



**Marin Clean Energy
Board of Directors Meeting
Thursday, March 17, 2016
6:00 P.M.**

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

Agenda Page 1 of 2

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

Kevin Haroff
City of Larkspur

Sashi McEntee
City of Mill Valley

Brad Wagenknecht
County of Napa

Denise Athas
City of Novato

Carla Small
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

1125 Tamalpais Avenue
San Rafael, CA 94901

1 (888) 632-3674
mceCleanEnergy.org

6:00-6:15 PM Networking and Lite Refreshments
6:15-6:45 PM Dedication of the Barbara George Learning Center
6:45-6:55 PM Overview of Displays and Recognition of Partners

7:00 PM – Board of Directors Meeting

1. Board Announcements (Discussion)
2. Public Open Time (Discussion)
3. Report from Chief Executive Officer (Discussion)
4. Consent Calendar (Discussion/Action)
 - C.1 2.18.16 Meeting Minutes
 - C.2 Approved Contracts Update
 - C.3 Monthly Budget Report
 - C.4 MCE Legal Team Staff Position
 - C.5 Agreement to Evaluate Environment, Economic & Avoided Costs & Benefits of Developing CCA in California
 - C.6 1st Addendum to 6th Agreement with Richards, Watson & Gershon
 - C.7 7th Agreement with Richards, Watson & Gershon
 - C.8 5th Agreement with Jay Marshall
 - C.9 8th Agreement with Maher Associates
 - C.10 4th Agreement with Braun, Blaising, McLaughlin & Smith
 - C.11 2nd Agreement with Davis Wright Tremaine LLP
 - C.12 6th Agreement with Niemela Pappas & Associates



Agenda material can be inspected at 1125 Tamalpais Avenue, San Rafael, CA 94901 on the Mission Avenue side of the building. The meeting facilities are in accessible locations. If you are a person with a disability and require this document in an alternate format (example: Braille, Large Print, Audiotape, CD-ROM), you may request it by using the contact information below. If you require accommodation (example: ASL Interpreter, reader, note taker) to participate in any MCE program, service or activity, you may request an accommodation by calling (415) 464-6032 (voice) or 711 for the California Relay Service or by e-mail at djackson@mceCleanEnergy.org not less than four work days in advance of the event.



**Marin Clean Energy
Board of Directors Meeting
Thursday, March 17, 2016
6:00 P.M.**

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

Agenda Page 2 of 2

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

Kevin Haroff
City of Larkspur

Sashi McEntee
City of Mill Valley

Brad Wagenknecht
County of Napa

Denise Athas
City of Novato

Carla Small
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

- C.13 4th Agreement with Troutman Sanders
- C.14 1st Amendment to the River City Bank Non-Revolving Credit Agreement

- 5. MCE Budget for FY 2016/17 (Discussion/Action)
- 6. MCE Greenhouse Gas Emissions Factor for 2014 (Discussion/Action)
- 7. MCE Rates for FY 2016/17 (Discussion)
- 8. Inclusion of New Communities in MCE (Discussion)
- 9. Amended and Restated Power Purchase Agreement with Stion MCE Solar One, LLC (Discussion/Action)
- 10. Energy Efficiency Update (Discussion)
- 11. Board Member & Staff Matters (Discussion)
- 12. Adjourn

1125 Tamalpais Avenue
San Rafael, CA 94901

1 (888) 632-3674
mceCleanEnergy.org



Agenda material can be inspected at 1125 Tamalpais Avenue, San Rafael, CA 94901 on the Mission Avenue side of the building. The meeting facilities are in accessible locations. If you are a person with a disability and require this document in an alternate format (example: Braille, Large Print, Audiotape, CD-ROM), you may request it by using the contact information below. If you require accommodation (example: ASL Interpreter, reader, note taker) to participate in any MCE program, service or activity, you may request an accommodation by calling (415) 464-6032 (voice) or 711 for the California Relay Service or by e-mail at djackson@mceCleanEnergy.org not less than four work days in advance of the event.

MARIN CLEAN ENERGY

BOARD MEETING MINUTES
Thursday, February 18, 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 7:01 p.m. An established quorum was met.

Present: Denise Athas, City of Novato
Sloan Bailey, Town of Corte Madera
Tom Butt, City of Richmond
Barbara Coler, Town of Fairfax
Kevin Haroff, City of Larkspur
Rich Kinney (Alternate to Genoveva Calloway) City of San Pablo
Bob McCaskill, City of Belvedere
Sashi McEntee, City of Mill Valley
Andrew McCullough, City of San Rafael
Emmett O'Donnell, Town of Tiburon
Kate Sears, County of Marin
Carla Small, Town of Ross
Brad Wagenknecht, County of Napa
Ray Withy, City of Sausalito

Absent: Ford Greene, Town of San Anselmo
Greg Lyman, City of El Cerrito
Alan Schwartzman, City of Benicia

Staff: Greg Brehm, Director of Power Resources
John Dalessi, Operations & Development
Sarah Estes-Smith, Director of Internal Operations
Kirby Dusel, Resource Planning & Renewable Energy Programs
Anne Hendry, Administrative Assistant
Darlene Jackson, Board Clerk
Elizabeth Kelly, General Counsel
David McNeil, Finance and Project Manager
Dawn Weisz, Chief Executive Officer

1. Swearing in of New Board Member Sashi McEntee

CEO Weisz conducted the Oath of Office with new Board Member Sashi McEntee from the City of Mill Valley. A round of applause followed and Directors welcomed Director McEntee.

2. Board Announcements (Discussion)

Director Coler stated she recently learned of a SMUD energy efficiency program whereby energy efficiency measures are installed in disadvantaged communities. She suggested MCE look into a similar program for communities in its service territory.

Ms. Weisz thanked Director Coler and confirmed MCE is using SMUD program examples in its territory as well as other areas. MCE has a focus on low income energy efficiency programs through the multi-family program and also under a separate application in the low income proceeding at the CPUC.

Director Butt announced that he and Ms. Weisz were part of a presentation in Portland, Oregon at the New Partners for Smart Growth Conference, which was about MCE Solar One. They discussed the project which was very well received. Ms. Weisz commented that especially highlighted in the presentation was talk of the work of the City of Richmond and its Richmond Build program.

3. Public Open Time (Discussion):

Jim Bitter, Mill Valley, spoke of his attendance at the Town of Corte Madera Council meeting wherein their draft Climate Action Plan was discussed. He referred to the lack of understanding about energy efficiency and lack of transparency that results from using the word “Marin” only, when MCE’s territory extends to counties other than Marin. He suggested every City Council be educated on the many facets of MCE’s portfolio and how it affects residents and businesses. He also suggested cities hold workshops where Councilmembers can then explain to their constituents what community choice aggregation is and the various programs under MCE.

4. Report from Chief Executive Officer (Discussion)

Dawn Weisz, Executive Officer gave the following report:

- Staff is able to provide a limited number of copies of the PowerPoint presentations upon request. All other material is available on the MCE website.
- She reported that the cities of Lafayette, Oakley and Walnut Creek in Contra Costa County have completed the first readings of their ordinances to join MCE. A scheduled first reading of an ordinance in the Town of Moraga will occur on February 24th. The Town of Yountville will be the 5th Napa County community and they have scheduled their first reading of their ordinance for March 1st

Chair Sears referred to the article in the Marin IJ which made it sound like as soon as a city adopted an ordinance they were part of MCE. She asked Ms. Weisz to comment on the process.

Ms. Weisz explained that the first reading of an ordinance is the first step by a city or county and a second reading also needs to occur. At the conclusion of the March 31st deadline, MCE will need to conduct an economic analysis to determine if those cities requesting membership would be a net benefit to MCE budget-wise and rate-wise. Staff will request data from PG&E, conduct an analysis and staff will first present this information to the Board at the committee level and, thereafter, to the full Board as early as April. The Board will then be determining whether to move forward in accepting these cities requesting membership based on the results of the analysis.

- Ms. Weisz further reported that MCE has held two energy efficiency workshops since the last Board meeting, on January 28th and February 4th.

- Workshops were held on MCE's energy efficiency application to the CPUC, and were well-attended with participants from ABAG, the Office of Ratepayers Advocates, PG&E representatives and PCUC representatives, as well as representatives from the local government partnerships that run energy efficiency programs under PG&E in many of MCE's member counties.
- A pre-hearing conference was held on February 1st at the CPUC to discuss MCE's \$80 million energy efficiency proposal which was submitted late last year. Good progress was made at this hearing. Staff expects to see more developments in the coming months and will present an energy efficiency update at the next Board meeting.
- Staff has submitted an application to ABAG and the Transportation Authority of Marin (TAM) to fund the installation of 5 EV chargers at the MCE parking lot. Their application to TAM has already been approved and MCE will be receiving \$12,000 towards the installation in their parking lot. MCE's request of \$60,000 from ABAG should be responded to within the next two months.
- Regarding upcoming events, the March 7th Technical Committee's agenda will include a presentation from the Marin Carbon Project. MCE is doing some cross-pollinating between counties and cities that are part of their service area. At the Board's Retreat, some interesting activity was discussed relating to water conservation in Benicia. Exciting programmatic projects are occurring in many service areas. She encouraged attendance, as people will be very interested in the Marin Carbon Project which is a strategy for carbon mitigation.
- At the March 17th Board meeting, a soft launch will take place for the Energy Efficiency Demonstration Room. MCE will be dedicating the room to Barbara George, a long-time energy efficiency advocate in the community. Cynthia Mitchell from TURN, (The Utility Reform Network) will provide some background on Ms. George and Lew Tremaine, an MCE founding Board Member from Fairfax will be attending.

Director Haroff asked Ms. Weisz to briefly comment on Mr. Bitter's comments regarding the organization's name and branding used over the years to reflect how MCE's scope is growing and how its naming has changed to reflect that.

Ms. Weisz explained that prior to the enrollment of customers in Richmond, MCE staff spent some time looking at its name and whether they wanted to make a complete change to the name. Staff had already used a marketing firm prior to Richmond's enrollment to provide consulting services. One of the items that came from the analysis was the recommended shift to using MCE as the brand when marketing in new communities. However, it was determined at that time that MCE was not at a point where they wanted to undergo a complete name change, given they were a relatively new brand in the Marin region and changing the name at that point would have some challenges. However, as was noted by Director Athas, the word "Marin" was not used for any marketing in non-Marine Counties, and "My Community, My Clean Energy" was used instead as the tag line for "MCE".

Ms. Weisz said there may come a time in the future where this can be revisited in light of the recent growth in other communities and, ideally, it would be great to find a replacement word that began with an "M". The word "Municipal" has been discussed and all ideas are welcome. She noted the other area this subject becomes important is during discussions at the CPUC and in Sacramento. The name makes it appear they are only representing a small subset of California so there could be some advantages and more transparencies in making the change.

5. Consent Calendar (Discussion/Action):

- C.1 1.21.16 Meeting Minutes
- C.2 Approved Contracts Update
- C.3 Monthly Budget Report
- C.4 Second Agreement with River City Bank for On Bill Repayment Services

ACTION: It was M/S/C (Athas/McCaskill) to approve Consent Calendar Items C.1 through C.4. Motion carried by unanimous roll call vote: (Abstain on Item C.1: Withy; Absent: Greene, Lyman & Schwartzman).

6. Proposed Budgets for FY 2016/17 (Discussion/Action)

Finance and Project Manager David McNeil displayed a PowerPoint presentation and stated the budget was approved by the Executive Committee at its last meeting and available for public comment prior to it returning to the Board at its March 17th Board meeting.

Mr. McNeil highlighted changes to the format of the FY 2016/17. The changes include; comparing the proposed budget to estimated full year revenues and expenditures for the current fiscal year, reporting energy revenues, energy expenses and net energy revenues, reporting expenses separately from non-expense expenditures, reporting the expect change in net position that would result from approval of the proposed budgets.

A total of four budgets are presented in the packet: Operating Budget, Energy Efficiency Budget and two budgets relating to renewable energy projects. Included are details and explanations for changes in the 2016 compared to projections for 2017.

Regarding energy revenues, MCE is projecting \$144 million which is down from \$147 million in 2016. In 2016, MCE had higher revenues than expected which occurred for various reasons which will most likely not be repeated. The cost of energy in 2016 was lower because of renewable projects coming on board more slowly than expected as well as higher demand for electricity due to weather conditions.

Director Athas asked why MCE does not expect unexpected revenues to be repeated in 2017.

John Dalessi explained that revenues coming in during the summer season were a little above projection which they believe was weather-driven. Therefore, staff was conservative in their original projection going into next year and assumes MCE will not see this again next year.

Director Small said she understands the issue with weather, but with hot summers, revenues could rise on a sustained basis. She also could understand the situation where MCE has increased its numbers of participants but did not understand lowered revenues because of weather patterns.

Mr. Dalessi explained that the fundamental issue is that they have a forecast and actual sales will vary. Last year MCE had a positive variance and revenues came in higher than projected. Next year, revenues could come in lower than projected and MCE is trying to be conservative with its estimates. He explained that there is a natural variability in sales and that additional kilowatt hour sales are not necessarily something that will persist. If they see additional revenues coming in next year, staff would adjust the forecast at that point, but it is a matter of judgement and being conservative.

Director Small asked how this affects what MCE procures in power, given that MCE purchases power far in the future. Mr. Dalessi said if sales come in higher than projected the net effect to the bottom line would be positive because revenues exceed cost of power. From a budgeting perspective it is important to be somewhat on the low side in regard to the kilowatt hour sales forecast because if sales come out better it will be beneficial to the net surplus generated. He also explained there is also always variation in sales and MCE does its best to project one year ahead as well as prepare an integrated resource plan with a 10-year sales projection.

When they procure power they try to buy close to what they expect will be needed for the coming year but recognize that there will be some variation and those differences settle through the market. If they need more power they would buy more power in the spot market and if they have excess and sales are lower than projected, that excess resource would be sold in the spot market. As a percentage of the overall power supply costs this is possibly 2% in terms of variance, and the vast majority of those costs budgeted are known. Sales variation is unpredictable and natural variation will occur as a result of weather and customer participation.

Director Small asked if historically costs are more or less than the average of the other costs of power when purchasing in the spot market. Mr. Dalessi said costs are typically less.

Chair Sears said she thinks it is prudent to take a conservative approach. She asked about the timeframes for purchase.

Mr. Dalessi said their customer base is changing which complicates the forecasting exercise. They have historical data for Marin consumers going back to 2010. The customers in Napa County and Contra Costa County use energy differently than MCE's historical customer base. Therefore, they put emphasis on the last 12 months and also look at the prior years and, again there will be natural variation.

Chair Sears concluded that this was more of an organic process. MCE has more of a sense of the patterns for those customers who have been an MCE member for a longer period of time. Mr. Dalessi concurred.

Ms. Weisz said if MCE ends up buying more power than they need, the outcome is not as beneficial as they may have to sell it at a loss. Buying exactly what is needed results in better outcomes, thereby the need for a conservative approach.

Mr. McNeil then asked if there were questions regarding operating expenses.

Director McEntee stated she knows there are greater legal expenses because MCE is conducting more regulatory advocacy which benefits many CCAs. She asked Mr. McNeil to comment about the potential for another organization performing that advocacy in the future which could offset those costs.

Ms. Weisz replied that MCE has been carrying the efforts that have helped other CCAs. This has some automatic benefits to them because the more CCAs that exists the louder voice they have generally. In addition, there has recently been discussion about CCAs forming an alliance or coalition which will enable cost sharing, using that structure to apply to other things CCAs are doing jointly and result in more efficiencies. Staff will be providing more information in the coming months.

General Counsel Elizabeth Kelly recognized the increase in the legal budget line item and noted that the main cost drivers include: 1) moving lobbying services from Other Services to the Legal Counsel line item 2) increased numbers of power purchase agreements requiring legal review and 3) an influx of Public Records Act Requests. MCE has not had to face those types of litigation costs in the past and this allows for headroom to spend legal budgets appropriately in case of litigation.

Director Coler said she heard San Diego will launch their CCA which will involve San Diego Electric's territory and suggested MCE look to them as a potential advocate.

Director Withy asked if the Net Position was primarily liquid. Mr. McNeil said liquidity is a function of how quickly items are cash or turned into cash and MCE's liquidity is good. The amount of cash on the balance sheet is about \$10 million; however, accounts receivable convert to cash quickly and he thinks the right number to look at is the working capital.

Mr. McNeil then presented the \$1.2 million Energy Efficiency Program Fund which is money MCE receives from the CPUC and expenditures that MCE spends which equal each other. He then discussed the Local Renewable Energy Development Fund and said revenues are transferred from the Operating Fund via a formula and the capital outlay associated with results from the Solar One project in Richmond. He then presented the Renewable Energy Reserve Fund and said staff is proposing not to make any changes to expenditures from this fund; however, this may change over time.

Director O'Donnell complimented Staff on the overall presentation and bullet points which provide good information. He asked if staff will return with a budget amendment if new communities come on in the next fiscal year or changes are proposed.

Mr. McNeil said yes and he noted that staff will come to the Board during the year with contracts and new positions and all of this will be included in the budget. If not included or revised, staff will return with a budget amendment.

Chair Sears stated the Executive Committee discussed the budget and she complimented the work of Staff stating that the way it is organized makes it easily understandable.

Ms. Weisz clarified that no action is required tonight of the Board. The recommendation is being carried over to the following month, as typically Staff introduces the budget in February and it is approved in March.

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

7. Proposed Rates for 2016/17 (Discussion/Action)

John Dalessi, Operations & Development, gave a PowerPoint presentation and report, stating that January and February are a busy time in MCE's rate setting process. Staff starts preparing the preliminary budget for the coming fiscal year and preliminary rates associated with that budget.

He said at last month's Board meeting he briefed the Board on PG&E's rate changes and how MCE's rates stack up to them, including changes to the PCIA. This informs their proposed draft rates they bring forth in February and it kicks off a public review period and rates are then adopted at the March meeting to go into effect in April.

Mr. Dalessi said in terms of rate-setting policies that have been adopted by MCE, they strive to propose rates that cover the budget, ensure rates are competitive with PG&E's rates, take into consideration rate stability to minimize changes year to year, understanding customers and ensuring equity among customers, and encourage time of use rates and other rate options.

The rate setting process starts with a forecast where overall energy use and needs are projected and they use this forecast to project how much revenue is collected at the current rates as well as how much revenue the new rate would generate. Once the revenue requirement is adopted, there is a process of rate design where the revenue requirement is allocated to different customer groups and charges applicable to those groups are designed to recover those allocated charges. He said MCE categorizes customers into uses and he presented and described the various rate groups.

Mr. Dalessi then presented a summary of MCE's projected revenues based on just over 170,000 customers served in each category which does not take into account expansion at this time. MCE projects collection of a little just over \$145 million in the fiscal year. He displayed a graphic example of revenues and said almost 45% comes from the residential sector, industrial and commercial at 15% each, industrial at 8% and the remaining agricultural, street lighting and traffic control.

In the coming fiscal year, some adjustments need to be made and these are associated with revenue deficiencies related to the net metering program and also uncollectable accounts where rates need to be set a bit higher than their expected costs because there is less revenue from some customers due to non-payment. The revenue requirement for FY 2017 is exactly equal to what they project the present rates would recover, meaning there is no need to change rates which is good news.

Director Bailey asked how different are rates generally on a per kilowatt basis between a large commercial versus residential usage. Mr. Dalessi said the structure is very different. For residential, the generation rate they charge is a single cent per kilowatt hour regardless of usage and season. For industrial Comp 20 rate, it is a seasonal rate with higher rates during summer months May-October. It is a time of use rate for energy consumed during peak, mid-peak and off peak hours of the day and includes a demand charge.

Depending upon how industrial customers use energy rates may be lower than an average residential customer, but much of it depends on the time of use rate and the fact that industrial customers use more energy during off-peak than during peak periods.

Director Withy said in this budget approximately \$6 million will go into the operating fund balance. This current year it was \$12 million. Therefore, in a 2 year period MCE has added \$18 million to the reserve. He asked to what extent there is a policy of determining what the accumulated reserve should be so instead of being the end result of what is left over it is prescriptively based on what MCE needs. Chair Sears pointed out this is Item 9 on the agenda.

Mr. Dalessi said it is not so much a residual but staff builds that in intentionally. Generally, they target a 3% contribution toward the reserve and, while this has not been a firm policy, this year they are seeing a larger reserve contribution.

Director Haroff commented that when Mr. Dalessi indicates that rates will not increase this does not take into account what is happening with the PCIA and he suggested this as relevant. Mr. Dalessi noted

this increase imposed by PG&E has already occurred January 1, 2016 and will not be increased again this year. There is no additional increase moving forward unless PG&E raises rates.

Director McEntee said she appreciates the desire to not raise rates but MCE has had increases to expenses that were presented. She asked why not propose a modest increase in rates to reflect these moving forward. Mr. Dalessi replied that MCE is slightly above PG&E's rates and that was not the case up until January 1st. As a result of the increase in surcharges PG&E applies to customers, MCE is, on average, 4% higher in cost to customers which plays into their recommendation. When discussing this with the Ad-Hoc Rates Committee and Executive Committee the overall consensus was to remain competitive and not increase rates.

