,699	$392,536
	Incentive	$159,520	40%	$75,341	$234,861
	Marketing & Outreach	$9,750	0%	-	$9,750
Small Commercial Program		**$475,671**		**$183,040**	**$658,711**
	Admin	$31,538	7%	$12,136	$43,674
	Direct Implementation	$210,692	44%	$79,179	$289,871
	Incentive	$204,441	43%	$80,566	$285,007
	Marketing & Outreach	$29,000	6%	$11,159	$40,159

PROPOSED OPERATING FUND BUDGET AMENDMENT

An amendment to the Operating Fund is recommended to accommodate the receipt of grant revenues which MCE may receive during the normal course of business. Staff currently expect to receive up to $67,500 in grant revenues relating to the construction of an electric vehicle charging stations and a photovoltaic system. Staff recommend an increase to capital expenditures of $100,000 to accommodate fund expenses associated with the above noted electric vehicle charging stations and a photovoltaic system.

Recommendations:

1. Approve the proposed FY 2016/17 Energy Efficiency Program Fund Budget
2. Approve the proposed FY 2016/17 Operating Fund Budget

MARIN CLEAN ENERGY
ENERGY EFFICIENCY PROGRAM FUND
Proposed Budget
Fiscal Year 2016/17

	Current FY 2016/17 Budget	Proposed FY 2016/17 Budget	Increase (Decrease)
REVENUE AND OTHER SOURCES:			
Public purpose energy efficiency program	$ 1,220,267	$1,586,357	$ 366,090
EXPENDITURES AND OTHER USES:			
CURRENT EXPENDITURES			
Public purpose energy efficiency program	1,220,267	$1,586,357	366,090
Net increase (decrease) in fund balance	$ -	-	-

July 19, 2016

CA Public Utilities Commission
Energy Division
Attention: Energy Efficiency Branch
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Advice Letter 16-E

Re: Planned Program Activities, Expenditures, and Cost-Effectiveness Analysis for Increased Energy Efficiency Budget

In compliance with the California Public Utilities Commission's ("Commission") Decision ("D.") 16-05-004, Ordering Paragraph ("OP") 5, issued on May 20, 2016, Marin Clean Energy ("MCE") submits this filing to detail planned program activities, expenditures, and cost-effectiveness analysis associated with its increased budget authorized in D.16-05-004.

Effective Date: August 18, 2016

Tier Designation: Tier 1

Pursuant to General Order 96-B, Energy Industry Rule 5.1 and D.16-05-004[1] this advice letter is submitted with a Tier 1 designation.

Purpose

The purpose of this filing is to comply with D.16-05-004 and provide details about the planned program activities, expenditures, and cost-effectiveness analysis associated with the budget increase granted in that decision.

Background

MCE filed a Petition for Modification of D.14-10-046 ("PFM") on January 25, 2016. The PFM requested a 30% increase in MCE's energy efficiency ("EE") budget to account for a growing service area. In 2015, Unincorporated Napa County and the cities of San Pablo, Benicia, and El Cerrito joined MCE's service area which represents a 30% increase in customer accounts. The Commission granted MCE's PFM in part with a slight modification in D.16-05-004. The Commission authorized a 30% budget increase for both gas and electric funds[2] and ordered MCE

[1] D.16-05-004, OP 5 at p. 13.
[2] D.16-05-004, OP 2 at p. 13.

to file a Tier 1 advice letter detailing the planned program activities, expenditures, and cost-effectiveness analysis associated with its increased budget.[3]

Since filing the PFM, MCE welcomed additional communities that will enroll in MCE service in 2016. These communities include the cities of Calistoga, St. Helena, Napa, American Canyon, Yountville, Lafayette, and Walnut Creek and represent an approximately 40% increase in customer accounts relative to 2015. While the additional budget under the PFM is not sufficient to meet the needs of these new communities, MCE will devote a portion of the additional funds to activities in these communities as discussed below.

Planned Program Activities and Expenditures

As a result of D.16-05-004, MCE received an additional $300,380 in electric funding and $65,700 in gas funding for a total increase of $366,080.[4] The funds will be used primarily in MCE's new communities, including those that will enroll in MCE service in 2016. The funds will be divided evenly between MCE's Small Commercial Program and MCE's Multifamily Program to support the activities discussed below. Table 1 provides a detailed budget, by budget category, for each of the programs receiving additional funding under the PFM.