Director McEntee asked if rates have been kept flat. Mr. Dalessi said this is the first year that rates are not proposed to be increased.

Director Butt referred to the rate table schedule and asked how customers fall into any particular schedule. Mr. Dalessi said they are assigned by PG&E. Their eligibility for MCE rates are tied to PG&E's rates. If it is an E1 PG&E rate schedule, it is a Res1 customer for MCE.

Director Butt asked how the time-of-use rate schedules are assigned and referred to Res-TOU-A and Res-TOU-B. Mr. Dalessi said he would be discussing this next.

Director O'Donnell pointed out that there is another positive story that MCE is also increasing its portfolio of renewable energy and keeping rates flat, which is an important story that MCE should advertise to its customer base.

Mr. Dalessi then discussed the residential time of use rates, stating there has been a movement afoot to reform the residential time of use rate options available. Starting March 1st PG&E will be eliminating 3 rate schedules of E7, E8 and E9. He said E7 and E9 are time of use and E8 is a seasonal rate, but those schedules will be eliminated and customers will be transferred to one of two new time-of-use rate schedules. The new time of use schedules are ETOU-A and ETOU-B, with the default being the ETOU-A option.

Regarding their differences, the higher rate season or summer season is shortened to 4 months from 6 months or June through September and the highest priced or peak period is an hour shorter and also shifted to later in the day. Under Option A, the peak is 3PM to 8PM and Option B's is 4PM to 9PM. The reason is due to grid changes. All solar that is being put on roofs is producing a lot of power during peak sunlight hours. The true peak on the system is shifted and no longer is the noon to 6PM but to the time when some of that solar starts to come off and especially when the residential load is starting to come on when people come home from work. This ensures retail rates are aligned with wholesale system conditions so customers use energy efficiently, and the primary motivation is to revamp these time of use periods to more closely align with the conditions on the grid overall.

Mr. Dalessi said because MCE mirrors PG&E and their rate structures and PG&E's bills relating to service and delivery surcharges, it is important that MCE be consistent in a time of use schedule, as PG&E provides MCE with usage data in order for MCE to calculate bills for customers. When customers are transferred to a rate with a different time of use period, MCE must have a consistent schedule and the proposal here is to adopt comparable rate schedules of Res-TOU-A and Res-TOU-B. Rates are designed so there would be parity for customer of what MCE and PG&E offers.

In terms of how customers will be impacted, MCE has about 2,430 customers that are served on the Res-7 rate that would be transferred to the new Res-TOU-A rate. About 748 of those customers are net energy metering (NEM) customers or solar customers so it is not the majority, but what MCE expects is that the non-solar customers would see lower cost than they would with the old rate because of shortened peak periods. The NEM customers will see lower compensation for their solar generation given times of peak periods. He added that the majority of their solar customers are served under other rate schedules and they will not be impacted at all, but the 748 NEM customers currently on Res-7 will see lower compensation for their solar. In terms of impact to MCE, staff expects to see a less than 1% impact on revenue.

Director McEntee said she understands wanting to map MCE's time of use to PG&E's, but since MCE has a greater renewable mix she asked if their peaks are different than what PG&E's are. She also asked if it would benefit MCE to have different peak periods. Mr. Dalessi said for the most part MCE is operating in the same market. When looking at what it costs to serve a customer he did not think there was much cost optimization for residential, but for commercial there can be through demand response programs where they can encourage through technology controls to encourage customers to reduce usage at certain peak times or increase storage purposes. He thinks these types of programs can be better fine-tuned than the rate structure.

Director Small asked if any MCE customer opt into time of use and she asked if there is a period of time one would opt in. Mr. Dalessi said yes; for a standard residential customer, they can opt into a time of use rate and MCE would automatically serve the customer on an equivalent time of use rate MCE offers.

Director Small asked and confirmed that if a customer wanted to go to a time of use schedule, they would contact PG&E. This would automatically trigger a change in MCE's schedule.

Director Butt said the other part of this is that his solar installer contacted him recently and told him the rates are changing. PG&E will put a customer into a certain default unless the customer contacts them and tells them something else. He recommended doing this because it is a better deal than where customers will be put automatically. He wondered if this is information MCE should let its customers know, assuming it is good advice. Mr. Dalessi said he thinks a NEM customer would be better served to move to E6 which has been the default time of use schedule. However, this E6 will be closed to new customers in March so the window is very short.

Director Athas asked if somebody wanted to change to the Res-TOU-A or B, before they go through the trouble of contacting PG&E and changing their schedule she asked if there is something that would indicate the benefit of doing this. Mr. Dalessi said he knows PG&E has that capability where a customer can log into their account, review rate options, and based on metering history can check on this. The new rates are not in there yet. MCE has rate calculator tools but he was not as familiar with them, but said PG&E rates are very similar to MCE's.

Ms. Weisz added that once MCE rates are approved they will be plugged into their calculator and customers can compare that way. Customers should think about when they tend to be home and using energy the most which can have a lot to do with what works better.

Director Kinney noted that the time of use A and B schedules show they are only one hour difference from each other. Mr. Dalessi confirmed that there is a more significant difference but it is all on PG&E's side of the bill. The A option includes a baseline credit and the B option does not. The baseline credit is

on the delivery side so for MCE this is irrelevant and the hour difference is subtle. He thinks this change in the time period is more associated with generation services and customers want to know when the most efficient time to use energy which is done through pricing differences. The shift is really to indicate that under current grid conditions, they prefer a customer not use as much power during the 3PM to 8PM window. The old window used to be noon to 6PM because of resources on the grid.

ACTION: It was M/S/C (Bailey/Wagenknecht) to approve the ResTOU-A and ResTOU-B rates to be effective March 1, 2016. Motion carried by unanimous roll call vote: (Absent: Greene, Lyman & Schwartzman).

8. Electric Schedule Local Sol – 100% Local Solar Electricity Supply (Discussion/Action)

Kirby Dusel, Resource Planning & Renewable Energy Programs, said the Electric Schedule Local Sol is a new service option available to customers that is primarily focused on the availability of 100% locally generated photovoltaic solar electricity which dates back to the first Board Retreat where this concept was discussed about the program that existed within the Sacramento Municipal Utility District service territory called Solar Shares and its success. The program is designed to remove barriers for solar customers that were not well-equipped to put photovoltaic panels on their homes or businesses.

In April 2014, the Board discussed this subject and the Board approved the principles for such a program. Since that time a lot of work has been done, focusing on the identification of an MCE Feed-in-Tariff project that could support the Local Sol program. A suitable project has been identified at the Cooley Quarry Plant in Novato, which is a 1 megawatt project and will be the initial host site for Local Sol.

To implement the project the Board needs to adopt terms and conditions in the form of a tariff and in the packet is a draft of electric schedule Local Sol that outlines the terms and conditions of the program.

As background, Mr. Dusel said the purpose of the program is to provide MCE customers with an opportunity to purchase on a voluntary basis locally generated photovoltaic solar electricity from the Cooley Quarry facility located in Novato. The idea is to remove barriers to the extent customers have overly shaded rooftops and roof orientations that are not optimal in terms of solar installations; other interested customers may not own the structures in which they reside or operate business, and Local Sol presents an opportunity for such customers to support a locally situated solar project without having to install it at their home or business. The energy product will be a bundled product and the customer is buying a portion of both electricity and the environmental attributes produced by the project.

Participation is limited, as MCE has over 172,000 customers, and a 1 MW project will only support a small subset of such customers. Local Sol will not be desirable for everyone because it comes at a significant cost premium directly tied to MCE’s Feed-in-Tariff program – the price paid by MCE for Feed-in-Tariff production at the host site is directly passed through to customers along with a modest adder to support program administration. The Board is likely aware that Feed-in-Tariff rates reflect local development costs, which are generally higher than they are elsewhere in the state as well as other financial incentives to attract developers. For customers that choose to participate, PG&E’s delivery services and charges will continue to apply.

Mr. Dusel said staff has researched this particular program, discussed it with SMUD, MCE’s Technical Committee, and read applicable tariff examples. Within SMUD’s service territory, a similar program was

very well received. The Technical Committee discussed this and weighed possible benefits, as well as the Board in April 2014 where program elements and general terms were approved, and as a result, have gone through the process of adapting MCE's feed & tariff to accommodate more capacity.

Mr. Dusel showed a comparison of MCE's Local Sol program as contemplated, the Deep Green program and PG&E's Solar Choice program which is their green tariff people have heard about. They have recently made this available and they also offer a Regional Solar Choice program. He displayed a comparison chart and pointed out that when looking at the different options available, PG&E's Solar Choice is the more general program of their two solar options but will be comparable to MCE's Local Sol program, the Solar Choice program is located anywhere in PG&E's Northern California service territory and not within the County of the participating customer. Regional Solar Choice, PG&E's alternative green pricing option, provides customers with an opportunity to purchase solar electricity generally located in the same county, and it is likely more costly (but pricing will ultimately be based on direct contractual arrangements between customers and "local" project developers). The product and certification is generally equivalent and, while staff has not determined whether or not they are going to pursue renewable certification of the Local Sol program, it is a program very well-suited for that certification, should be easily achieved and the Board may want to consider this in the future.

Also noteworthy, in terms of differentiating the various product options available to MCE customers and PG&E customers, Local Sol is a new project built this year and expected to come on line in April or May of 2016. With P&GE's Solar Choice program for the time being they are relying on existing projects to support program participation. With regard to the PG&E option, this will change over time as new projects come online. Also, the Local Sol project has exclusive production of solar electricity whereas with MCE Deep Green they are talking about a combination of resources and they expect it will include both wind and solar and over time an even broader use of resources.

In terms of customer bill impacts, they are not insignificant. This is truly a premium green product with a price that reflects that. He presented a fully loaded price which reflects the cost of MCE's Feed & Tariff which is paid to the project developer for all energy produced at the site, plus a modest administrative amount, plus the PCIA. Deep Green by comparison is much less expensive and he presented MCE's residential rate plus the PCIA. When moving over to PG&E, they have a variety of extra costs embedded which is the general program cost and also the PCIA. Therefore, when looking at premiums paid, the Board can see how they relate and ultimate costs to the customer.

Director Kinney asked if MCE is selling the customer the bundled product. Mr. Dusel said much like they treat their certified Deep Green product MCE will be treating this similarly. MCE is obligated to deliver a certain quantity of their RPS-eligible energy to these customers because the Cooley Quarry project will be an RPS-eligible facility. He noted 25% of that power will be reflected in MCE's RPS and 75% will not be, given it is a voluntary purpose, but this is truly for the benefit of customers and not to benefit MCE at large or the RPS reporting metrics that MCE will represent annually.

Mr. Dusel reiterated that participation is limited. A 1 MW project is expected to produce about 1.8 million KW hours a year. They will carve out 90% of that so MCE does not oversell which equates to sufficient supply for approximately 100 to 200 accounts, depending upon the mix of residential and commercial customers. As seen in the Local Sol schedule, there is a limitation contemplated in terms of average energy use by participating customers. To the extent they have a very large customer that wants to participate MCE reserves the right to back those customers out in the event that their usage exceeds 3,000 KW hours a month or more as averaged over a 3 month period.

In terms of pricing, it is pass-through of their Feed & Tariff price and this is a not to exceed \$.0142 cents which will remain in effect so long as the customer participates in the program up to a 20 year term. In terms of rate stability, it is high in the beginning but it will remain fixed up to a 20-year period so long as the customer continues participation over that period of time. It could go down to the extent MCE gets a lot of interest in the Local Sol program and MCE decides to expand beyond the 1 MW. If the next resource that is included as a host site comes in at a cost below the current number, MCE could reduce that rate for the Local Sol program based on an average cost to support customers.

As with any Feed & Tariff program there are always economic development opportunities. MCE has already received applications from 100 accounts and the project is not even commercially operational which is good news, but to the extent they have robust participation in the Local Sol program exceeding the 1MW allocated, they could conceivably expand the Feed & Tariff program to accommodate additional projects.

In response to a question, Mr. Dusel confirmed that the 100 customers represent less than half of what the 1 MW facility can produce. Mr. Dusel said they agreed at the staff level that once they get to the 50% threshold and determine the amount of energy from early enrollees, they closely monitor this in rounding out the program, but they could accommodate more residential customers at this time.

In terms of annual reconciliation, Mr. Dusel said he wants to make sure they keep the accounting completely clear and transparent regarding production of the facility and usage of participating customers. They will track this and ensure where they need to be over time and not overselling the program and will return to the Board with a report periodically and also send related communications to Local Sol customers as well.

Regarding billing, because it is a flat price it may simplify billing for certain customers that are used to paying different rates at different times of day and different seasons. He thinks it is worth noting that some customers, particularly commercial customers, are subject to demand charges on a monthly basis based on the specific instance where they use energy most intensely during that month, and those charges will continue to apply. He then clarified the PCIA, the program charge and the total bill in terms of cost which again are not insignificant. Local Sol compared to Solar Choice is a 24% premium and Local Sol compared to Deep Green is a 43% premium. He said he was happy to answer any questions.

Director O'Donnell asked how staff came up with the pricing structure, stating it seems to hedge against the future with an RPS benefit. He added that it flies contrary to what an actual customer does when they put solar on their own roof where they pay a large upfront fee to have that done, and therefore, their cost of energy goes down to zero or on the plus side. He asked if staff thought about charging a large premium for the next 5-7 years to be part of this program and then drop the rates dramatically lower to be well below the level or down to zero, stating that in his opinion, customers would be more interested in that than they would knowing that they would be paying forever for a higher charge unless suddenly the market went up above theirs which it has been.

Mr. Dusel said they thought about a number of pricing structures and the SMUD pricing structure for the Solar Shares program is the most interesting but is also a structure that can only be implemented by a fully integrated utility. Because MCE does not control all sides of the bill it is very hard to implement a similar pricing structure where people basically pay a capacity charge and renting a share of that facility, and whatever that facility produces the customer receives an allocation of electric output in proportion to their investment facility. This is then credited against the energy used. That structure does not work

for MCE because they do not have the necessary relationship with PG&E, and unfortunately from PG&E's perspective (with regard to Local Sol), the customer's meter is never going to roll backwards.

He noted that the Tucson Electric Program is similar to this structure where there is the intent to pass through the cost with a small subsidy by the utility but it is a pass-through cost where customers can participate in 500 KW blocks. Mr. Dusel said with the Local Sol program, 75% of the 100% solar supply to the customer will be voluntary and MCE cannot include this in their RPS report, so there is no inflation to MCE's reported RPS numbers as a result of customer participation. It is the customers alone that benefit for all voluntary renewable energy volumes.

In terms of alignment, even though rates have been low for the past couple of years historically they have increased a few percentage points every year, so the idea here is that the price is not only reflective of the premium product now but over time as other costs increase there may be a point which customers will cross over.

Director O'Donnell asked how an over-subscription would work. Mr. Dusel said they would monitor solar usage of enrollees which is critical because MCE wants to ensure they remain at or below the 90% expected production at all times and have some buffer given weather-related events may cause usage a bit higher. In determining whether to enroll additional customers, they would first establish a waiting list and would return to the Board.

Director Withy asked and confirmed that the 100 current enrollees are MCE customers. He asked how many Light Green and Deep Green customers there were. Mr. Dusel said unfortunately he did not have a breakdown on this.

Director Kinney asked what happens to the remaining 10% produced from the Local Sol program. Mr. Dusel explained that MCE will buy 100% of the output regardless of the program's subscribership so long as they do not have participation that fully subscribes to the project.

Customers in the program would account for 90% of the power being produced and MCE will buy the remaining amount which will be included as part of its overall resource mix.

Noted Absent:

Directors Kinney and Butt were noted as absent at this time, and were noted present to participate in Item 9.

Chair Sears opened the public comment period.

Jim Bitter, Mill Valley, referred to the comment regarding the 10% and said this leads him to believe MCE does not store electricity in the grid. He also thought that Directors and the public could not explain what feed-in-tariff is.

Chair Sears acknowledged Mr. Bitter's comments and commented that Directors and many community members were knowledgeable about the feed-in-tariff.

ACTION: It was M/S/C (Bailey/Coler) to approve the 100% Local Sol electricity supply schedule. Motion carried by unanimous roll call vote: (Absent: Butt, Greene, Kinney, Lyman & Schwartzman).

9. Draft Reserve Policy 013 (Discussion/Action)

David McNeil, Projects and Program Manager, stated staff is presenting the Draft Reserve Policy for the Board's consideration. He said MCE has been accumulating reserves in its Net Position which he displayed on the balance sheet. When revenues exceed expenses, the resulting surplus is contributed to the Net Position. If expenses exceed revenues, the Net Position is reduced.

He said reserves have a number of important functions for any organization and are critical to allowing MCE to meet its obligations. The reserve policy sets out a methodology for computing what the reserve target is which is based upon a percentage of operating expenditures and a separate calculation based on a percentage of annual revenues. Staff expects to finish this year with a Net Position of \$25 million. The reserve target is approximately \$56 million based on funding formulas.

Director McCaskill asked if the total reserve requirement shouldn't be termed total reserve "target", given some people could interpret "requirement" as something MCE must achieve as opposed to something MCE hopes to achieve. Mr. McNeil suggested Board discussion and said he would not be opposed to this revision.

Mr. McNeil asked and confirmed that Director McCaskill was referring to page 1 of the staff report. He noted that the request of the Board is to approve the Policy. The only reference where it shows up in the policy is in the last sentence, which he read into the record. In its context in the policy, he was comfortable with the word "target" in that case.

Mr. McNeil also noted that MCE's reserves will only grow and contract consistent with an approved budget. This is the mechanism by which the Board would approve growth or contraction of reserves.

Director McEntee asked Mr. McNeil to explain where 90 days came from as opposed to 6 months, and she also about how the 4% annual contribution towards reserves was determined.

Mr. McNeil explained that staff is comfortable with the 4% target. Regarding 90 days for cash, this is the low end of convention. They looked at various organizations and it seemed reasonable given where MCE is currently. The formula sets a target of \$50 million and MCE is a long way from there. If and when they reach the target, they will then think about whether the 90 days increased to support larger reserve accumulation.

Mr. McNeil clarified this is a methodology of arriving at a number rather than being sub-categories of the reserve. It is intended to signal some of the uses of Net Position or reserves which are described more fully in the policy.

Director O'Donnell said he thinks it is an amazing theoretical discussion given where MCE was 4-5 years ago.

Director Withy said if the Board does not factor in the distorting effects of expansion and just thinks of a natural growth in the revenue projections, he asked how long it would take with a 4% policy to get to the targeted reserve level.

Mr. McNeil said MCE needs roughly an additional \$30 million and they are investing about \$6 million a year in current revenue levels. With revenues expected to change, this would take about 5 years or more, depending on fluctuations.

Director Small asked how unrestricted reserves are invested.

Mr. McNeil said this goes back to a question asked earlier about cash reserves cash. The Net Position is a residual number or the difference between assets and liabilities. Reserves “invest” in cash receivables, leasehold improvements and other assets.

Chair Sears thanked staff for the wording of the policy which she thinks strikes a nice balance in providing guidelines, identifying the purpose of the reserves and their conceptual uses without restricting its use.

ACTION: It was M/S/C (Butt/Bailey) to approve the Reserve Policy 013. Motion carried by unanimous roll call vote: (Absent: Greene, Lyman & Schwartzman).

10. Update on Voting Shares for MCE Service Area Communities (Discussion)

David McNeil gave the staff report, stating that the JPA agreement sets out the manner in which Board Members are able to vote and the weighting of their votes. The weighting is determined by the electric usage in their respective communities. Staff receives this information annually from PG&E and this year it is late. The JPA agreement requires that no later than March 1st, they must have updated information to update those voting shares. Staff consulted with legal counsel who advised staff to postpone the matter until MCE receives this information.

Chair Sears asked if there was an expected date to receive the information. Ms. Weisz stated staff expects to have the data by June or July at the latest. She also clarified that the data lag from PG&E is only an issue when MCE has new communities they have not served for a complete calendar year and this is the case for the early months of 2015. Going forward, if MCE were not to expand during the course of a year, they would not need to wait for PG&E. If this continues to be an issue in future years, they may want to consider a JPA amendment, but at this time legal counsel did not think it was necessary.

11. Regulatory and Legislative Updates (Discussion)

General Counsel Elizabeth Kelly presented a PowerPoint presentation and provided a regulatory and legislative update. She referred to PG&E’s PCIA increased charge to customers and background on the PCIA which essentially doubled the charge from \$4.50 to \$10.00. Within that CPUC decision the CPUC committed to hosting a workshop on March 8, 2016. In advance of that workshop, the CPUC allowed questions surrounding the PCA and MCE’s recommendations for reform. This was due this week and was not included in tonight’s packet but will be included in next month’s packet. The gist of the 40 pages of proposed solutions includes:

- Requests to increase transparency: PG&E has a tendency to heavily redact information that would help MCE better understand the cost drivers and what the PCIA will look like in the future.

- Request disclosure of non-confidential information so MCE has a better understanding of the PCIA charge.
- Exclude avoidable costs: The PCIA should capture only unavoidable costs of PG&E which is what is in the statute. The challenge here is for years PG&E has not made projections of CCA departing load which means that additional costs were included that should not have been. There are other areas where PG&E has the ability to avoid costs but has not been incentivized to do so.

Chair Sears asked if it is clear what confidential versus non-confidential information is. Ms. Kelly said the CPUC rules are being revisited. She said staff did not find a high enough value area to engage in but what PG&E does not want are market participants to have commercially-sensitive data.

Ms. Kelly then discussed a form which is a disclosure to the federal government about actual power costs and how MCE can use those to get a better grasp on the PCIA costs, which would be an improvement to what is currently provided. Another example is to make an exception in the confidentiality rules for CCAs or folks in MCE's position. Since MCE is not trying to compete for contracts with PG&E, the level of sensitivity is not applicable to MCE so they may be able to get information that way. If they get that exception, MCE will be able to get full sweep of confidential information which would provide more information about future PCIA costs.

- Limiting the duration of the PCIA. Currently, the PCIA can extend for the life of renewables contracts which was intended to support the jump-starting of the renewables sector. Now it is a mature space and there is no need to have a 25-year cost recovery period from departing load for that 10 years, which is what PG&E's long-term procurement plan horizon is so there are other ways PG&E can look at the duration of contracts and other resources.
- Limiting PCIA volatility. This is methodological fix that will smooth out the PCIA more so customers do not end up with a doubling this year or other years. This makes planning difficult and does not benefit anybody.
- Another set of solutions offered are alternative PCIA calculations. One of the ideas is to look at the net present value of the PCIA charges, come up with a number, and they can amortize it over a period of time, which is a flat KWHP. It gives them the money they are expecting and it gives MCE certainty for rate design and future planning purposes.

Director Withy suggested an argument to that would be that PG&E does not know how many new CCAs there will be so how could they know. Ms. Kelly said that calculation for exit fees for departing municipal load results in a lump-sum amount. In the CCA case it would be based upon vintages. The year which a customer leaves is called a vintage. When municipal load departs, they end up with a negotiating settlement on what the exit fees are for that load departure and it is settled up on the departure of that load. MCE is looking for the same concept instead of revisiting it every single year.

Ms. Kelly noted that more than \$36 million will be paid to PG&E by MCE customers in 2016, so people have reason to be upset about this charge. The CPUC should pay attention to the fact that there are now enough PCIA customers.

Director Haroff asked what opportunities are there for public participation at the March 8th workshop. Ms. Kelly said it is a public workshop and people can participate. There will be an agenda and set speaking and presentation times. The CCAs have a single presentation time and MCE will be sharing the stage with Sonoma Clean Power and others.

Director Haroff asked and confirmed that it would be a benefit for MCE Board Members to attend the meeting and that staff could further discuss how a more formalized approach could be developed for Board Members wishing to attend.

- Staff has completed a Petition for Modification of an earlier decision that approved MCE's existing 2015 program budgets. MCE is asking for an increase in funding by 30% on an annual basis which reflects they are now serving more communities. This is a proportionate increase proportionate to their customer base. There is not as clear as a timeline as there could be for resolution on this petition but recently the proceeding has been assigned to a new Administrative Law Judge who tends to deal with issues quite swiftly.
- Regarding energy storage, there was a decision that made a change in their favor at the beginning of this year that related how storage is calculated and what counts towards their storage targets. Basically there are storage projects that are funded through SGIP (Small Generation Incentive Program). All of those projects will be attributed to the investor-owned utilities. MCE has done significant leg work in helping to facilitate the installation of a major storage project that does use SGIP funds but without their efforts it would not have come to being. Therefore, MCE petitioned the Commission for a change in how the methodology works. The CPUC did say that 50% of all SGIP funded projects would be attributed to MCE as a CCA so this was a significant change to that decision that does reflect MCE's efforts in terms of bringing storage and new technologies on line.

Chair Sears and Board Members thanked Ms. Kelly for her update.

12. Board Member & Staff Matters (Discussion)

Ms. Weisz thanked those Board Members who participated in the Cool California Challenge. Some went so far as to be featured on a video for the challenge, and she played one of the videos featuring Director Haroff. A round of applause followed.

13. Adjournment

The Board of Directors adjourned the meeting at 9:35 p.m. to the next Regular Board Meeting on March 17, 2016.

Kate Sears, Chair

Attest:

Dawn Weisz, Secretary



March 17, 2016

TO: Marin Clean Energy Board
FROM: Sarah Estes-Smith, Director of Internal Operations
RE: Report on Approved Contracts (Agenda Item #04 – 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 the 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 monthly 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
February	Addendum adjusting scope of agreement to include maintenance services	MCC Building Maintenance	\$17,570	1 year
March	Contribution toward CCA Benefits Study performed by UCLA Luskin Center	LEAN Energy US	(\$2,000)	N/A
March	Contribution toward CCA Benefits Study performed by UCLA Luskin Center	Lancaster Choice Energy	(\$2,000)	N/A

March	Contribution toward CCA Benefits Study performed by UCLA Luskin Center	Sonoma Clean Power	(\$2,000)	N/A
March	Contribution toward CCA Benefits Study performed by UCLA Luskin Center	San Francisco LAFCo	(\$2,000)	N/A

Fiscal Impact: Revenues and expenses related to the above contracts are included in the FY 2015/16 Operating Fund Budget.

Recommendation: Information only. No action required.



March 17, 2016

TO: Marin Clean Energy Board
FROM: David McNeil, Finance and Project Manager
RE: Monthly FY 2015/16 Budget Report (Agenda Item #04 - C.3)
ATTACHMENT: MCE Budget Reports 2016-01 (Unaudited)

Dear Board Members:

SUMMARY:

The attached budget update compares the FY 2015/16 budget to the unaudited revenue and expenses of MCE for the month ending January 2016.

OPERATING FUND BUDGET:

Year-to-date revenues continue slightly over budget by approximately 2%, with cost of energy at levels under budget by approximately 5%. Operating expenditures are generally below anticipated year-to-date levels, but much of this will be smoothed as the year continues. At the January 21, 2016 board meeting, an amended Operating Fund Budget was approved to account for certain expense categories that were expected to exceed original budget levels; these changes are reflected in this report.

Overall, MCE continues to spend near projections, as reflected in year-to-date figures.

ENERGY EFFICIENCY PROGRAM FUND BUDGET:

The Energy Efficiency Program Fund is funded by the California Public Utilities Commission. For financial reporting purposes, MCE treats funds received in this Fund as a reimbursable grant. The result is that Fund expenses are offset by revenue. A deferred asset is recorded for funds received by the CPUC that have yet to be expended by MCE.

In 2015-16, Energy Efficiency (EE) revenue is being recognized to offset \$52,784 of prior year EE "planning" expenses not originally intended to be provided for by EE grant funds. The \$52,784 2015/16 "increase" in fund balance equals the prior year "decrease" in fund balance. There is no cumulative effect on fund balance.

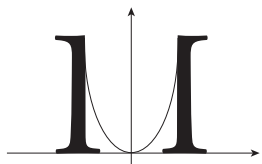
LOCAL DEVELOPMENT RENEWABLE ENERGY BUDGET:

This program is funded through a portion of the Deep Green service provided to customers. To date, expenses primarily relate to legal and consulting costs associated with establishing a local renewable energy project.

RENEWABLE ENERGY RESERVE BUDGET:

This fund is intended for the procurement or development of renewable energy not planned for in the operating funds. Resources may accumulate from year to year and be expended as management determines.

Recommendation: No action needed. Informational only.



Financial Plumblime

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Marin Clean Energy

Management is responsible for the accompanying special purpose statement of Marin Clean Energy (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended January 31, 2016, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of MCE.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

The supplementary information contained on page 4 is presented for purposes of additional analysis. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
February 19, 2016



MARIN CLEAN ENERGY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through January 31, 2016

	<u>Actual from April 1, 2014 through January 31, 2015</u>	<u>2015/16 YTD Budget (Amended)</u>	<u>2015/16 YTD Actual</u>	<u>2015/16 YTD Budget Variance (Under) Over</u>	<u>2015/16 YTD Actual/Budget %</u>	<u>2015/16 Annual Budget (Amended)</u>	<u>2015/16 Budget Remaining</u>
REVENUE AND OTHER SOURCES:							
Revenue - Electricity (net of allowance)	\$ 83,482,397	124,745,386	\$ 127,682,526	\$ 2,937,140	102.35%	\$ 145,933,098	\$ 18,250,572
Other revenues	43,463	-	455,221	455,221	-	-	-
Total sources	<u>83,525,860</u>	<u>124,745,386</u>	<u>128,137,747</u>	<u>3,392,361</u>	<u>102.72%</u>	<u>145,933,098</u>	<u>18,250,572</u>
EXPENDITURES AND OTHER USES:							
CURRENT EXPENDITURES							
Cost of energy	71,373,391	108,194,891	102,665,975	(5,528,916)	94.89%	129,035,715	26,369,740
Staffing	1,669,235	2,623,300	2,512,889	(110,411)	95.79%	3,142,000	629,111
Technical consultants	426,268	537,677	517,251	(20,426)	96.20%	629,000	111,749
Legal counsel	258,707	327,000	305,494	(21,506)	93.42%	387,000	81,506
Communications consultants and related expenses	459,758	625,833	554,000	(71,833)	88.52%	751,000	197,000
Data manager	2,136,875	2,391,000	2,387,155	(3,845)	99.84%	2,868,000	480,845
Service fees- PG&E	562,665	767,500	712,297	(55,203)	92.81%	921,000	208,703
Other services	278,624	395,333	341,988	(53,345)	86.51%	465,000	123,012
General and administration	306,102	289,167	210,827	(78,340)	72.91%	344,000	133,173
Occupancy	-	216,667	180,565	(36,102)	83.34%	260,000	79,435
Integrated Demand side pilot programs	-	41,667	10,190	(31,477)	24.46%	50,000	39,810
Marin County green business program	15,000	10,000	-	(10,000)	0.00%	10,000	10,000
Solar rebates	-	21,000	4,000	(17,000)	0.00%	35,000	31,000
Total current expenditures	<u>77,486,625</u>	<u>116,441,035</u>	<u>110,402,631</u>	<u>(6,038,404)</u>	<u>94.81%</u>	<u>138,897,715</u>	<u>28,495,084</u>
CAPITAL OUTLAY	20,535	287,000	165,977	(121,023)	57.83%	296,000	130,023
DEBT SERVICE	994,900	2,148,000	2,147,718	(282)	99.99%	2,148,000	282
INTERFUND TRANSFER TO:							
Renewable Energy Reserve Fund	-	1,000,000	1,000,000	-	100.00%	1,000,000	-
Local Renewable Energy Development Fund	109,994	151,383	151,383	-	100.00%	151,383	-
Total expenditures	<u>78,612,054</u>	<u>120,027,418</u>	<u>113,867,709</u>	<u>\$ (6,159,709)</u>	<u>94.87%</u>	<u>142,493,098</u>	<u>\$ 28,625,389</u>
Net increase (decrease) in available fund balance	<u>\$ 4,913,806</u>	<u>\$ 4,717,968</u>	<u>\$ 14,270,038</u>	<u>\$ 9,552,070</u>		<u>\$ 3,440,000</u>	<u>\$ (10,374,817)</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Public purpose energy efficiency program	\$ 1,505,702	\$ 1,400,478	\$ 105,224	93.01%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Public purpose energy efficiency program	<u>1,505,702</u>	<u>1,347,695</u>	<u>158,007</u>	<u>89.51%</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ 52,783</u>		

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

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Transfer from Operating Fund	\$ 151,383	\$ 151,383	\$ -	100.00%
EXPENDITURES AND OTHER USES:				
Capital Outlay	<u>151,383</u>	<u>91,054</u>	<u>60,329</u>	<u>60.15%</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ 60,329</u>		

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

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

See accountants' compilation report.

MARIN CLEAN ENERGY
BUDGETARY SUPPLEMENTAL SCHEDULE
April 1, 2015 through January 31, 2016

	Actual
Other services	
Audit	\$ 35,500
Accounting	128,660
IT Consulting	62,261
Human resources & payroll fees	7,490
Legislative consulting	75,000
Miscellaneous professional fees	33,077
	\$ 341,988
General and administration	
Data and telephone service	27,865
Insurance	7,676
Office and meeting rentals	3,156
Office equipment lease	4,548
Dues and subscriptions	54,551
Conferences and professional education	17,917
Travel	19,358
Business meals	6,667
Office supplies and postage	69,089
	\$ 210,827

See accountants' compilation report.



March 17, 2016

TO: Marin Clean Energy Board of Directors
FROM: Katie Gaier, Human Resources Manager
RE: MCE Legal Team Staff Position (Agenda Item #04 C.4)
ATTACHMENT: Draft Job Description – Legal Operations Manager

Summary:

Over the past year, the workload of the MCE Legal and Regulatory Team has increased significantly due to legislative action, CPUC decisions, and on-going legal and regulatory requirements. In addition, members of the team are actively involved in the development of the MCE strategic plan. The need has arisen for an operations manager within the team to perform a wide range of duties in coordinating, managing, overseeing, and implementing various regulatory, legislative, legal and strategic operations of the Legal and Regulatory Team and to serve as a central point of information and knowledge related to operations and processes of the team. To meet this need, a Legal Operations Manager job description has been developed. The positions on the non-attorney side of this team range from Legal Assistant I to Senior Regulatory Analyst. The level of duties and qualifications for the proposed Legal Operations Manager indicate a salary range of \$71,342 - \$105,880, placing the salary range between that of Regulatory and Legislative Counsel and Regulatory Analyst I.

Fiscal Impact:

The creation of a position does not in itself have a budget impact. Costs associated with hiring for this position have been included in the FY 2016/17 Budget.

Recommendation:

Approve the position and job description of Legal Operations Manager and a salary range for the position of \$71,342 - \$105,880.



Job Description Legal Operations Manager

Summary

The Legal Operations Manager has a wide range of responsibilities for the coordination, management, oversight, and/or implementation of various Regulatory, Legislative, Legal, and Strategic operations. This position serves as a central point of information and knowledge related to the internal operations and processes of the Legal and Regulatory Team.

Class Characteristics

The Legal Operations Manager works under the general direction of the Marin Clean Energy (MCE) General Counsel and receives occasional direction from the Regulatory Counsel, Regulatory Analyst, and Chief Executive Officer. The position works closely with other MCE departments and MCE contractors including external counsel, lobbyists, and advisors.

Supervisory Responsibilities

This position is responsible for the management and supervision of administrative support staff.

Essential Duties and Responsibilities (Illustrative Only)

- Oversee and manage MCE's compliance and reporting obligations
- Oversee and manage responses to public record requests
- Oversee and manage agency wide contract monitoring, auditing, and fulfillment
- Collect and manage information related to internal functioning of the Legal and Regulatory Team
- Ensure storage and management of MCE records and information as required by applicable policies and regulations
- Create and maintain internal documentation and develop systems for retaining institutional knowledge
- Develop and manage improved internal processes for the Legal and Regulatory Team and for the agency, when directed by the CEO and in collaboration with the Director of Internal Operations
- Manage projects that support the strategic initiatives of the Legal and Regulatory Team and for the agency, when directed by the CEO and in collaboration with the Director of Internal Operations
- Facilitate stakeholder relationships with persons outside of the organization on regulatory and legislative issues
- Organize and attend regulatory and legislative meetings with MCE staff
- Support regulatory and legislative initiatives and report progress to managers
- Manage and maintain Legal and Regulatory Team information and tracking systems

- Prepare informational handouts, filings, and other documents as needed

Break-Down of Time Spent on Various Work Areas

Legal, Regulatory, and Compliance Operations	60%
Strategic Project Management	20%
Coordination and Administrative Tasks	15%
Other	5%

Minimum Qualifications

To perform this job successfully, an individual must be able to perform the essential duties satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required.

Experience/Education

Education and experience equal to a Bachelor's degree and the knowledge, skills, and ability to perform the essential functions of the position and a minimum of three years of coordination and management work, preferably for a public utility or other public or not for profit agency. A graduate degree in business administration, public policy, or a related field is desirable.

Knowledge of

- Community Choice Aggregation (CCA) and the California electric utility market
- The purpose, organization, and operations of a public agency
- Statewide legislative processes and policies in California
- Regulatory processes and practices including those at the CPUC
- Practices and principles of data analysis
- Information systems management
- Energy and environmental issues, especially in key CCA knowledge areas
- Demographics of the service areas
- Scheduling, maintaining calendars, and internal filing systems
- Microsoft Office Suite, including Word, Outlook and Power Point

Ability to

- Self-start and work independently with minimal oversight
- Communicate effectively both verbally and in written form
- Research and analyze data related to the regulatory and legislative functions of MCE
- Organize work in an efficient and time-sensitive manner
- Manage multiple priorities and adapt to changing priorities in a fast-paced environment
- Be thorough and detail-oriented
- Maintain confidentiality over sensitive items
- Operate standard office equipment
- Establish and maintain effective working relationships with those encountered during the performance of duties

Language and Reasoning Skills

- Exercise analytical skills, sound judgment, creative problem-solving, and commercial awareness
- Analyze and interpret information quickly and accurately
- Develop high-quality writing, research, and communication work products
- Deliver clear oral communication
- Interact effectively with administrative bodies and MCE's Legal Team, Executive Officer, and Board of Directors
- Manage projects and time efficiently

Mathematical Skills

Ability to add, subtracts, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and create and interpret bar graphs.

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. While performing the duties of this job, the employee is frequently required to use hands to finger, handle, or feel and reach with hands and arms. The employee must occasionally lift and/or move up to 20 pounds.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. The noise level in the work environment is usually moderate.

ADA Compliance

MCE will make reasonable accommodation of the known physical or mental limitations of a qualified applicant with a disability upon request.



March 17, 2016

TO: Marin Clean Energy Board of Directors

FROM: Elizabeth Kelly, Legal Director

RE: CCA Benefits Study (Agenda Item #04 - C.5)

ATTACHMENTS: Draft Agreement to Evaluate Environmental, Economic and Avoided Costs and Benefits of Developing Community Choice Aggregation in California

Dear Board Members:

BACKGROUND:

As regulatory and legislative challenges to Community Choice Aggregation (CCA) continue in California, there is an ongoing need to educate policymakers about the benefits of CCAs. Currently, the benefits of CCAs are not extensively quantified and cannot be used in analyses to weigh against the costs claimed by the Investor-Owned Utilities (IOUs). By quantifying these benefits in a study, CCAs and their advocates can more effectively demonstrate to regulators, policy makers and the public the positive impacts of CCAs on economic development, environmental protection and market innovation.

Therefore, MCE staff requested that the researchers at the Luskin Center of Innovation at the UCLA Luskin School of Public Affairs produce a study that quantifies the economic, environmental, and market benefits of CCAs and explains the various approaches to the design and operation of CCA programs. The Luskin Center has contracts with numerous state and local government agencies to develop and produce reports and studies on a wide range of renewable energy policies and programs, including LADWP's feed-in tariff program.

FISCAL IMPACT:

The total cost of the study is \$32,309. The entire cost of the study is offset by contributions from Sonoma Clean Power, Lancaster Clean Energy, Local Energy Aggregation Network, UCLA Luskin Center for Innovation Endowment and the San Francisco Foundation.

RECOMMENDATION:

Approve the Agreement to Evaluate Environmental, Economic and Avoided Costs and Benefits of Developing Community Choice Aggregation in California.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**FIRST AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

THIS FIRST AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: research and analysis services regarding the benefits of developing CCAs in California;

WHEREAS, Contractor certifies 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 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 **\$32,309**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **March 1, 2016**, and shall terminate on **May 30, 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 or program self-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, but only in proportion to and to the extent such liabilities, recklessness or willful misconduct are caused by or result from the negligent or intentional acts or omissions of Contractor, its officers, agents or employees. 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 or self-insurance 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. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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 three (3) from the date of the completion or termination of this Agreement. After providing reasonable advance written notice to contractor, A review or audit may be conducted on Contractor's premises by authorized MCE personnel or staff or, at MCE's option, Contractor shall provide all records within

a maximum of fifteen (15) business 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 deliverables prepared by and for Contractor, its officers, employees and agents in the performance of 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 deliverables to MCE, 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 ten (10) business 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, including noncancellable commitments budgeted and paid for by Contractor under this Agreement 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 key 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 Los Angeles 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 but only in proportion and to the extent such liabilities, litigation costs, attorney's fees, claims, and losses are caused by or result from the negligent or intentional acts or omissions of Contractor, its officers, agents or employees .