Table 1: Program Budget Impact

Program and Budget Category		2016 Budget Approved in AL 15-E	%	Additional Budget from PFM Dollars	New 2016 Budget
Multifamily Program		**$484,515**		**$183,040**	**$667,555**
	Admin	$30,408	0%	-	$30,408
	Direct Implementation	$284,837	60%	$107,699	$392,536
	Incentive	$159,520	40%	$75,341	$234,861
	Marketing & Outreach	$9,750	0%	-	$9,750
Small Commercial Program		**$475,671**		**$183,040**	**$658,711**
	Admin	$31,538	7%	$12,136	$43,674
	Direct Implementation	$210,692	44%	$79,179	$289,871
	Incentive	$204,441	43%	$80,566	$285,007
	Marketing & Outreach	$29,000	6%	$11,159	$40,159

Table 2 provides MCE's updated portfolio budget by program to demonstrate the allocation of additional funding authorized by the PFM.

[3] D.16-05-004, OP 5 at p. 13.
[4] D.16-05-004 at p. 7.

Table 2: Portfolio Budget Impact

Program	2016 Budget Approved in AL 15-E	Additional Budget from PFM	New 2016 Budget
Multifamily	$484,515	$183,040	$667,555
Small Commercial	$475,671	$183,040	$658,711
Single Family	$233,050		$233,050
Financing	$27,031		$27,031
Total	**$1,220,267**	**$366,080**	**$1,586,347**

Multifamily Program

MCE's Multifamily Program will receive the remaining $183,040 of the additional funds. The majority of the funds will be used to support three new program strategies with the remainder going to support incentives for new and existing communities. These strategies were developed based on findings MCE made about the multifamily sector including: (1) multifamily EE projects take 1-3 years to complete; (2) there are no multifamily properties in Unincorporated Napa County; and (3) Benicia tends to have smaller multifamily buildings (*i.e.* 2-8 units). MCE's strategies focus on providing technical assistance to properties in new communities (to develop a project pipeline) and allocating additional incentives for projects throughout the service territory.

The three strategies supported with the additional funds are designed to (1) develop a pipeline of projects in MCE's new communities, (2) target smaller properties and projects that are not a good fit for other programs, and (3) offer a stand-alone direct install service as a means of generating referrals for the more comprehensive program offerings.

MCE will conduct general outreach and provide technical assistance to develop the multifamily project pipeline. MCE has also identified a class of properties that are not well served by other multifamily programs due to lack of eligibility (*e.g.* smaller projects that do not meet minimum savings requirements of other programs). MCE will target outreach and technical assistance to these properties to fill gaps in existing programs.

As part of the general outreach strategy, MCE will partner with Rising Sun to expand the scope of their Green House Call program. This offering is a standalone service to generate interest and awareness of MCE's comprehensive multifamily program while also providing energy and financial savings to support the community. The Green House calls will be focused initially on San Pablo and El Cerrito. This strategy includes providing training for youths that conduct assessments and perform direct installations of energy and water-saving measures at no cost to residents.

Any additional funds will be directed to incentives for projects throughout MCE's service territory. The incentives for EE measures in new and existing communities will help MCE continue to achieve savings concurrently with building a project pipeline.

The strategies of developing a pipeline and targeting underserved properties will focus on the cities of San Pablo, El Cerrito, Benicia, Calistoga, St. Helena, Napa, American Canyon, Yountville, Walnut Creek, and Lafayette. MCE will coordinate with its implementer and the Bay Area Regional Energy Network ("BayREN") to conduct outreach and provide technical assistance.

Table 3 below provides the specific budget allocations and the anticipated program impacts for each Multifamily Program strategy.