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 to the extent legally applicable, 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: LaWanda Hill

MCE Address: 1125 Tamalpais Avenue
San Rafael, CA 94901

Email Address: invoices@mcecleanenergy.org

Telephone No.: (415) 464-6048

Notices shall be given to Contractor at the following address:

Contractor: Flora O'Brien, Contract and Grant Officer

Address: Office of Contract and Grant Administration
Box 951406
11000 Kinross Avenue, Suite 211
Los Angeles, CA 90095-1406

Email Address: flora.obrien@research.ucla.edu

Telephone No.: (310) 206-0807

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	
<u>EXHIBIT C.</u>	<input checked="" type="checkbox"/>	Insurance Waiver/Reduction	
<u>EXHIBIT D.</u>	<input checked="" type="checkbox"/>	Proposal	

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

APPROVED BY

Marin Clean Energy:

By: _____
CEO

Date: _____

By: _____
Chairperson

Date: _____

CONTRACTOR:

By: _____

Name: Flora O'Brien, Contract and Grant Officer

Date: _____

TAX ID: 956006143

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 research and analysis services as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

1. Environmental Benefits

CCAs generally provide their customers broader alternative energy options. The accelerating adoption of renewable energy sources by CCAs allows those entities to exceed the mandated RPS requirement. As an example, MCE, the first operational CCA in California, recently established a goal to achieve an 85% carbon-free supply portfolio by 2025, and offers three different electricity options to its customers, including a 50-percent alternative energy Light Green program and a 100-percent renewable Deep Green program.

a. Reduced greenhouse gas emissions

The objective will be to assess and quantify an annual average avoided greenhouse gas emissions per MWh, for each energy choice of MCE compared to Pacific Gas and Electric Company (PG&E) (MtCO₂e/MWh), due to the greater use of renewables than the RPS. Other CCAs, such as Sonoma Clean Power (SCP), Lancaster Choice Energy (LCE) and Clean Power SF will be reviewed and integrated in our study if their numbers can increase or support the original findings from MCE.

b. Environmental justice and conservation

A qualitative analysis will help the reader understand the intimate relationship that CCAs maintain with their customers, compared to larger utilities, due to smaller structures, smaller territories and lighter cost structures with no shareholders. The importance of those factors will be highlighted and put into perspective through the total reinvestment of CCAs benefits toward a more sustainable community with more affordable and cleaner energy. This study will also present an overall analysis of the percentage of California Alternate Rates for Energy (CARE) customers with focus on the environmentally at-risk communities in Richmond and San Pablo.

2. Avoided Cost Benefits

CCAs have the flexibility to design tailored programs to address the local energy needs with a local production of green electricity, resulting in broader benefits for the grid, but also to utilities and the community at large.

a. Localized energy delivery and reduced grid congestion

By focusing on local community and bringing local clean energy, CCAs reduce the need of electricity transmission through the grid, and can reduce grid congestion.

Methods: For this section, the Luskin Center suggests to focus on the most relevant CCAs in order to illustrate the benefits of proximity between energy generation, delivery and consumption. Once selected, the Center will map the different point source of energy generation and energy consumption and demonstrate the local and broader advantages of a localized energy delivery. Also, the congestion points of the grid will be mapped for the same area to show the avoided nodes with emphasis on the diminution of risk management during peak hours.

Metrics: How much electricity is taken off the grid during peak hour, in MWh per day for a typical winter day and a typical summer day.

b. Greater economic resilience to potential fossil fuel shock

In this section we will calculate the avoided costs for customers in the case of oil and gas price shocks, compared to local utilities. By providing a greater share of renewable energy, CCAs hedge their future dependency on finite energy sources. This differentiation of sourcing will strongly impact rate price difference between CCAs and utilities.

Methods: This will be quantified through three different price scenarios for coal and natural gas, using the cases of MCE and PG&E. For this step, the Center will construct a finance model with energy price sensitivity and household electricity consumption sensitivity. The selection of representative households will be based on results retrieved from the American Census Survey.

Metrics: The financial impact will be studied at two levels: the difference of rate price between MCE and PG&E (in \$/kWh), and the difference of annual electricity expenditure per year between a MCE customer and a PG&E customer.

c. Integrated demand side management program deployment

This section will qualitatively describe the avoided costs generated by a tailored approach of demand side management. Demand response and energy efficiency programs offered by CCAs will be compared to the local utility in order to highlight the more personal relationship of CCAs to their customers.

3. Economic Benefits

a. Competitive energy market

Increasing the competition of the energy market will help to protect customers against potential future price inflation due to fossil fuel dependency and overall energy price increases.

b. Local economic development and job creation

By promoting local energy project development, CCAs can spur local economic development and job creation.

Methods: By using reputable software such as IMPLAN 3.0, the Luskin Center will assess and estimate the potential direct and indirect economic impact of the development of CCAs and their related local energy generation projects, as well as demand side management projects.

Metrics: Temporary and permanent job creation, indirect revenues generated by income and corporation taxes and added value will be quantitatively assessed and presented to the reader (\$/year, number of job-years expected, etc.)

A qualitative analysis will also present the reader with the benefits of training programs dedicated to local work force.

c. Efficient use of ratepayer revenue

Through the analysis of data retrieved from financial statements and annual reports, the Luskin Center will run a Ratepayer Impact Model in order to assess the financial structure impact on costs between CCAs and local IOUs.

Metrics: Earning per Share, Dividends and Payout Ratio will be compared with financial structures and reinvestments of CCAs' net benefits (in \$/kWh or \$/customer).

If possible, the report will highlight the benefits of cheaper access to finance sources (municipal bonds vs market rate). This could potentially be quantified in \$/kWh.

A last qualitative analysis will point at the risk reduction offered by CCAs that only provide energy through PPAs and do not invest in their own energy generation projects.

All services will be provided by the following representatives of the UCLA Luskin Center for Innovation:

George (J.R.) DeShazo, Principal Investigator
Alex Turek, FIT and NEM Expert
Julien Gattaciecca, Lead Project Manager
Graduate Student Researcher 3

Project milestones and delivery dates* are:

- A. Data collection and analysis from existing CCAs – 4/8/16
- B. Draft report completed to the satisfaction of MCE staff and delivered to MCE for review – 4/29/16
- C. Final report completed to the satisfaction of MCE staff and delivered to MCE – 5/15/16

*Delivery dates may be adjusted per written approval by MCE.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

For services provided under this agreement, Contractor shall invoice MCE upon completion of each milestone, as follows:

Milestone A	\$8,077.25
Milestone B	\$8,077.25
Milestone C	\$16,154.50

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$32,309** for the term of the agreement.

**EXHIBIT C
INSURANCE REDUCTION/WAIVER (if applicable)**

CONTRACTOR: The Regents of The University of California

CONTRACT TITLE: First Agreement By and Between Marin Clean Energy and The Regents of The University of California

This statement shall accompany all requests for a reduction/waiver of insurance requirements. Please check the box if a waiver is requested or fill in the reduced coverage(s) where indicated below:

	<i>Check Where Applicable</i>	<i>Requested Limit Amount</i>	<i>MCE Use Only</i>
General Liability Insurance	<input type="checkbox"/>	\$	
Automobile Liability Insurance	<input type="checkbox"/>	\$	
Workers' Compensation Insurance	<input type="checkbox"/>		
Professional Liability Deductible	<input checked="" type="checkbox"/>	\$	

Please set forth the reasons for the requested reductions or waiver.

Professional Liability – Waived due to limited scope of services.

Contract Manager Signature: _____

Date: _____

Telephone: _____

Approved by: _____

Date: _____

EXHIBIT D
PROPOSAL

UNIVERSITY OF CALIFORNIA, LOS ANGELES

UCLA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO

SANTA BARBARA • SANTA CRUZ

OFFICE OF CONTRACT AND GRANT ADMINISTRATION
BOX 951406
11000 KINROSS, SUITE 211
LOS ANGELES, CALIFORNIA 90095-1406PHONE: (310) 794-0259
FAX: (310) 943-1657www.research.ucla.edu/ocga

February 23, 2016

CC Song
Regulatory Analyst
Marin Clean Energy
csong@mcecleanenergy.org

UCLA PI:	Professor George M. De Shazo
Period of Performance:	March 1, 2016 – May 13, 2016
Total Amount Requested:	\$32,309
UCLA Cost Share:	\$ 7,051
Project Title:	<i>Environmental, Economic and Avoided Costs Benefits of Developing Community Choice Aggregations in California</i>

Dear Ms. Song:

On behalf of The Regents of the University of California, Los Angeles campus (UCLA) and Professor George M. De Shazo, I am pleased to submit the attached materials to your Agency for the above named project. We are submitting this proposal in anticipation of a contract subject to mutually agreeable terms and conditions.

Should UCLA receive funding for this project, the award should be issued to The Regents of the University of California and forwarded to awards@research.ucla.edu. Questions regarding the technical components of this proposal can be directed to Professor De Shazo at deshazo@ucla.edu. Questions concerning contractual and administrative matters should be referred to me at flora.obrien@research.ucla.edu or by telephone at (310) 206-0807.

Sincerely,

Flora O'Brien
Contract and Grant Officer

Enc

(UCLA Internal Ref #20163470)

Proposal to evaluate the

ENVIRONMENTAL, ECONOMIC AND AVOIDED COSTS BENEFITS OF DEVELOPING COMMUNITY CHOICE AGGREGATIONS IN CALIFORNIA.

Prepared by *UCLA Luskin Center for Innovation* with:

J.R. DeShazo (Principal Investigator)
Alex Turek (FIT and NEM expert)
Julien Gattaciecca (Lead Project Manager)

Introduction:

Community Choice Aggregation (CCA) allows a city or county or group of cities and counties to provide electricity for their constituents, while Investor-Owned Utilities (IOUs) continue to deliver the power over their transmission and distribution lines.¹ Like the traditional utility, CCAs can design energy efficiency and demand response programs to allow participants to save energy and money. Importantly, CCAs can also design programs geared specifically for low- to moderate-income customers. Since Assembly Bill 117 enabled Community Choice Aggregation in California in 2002, there are now three operational CCAs that provide generation service to customers in their territories, with more prospective CCAs under exploration.

Objectives:

To assist regulators, legislators and energy advocates to better understand the broader benefits of CCAs, the Luskin Center for Innovation proposes to quantify the direct and indirect economic and environmental impacts of developing this energy supply structure further. This study will present the reader with a three-fold analysis articulated around 1) environmental benefits, 2) avoided cost benefits, and 3) economic benefits. A second goal will be to explain the different approaches to designing and operating CCAs and relate these to the aforementioned benefits. Although the research will use Marin Clean Energy (MCE) as an example when estimating these benefits, the study will represent and describe all current and planned CCAs in California.

1. Environmental Benefits

CCAs generally provide their customers broader alternative energy options. The accelerating adoption of renewable energy sources by CCAs allows those entities to exceed the mandated RPS requirement. As an example, MCE, the first operational CCA in California, recently established a goal to achieve a 85% carbon-free supply portfolio by 2025,² and offers three different electricity options to its customers, including a 50-percent alternative energy Light Green program and a 100-percent renewable Deep Green program.

Reduced greenhouse gas emissions

The objective will be to assess and quantify an annual average avoided greenhouse gas emissions per MWh, for each energy choice of MCE compared to Pacific Gas and Electric Company (PG&E) (MtCO₂e/MWh), due to the greater use of renewables than the RPS. Other

¹ California Energy Commission (2009). Community Choice Aggregation project. p.1.
<http://www.energy.ca.gov/2009publications/CEC-500-2009-003/CEC-500-2009-003.PDF>

² Marin Clean Energy Integrated Resource Plan (2015)

CCAs, such as Sonoma Clean Power (SCP), Lancaster Choice Energy (LCE) and Clean Power SF will be reviewed and integrated in our study if their numbers can increase or support the original findings from MCE.

In addition, the analysis should include the loss of the Diablo Canyon Nuclear Generating Facility, which may result in a significant spike in GHG emissions. The analysis should estimate the amount of GHG emissions that may increase due to the closure of the Diablo Canyon facility, and how CCAs above-and-beyond renewable procurement will offset the increase in emissions.

Environmental justice and conservation

A qualitative analysis will help the reader understand the intimate relationship that CCAs maintain with their customers, compared to larger utilities, due to smaller structures, smaller territories and lighter cost structures with no shareholders. The importance of those factors will be highlighted and put into perspective through the total reinvestment of CCAs benefits toward a more sustainable community with more affordable and cleaner energy. This study will also present an overall analysis of the percentage of California Alternate Rates for Energy (CARE) customers with focus on the environmentally at-risk communities in Richmond and San Pablo. *Metrics:* difference in rates, cheaper access to clean energy compared to PG&E, % of low-income households compared to PG&E, % of local energy generation compared to PG&E.

2. Avoided Cost Benefits

CCAs have the flexibility to design tailored programs to address the local energy needs with a local production of green electricity, resulting in broader benefits for the grid, but also to utilities and the community at large.

Localized energy delivery and reduced grid congestion

By focusing on local community and bringing local clean energy, CCAs reduce the need of electricity transmission through the grid, and can reduce grid congestion.

Methods: For this section, the Luskin Center suggests to focus on the most relevant CCAs in order to illustrate the benefits of proximity between energy generation, delivery and consumption. Once selected, the Center will map the different point source of energy generation and energy consumption and demonstrate the local and broader advantages of a localized energy delivery. Also, the congestion points of the grid will be mapped for the same area to show the avoided nodes with emphasis on the diminution of risk management during peak hours.

Metrics: How much electricity is taken off the grid during peak hour, in MWh per day for a typical winter day and a typical summer day?

Greater economic resilience to potential fossil fuel shock

In this section we will calculate the avoided costs for customers in the case of oil and gas price shocks, compared to local utilities. By providing a greater share of renewable energy, CCAs hedge their future dependency on finite energy sources. This differentiation of sourcing will strongly impact rate price difference between CCAs and utilities.

Methods: This will be quantified through three different price scenarios for coal and natural gas, using the cases of MCE and PG&E. For this step, the Center will construct a finance model with energy price sensitivity and household electricity consumption sensitivity. The selection of representative households will be based on results retrieved from the American Census Survey.

Metrics: The financial impact will be studied at two levels: the difference of rate price between MCE and PG&E (in \$/kWh), and the difference of annual electricity expenditure per year between a MCE customer and a PG&E customer.

Integrated demand side management program deployment

This section will qualitatively describe the avoided costs generated by a tailored approach of demand side management. Demand response and energy efficiency programs offered by CCAs will be compared to the local utility in order to highlight the more personal relationship of CCAs to their customers.

3. Economic Benefits

Competitive energy market

Increasing the competition of the energy market will help to protect customers against potential future price inflation due to fossil fuel dependency and overall energy price increases.³

Local economic development and job creation

By promoting local energy project development, CCAs can spur local economic development and job creation.

Methods: By using reputable software such as IMPLAN 3.0, the Luskin Center will assess and estimate the potential direct and indirect economic impact of the development of CCAs and their related local energy generation projects, as well as demand side management projects.

Metrics: Temporary and permanent job creation, indirect revenues generated by income and corporation taxes and added value will be quantitatively assessed and presented to the reader (\$/year, number of job-years expected, etc.)

A qualitative analysis will also present the reader with the benefits of training programs dedicated to local work force.

Efficient use of ratepayer revenue

Through the analysis of data retrieved from financial statements and annual reports, the Luskin Center will run a Ratepayer Impact Model in order to assess the financial structure impact on costs between CCAs and local IOUs.

Metrics: Earning per Share, Dividends and Payout Ratio will be compared with financial structures and reinvestments of CCAs' net benefits (in \$/kWh or \$/customer).

If possible, the report will highlight the benefits of cheaper access to finance sources (municipal bonds vs market rate). This could potentially be quantified in \$/kWh.

A last qualitative analysis will point at the risk reduction offered by CCAs that only provide energy through PPAs and do not invest in their own energy generation projects.

4. The Luskin Center Research Team Qualifications

The Luskin Center research team consists of J.R DeShazo as Principle Investigator, Julien Gattaciecce as project manager and Alex Turek as researcher, each of whom provides expertise relevant to the proposed research. J.R. DeShazo and Alex Turek possess relevant experience in evaluating the economic and environmental impacts of local solar procurement programs. Specifically,

³ U.S. Energy Information Administration (information retrieved on December 2015). Energy Prices Forecasts Tables per Sector from 2013 to 2040, for California.
<http://www.eia.gov/oiaf/aeo/tablebrowser/#release=AE02015&subject=3-AE02015&table=3-AE02015®ion=1-9&cases=ref2015-d021915a>

they have constructed models to estimate ratepayer impacts, job years created, GHG avoided, direct investment and other economic and environmental measures in the evaluation of alternative program designs for programs such as the Los Angeles Department of Water and Power (LADWP) 100-MW Feed-in Tariff. Additionally, they have quantified job creation benefits at the program level for each of LADWP's eighteen energy efficiency programs, estimated using utility financial and energy data and IMPLAN 3.0. Julien Gattaciecce provides significant experience in building financial and economic impact models as evidenced by a soon to be released report that analyzes the potential financial impact of California's cap and trade program on low-income households.

5. Budget Justification

The Luskin Center is highly supportive of public policy benefits that will arise from this analysis and report. It would contribute *pro bono* its Principal Investigator's time as well as the cost of hosting one 1/2 day event at UCLA that disseminates the results of the analysis and report. In addition the center will contribute \$5,000 to the broader effort. The costs contained in the proposal cover the time of core staff researchers for the minimum time required to complete the needed analysis and subsections of the broader report.

Budget Justification

PERSONNEL

J.R. (George) DeShazo, Principal Investigator: As the Principal Investigator, J.R. Deshazo will lead, design, manage and conduct the research on Community Choice Aggregation (CCA). In order to minimize the cost of this research, it has been decided that J.R.'s contribution will be pro bono.

Julien Gattaciecca, Project Manager: As the lead project manager, Julien Gattaciecca will centralize all information and ensure strong communication between the different entities participating in this research. He will also be responsible for the construction of economic and financial models, and for the qualitative analysis requested by Marin Clean Energy.

Alex Turek, FIT & MEMs Expert: As the FIT and NEMs expert, Alex will analyze the tariff differences between utilities and CCAs. Also, Alex will contribute in building the job creation models to assess the economic benefits of CCAs.

Graduate Student Researcher: A graduate student will be allocated to this project considering the tight time constraints imposed by MCE. The Luskin Center will have 3.5 months to deliver a complete report on CCAs' environmental, economic and avoided costs benefits for California ratepayers, where a GSR will help with the spatial analysis and other qualitative analysis needed to be done throughout the research.

BENEFITS

Actual benefit rates were used to calculate fringe benefit costs for Julien Gattaciecca and Alex Turek. Fringe benefits for the Graduate Student Researcher are calculated using the standard university benefit rate of 1.3% during the Academic Year.

TRAVEL

Two round trips for the PI and the lead project manager will take place for the kick-off meeting as well as the final report dissemination.

EVENT

The Luskin Center for Innovation will cost share by hosting an event at UCLA in order to disseminate project results and contribute in CCAs' communication efforts.

OTHER DIRECT COSTS

The Technology Infrastructure Fee (TIF) is a consistently-applied direct charge that is assessed to each and every campus activity unit, regardless of funding source, including units identified as individual grant and contract awards. The TIF pays for campus communication services on the basis of a monthly accounting of actual usage data. These costs are charged as direct costs and are not recovered as indirect costs.

INDIRECT COSTS

The university charges Facilities and Administration (F&A) costs on all projects sponsored from extramural sponsors. The Marin Clean Energy indirect cost rate is limited to 15% of total direct cost.

**EXHIBIT D
PROPOSAL
Budget**

Agency: Marin Clean Energy and Community Choice Aggregation
Subject of Research: Community Choice Aggregation Benefits Study
PI Name: George (J.R.) DeShazo
 University of California, Los Angeles
 Luskin School of Public Affairs - Luskin Center for Innovation

DETAILED BUDGET

Time Period
3.5 months

TIF Calculations

SALARIES

	Period/mos	% Time			
1. Project Manager - Julien Gattaciecceca \$5,000	3.50	80%	\$	14,000	93.18
2. FIT & MEMs Expert - Alex Turek \$5,570	1.0	50%	\$	2,785	16.64
3. Graduate Student Researcher 3 \$3,635	3.0	24%	\$	2,617	23.96
Salaries Subtotal			\$	19,402	133.79 133.79

**Summer
Salary not
subject to TIF*

BENEFITS

1. Project Manager - Julien Gattaciecceca Base sum: \$14,000 @ 44.00%			\$	6,160.00	
2. FIT & MEMs Expert - Alex Turek Base sum: \$2,785 @ 49.00%			\$	1,365.00	
3. Graduate Student Researcher 3 Base sum: \$2,617 @ 1.30%			\$	34.00	
Benefits Subtotal			\$	7,559	
Salaries & Benefits Total:			\$	26,961	

TRAVEL

1. Two round trips to the Bay Area for two people			\$	1,000	
Travel Subtotal			\$	1,000	

OTHER DIRECT COSTS

1. Technology Infrastructure Fee			\$	134	
Other Direct Costs Subtotal			\$	134	
Total Direct Costs			\$	28,095	

INDIRECT COSTS

1. Indirect Cost @ 15% of TDC	Indirect Cost Subtotal	\$	4,214
-------------------------------	-------------------------------	-----------	--------------

TOTAL COSTS

\$ 32,309

COST SHARE BUDGET

SALARIES

	Period/mos	% Time		
1. Principal Investigator - Dr. JR De Shazo (pro bono) \$21,475 Academic Year	1.0	25%	\$	5,369

BENEFITS

1. Principal Investigator - Dr. JR De Shazo (pro bono) Base sum: \$5,369 @ 12.70%			\$	682
--	--	--	----	-----

OTHER DIRECT COSTS

1. Event hosted in Los Angeles			\$	1,000
--------------------------------	--	--	----	-------

Cost Share Salaries & Benefits Total: \$ 7,051



March 17, 2016

TO: Marin Clean Energy Board

FROM: Beth Kelly, General Counsel

RE: First Addendum to Sixth Agreement with Richards, Watson & Gershon (Agenda Item #04 – C.6)

ATTACHMENTS: A. Sixth Agreement with Richards, Watson & Gershon
B. Draft First Addendum to Sixth Agreement with Richards, Watson & Gershon

Dear Board Members:

Summary:

On March 5, 2015, MCE entered into the Sixth Agreement with Richards, Watson & Gershon (“Agreement”) to provide continued legal assistance. The contract ends on March 31, 2016. The Agreement stated that the maximum cost to MCE would be \$90,000.