Table 3: Multifamily Program Activities and Expenditures

<table>
<tr><th>Strategy</th><th>Budget</th><th>Program Impacts</th></tr>
<tr><td>Green House Calls</td><td>$85,000</td><td>- 200 units served
- 500 units contacted
- 30,000 kWh
- 3,000 therms
- 8 youths trained
- 27 hours paid training per youth
- 96 hours paid for Green House Calls</td></tr>
<tr><td>Identify Properties Not Eligible for Other Multifamily Programs</td><td rowspan="2">$22,699</td><td>5 properties receive technical assistance</td></tr>
<tr><td>Conduct Outreach to Build Multifamily Project Pipeline and Relationships</td><td>10-20 presentations, meeting, calls to homeowners associations, property managers, developers, and local government staff with collateral</td></tr>
<tr><td>Incentives to New and Existing Communities</td><td>$75,341</td><td>2-4 projects</td></tr>
<tr><td>Total</td><td>$183,040</td><td>-</td></tr>
</table>

Small Commercial Program

MCE's Small Commercial Program will receive $183,040 of the additional funds. These funds will be used on three program strategies. First, MCE will expand the budget and scope for MCE's current Small Commercial Program to broaden and deepen its reach in the cities of San Pablo, Benicia and El Cerrito. Second, MCE will leverage normalized metered energy savings to evaluate opportunities for streamlining the current small commercial program measurement and verification ("M&V") protocols. This effort will focus initially in MCE's new communities and may provide useful information to the Commission in implementing AB 802 (2015). Third, MCE will deepen its focus on HVAC to address the challenge of motivating small and medium-sized business ("SMB") customers to pursue comprehensive projects. MCE will offer incentives for retrofit controls and the replacement of inefficient HVAC units with high-efficiency upgrades, while leveraging operations and maintenance ("O&M") service contractors as the lead source. Table 4 below provides the specific budget allocations and the anticipated program impacts for each small commercial program strategy.

Table 4: Small Commercial Program Activities and Expenditures

Strategy	Budget	Program Impacts
Continue Commercial Efforts in New Communities	$98,040	350,000 kWh
Leverage Normalized Metered Savings	$25,000	M&V protocol in support of AB802
Target Comprehensive SMB projects	$60,000	Program Development[5]
Total	**$183,040**	**-**

Cost-Effectiveness Showing

As directed in D.16-05-004,[6] MCE conducted a cost-effectiveness analysis which included updating the Energy and Environmental Economics Inc. ("E3") calculators for the two programs which will receive funding under the PFM: (1) the Multifamily Program and (2) the Small Commercial Program. The analysis is based on the entire budget for each program, including the additional funds authorized in the PFM. The results of the analysis reflect that the Multifamily Program will achieve additional savings from direct install activity. However, much of the funding is associated with technical assistance and pipeline development which is anticipated to yield savings in 2017. The results for the Small Commercial Program reflect that additional savings are anticipated in 2016 due to similar project types in existing and new MCE communities, while some program expenditures will likely yield savings in 2017 (*e.g.* efforts to capture more comprehensive small commercial projects.) The results of the E3 analysis are provided below in Table 5.

Table 5: Cost-Effectiveness Results for 2016

Program	Total Resource Cost Ratio ("TRC")	Program Administrator Cost Ratio ("PAC")
Multifamily Program	0.81	0.91
Small Commercial Program	1.14	1.46

Appendices

The E3 calculators developed to provide the results in Table 5 are included as appendices to this advice letter:

Appendix A - MCE-PFM-E3Adjustment-Commercial-ValuesOnly-2016_0713
Appendix B - MCE-PFM-E3Adjustment-Multifamily-ValuesOnly-2016_0713

[5] MCE anticipates spending this initial budget on program development, including pipeline development, and expects to see program impacts in early 2017.
[6] D.16-05-004, OP 5 at p. 13-14.

Due to the size of these appendices, they have been made available at: https://www.mcecleanenergy.org/regulatorydocuments under the section for Advice Letter 16-E. This information is also provided in a separate Notice of Availability.

Notice

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Michael Callahan-Dudley
Regulatory Counsel
MARIN CLEAN ENERGY
1125 Tamalpais Avenue
San Rafael, CA 94901
Phone: (415) 464-6045
Facsimile: (415) 459-8095
E-mail: mcallahan-dudley@mceCleanEnergy.org

and

Beckie Menten
Director of Customer Programs
MARIN CLEAN ENERGY
1125 Tamalpais Avenue
San Rafael, CA 94901
Phone: (415) 464-6034
Facsimile: (415) 459-8095
E-mail: bmenten@mceCleanEnergy.org

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

MCE is serving copies of this advice filing to the relevant parties shown on the R.13-11-005 service list. For changes to this service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Correspondence

For questions, please contact Michael Callahan-Dudley at (415) 464-6045 or by electronic mail at mcallahan-dudley@mceCleanEnergy.org.