MCE staff requests approval of the proposed First Addendum, which would reflect a contract maximum increase of \$30,000 for a total amount not to exceed \$120,000.

Budget Impacts:

Costs related to the referenced agreement are included in the FY 2015/16 Operating Fund Budget.

Recommendation:

Approve the First Addendum to Sixth Agreement with Richards, Watson & Gershon.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**SIXTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND RICHARDS, WATSON & GERSHON**

THIS SIXTH AGREEMENT ("Agreement") is made and entered into this day **March 5, 2015** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and RICARDS, WATSON & GERSHON, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: legal assistance regarding joint powers authority issues and procedures;

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 **\$90,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2015**, and shall terminate on **March 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:

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 the 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.

7. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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. Copies of any of the above-referenced local laws and resolutions may be secured from MCE's contact person referenced in paragraph 19. NOTICES below.

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: 700 Fifth 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: Greg Stepanicich

Address: 44 Montgomery Street, Suite 3800

San Francisco, CA 94104-4811

Email Address: gstepanicich@rwglaw.com

Telephone No.: (415) 421-8484

20. ACKNOWLEDGEMENT 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: 3-5-15

By: [Signature]
Chairperson
Date: 3-5-15

CONTRACTOR:

By: [Signature]
Name: Greg Stepanicich
Date: 3-19-15

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 legal services as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

- Attendance at meetings of the Board of Directors and its subcommittees when requested;
- Advice concerning MCE's Joint Powers Agreement;
- Transactions with various contractors, and legal opinions related thereto;
- The Brown Act, Public Records Act, California Environmental Quality Act and conflict of interest laws; and
- Other legal tasks as specified by the CEO.

**EXHIBIT B
FEES AND PAYMENT SCHEDULE**

Contractor shall bill monthly for all services rendered under this agreement, according to the following hourly rates:

Shareholders/Senior Attorneys	\$275
Associates	\$225

Reimbursement of costs shall include copying charges (at the rate of 10 cents per page), messenger and delivery services, express mail and other similar out-of-pocket expenses at the firm's cost.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$90,000** for the term of the agreement.

**FIRST ADDENDUM TO SIXTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND RICHARDS, WATSON & GERSHON**

This FIRST ADDENDUM to SIXTH AGREEMENT is made and entered into on March 17, 2016, by and between MARIN CLEAN ENERGY, (hereinafter referred to as "MCE") and RICHARDS, WATSON & GERSHON hereinafter referred to as "Contractor".

RECITALS

WHEREAS, MCE and the Contractor entered into an agreement to provide legal assistance regarding joint powers authority issues and procedures dated March 5, 2015 ("Agreement"); and

WHEREAS, Section 4 and Exhibit B to the agreement obligated Contractor to be compensated an amount not to exceed \$90,000 for the services described within the scope therein; and

WHEREAS, the parties desire to amend the agreement to increase the contract amount by \$30,000 for a total not to exceed \$120,000.

NOW, THEREFORE, the parties agree to modify Sections 4 and 19, 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 **\$120,000**.

2. 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 **\$120,000** for the term of the agreement.

3. 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: _____

MARIN CLEAN ENERGY:

By: _____

Date: _____

MARIN CLEAN ENERGY:

By: _____

Date: _____



March 17, 2016

TO: Marin Clean Energy Board

FROM: Elizabeth Kelly, General Counsel

RE: Seventh Agreement with Richards, Watson & Gershon (Agenda Item #04 – C.7)

ATTACHMENT: Draft Seventh Agreement with Richards, Watson & Gershon

Dear Board Members:

SUMMARY:

Richards, Watson & Gershon provides various municipal and general legal services to Marin Clean Energy. These services have included providing advice on a wide range of municipal and joint powers authority issues, recommendations regarding the Brown Act, the Public Records Act, the California Environmental Quality Act and conflict of interest laws. Staff recommends creating a new contract in the amount of \$90,000 with Richards, Watson & Gershon for continuation of these essential services.

Budget Impacts: Costs related to the contract are included in the FY 2016/17 Budget that Staff is recommending to the Board at its March 17, 2016 meeting.

Recommendation: Approve the Seventh Agreement with Richards, Watson & Gershon.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**SEVENTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND RICHARDS, WATSON & GERSHON**

THIS SEVENTH AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and RICHARDS, WATSON & GERSHON, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: legal assistance, including regarding joint powers authority issues and procedures, as requested by MCE staff;

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 **\$90,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2016**, and shall terminate on **March 31, 2017**. 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.

7. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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:	LaWanda Hill
<hr/>	
MCE Address:	1125 Tamalpais Avenue
<hr/>	
	San Rafael, CA 94901
<hr/>	
Email Address:	invoices@mcecleanenergy.org
<hr/>	
Telephone No.:	(415) 464-6048
<hr/>	

Notices shall be given to Contractor at the following address:

Contractor: Greg Stepanicich

Address: 44 Montgomery Street, Suite 3800

San Francisco, CA 94104-4811

Email Address: gstepanicich@rwglaw.com

Telephone No.: (415) 421-8484

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

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

APPROVED BY

Marin Clean Energy:

By: _____
CEO

Date: _____

By: _____
Chairperson

Date: _____

CONTRACTOR:

By: _____

Name: _____

Date: _____

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 legal services as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

- Attendance at meetings of the Board of Directors and its subcommittees when requested;
- Advice concerning MCE's Joint Powers Agreement;
- Transactions with various contractors, and legal opinions related thereto;
- The Brown Act, Public Records Act, California Environmental Quality Act and conflict of interest laws; and
- Other legal tasks as specified by the CEO or General Counsel.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

Contractor shall bill monthly for all services rendered under this agreement, according to the following hourly rates:

Shareholders/Senior Attorneys	\$275
Associates	\$225

The above rates do not apply to any litigation services requested by MCE as such services would be billed at the rates mutually agreed upon by the parties.

Reimbursement of costs shall include copying charges (at the rate of 10 cents per page), messenger and delivery services, express mail and other similar out-of-pocket expenses at the firm's cost.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$90,000** for the term of the agreement.



March 17, 2016

TO: Marin Clean Energy Board
FROM: Sarah Estes-Smith, Director of Internal Operations
RE: Fifth Agreement with Jay Marshall (Agenda Item #04 – C.8)
ATTACHMENT: Draft Fifth Agreement with Jay Marshall

Dear Board Members:

SUMMARY:

Jay Marshall has been providing Information Technology (IT) support to MCE since July 2010, including computer, telephone and internet support services. The attached Fifth Agreement would allow for Jay Marshall to continue providing core business IT services and support to the MCE staff between April 1, 2016 and March 31, 2017. The contract amount will not exceed \$80,000.

Budget Impacts: Costs related to the referenced agreement are included in the FY 2016/17 Operating Fund Budget that Staff is recommending to the Board at its March 17, 2016 meeting.

Recommendation: Approve the Fifth Agreement with Jay Marshall.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**FIFTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND JAY MARSHALL**

THIS FIFTH AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and JAY MARSHALL, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: general information technology (IT) support as requested by MCE staff;

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 **\$80,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2016**, and shall terminate on **March 31, 2017**. 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. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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:	LaWanda Hill
<hr/>	
MCE Address:	1125 Tamalpais Avenue
<hr/>	
	San Rafael, CA 94901
<hr/>	
Email Address:	invoices@mcecleanenergy.org
<hr/>	
Telephone No.:	(415) 464-6048
<hr/>	

Notices shall be given to Contractor at the following address:

Contractor:	Jay Marshall
<hr/>	
Address:	16 Portola Avenue
<hr/>	
	San Rafael, CA 94903
<hr/>	
Email Address:	jay@primemovertech.com
<hr/>	
Telephone No.:	(415) 987-7153
<hr/>	

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	
<u>EXHIBIT C.</u>	<input checked="" type="checkbox"/>	Insurance Reduction/Waiver	

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

APPROVED BY

Marin Clean Energy:

By: _____
CEO

Date: _____

By: _____
Chairperson

Date: _____

CONTRACTOR:

By: _____

Name: _____

Date: _____

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)

As requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement, the Contractor will provide the following general information technology (IT) support services for maintaining and addressing issues related to the operations of:

- Computer systems, including desktops, networking, internet connectivity
- File server and Switch/WIFI/Firewall
- Telephone systems, including 40 handsets, voicemail, Allworx version 7.5 telephony software, connections to Internet and SIP provider for telephony
- Microsoft operating system and a single file/print server and Service Pack Installation and updates as required
- Google Applications and Egnyte file services support (Email and Cloud Back-up)
- Software, including Office, Acrobat Professional, Dreamweaver, anti-virus and anti-malware, and others
- Other hardware components

Contractor shall provide IT transitional assistance if MCE elects to contract IT services through a different contractor. If requested, Contractor shall provide and assist in transferring his full knowledge of MCE computer, telephone, and internet systems, settings, and passwords.

Contractor shall work on-site at MCE's office no less than 14 hours per week, typically on Tuesdays and Thursdays. Contractor shall provide additional support to MCE staff as needed on other weekdays.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

For services provided under this agreement, MCE shall pay the Contractor a monthly fee of \$6,000. Additional hours beyond 14 in a given week shall be at a rate of \$125/hour, billed in .25-hour increments. Contractor shall bill MCE monthly for all services rendered. Invoices will not be accepted if received more than 60 days from the month that work was performed.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$80,000** for the term of the agreement.

**EXHIBIT C
INSURANCE REDUCTION/WAIVER (if applicable)**

CONTRACTOR: Jay Marshall

CONTRACT TITLE: Fifth Agreement By and Between Marin Clean Energy and Jay Marshall

This statement shall accompany all requests for a reduction/waiver of insurance requirements. Please check the box if a waiver is requested or fill in the reduced coverage(s) where indicated below:

	<i>Check Where Applicable</i>	<i>Requested Limit Amount</i>	<i>MCE Use Only</i>
General Liability Insurance	<input checked="" type="checkbox"/>	\$	
Automobile Liability Insurance	<input type="checkbox"/>	\$	
Workers' Compensation Insurance	<input checked="" type="checkbox"/>		
Professional Liability Deductible	<input checked="" type="checkbox"/>	\$	

Please set forth the reasons for the requested reductions or waiver.

The nature of services being provided by this contractor does not place MCE into any significant liability risk.
Contractor shall provide proof of individual automobile liability insurance.

Contract Manager Signature: _____

Date: _____

Telephone: _____

Approved by: _____

Date: _____



March 17, 2016

TO: Marin Clean Energy Board

FROM: Sarah Estes-Smith, Director of Internal Operations

RE: Eighth Agreement with Maher Accountancy (Agenda Item #04 – C.9)

ATTACHMENT: Draft Eighth Agreement with Maher Accountancy

Dear Board Members:

SUMMARY:

On March 4, 2010 Maher Accountancy began providing MCE with general accounting services. Maher Accountancy continues to provide general accounting services, budget tracking, invoice processing, as well as employee payroll and employee benefit and accruals accounting services for MCE. The attached Eighth Agreement would allow for Maher Accountancy to continue providing these essential services between April 1, 2016 and March 31, 2017. The contract amount will not exceed \$160,000.

Budget Impacts: Costs related to the referenced agreement are included in the FY 2016/17 Operating Fund Budget that Staff is recommending to the Board at its March 17, 2016 meeting.

Recommendation: Approve the Eighth Agreement with Maher Accountancy.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**EIGHTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND MAHER ACCOUNTANCY**

THIS EIGHTH AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and MAHER ACCOUNTANCY, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: accounting and payroll processing as requested by MCE staff;

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 **\$160,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2016**, and shall terminate on **March 31, 2017**. 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. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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:	LaWanda Hill
MCE Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901
Email Address:	invoices@mcecleanenergy.org
Telephone No.:	(415) 464-6048

Notices shall be given to Contractor at the following address:

Contractor:	John Maher
Address:	1101 Fifth Avenue, Suite 200
	San Rafael, CA 94901
Email Address:	jmaher@mahercpa.com
Telephone No.:	(415) 459-1249 ext. 1

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

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

APPROVED BY

Marin Clean Energy:

By: _____
 CEO
 Date: _____

By: _____
 Chairperson
 Date: _____

CONTRACTOR:

By: _____
 Name: _____
 Date: _____

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 services as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

General Accounting Services

- Prepare timely monthly financial statements
- Monitor compliance with budgetary limits over expenditures
- Monitor services provider contract fiscal provisions
- Process cash disbursements
- Process payroll and maintain compensated absence accounting records
- Manage cash balances
- Manage the general ledger and prepare analyses to reconcile bank and other accounts
- Provide a means of maintaining appropriate segregation of duties and other internal controls
- Assistance with development and maintenance of budget for expenditures
- Maintain segregated account structure to enable regulatory accounting for Energy Efficiency program, maintenance of incentive payments, and budget reporting

Assistance with Annual Financial Statement Audit

Contractor shall prepare annual financial statement in accordance with generally accepted accounting principles, prepare and provide financial analyses and other support to MCE's independent auditors in order to minimize the cost of the audit.

Additional Accounting or Consulting Services, as necessary

Services requested by the CEO that are beyond the scope indicated above will be performed under a separate agreement.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

For services provided under this agreement, Contractor shall bill monthly. MCE shall pay the Contractor in accordance with the following fees/payment schedule:

- Fees for general accounting services and payroll processing will be performed for \$144,000. Payment will be made in monthly installments of \$12,000, on or about the 15th of each month.
- Assistance with the annual audit will be performed for \$16,000 and will be payable at the conclusion of the audit.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$160,000** for the term of the agreement.



March 17, 2016

TO: Marin Clean Energy Board

FROM: Elizabeth Kelly, General Counsel

RE: Fourth Agreement with Braun, Blaising, McLaughlin & Smith
(Agenda Item #04 – C.10)

ATTACHMENT: Draft Fourth Agreement with Braun, Blaising, McLaughlin & Smith

Dear Board Members:

SUMMARY:

Braun, Blaising, McLaughlin & Smith (BBMS) has provided legal and regulatory assistance to MCE through three Agreements for services. Specifically, BBMS has provided assistance on the Long Term Procurement Plan (LTPP) proceedings, Energy Resource Recovery Account (ERRA) proceedings and other regulatory proceedings as requested. BBMS has also provided assistance on legal questions related to CCA and municipal utility issues and other legal questions as requested. There is an ongoing need for the services provided by BBMS, and BBMS has proven to be an excellent provider of such services. Staff recommends approval of a Fourth Agreement with Braun, Blaising, McLaughlin & Smith in the amount of \$80,000 for continuation of legal and regulatory services.

Budget Impacts: Costs related to the referenced agreement are included in the FY 2016/17 Operating Fund Budget that Staff is recommending to the Board at its March 17, 2016 meeting.

Recommendation: Approve the Fourth Agreement with Braun, Blaising, McLaughlin & Smith.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**FOURTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND BRAUN, BLAISING, MCLAUGHLIN & SMITH**

THIS FOURTH AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and BRAUN, BLAISING, MCLAUGHLIN & SMITH, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: regulatory and legal services as needed and requested by MCE;

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 **\$80,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2016**, and shall terminate on **March 31, 2017**. 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. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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:	LaWanda Hill
MCE Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901
Email Address:	invoices@mcecleanenergy.org
Telephone No.:	(415) 464-6048

Notices shall be given to Contractor at the following address:

Contractor:	Scott Blaising
Address:	915 L Street, Suite 1480
	Sacramento, CA 95814
Email Address:	blaising@braunlegal.com
Telephone No.:	(916) 682-9702 / (916) 712-3961

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

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

APPROVED BY

Marin Clean Energy:

By: _____
CEO
Date: _____

By: _____
Chairperson
Date: _____

CONTRACTOR:

By: _____
Name: _____
Date: _____

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 task-specific legal and regulatory services and assistance as requested and directed by the General Counsel, up to the maximum time/fees allowed under this Agreement.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

For services provided under this agreement, MCE shall pay the Contractor in accordance with the following annual rates for the following attorneys:

Senior Partners	\$395
Junior Partners	\$320
Senior Associates	\$295
Junior Associates	\$250
Of Counsel	\$305-\$345
Contract Associate (As Authorized)	\$280
Law Clerk and Associates Not Admitted to Bar	\$155

Contractor shall bill in .10 hour increments on a monthly basis for all services rendered. In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$80,000** for the term of the agreement.



March 17, 2016

TO: Marin Clean Energy Board
FROM: Elizabeth Kelly, General Counsel
RE: Second Agreement with Davis Wright Tremaine, LLP (Agenda Item #04 – C.11)
ATTACHMENT: Draft Second Agreement with Davis Wright Tremaine, LLP

Dear Board Members:

SUMMARY:

On June 11, 2015, MCE entered into the First Agreement with Davis Wright Tremaine, LLP to provide a range of legal and advisory services pertaining to contractual and regulatory matters at the direction of MCE.

MCE staff has prepared the Second Agreement with Davis Wright Tremaine, LLP to continue these essential services with an effective date of April 1, 2016 through March 31, 2017 with a maximum cost not to exceed \$50,000.

Budget Impacts: Costs related to the referenced agreement are included in the FY 2016/17 Operating Fund Budget that Staff is recommending to the Board at its March 17, 2016 meeting.

Recommendation: Approve the Second Agreement with Davis Wright Tremaine, LLP.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**SECOND AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND DAVIS WRIGHT TREMAINE LLP**

THIS SECOND AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and DAVIS WRIGHT TREMAINE LLP, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: services pertaining to contractual, regulatory, and legal matters as requested and directed by MCE;

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 **\$50,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2016**, and shall terminate on **March 31, 2017**. 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. NONDISCRIMINATORY EMPLOYMENT:

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. CONFLICTS:

Contractor, by executing this Agreement, certifies that, at the time Contractor executes this Agreement and for the duration of this Agreement, Contractor does not have and will not perform services for any other clients which would create a conflict as between the interests of MCE hereunder and the interests of such other client, except as described in the attached Conflicts Waiver Letter included as **Exhibit C** or subject to written waiver by MCE. Contractor, by executing this Agreement, makes no such certification regarding potential and actual conflicts regarding MCE's constituent members in connection with this Agreement.

9. SUBCONTRACTING:

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.

10. ASSIGNMENT:

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.

11. RETENTION OF RECORDS AND AUDIT PROVISION:

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.

12. 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.

13. 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).

14. AMENDMENT:

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

15. 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.

16. 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.

17. INDEMNIFICATION:

Contractor agrees to indemnify 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 limited to the extent of Contractor's legal liability under the law; provided that Contractor shall not be obligated to indemnify MCE for any liability caused by MCE's negligence, recklessness or willful misconduct.

18. 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.

19. 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.

20. 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:	LaWanda Hill
MCE Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901
Email Address:	invoices@mcecleanenergy.org
Telephone No.:	(415) 464-6048

Notices shall be given to Contractor at the following address:

Contractor:	Vidhya Prabhakaran
Address:	505 Montgomery Street, Suite 800
	San Francisco, CA 94111
Email Address:	vidhyaprabhakaran@dwt.com
Telephone No.:	(415) 276-6568

21. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

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

APPROVED BY

Marin Clean Energy:

By: _____
CEO

Date: _____

By: _____
Chairperson

Date: _____

CONTRACTOR:

By: _____

Name: _____

Date: _____

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 services pertaining to contractual, regulatory, and legal matters, as requested and directed by the General Counsel, up to the maximum time/fees allowed under this Agreement.

**EXHIBIT B
FEES AND PAYMENT SCHEDULE**

For services provided under this agreement, MCE shall pay the Contractor at the following rates of Contractor's partners, associates, and paralegals:

Name	Title	2016 Rate
Vidhya Prabhakaran	Partner	\$500
Patrick Ferguson	Partner	\$485
Andrew Patterson	Associate	\$340
Katie Jorrie	Associate	\$300
Emily Sangi	Associate	\$300
Judy Pau	Paralegal	\$260

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$50,000** for the term of the agreement.

If the Agreement is subsequently amended to increase the total dollar amount under the Agreement, Contractor and MCE have agreed to the following discounts based on percentage off of Contractor's Public Agency rate (e.g. a Partner rate of \$525):

- 8% additional discount off the current "public agency" rate for annual work Contractor performs above \$50k (e.g. a Partner rate of \$485),
- 10% additional discount for annual work Contractor performs above \$100k (e.g. a Partner rate of \$475),
- 12% additional discount for annual work Contractor performs above \$259k (e.g. a Partner rate of \$465), and
- 15% additional discount for annual work Contractor performs above \$500k (e.g. a Partner rate of \$450).



March 17, 2016

TO: Marin Clean Energy Board

FROM: Elizabeth Kelly, General Counsel

RE: Sixth Agreement with Niemela Pappas & Associates (Agenda Item #04 – C.12)

ATTACHMENT: Draft Sixth Agreement with Niemela Pappas & Associates

Dear Board Members:

SUMMARY:

Niemela Pappas & Associates has provided contract lobbyist services on behalf of MCE. Staff recommends creating a new agreement with Niemela Pappas & Associates in the amount of \$94,500 for continuation of these services.

Budget Impacts: Costs related to the referenced agreement are included in the FY 2016/17 Operating Fund Budget that Staff is recommending to the Board at its March 17, 2016 meeting.

Recommendation: Approve the Sixth Agreement with Niemela Pappas & Associates.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**SIXTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND NIEMELA PAPPAS & ASSOCIATES**

THIS SIXTH AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and NIEMELA PAPPAS & ASSOCIATES, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: Contractor will act as a contract lobbyist on behalf of MCE as needed and requested by MCE staff;

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 **\$94,500**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2016**, and shall terminate on **March 31, 2017**. 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. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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:	LaWanda Hill
<hr/>	
MCE Address:	1125 Tamalpais Avenue
<hr/>	
	San Rafael, CA 94901
<hr/>	
Email Address:	invoices@mcecleanenergy.org
<hr/>	
Telephone No.:	(415) 464-6048
<hr/>	

Notices shall be given to Contractor at the following address:

Contractor:	Emily Pappas
Address:	1414 K Street, Suite 270
	Sacramento, CA 95814
Email Address:	pappas@npalobby.com
Telephone No.:	(916) 661-5365

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

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

APPROVED BY

Marin Clean Energy:

By: _____
CEO

Date: _____

By: _____
Chairperson

Date: _____

CONTRACTOR:

By: _____

Name: _____

Date: _____

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 act as contract lobbyist on behalf of MCE. Work will be provided primarily by Emily Pappas. Activities will include:

- Maintain constant communication with MCE staff.
- Monitor on a daily basis all bills that are introduced and amended.
- Provide immediate notification of bills and related legislative activities that impact MCE. This includes any lobbying efforts directed for and against MCE, and the context surrounding them.
- Maintain a regularly updated bill tracking record.
- Monitor state regulatory agencies, such as the CPUC and CEC.
- Continuously educate members of the Legislature, key legislative staff, members of the Governor's Administration, and other key Capitol decision makers about MCE. This will include legislators that represent areas of MCE expansion.
- Continuously cultivate MCE's relationships with its own legislative delegation.
- Set up meetings for MCE and legislators, key committee staff, members of the Governor's Administration, and relevant interest groups as needed.
- Actively lobby bills that either support or negatively impact MCE when directed to do so. These activities include:
 - Working with MCE staff on drafting letters of support or opposition, and delivering those letters to the correct players.
 - Providing strategic advice on how to effectively achieve MCE's desired outcome.
 - Testifying in committees.
 - Lobbying legislators.
 - Lobbying the Governor's office.
 - Lobbying appropriate regulatory agencies to support MCE's positions.
 - Soliciting support from MCE's allies.
- On bills sponsored by MCE, or requiring amendments, activities will include, in addition to those listed above:
 - Assistance in drafting language and inserting it into applicable bills, such as the Budget Act.
 - Garnering support from effective Capitol-based entities that share MCE's position.
- Assist MCE in efforts to build an effective statewide coalition with MCE supporters in order to push MCE legislative goals to the finish line.
- Identify opportunities that will enhance MCE's clout both in the Capitol and in regulatory agencies, such as supporting gubernatorial appointees requiring confirmation by the State Senate.
- Prepare necessary documents for filing with the Secretary of State and provide these documents to MCE for approval and signature.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

Contractor shall bill MCE monthly for all professional services rendered under this agreement. A monthly retainer of \$7,875 will be paid by MCE to Contractor for each month of service beginning April 1, 2016 until the end of the agreement.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$94,500** for the term of the agreement.



March 17, 2016

TO: Marin Clean Energy Board
FROM: Elizabeth Kelly, General Counsel
RE: Fourth Agreement with Troutman Sanders, LLP (Agenda Item #04 – C.13)
ATTACHMENT: Draft Fourth Agreement with Troutman Sanders, LLP

Dear Board Members:

SUMMARY:

Troutman Sanders, LLP provides legal services pertaining to new and existing power purchase agreements, including transaction support in drafting, negotiations, finalization and implementation. Troutman Sanders is also working closely with MCE staff on open season and development of future power purchase agreements. Staff recommends creating a new contract in the amount of \$120,000 with Troutman Sanders, LLP for energy transaction and related services.

Budget Impacts: Costs related to the referenced agreement are included in the FY 2016/17 Operating Fund Budget that Staff is recommending to the Board at its March 17, 2016 meeting.

Recommendation: Approve the Fourth Agreement with Troutman Sanders, LLP.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**FOURTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND TROUTMAN SANDERS LLP**

THIS FOURTH AGREEMENT ("Agreement") is made and entered into this day **March 17, 2016** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and TROUTMAN SANDERS LLP, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: legal services to MCE related to new and existing power purchase agreements as requested by the CEO or the Director of Procurement;

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 **\$120,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **April 1, 2016**, and shall terminate on **March 31, 2017**. 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. NONDISCRIMINATORY EMPLOYMENT:

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. SUBCONTRACTING:

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. ASSIGNMENT:

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. RETENTION OF RECORDS AND AUDIT PROVISION:

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 that is 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. This indemnity is expressly subject to the terms and limits of Contractor's professional liability insurance which shall have a minimum annual coverage limit of \$50,000,000 per claim and \$100,000,000.

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 Contract Manager and all notices shall be given to MCE at the following location:

Contract Manager:	LaWanda Hill
MCE Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901
Email Address:	invoices@mcecleanenergy.org
Telephone No.:	(415) 464-6048

Notices shall be given to Contractor at the following address:

Contractor:	Stephen Hall
Address:	100 SW Main Street, Suite 1000
	Portland, OR 97204
Email Address:	stephen.hall@troutmansanders.com
Telephone No.:	(503) 290-2336

20. ACKNOWLEDGEMENT OF EXHIBITS:

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

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

APPROVED BY

Marin Clean Energy:

By: _____
CEO
Date: _____

By: _____
Chairperson
Date: _____

CONTRACTOR:

By: _____

Name: _____

Date: _____

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 legal services to MCE as requested and directed by the CEO or the Director of Procurement related to: new and existing power purchase agreements; new and existing scheduling coordination and portfolio management agreements; and new and existing project development agreements, up to the maximum time/fees allowed under this Agreement. Services may also include transaction support in drafting, negotiations, finalization, and appropriate implementation of power supply transactions.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

For services provided under this Agreement, MCE shall pay the Contractor in accordance with the following payment fees/schedule:

Stephen Hall	\$675 per hour
Brian Harms	\$575 per hour
John Leonti	\$675 per hour

All rates are subject to a 10 percent discount. Contractor shall bill MCE monthly. Contractor services will be task-specific with MCE providing direction on tasks to be undertaken in writing by letter, voice communication, or email.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$120,000** for the term of the Agreement.



March 17, 2016

TO: Marin Clean Energy Board of Directors

FROM: David McNeil, Finance and Project Manager

RE: Amendment to Non-Revolving Credit Agreement with River City Bank
(Agenda Item #04 – C.14)

ATTACHMENTS: A. Non-Revolving Credit Agreement with River City Bank
B. Draft First Amendment to the Non-Revolving Credit Agreement
C. Draft Exhibit B Letter of Credit Note

Dear Board Members:

BACKGROUND:

MCE has a \$15 million Non-Revolving Credit Agreement with River City Bank (RCB) expiring in August 2016. The credit agreement allows the bank to issue letters of credit on behalf of MCE. Letters of credit serve as collateral for contracts that enable MCE to purchase power. Under the terms of the credit agreement, MCE issues Letter of Credit Notes payable to the bank in an amount equal to any outstanding letter of credit. The Notes are due the *earlier* of the expiration date of the agreement and the expiration date of the letter of credit.

Staff recommend and RCB has agreed to extend the due date of the Notes to the *later* of the expiration date of the agreement and the expiration date of the letter of credit.

Currently, in the event that MCE does not renew the agreement and there is a subsequent draw on an outstanding letter of credit, the amount of the draw down would be due and payable by MCE to RCB within three days of the draw.

With the proposed change the amount drawn on the letter of credit can be converted into a Letter of Credit Note and repaid on the expiry date of the letter of credit. The change thus allows MCE greater financial flexibility.

FISCAL IMPACT: None

RECOMMENDATION:

Approve the First Amendment to the Non-Revolving Credit Agreement with River City Bank.

\$15,000,000

NON-REVOLVING CREDIT AGREEMENT

Dated as of August 21, 2015

by and between

**MARIN CLEAN ENERGY,
as Borrower**

and

**RIVER CITY BANK,
as Lender**

NON-REVOLVING CREDIT AGREEMENT

This NON-REVOLVING CREDIT AGREEMENT (this “*Agreement*”) is entered into as of August 21, 2015, by and between **MARIN CLEAN ENERGY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq. (“*Borrower*”), and **RIVER CITY BANK**, a California corporation (“*Lender*”).

W I T N E S S E T H:

WHEREAS, Borrower has requested, and Lender has agreed to make available to Borrower, a non-revolving credit facility upon and subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION.

Section 1.1. Definitions. All capitalized terms used in this Agreement and not otherwise defined have the meanings ascribed to them on **Exhibit A**.

Section 1.2. Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement will have the same defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meaning of defined terms is equally applicable to the singular and plural forms of the defined terms.

(b) References. The words “hereof”, “herein”, “hereunder” and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, section, schedule and exhibit references are to this Agreement unless otherwise specified.

(c) Certain Common Terms. The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term “including” is not limiting and means “including without limitation.”

(d) Performance; Time. Whenever any performance obligation hereunder is stated to be due or required to be satisfied on a day other than a Business Day, such performance may be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.” If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision will be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) Contracts. Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, will be deemed to include all subsequent amendments thereto, restatements thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(g) Dollars and \$. All references to “dollars” or “\$” refer to United States dollars.

Section 1.3. Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein will be construed, and all financial computations required under this Agreement will be made, in accordance with GAAP, consistently applied.

(b) References herein to “fiscal year”, “fiscal quarter” and “fiscal month” refer to such fiscal periods of Borrower.

(c) If any change in GAAP results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Loan Document, then Borrower and Lender agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating Borrower’s financial condition will be the same after such change in GAAP as if such change had not been made.

SECTION 2. THE NON-REVOLVING CREDIT.

Section 2.1. Non-Revolving Credit. Subject to the terms and conditions hereof, Lender agrees to make a non-revolving credit facility (the “*Non-Revolving Credit*”) available to Borrower for the sole purpose of providing credit support for energy procurement contracts in an aggregate principal amount not to exceed, at any one time, the Non-Revolving Credit Commitment at any time prior to the Non-Revolving Credit Termination Date. The Non-Revolving Credit will be disbursed in one or more advances (each, an “*Advance*” and, collectively, the “*Advances*”), provided that the conditions precedent to Advances specified in Section 8 are satisfied. Subject to the Non-Revolving Credit Commitment and the other terms and conditions of this Agreement, Borrower may periodically request Advances; provided, however, that Lender will have no obligation to make Advances on or after the Termination Date, and Borrower may not re-borrow Advances as they are repaid.

Section 2.2. Advances. Advances under this Agreement may be requested in writing by Borrower or any Authorized Representative appointed by Borrower. Borrower agrees that

Lender may rely upon any written notice given by any person Lender in good faith believes is an Authorized Representative without the necessity of independent investigation.

Section 2.3. Promissory Notes. Each Advance made under the Non-Revolving Credit will be evidenced by a promissory note (each, a “*Promissory Note*”) made, executed and delivered by Borrower and payable to the order of Lender in the form (with appropriate insertions) attached hereto as **Exhibit B** (the “*Letter of Credit Note*”), **Exhibit C** (the “*Cash Advance Note*”), or, if converted to a Term Loan as provided in Section 5, **Exhibit D** (the “*Term Note*”), as set forth herein.

(a) Letter of Credit Notes. For each Letter of Credit requested by Borrower and issued by the L/C Issuer in accordance with Section 4, Borrower will execute and deliver to Lender a Letter of Credit Note in the stated principal amount equal to the face amount of such Letter of Credit. Each Letter of Credit Note will be deemed an Advance in the full stated principal amount thereof for purposes of determining the Non-Revolving Credit Commitment; provided that each Letter of Credit Note will evidence Borrower’s obligation to repay the lesser of the stated principal amount thereof or the outstanding principal amount of any Advances actually made by Lender under the Non-Revolving Credit as a result of an unreimbursed drawing (the “*Unreimbursed Amount*”), in accordance with Section 4.3. Each Letter of Credit Note will (i) be due and payable in full on the earlier of (x) the applicable Maturity Date, or (y) the Non-Revolving Credit Termination Date, and (ii) bear interest on the Unreimbursed Amount from and after the Honor Date, payable monthly as provided in Section 3. All references to “Advances” in in Section 3 shall, with respect to a Letter of Credit Note, refer solely to the outstanding Unreimbursed Amount(s) evidenced by such Letter of Credit Note. Subject to the terms and conditions of this Agreement and provided that no Event of Default has occurred, Borrower will have a one-time option to convert the indebtedness evidenced by the Letter of Credit Notes into a Term Loan as provided in Section 5.

(b) Cash Advance Notes. Borrower may request Advances under the Non-Revolving Credit in the form of cash disbursements (each a “*Cash Advance*”) deposited by Lender into a designated account of Borrower maintained with Lender. Borrower will make each request for a Cash Advance in writing in substantially the form of **Exhibit G**. On the date of each Cash Advance, Borrower will execute a Cash Advance Note to evidence the Cash Advance. Each Cash Advance Note will (i) be due and payable in full on the Non-Revolving Credit Termination Date, and (ii) bear interest, payable monthly as provided in Section 3. Subject to the terms and conditions of this Agreement and provided that no Event of Default has occurred, Borrower will have the option to convert the indebtedness evidenced by the Cash Advance Notes into a Term Loan as provided in Section 5.

Section 2.4. Repayment on Non-Revolving Credit Termination Date. All Advances (including all outstanding principal and accrued but unpaid interest) that have not been converted to a Term Loan shall be due and payable in full on the Non-Revolving Credit Termination Date. Until the Non-Revolving Credit Termination Date, Borrower shall repay the Advances with interest as provided herein and in the applicable Promissory Notes.

SECTION 3. INTEREST, LATE FEES, PREPAYMENTS AND APPLICATIONS.

Section 3.1. Interest Payments.

(a) Advances. The outstanding principal balance of Advances will bear interest (which Borrower hereby promises to pay at the rates and at the times set forth therein) prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full. The determination of the Applicable Rate by Lender shall be conclusive and binding on Borrower in the absence of demonstrable error.

(b) Interest Payment Dates. Borrower will pay regular monthly payments of all accrued but unpaid interest on the Advances as of each Payment Date beginning on October 1, 2015, with all subsequent interest payments due and payable on each Payment Date thereafter. Interest on the Advances will be payable monthly in arrears on each Payment Date. Interest on any installment of principal that is not paid when due (whether by lapse of time, acceleration or otherwise) will be due and payable on demand. Borrower will make all payments at the address specified in Section 3.4.

(c) Late Fees. If Borrower fails to make any payment of principal or interest under the Promissory Notes or any other sum payable hereunder or under any other Loan Document within five (5) calendar days after its due date, Lender will be entitled at its option to impose a late charge in an amount equal to six percent (6.00%) of the amount of such past due payment, which charge, if imposed by Lender, shall be due and payable by Borrower immediately upon receipt of written notice thereof.

Section 3.2. Computation of Interest; Minimum and Maximum Interest Rates. All interest on the Advances will be calculated on the basis of a year of 360 days for the actual number of days elapsed. In no event shall the applicable interest rate exceed than the maximum rate allowed by law (including Government Code Section 53854).

Section 3.3. Prepayments.

(a) Voluntary Prepayment. Borrower may voluntarily prepay Advances, in whole or in part, at any time without any penalty or fee. In connection with such prepayment, Borrower may prepay the principal amount of any Promissory Note together with interest accrued thereon, at its option and without premium, prior to the applicable Maturity Date or the Termination Date, as the case may be.

(b) Mandatory Prepayment. Borrower will, upon demand, prepay Advances at any time and to the extent that the outstanding principal amount of all Advances exceeds the Non-Revolving Credit Commitment.

(c) Application of Prepayments. All prepayments shall be applied in accordance with Section 3.4.

Section 3.4. Place and Application of Payments and Collections. All payments of principal, interest, fees and all other Obligations payable hereunder will be made to Lender at the following address no later than 2:00 p.m. (Pacific Standard Time) on the date any such payment is due and payable:

River City Bank
Loan Center
2485 Natomas Park Drive, Suite 400
Sacramento, CA 95833

So long as any Event of Default has occurred and is continuing, Borrower agrees that Lender, in its sole and absolute discretion, may apply any payments or collections received by Lender in respect of the Non-Revolving Credit to any of the Obligations in any manner or order as Lender desires. Lender's receipt and application of payments or collections shall not constitute a waiver or cure of any Default.

Section 3.5. Notations. All Advances made and evidenced by the Promissory Notes and the rates of interest applicable thereto will be recorded by Lender on its books and records or, at its option in any instance, endorsed on a schedule to the Promissory Notes, and the unpaid principal balance and interest rates so recorded or endorsed by Lender will be *prima facie* evidence in any court or other proceeding brought to enforce the Promissory Note of the principal amount remaining unpaid, the status of the Advances evidenced by the Promissory Note and the applicable interest rates; provided, however, that the failure of Lender to record any of the foregoing will not limit or otherwise affect the obligation of Borrower to repay the principal amount of the Promissory Note together with accrued interest thereon. Prior to any negotiation of the Promissory Note, Lender will record on a schedule thereto the status of all amounts evidenced by the Promissory Note and the rates of interest applicable thereto.

SECTION 4. LETTERS OF CREDIT.

Section 4.1. Letter of Credit Commitment.

(a) Subject to the terms and conditions set forth herein, the L/C Issuer agrees, in reliance upon the agreements of Borrower, (1) from time to time on any Business Day during the period from the date of this Agreement until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of Borrower, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; provided that after giving effect to any L/C Credit Extension, the aggregate principal amount of all Advances shall not exceed the Non-Revolving Commitment. Each request by Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence and the other terms and conditions of this Agreement.

- (b) The L/C Issuer shall have no obligation to issue any Letter of Credit if:
- (i) The expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension;
 - (ii) The expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date;
 - (iii) The requested Letter of Credit requires the L/C Issuer to provide a notice of non-renewal, if any, earlier than 120 days before the expiration of the Letter of Credit;
 - (iv) The requested Letter of Credit contains terms and conditions required by the beneficiary that are deemed unacceptable to the L/C Issuer;
 - (v) Any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin the L/C Issuer from issuing such Letter of Credit, or any law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the date of this Agreement, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable as of the date of this Agreement and which the L/C Issuer in good faith deems material to it;
 - (vi) The issuance of such Letter of Credit would violate one or more policies of the L/C Issuer generally applicable to the issuance of letters of credit;
 - (vii) The Letter of Credit is to be denominated in a currency other than Dollars;
 - (viii) The Letter of Credit provides for automatic reinstatement or renewal of the stated amount after any drawing thereunder; or
 - (ix) The issuance of the Letter of Credit would result in an L/C Credit Extension and a deemed Advance under the corresponding Letter of Credit Note that exceeds the Non-Revolving Credit Commitment at the time of issuance.
- (c) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.
- (d) The L/C Issuer shall have no obligation to amend any Letter of Credit if (i) the L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (ii) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

Section 4.2. Issuance and Amendment of Letters of Credit.

(a) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of Borrower delivered to Lender and the L/C Issuer in the form of a Letter of Credit Application substantially in the form of **Exhibit E**, completed to the satisfaction of Lender and the L/C Issuer and signed by a Responsible Officer of Borrower. Such Letter of Credit Application may be sent via electronic image or other electronic format, by US mail, overnight courier, or by any other means acceptable to Lender and the L/C Issuer and must be received by Lender and the L/C Issuer not later than ten (10) Business Days (or such later date as Lender and the L/C Issuer may agree in their sole discretion) before the proposed issuance date or date of amendment, as the case may be. In the case of a request for initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to Lender and the L/C Issuer: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (ii) the amount thereof; (iii) the expiry date thereof; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by such beneficiary in the case of any drawing thereunder; (vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (vii) the purpose and nature of the requested Letter of Credit; and (viii) such other matters as Lender or the L/C Issuer may require. In the case of a request for amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to Lender and the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of the amendment (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as Lender or the L/C Issuer may require. Additionally, Borrower will furnish to Lender and the L/C Issuer such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any L/C Issuing Documents, as Lender or the L/C Issuer may request.

(b) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with Lender that the Lender has received a copy of such Letter of Credit Application from Borrower and, if not, the L/C Issuer will provide Lender with a copy thereof. Unless the L/C Issuer has received written notice from Lender or Borrower, at least two (2) Business Days prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions set forth in Section 8 has not then been satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of Borrower or enter into the applicable amendment, as the case may be, in each case in such form as may be approved from time to time by the L/C Issuer and in accordance with the L/C Issuer's usual and customary business practices.