/s/ Michael Callahan-Dudley

Michael Callahan-Dudley
Regulatory Counsel
MARIN CLEAN ENERGY

cc: Service List R.13-11-005

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

MUST BE COMPLETED BY LSE (Attach additional pages as needed)

Marin Clean Energy

Utility type:	
☑ ELC ☐ GAS	Michael Callahan-Dudley
☐ PLC ☐ HEAT ☐ WATER	Phone #: 415-464-6045
	E-mail: mcallahan-dudley@mceCleanEnergy.org

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL): 16-E

Subject of AL: Planned Program Activity, Expenditures, and Cost-Effectiveness Analysis for Increased Energy Efficiency Budget

Tier Designation: ☑ 1 ☐ 2 ☐ 3

Keywords (choose from CPUC listing):

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other ______________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.16-05-004

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL ____________________________

Summarize differences between the AL and the prior withdrawn or rejected AL[1]: ____________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: August 18, 2016 No. of tariff sheets:

Estimated system annual revenue effect: (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed[1]:

Pending advice letters that revise the same tariff sheets:

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division	Utility Info (including e-mail)
Attention: Tariff Unit	**Marin Clean Energy**
505 Van Ness Ave.,	**Michael Callahan-Dudley, Regulatory Counsel**
San Francisco, CA 94102	**(415) 464-6045**
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[1] Discuss in AL if more space is needed.

MARIN CLEAN ENERGY
OPERATING FUND
Proposed Budget
Fiscal Year 2016/17

	2016/17 Amended Budget	Proposed Amendment	Proposed Amended 2016/17 Budget
ENERGY REVENUE			
Revenue - Electricity (net of allowance)	$ 181,351,000	-	$ 181,351,000
Other Revenue			
TOTAL ENERGY REVENUE	**181,351,000**	**-**	**181,351,000**
ENERGY EXPENSES			
Cost of energy	159,033,000	-	159,033,000
Service fees - PG&E	1,255,000	-	1,255,000
TOTAL ENERGY EXPENSES	**160,288,000**	**-**	**160,288,000**
NET ENERGY REVENUE	**21,063,000**	**-**	**21,063,000**
OPERATING EXPENSES			
Personnel	5,376,000	-	5,376,000
Data manager	3,674,000	-	3,674,000
Technical and Scheduling Services	762,000	-	762,000
Legal counsel	817,000	-	817,000
Communications consultants & related	951,000	-	951,000
Other services	469,000	-	469,000
General and administration	418,000	-	418,000
Occupancy	338,000	-	338,000
Integrated demand side pilot programs	50,000	-	50,000
Marin County green business program	10,000	-	10,000
Low income solar programs	35,000	-	35,000
TOTAL OPERATING EXPENSES	**12,900,000**	**-**	**12,900,000**
OPERATING INCOME	**8,163,000**	**-**	**8,163,000**
NONOPERATING REVENUES (EXPENSES)			
Grant income	-	75,000	75,000
Interest income	50,000	-	50,000
Interest expense and financing costs	(345,500)	-	(345,500)
Depreciation (supplemental)	(100,000)	-	(100,000)
TOTAL NONOPERATING REVENUES (EXPENSES)	(395,500)	-	(320,500)
CHANGE IN NET POSITION	**7,767,500**	**-**	**7,842,500**
Net position beginning of period	30,325,397	-	30,325,397
Change in net position	7,767,500	-	7,842,500
Net position end of period	38,092,897	-	38,167,897
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER			
Capital Outlay	(283,000)	(100,000)	(383,000)
Depreciation (supplemental)	100,000	-	100,000
Repayment of Loan Principal	-	-	-
Transfer to Renewable Energy Reserve	-	-	-
Transfer to Local Renewable Energy Development Fund	(173,263)	-	(173,263)
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	(356,263)	(100,000)	(456,263)
Net increase (decrease) in Operating Fund balance	$ 7,411,237	$ (100,000)	$ 7,386,237