(c) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to the beneficiary thereof, the L/C Issuer will also deliver to Borrower and Lender a true and complete copy of such Letter of Credit or amendment.

Section 4.3. Drawings and Reimbursements of Letters of Credit.

(a) Upon the presentment of any notice of drawing under any Letter of Credit by the beneficiary thereof which the L/C Issuer determines to be in compliance with the conditions for payment thereunder, the L/C Issuer will notify Borrower and Lender of the intended date of

honor of such drawing. Not later than 5:00 p.m. (Pacific Standard Time) on the date (the “*Reimbursement Date*”) that is three (3) calendar days after any payment by the L/C Issuer under a Letter of Credit (each such date, an “*Honor Date*”), Borrower shall reimburse the L/C Issuer by making payment to Lender in an amount equal to the amount of such payment. If Borrower fails to so reimburse the L/C Issuer on or before the Reimbursement Date, Lender will make an Advance under the Letter of Credit Note to be disbursed as of the Honor Date in an amount equal to the Unreimbursed Amount, subject to the limits of the Non-Revolving Credit Commitment and the conditions precedent set forth in Section 8.

(b) With respect to any Unreimbursed Amount that is not fully refinanced by an Advance under a corresponding Letter of Credit Note for any reason, Borrower shall be deemed to have incurred an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate.

Section 4.4. Obligations Absolute.

(a) The obligation of Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

- (i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;
- (ii) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;
- (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;
- (iv) any waiver by the L/C Issuer of any requirement that exists for the L/C Issuer’s protection and not the protection of Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice Borrower;
- (v) any honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable.

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or discharge of, any party to the Loan Documents.

(b) Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Borrower's instructions or other irregularity, Borrower will immediately notify Lender and the L/C Issuer in writing. Borrower shall be conclusively deemed to have waived any such claim it would have against Lender or the L/C Issuer and its correspondents unless such notice is given.

Section 4.5. Role of L/C Issuer. Borrower agrees that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering such document. None of the L/C Issuer, Lender, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to Borrower for (i) any action taken or omitted in connection herewith at the request of Borrower; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or L/C Issuing Document. Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Neither the L/C Issuer or Lender, nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in Section 4.4; provided, however, that anything in such clauses to the contrary notwithstanding, Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by Borrower which Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their

face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunications (“*SWIFT*”) message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

Section 4.6. Applicability of ISP, Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to Borrower for, and the L/C Issuer’s rights and remedies against Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the law of any jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade – International Finance Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

Section 4.7. Letter of Credit Fees. Borrower shall pay to Lender fees for each Letter of Credit as follows:

(a) Issuance Fee. Upon issuance of any Letter of Credit, an amount equal to 1.25% per annum of the face amount of any Union Letter of Credit or 1.00% per annum for any RCB Letter of Credit (the “*Issuance Fee*”).

(b) Renewal Fee. Upon renewal or extension of any Letter of Credit, whether automatic, by operation of the Letter of Credit or other request by beneficiary under the Letter of Credit, the applicable Issuance Fee plus a renewal fee equal to \$1,250.00 (collectively, the “*Renewal Fee*”).

(c) Other Letter of Credit Costs and Fees. Borrower shall be subject and agrees to pay any and all fees due under a Union Letter of Credit that are imposed or charged to Lender by MUFG Union Bank, N.A., in connection with the Union Letter of Credit as provided on **Exhibit F**. In addition, Borrower agrees to pay Lender for any Letter of Credit amendment or other fees as quoted on Lender’s Letter of Credit Fee Schedule provided to Borrower by Lender. Nothing in this Section 4.7(c) shall obligate Borrower to pay more than one Issuance Fee upon issuance of each Letter of Credit and one Renewal Fee (including the applicable Issuance Fee) upon each renewal or extension thereof.

Section 4.8. Conflicts and Inconsistencies with L/C Issuing Documents. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of any L/C Issuing Document, the terms and conditions of this Agreement shall control, and if any L/C Issuing Document contains provisions that impose obligations on the L/C

Issuer or grant rights to Borrower beyond those imposed or granted under this Agreement, such provisions shall be of no force or effect and shall not be binding on the L/C Issuer.

SECTION 5. CONVERSION OF PROMISSORY NOTES TO TERM NOTES.

Section 5.1. Term Loans. Provided no Default or Event of Default has occurred or is continuing, Borrower shall have an option to convert outstanding balances under the Letter of Credit Notes or a Cash Advance Note to a term loan (each a “*Term Loan*”) payable in sixty (60) equal monthly amortizing payments of principal and interest at the Applicable Rate.

Section 5.2. Conversion of Letter of Credit Notes. To the extent there are any unpaid Advances under any Letter of Credit Notes due and payable on the Termination Date, Borrower, by written notice to Lender on the Termination Date, may request that the aggregate outstanding Advances and other indebtedness under the Letter of Credit Notes be converted to a single Term Loan. Borrower’s option to convert the Letter of Credit Notes may be exercised no more frequently than once and must be exercised on the Termination Date. The Term Loan described in this Section 5.2 will accrue interest from the Termination Date and will be evidenced by a single Term Note made, executed and delivered by Borrower in the form (with appropriate insertions) attached hereto **Exhibit D**.

Section 5.3. Conversion of Cash Advance Notes. At any time before the Non-Revolving Credit Termination Date, Borrower, by written notice to Lender, may request that any unpaid Advances under the Cash Advance Notes be converted to a Term Loan. Any Term Loan described in this Section 5.3 may, at Lender’s option, be evidenced by a Term Note or by a modification of the applicable Cash Advance Note.

SECTION 6. COLLATERAL.

Section 6.1. Debt Service Reserve Account. As a condition to Lender’s obligation to make any Advances hereunder, Borrower will open and establish a restricted deposit account or certificate of deposit with Lender (the “*Debt Service Reserve Account*”) with a balance of not less than \$1,657,487.00 at any time. The Debt Service Reserve Account will be held in the name of Borrower and will serve as collateral for the Obligations. Borrower will pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of the Debt Service Reserve Account.

Section 6.2. Assignment of Debt Service Reserve Account. As security for the prompt payment and performance by Borrower of all Obligations, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, transfers, delivers, and confirms unto Lender, and hereby grants to Lender a continuing security interest in (i) the Debt Service Reserve Account, (ii) all replacements, substitutions or proceeds thereof, (iii) all instruments and documents now or hereafter evidencing the Debt Service Reserve Account, (iv) all powers, options, rights, privileges and immunities pertaining to the Debt Service Reserve Account, including the right to make withdrawals therefrom, and (v) all interest, income, profits and proceeds of the foregoing. Borrower hereby acknowledges and agrees that Lender shall have exclusive control over the

Debt Service Reserve Account, and Borrower shall have no right to withdraw funds from the Debt Service Reserve Account; provided, however, that Borrower may withdraw funds from the Debt Service Reserve Account from time to time if (1) the balance of the Debt Service Reserve Account will not be less than \$1,657,487.00 after giving effect to such withdrawal, (2) no default or Event of Default has occurred and is continuing, and (3) no Event of Default would occur as a result of such withdrawal. If an Event of Default shall occur hereunder or under any of the Obligations, then Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including without limitation, interest) then remaining in the Debt Service Reserve Account and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery, and all reasonable attorneys' fees, costs and expenses incurred by Lender in connection with the Event of Default, to any amounts due and unpaid under this Agreement, any Promissory Note or any other Obligations in such manner and order as Lender shall deem appropriate in its sole discretion, (B) exercise any and all rights and remedies of a secured party under any applicable Uniform Commercial Code, and/or (C) exercise any other remedies available at law or in equity. All rights and remedies of Lender hereunder and under that certain Assignment of Deposit Account entered into as of the date hereof between Borrower and Lender shall be cumulative.

SECTION 7. REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants to Lender as follows:

Section 7.1. Organization and Qualification; Authority; Consents. Borrower (a) is a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) that is qualified to be a community choice aggregator pursuant to California Public Utilities Code Section 366.2 and (b) has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying unless the failure to be so licensed or qualified would not have a material adverse effect on its business, operations or assets. Borrower has the agency power to enter into this Agreement and the other Loan Documents to which it is a party, to request the Advances and incur the Obligations provided for herein, to execute Promissory Notes in evidence thereof, to pledge and encumber assets as security therefor, and to perform each and all of the promises herein and therein. This Agreement and the other Loan Documents to which Borrower is a party do not, nor does the performance or observance by Borrower of any of the matters or things herein or therein provided for, contravene any provision of law or the Joint Powers Agreement or any covenant, indenture or agreement of or affecting Borrower or any of its Properties, including the Shell Agreements. The execution, delivery, performance and observance by Borrower of this Agreement and the other Loan Documents do not and, at the time of delivery hereof, will not require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

Section 7.2. Legal Effect. This Agreement and the other Loan Documents to which Borrower is a party constitute legal, valid and binding agreements of Borrower, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or

other laws affecting the enforcement of creditors' rights generally and the application of equitable remedies if equitable remedies are sought.

Section 7.3. Subsidiaries. Borrower has no Subsidiaries.

Section 7.4. Use of Proceeds. Borrower will use the proceeds of the Advances solely for purposes consistent with the purpose of Borrower as set forth in the Joint Powers Agreement, including for purposes consistent with the community choice aggregation program established by Borrower pursuant to California Public Utilities Code Section 366.2.

Section 7.5. Financial Reports. Effective with the delivery to Lender of the financial statements required by Section 9.2, the statements of financial condition of Borrower as at the date of such statements delivered to Lender, and the related statements of income, retained earnings and cash flows of Borrower for the fiscal year then ended and accompanying notes thereto, which financial statements are accompanied by the audit of independent public accountants, and the unaudited interim statements of financial condition of Borrower as at the date of such statements delivered to Lender and the related statements of income and cash flows of Borrower for the period then ended, fairly present the financial condition of Borrower as at said dates and the results of its operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis. Borrower has no contingent liabilities which are material to it other than, with respect to any financial statements delivered to Lender, as indicated on said financial statements.

Section 7.6. Full Disclosure. The statements and other information furnished to Lender in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by Lender to provide the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading; provided that Lender acknowledges that, as to any projections furnished to Lender, Borrower only represents that the same were prepared on the basis of information and estimates Borrower believed to be reasonable at the time such information was prepared.

Section 7.7. Litigation. There is no litigation or governmental proceeding pending, nor to the knowledge of Borrower threatened in writing, against Borrower which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Borrower.

Section 7.8. Good Title. Borrower has good and defensible title to its Properties as reflected on the most recent balance sheet of Borrower furnished to Lender, subject to no Liens other than Permitted Liens or as otherwise limited by applicable law.

Section 7.9. Members. Borrower is not a party to any contracts or agreements with any of its members on terms and conditions which are less favorable to Borrower than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 7.10. Compliance with Laws. Borrower is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its Properties or business operations (including, without limitation, laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower. Borrower has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 7.11. Other Agreements. Borrower is not in default under the terms of any covenant, indenture or agreement of or affecting Borrower or any of its Properties, which default if uncured would have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 7.12. No Default. No Default or Event of Default has occurred or is continuing.

SECTION 8. CONDITIONS PRECEDENT.

The obligation of Lender to make any Advance is subject to the following conditions precedent:

Section 8.1. All Advances. As of the time of the making of each Advance (including the initial Advance unless otherwise specified):

(a) each of the representations and warranties set forth in Section 7 hereof and in the other Loan Documents shall be true and correct as of said time, except that the representations and warranties made under Section 7.5 (except for the initial Advance) shall be deemed to refer to the most recent financial statements furnished to Lender pursuant to Section 9.2 hereof; and

(b) Borrower shall be in full compliance with all of the material terms and conditions of this Agreement, the Promissory Notes, the Assignment of Debt Service Reserve Account and all other Loan Documents, and no Default or Event of Default shall have occurred or be continuing.

Section 8.2. Initial Advance. At or prior to the making of the first Advance, the following conditions precedent must also be satisfied:

(a) Lender shall have received properly completed and executed originals of the following in form and substance approved by Lender:

- (i) this Agreement;
- (ii) the Request for Advance and Letter of Credit Application (if applicable);

- (iii) each of the resolutions adopted by the Board of Directors of Borrower with respect to this Agreement and the other Loan Documents, certified by an Authorized Representative;
 - (iv) an incumbency certificate containing the name, title and genuine signatures of each of Borrower's Authorized Representatives;
 - (v) payment by Borrower of the Loan Fee and all payments and expenses required to be paid by Borrower pursuant to Section 11.4(a) of this Agreement;
 - (vi) an updated Schedule 9.7 listing all outstanding Indebtedness for Borrowed Money;
 - (vii) copies (executed and certified, as may be appropriate) of the organizational documents of Borrower and all legal documents or proceedings (including minutes of board meetings) taken in connection with the execution and delivery of this Agreement to the extent Lender or its counsel may reasonably request; and
 - (viii) the Assignment of Debt Service Reserve Account.
- (b) The Debt Service Reserve Account shall have been established with Lender; and
 - (c) Any legal matters incident to the execution and delivery of this Agreement and the other Loan Documents and to the transactions contemplated hereby and thereby shall be reasonably satisfactory to Lender and its counsel.

SECTION 9. COVENANTS.

Borrower agrees that, so long as any credit is available to or in use by Borrower hereunder, except to the extent compliance in any case or cases is waived in writing by Lender:

Section 9.1. Maintenance of Business. Borrower shall preserve and maintain its existence. Borrower shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business and shall conduct its business affairs in a reasonable and prudent manner. Borrower shall maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel, and shall provide Lender with written notice of any change in executive and management personnel.

Section 9.2. Financial Reports. Borrower shall maintain a standard system of accounting in accordance with GAAP and shall furnish to Lender and its duly authorized representatives such information respecting the business and financial condition of Borrower as Lender may reasonably request; and without any request, shall furnish to Lender:

- (a) as soon as available, and in any event within forty-five (45) days after the close of each quarter, an unaudited balance sheet of Borrower as of the last day of the period then ended and

the statements of income, retained earnings and cash flows of Borrower for the period then ended, prepared in accordance with GAAP and in a form acceptable to Lender;

(b) as soon as available, and in any event within six (6) months after the close of each annual accounting period of Borrower, a copy of the audited balance sheet of Borrower as of the last day of the period then ended and the statements of income, retained earnings and cash flows of Borrower for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion thereon of Borrower's independent public accountants, to the effect that the financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the financial condition of Borrower as of the close of such fiscal year and the results of its operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(c) promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of Borrower's operations and financial affairs given to it by its independent public accountants;

(d) promptly after knowledge thereof shall have come to the attention of any responsible officer of Borrower, written notice of any litigation threatened in writing or any pending litigation or governmental proceeding or labor controversy against Borrower which, if adversely determined, would materially adversely effect the financial condition, Properties, business or operations of Borrower or result in the occurrence of any Default or Event of Default hereunder; and

(e) promptly after the request therefore, all such other information as Lender may reasonably request.

Each of the financial statements furnished to Lender pursuant to subsection (b) of this Section 9.2 shall be accompanied by a written certificate signed by the chief financial officer of Borrower to the effect that to the best of such officer's knowledge and belief no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by Borrower to remedy the same.

Section 9.3. Maintenance of Debt Service Reserve Account. Borrower shall ensure that the Debt Service Reserve Account remains pledged and assigned to Lender as collateral for the Obligations in accordance with Section 6.

Section 9.4. Primary Depository Relationship. Borrower shall maintain its primary business banking deposit account relationship with Lender for so long as any amounts under this Agreement, any Promissory Note or Letter of Credit remain outstanding. In the event that this condition is not met, as determined by Lender, the Applicable Rate (or the Default Rate, if applicable) and any commissions charge on any outstanding Letters of Credit will immediately increase by an additional 0.25 percentage points.

Section 9.5. Fixed Charge Coverage Ratio. Borrower agrees to maintain a minimum Fixed Charge Coverage Ratio at all times greater than or equal to 1.25, measured quarterly as of the end of each fiscal quarter. As used herein,

“*Fixed Charge Coverage Ratio*” is defined as EBIDAR divided by total required Debt Service plus rent expense.

“*EBIDAR*” is defined as Change in Net Position plus depreciation, amortization, interest expense, and rent expense.

“*Change in Net Position*” is defined as the difference between current Net Position and prior period’s Net Position.

“*Net Position*” is defined as total assets less total liabilities.

“*Debt Service*” is defined as interest expense for the calculated period, plus current maturities of long term debt reported at the beginning of the calculated period (twelve months prior to the current period), plus current maturities of capital lease payments.

Section 9.6. Total Liabilities to Tangible Adjusted Unrestricted Net Position. Borrower agrees to maintain a maximum Total Liabilities to Tangible Adjusted Unrestricted Net Position not at any time greater than 2.50:1.00, measured quarterly. As used herein,

“*Total Liabilities to Tangible Adjusted Unrestricted Net Position*” is defined as the total of current liabilities, non-current liabilities and Contingent Liabilities, then divided by Tangible Adjusted Unrestricted Net Position.

“*Tangible Adjusted Unrestricted Net Position*” is defined as total Adjusted Unrestricted Net Position less any intangible assets.

“*Adjusted Unrestricted Net Position*” is defined as total net assets (i.e., total assets less total liabilities) less temporarily and permanently restricted net assets as presented in Borrower’s financial statements, plus the Debt Service Reserve Account.

“*Contingent Liabilities*” are defined as a present obligation that arises from past events, but is not recognized because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. Contingent Liabilities will include outstanding Letters of Credit issued and will exclude power purchase contingencies and the available Non-Revolving Credit Commitment.

Section 9.7. Inspection. Borrower shall permit Lender and its duly authorized representatives and agents, at such times and intervals as Lender may designate, but in any event, no more than six (6) times during any twelve (12) month period so long as no Default or Event of Default has occurred and is continuing: (i) to visit and inspect any of the Properties, books and

financial records of Borrower and to examine and make copies of the books of accounts and other financial records of Borrower, and (ii) to discuss the affairs, finances and accounts of Borrower with, and to be advised as to the same by, the executive officers of Borrower and other officers, employees and independent public accountants of Borrower (and by this provision Borrower each authorizes such accountants to discuss with Lender or its agents and representatives the finances and affairs of Borrower). Without limiting the generality of the foregoing, Borrower shall promptly provide all information and access requested by Lender as Lender determines is necessary or required in connection with the preparation of its own financial statements.

Section 9.8. Liens. Borrower shall not create, incur or permit to exist any Lien of any kind on any Property owned by Borrower or any Subsidiary; provided, however, that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, good faith cash deposits in connection with tenders, contracts or leases to which Borrower is a party or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not Indebtedness for Borrowed Money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b) mechanics', workmen's, materialmen's, landlords', carriers', or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c) the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding, provided that the aggregate amount of liabilities of Borrower secured by a pledge of assets permitted under this subsection, including interest and penalties thereon, if any, shall not be in excess of \$500,000 at any one time outstanding;

(d) the Liens identified on Schedule 7.4 hereto; and

(e) the Liens of Shell Energy under the Shell Security Agreement and Shell Collateral Account Agreements.

The Liens described in clauses (a) through (e) of this Section 9.8 are collectively referred to in this Agreement as the "*Permitted Liens*."

Section 9.9. Investments, Acquisitions, Loans, Advances and Guaranties. Borrower shall not directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances (other than for travel advances and other similar cash advances made to employees, vendors and suppliers in the ordinary course of business) to, any other Person, or acquire all or any substantial part of the assets or business of any other Person or division thereof, or be or become liable as endorser, guarantor,

surety or otherwise for any debt, obligation or undertaking of any other Person, or otherwise agree to provide funds for payment of the obligations of another, or supply funds thereto or invest therein or otherwise assure a creditor of another against loss, or apply for or become liable to the issuer of a letter of credit which supports an obligation of another, or subordinate any claim or demand it may have to the claim or demand of any other Person.

Section 9.10. Compliance with Laws. Borrower shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to its Properties or business operations, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower or could result in a Lien upon any of its Property.

Section 9.11. Burdensome Contracts With Members. Borrower shall not enter into any contract, agreement or business arrangement with any of its members on terms and conditions which are less favorable to Borrower than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

Section 9.12. Notices of Claims and Litigation. Borrower shall promptly inform Lender in writing of (a) all material adverse changes in Borrower's financial condition, (b) all existing or written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower which could materially affect the financial condition of Borrower.

Section 9.13. Other Agreements. Borrower shall comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Section 9.14. Performance. Borrower shall timely perform and comply with all terms, conditions, and provisions set forth in this Agreement, the Promissory Notes and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any Default in connection with any Loan Document.

Section 9.15. Compliance Certificates. Borrower shall, unless waived in writing by Lender, provide Lender, at least annually, with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

Section 9.16. Fiscal Year. Borrower shall not change its fiscal year without the prior written consent of Lender.

Section 9.17. Indebtedness for Borrowed Money. As of the date hereof, Borrower has no outstanding Indebtedness for Borrowed Money, except as set forth on Schedule 7.4. Except as disclosed on Schedule 7.4, Borrower shall not issue, incur, assume, create or have outstanding any Indebtedness for Borrowed Money; provided, however, that the foregoing shall not restrict nor operate to prevent the Obligations of Borrower owing to Lender hereunder.

SECTION 10. EVENTS OF DEFAULT AND REMEDIES.

Section 10.1. Events of Default. Any one or more of the following will constitute an “Event of Default” hereunder:

(a) any default in the payment when due (whether by lapse of time, acceleration or otherwise) of (i) any payment of principal or interest under the Promissory Notes, or (ii) any other Obligation within five (5) days after payment or performance is due from Borrower; or

(b) any representation or warranty made by Borrower herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Letter of Credit Application or Advance (including an L/C Borrowing) made hereunder, is inaccurate or untrue in any material respect as of the date of the issuance or making thereof; or

(c) any event occurs or condition exists (other than those described in clauses (a) through (b) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents for any reason ceases to be in full force and effect, or any of the Loan Documents is declared to be null and void, or Borrower takes any action for the purpose of repudiating or rescinding any Loan Document executed by it; or

(d) any judgment, order, writ of attachment, writ of execution, writ of possession or any similar legal process is entered or filed against Borrower or any of Borrower’s Properties and remains unvacated, unbonded and unstayed for a period of ten (10) or more calendar days; or

(e) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement in favor of any other creditor or Person that may materially affect any of Borrower’s Properties, Borrower’s ability to repay the Non-Revolving Credit or Borrower’s ability to perform its Obligations under this Agreement or any of the other Loan Documents; or

(f) a material adverse change occurs in Borrower’s financial condition, or Lender believes, in its reasonable discretion, the prospect of payment or performance of Borrower’s obligations under this Agreement is materially impaired; or

(g) Borrower (i) takes any steps to effect a Winding-Up, (ii) fails to pay, or admits in writing its inability to pay, its debts generally as they become due; or

(h) a custodian, receiver, administrative receiver, administrator, trustee, examiner, liquidator or similar official is appointed over Borrower or any substantial part of any of its Properties, or a Winding-Up proceeding is instituted against Borrower, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) or more days, or Borrower becomes unable to pay or admits in writing its inability to pay its debts as they become due.

Section 10.2. Non-Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (a) through (g) of Section 10.1, Lender or any permitted holder of any Promissory Note may, by notice to Borrower, take any of the following actions:

- (a) terminate any obligation to extend any further credit hereunder (including but not limited to Advances) on the date (which may be the date thereof) stated in such notice;
- (b) declare all Advances and all indebtedness under the Promissory Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, to be immediately due and payable without further demand, presentment, protest or notice of any kind; and
- (c) exercise and enforce any and all rights and remedies contained in any other Loan Document or otherwise available to Lender at law or in equity.

Section 10.3. Insolvency Default Remedies. Upon the occurrence of any Event of Default described in Section 10.1(h), all Advances and all indebtedness under the Promissory Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, will immediately become due and payable without presentment, demand, protest or notice of any kind, and the Lender shall have no obligation to extend any further credit hereunder (including but not limited to Advances).

SECTION 11. MISCELLANEOUS.

Section 11.1. Holidays. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day on which date such payment will be due and payable. In the case of any principal falling due on a day which is not a Business Day, interest on such principal amount will continue to accrue during such extension at the Applicable Rate, which accrued amount will be due and payable on the next scheduled date for the payment of interest.

Section 11.2. No Waiver, Cumulative Remedies. No delay or failure on the part of Lender or on the part of the holder of any Promissory Note in the exercise of any power or right will operate as a waiver thereof or as an acquiescence in any Default, nor will any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. All rights and remedies of Lender and the holder of any Promissory Note are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have. Borrower agrees that in the event of any breach or threatened breach by Borrower of any covenant, obligation or other provision contained in this Agreement, Lender shall be entitled (in addition to any other remedy that may be available to Lender) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. Borrower further agrees that neither Lender nor any other person or entity shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 11, and Borrower irrevocably

waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 11.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document nor consent to any departure by Borrower therefrom, will in any event be effective unless the same is in writing and signed by Lender. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in similar or other circumstances.

Section 11.4. Costs and Expenses.

(a) Borrower shall pay all reasonable out-of-pocket expenses incurred by Lender, if any, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) including, without limitation, a \$2,500.00 documentation fee.

(b) Borrower agrees to pay on demand all reasonable costs and expenses (including attorneys' fees and expert witness fees), if any, incurred by Lender or any other holder of the Obligations in connection with any Event of Default or the enforcement of this Agreement, any other Loan Document or any other instrument or document to be delivered hereunder, including without limitation any action, suit or proceeding brought against Lender by any Person which arises out of the transactions contemplated hereby or out of any action or inaction by Lender hereunder or thereunder.

Section 11.5. Indemnity. Whether or not the transactions contemplated hereby shall be consummated, Borrower shall indemnify, defend and hold harmless Lender and the L/C Issuer and their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "*Indemnified Person*") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including attorneys' costs and expert witnesses' fees), of any kind or nature whatsoever, that (a) arise from or relate in any way to the execution, delivery, enforcement, performance and administration of this Agreement and any other Loan Document, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any Winding-Up or appellate proceeding) related to this Agreement or the Advances or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto, and/or (b) may be incurred by or asserted against such Indemnified Person in connection with or arising out of any pending or threatened investigation, litigation or proceeding, or any action taken by any Person, arising out of or related to any Property of Borrower (all the foregoing, collectively, the "*Indemnified Liabilities*"); provided that Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent arising from the gross negligence or willful misconduct of such Indemnified Person.

No action taken by legal counsel chosen by Lender or the L/C Issuer in defending against any investigation, litigation or proceeding or requested remedial, removal or response action vitiates or in any way impairs Borrower's obligation and duty hereunder to indemnify and hold

harmless Lender unless such action involved gross negligence or willful misconduct. Neither Borrower nor any other Person is entitled to rely on any inspection, observation, or audit by Lender or its representatives or agents. Lender and the L/C Issuer owe no duty of care to protect Borrower or any other Person against, or to inform Borrower or any other Person of, any adverse condition affecting any site or Property. Neither Lender nor the L/C Issuer are obligated to disclose to Borrower or any other Person any report or findings made as a result of, or in connection with, any inspection, observation or audit by Lender or the L/C Issuer or their respective representatives or agents.

The obligations of Borrower in this Section 11.5 shall survive the payment and performance of all other Obligations. At the election of any Indemnified Person, Borrower shall defend such Indemnified Person using legal counsel satisfactory to such Indemnified Person in such Indemnified Person's sole discretion, at the sole cost and expense of Borrower. All amounts owing under this Section 11.5 shall be paid within thirty (30) days after demand.

Section 11.6. Right of Set Off. To the extent permitted by applicable law, Lender reserves a right of setoff in all of Borrower's accounts with Lender (whether checking, savings, or some other account). Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums due and owing from Borrower against any and all such accounts. This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include the Loan Loss Reserve Accounts, the Energy Efficiency Account or any trust accounts that are not subject to setoff under applicable law. In addition, Lender's right of setoff shall apply to the Shell Energy Accounts, but only to the extent that the funds on deposit therein are not subject to a valid and perfected first-priority security interest in favor of Shell Energy.

Section 11.7. Survival of Representations. All representations and warranties made herein or in certificates given pursuant hereto will survive the execution and delivery of this Agreement and the other Loan Documents, and will continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 11.8. Notices. Except as otherwise specified herein, all notices hereunder will be in writing (including by hand, post, courier or telecopy) and will be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by certified or registered mail, by Federal Express or DHL, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder will be addressed:

To Borrower at:

Marin Clean Energy
1125 Tamalpais Ave.
San Rafael, CA 94901
Telephone: (415) 464-6010
Telecopy: (415) 499-7880
Attention: Executive Officer

With a copy (not constituting notice) to:

Richards Watson & Gershon
44 Montgomery Street, Suite 3800
San Francisco, California 94104-4811
Telephone: (415) 421-8484
Telecopy: (415) 421-8486
Attention: Greg Stepanicich

To Lender at:

River City Bank
2485 Natomas Park Drive, Suite 400
Sacramento, CA 95833
Telephone: (916) 567-2700
Telecopy: (916) 567-2780
Attention: Alice Harris
Loan Center

Each such notice, request or other communication will be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, three (3) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section 11.8; *provided that* any notice given pursuant to Section 2.2 hereof will be effective only upon receipt.

For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address.

Section 11.9. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 11.10. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the

extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.11. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together will be deemed to constitute one and the same instrument.

Section 11.12. Assignments, Binding Nature, Governing Law, Etc. This Agreement will be binding upon Borrower and its permitted successors and assigns, and will inure to the benefit of Lender and the benefit of its permitted successors and assigns, including any permitted subsequent holder of the Promissory Note. This Agreement and the rights and duties of the parties hereto will be construed and determined in accordance with the internal laws of the State of California without regard to principles of conflicts of laws. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. Borrower may not assign its rights hereunder without the written consent of Lender. Lender may assign its rights hereunder without the consent of Borrower, but only if after any such assignment Lender acts as the lead agent or administrative agent with respect to this Agreement.

Section 11.13. Submission to Jurisdiction; Waiver of Jury Trial. Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Eastern District of California and of any California State court sitting in the County of Sacramento for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court has been brought in an inconvenient forum. Borrower hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or in the transactions contemplated thereby.

Section 11.14. Time is of the Essence. Time is of the essence in the performance and enforcement of this Agreement and the other Loan Documents.

Section 11.15. Consent to Loan Participation . Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Non-Revolving Credit to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to this Agreement, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interest in the Promissory Note and will have all the rights granted under the participation agreement or agreements governing the same of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally

agrees that either Lender or such purchaser may enforce Borrower's obligations under this Agreement irrespective of the failure or insolvency of any holder of any interest in the Promissory Note. Borrower further agrees that the purchaser of any such participation interests may enforce the interests irrespective of any personal claims or defenses that Borrower may have against Lender.

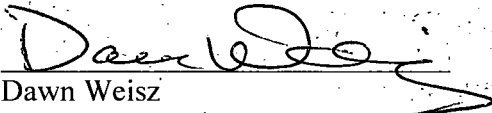
Section 11.16. No Recourse Against Constituent Members of Borrower. Borrower is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. Borrower shall be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and the Promissory Notes. Lender shall not make any claims, take any actions or assert any remedies against any of Borrower's constituent members in connection with any payment default by Borrower under this Agreement or any other Loan Document.

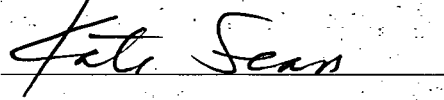
[remainder of page left intentionally blank; signature page follows]

Upon your acceptance hereof in the manner hereinafter set forth, this Agreement will constitute a contract between us for the uses and purposes hereinabove set forth.

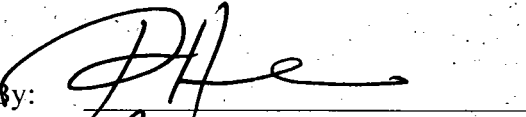
Executed and delivered in Sacramento, California, as of the first date written above.

MARIN CLEAN ENERGY

By: 
Dawn Weisz
Executive Officer

By: 
Chairman of the Board

RIVER CITY BANK

By: 
Name: PATRICK MCHONE
Its: CHIEF CREDIT OFFICER

SCHEDULE 7.4

Indebtedness for Borrowed Money

EXHIBIT A

Definitions

“*Advance*” and “*Advances*” is defined in Section 2.1.

“*Agreement*” means this Non-Revolver Credit Agreement, as the same may be amended, modified or restated from time to time in accordance with the terms hereof.

“*Applicable Rate*” means a variable rate of interest equal to the One-Month LIBOR plus 1.75 percentage points per annum as adjusted for any maximum or minimum rate limitations as provided in the Loan Documents. The Applicable Rate is subject to increase as provided in Section 9.4.

“*Authorized Representative*” means those persons shown on the list of officers provided by Borrower pursuant to Section 8.2(a)(iv), or on any update of any such list provided by Borrower to Lender, or any further or different officer of Borrower so named by any Authorized Representative of Borrower in a written notice to Lender.

“*Borrower*” is defined in the introductory paragraph.

“*Business Day*” means a day (other than a Saturday or Sunday) on which banks are not authorized or required to be closed in Sacramento, California.

“*Capital Lease*” means at any date any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

“*Capitalized Lease Obligation*” means the amount of liability as shown on the balance sheet of any Person in respect of a Capital Lease as determined at any date in accordance with GAAP.

“*Cash Advance Note*” means a Promissory Note substantially in the form of **Exhibit C** attached hereto, executed by Borrower in connection with each Cash Advance.

“*Consulting Engineer*” means the engineer, engineering firm or consulting firm retained from time to time by Borrower to provide independent analysis and planning advice regarding the business strategy and operations of Borrower.

“*Debtor Relief Laws*” means the United States Bankruptcy Code and all other liquidation, conservatorship, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“*Default*” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“*Default Rate*” means the Applicable Rate plus five percent (5.0%).

“*Dollars and \$*” mean lawful money of the United States.

“*Energy Efficiency Account*” means the River City Bank Account No. xxxxxx-181 held by Borrower with Lender.

“*Event of Default*” is defined in Section 10.1.

“*GAAP*” means generally accepted accounting principles as established and interpreted by the Governmental Accounting Standards Board (GASB) and as applied by Borrower.

“*Governmental Authority*” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial taxing, regulatory or administrative powers or functions of or pertaining to government.

“*Honor Date*” is defined in Section 4.3(a).

“*Indebtedness for Borrowed Money*” means, for any Person (without duplication), (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business not more than 90 days past due), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, and (v) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money.

“*Indemnified Liabilities*” is defined in Section 11.5.

“*Indemnified Person*” is defined in Section 11.5.

“*Initial Rate Set Date*” means the date of issuance of each Promissory Note at which time Lender will determine the One-Month LIBOR which shall be in effect until the next Rate Change Date.

“*ISP*” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or other such later version thereof as may be in effect at the time of issuance).

“*Joint Powers Agreement*” means the Joint Powers Agreement of Borrower effective as of December 19, 2008, and as amended from time to time.

“*L/C Borrowing*” means an Advance arising from a drawing under a Letter of Credit that Borrower has not reimbursed by the Reimbursement Date in accordance with Section 4.3(a).

“*L/C Credit Extension*” means, with respect to any Letter of Credit, the issuance thereof, increase in the amount thereof, or extension of the expiration date thereof.

“*L/C Issuer*” means either River City Bank or MUFG Union Bank, N.A. on behalf of River City Bank, as the case may be.

“*L/C Issuing Documents*” means, with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and Borrower or in favor of the L/C Issuer and relating to any such Letter of Credit.

“*Lender*” is defined in the introductory paragraph.

“*Letter of Credit*” means any letter of credit issued hereunder that provides for the payment of cash upon the honoring of a presentation thereunder.

“*Letter of Credit Application*” means a written request for a Letter of Credit substantially in the form of **Exhibit E** attached hereto.

“*Letter of Credit Expiration Date*” means the day that is thirty (30) calendar days before the Termination Date.

“*Letter of Credit Fees*” mean the fees and charges related to the issuance of a Letter of Credit as provided in Section 4.6.

“*Letter of Credit Note*” means a Promissory Note substantially in the form of **Exhibit B** attached hereto, executed by Borrower in connection with each unreimbursed drawing under a Letter of Credit in accordance with Section 2.3(a).

“*Lien*” means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

“*Loan Documents*” means this Agreement, the Promissory Notes, the Assignment of Debt Service Reserve Account, the Letters of Credit, the L/C Issuing Documents and all other documents, certificates, instruments and agreements relating to the foregoing or otherwise executed by Borrower in connection with the Non-Revolving Credit.

“*Loan Fee*” means one-quarter of one percent (0.25%) of the Non-Revolving Credit Commitment.

“*Loan Loss Reserve Accounts*” means the River City Bank Account Nos. xxxxxx-960, xxxxxx-088 and xxxxxx-096, and any other “Loan Loss Reserve Account”

established pursuant to the MCE On-Bill Repayment Program Operating Agreement between Borrower and Lender dated as of July 8, 2013, as amended from time to time.

“Maintenance and Operation Costs” shall be determined in accordance with the accrual basis of accounting in accordance with GAAP and shall mean the reasonable and necessary costs paid or incurred by Borrower for maintaining and operating the System, including costs of electric energy and power generated or purchased, costs of transmission and fuel supply, and including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of Borrower that are charged directly or apportioned to the maintenance and operation of the System, such as salaries and wages of employees, overhead, insurance, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of Borrower such as fees and expenses of an independent certified public accountant and the Consulting Engineer, and including Borrower’s share of the foregoing types of costs of any electric properties co-owned with others, excluding in all cases depreciation, replacement and obsolescence charges or reserves therefore and amortization of intangibles and extraordinary items computed in accordance with GAAP or other bookkeeping entries of a similar nature. Maintenance and Operation Costs shall include all amounts required to be paid by Borrower under Take or Pay Contracts.

“Maturity Date” means, for any Letter of Credit Note, the initial expiration date of the Letter of Credit corresponding to such Letter of Credit Note; and for any Cash Advance Note or Term Note, the date so specified in such Cash Advance Note or Term Note as the Maturity Date.

“Non-Revolving Credit” is defined in Section 2.1.

“Non-Revolving Credit Commitment” means, at any time of determination, an amount equal to \$15,000,000.00 less the aggregate principal amount of Advances made by Lender under the Non-Revolving Credit.

“Non-Revolving Credit Termination Date” means the earlier to occur of (a) the Termination Date, and (b) the date on which Lender’s obligation to make Advances under the Non-Revolving Credit terminates pursuant to Section 10.

“Obligations” means and includes all loans, advances, debts, liabilities and obligations of Borrower to Lender, of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter owed by Borrower to Lender, whether in connection with the Loan Documents or otherwise, including without limitation all interest, fees (including Letter of Credit Fees), charges, expenses, attorneys’ fees and accountants’ fees chargeable to Borrower or payable by Borrower thereunder.

“One-Month LIBOR” means, as of each Rate Change Date or the Initial Rate Set Date, the rate determined by Lender to be the One-Month LIBOR rate as posted on

Bankrate.com (or, if such rate becomes unavailable to Lender, a substitute rate based on an index selected by Lender in its sole discretion) as in effect from time to time, which rate is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion.

“*Payment Date*” means, other than the Termination Date or any Maturity Date, the first day of each calendar month.

“*Permitted Liens*” is defined in Section 9.8.

“*Person*” means an individual, partnership, corporation, company, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

“*Property*” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“*Rate Change Date*” means the first calendar day of each calendar month.

“*Reimbursement Date*” is defined in Section 4.3(a).

“*Related Parties*” means, with respect to any Person, such Person’s affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s affiliates.

“*Responsible Officer*” means the Chief Executive Officer of Borrower.

“*RCB Letter of Credit*” means a Letter of Credit issued by River City Bank.

“*Shell Agreements*” means (i) that certain Master Power Purchase and Sale Agreement, dated as of February 5, 2010, between Shell Energy and Borrower, (ii) the Shell Security Agreement, (iii) the Shell Collateral Account Agreement, and (iv) any and all amendments, modifications, and restatements of the documents referred to in the preceding clauses (i) through (iii).

“*Shell Collateral Account Agreements*” means the “Secured Account Agreement(s)” as defined in the Shell Security Agreement.

“*Shell Energy*” means Shell Energy North America (US), L.P., a Delaware limited partnership.

“*Shell Energy Accounts*” means the River City Bank Account Nos. xxxxxx-221 and xxxxxx-388, and any other accounts maintained with Lender in which Borrower has granted a security interest to Shell Energy pursuant to the Shell Security Agreement.

“*Shell Security Agreement*” means that certain Second Amendment to and Restatement of Security Agreement, dated as of February 2, 2012, between Shell Energy and Borrower.

“*System*” means (i) all facilities, works, properties, structures and contractual rights to distribution, metering and billing services, electric power, scheduling and coordination, transmission capacity, and fuel supply of Borrower for the generation, transmission and distribution of electric power, (ii) all general plant facilities, works, properties and structures of Borrower, and (iii) all other facilities, properties and structures of Borrower, wherever located, reasonably required to carry out any lawful purpose of Borrower. The term shall include all such contractual rights, facilities, works, properties and structures now owned or hereafter acquired by Borrower.

“*Termination Date*” means August 31, 2016.

“*UCC*” means the Uniform Commercial Code as enacted in the State of California.

“*UCP*” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce (“*ICC*”) Publication No. 600 (or other such later version thereof as may be in effect at the time of issuance).

“*Union Letter of Credit*” means a Letter of Credit issued by MUFG Union Bank, N.A.

“*Winding-Up*” means, in relation to a Person, a voluntary or involuntary case or other proceeding or petition seeking dissolution, liquidation, reorganization, administration, assignment for the benefit of creditors or other relief under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a custodian, trustee, receiver, liquidator or other similar official over that Person or any substantial part of that Person’s Properties.

EXHIBIT B

LETTER OF CREDIT NOTE

\$ _____

Date: _____

FOR VALUE RECEIVED, **MARIN CLEAN ENERGY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et seq. ("*Borrower*"), promises to pay to the order of **RIVER CITY BANK** ("*Lender*") the lesser of (a) the principal sum of _____/100 DOLLARS (\$ _____), or (b) the aggregate unpaid principal amount of Advances made to Borrower by Lender under the Letter of Credit described below to which this Letter of Credit Note (this "*Note*") relates, pursuant to the terms of that certain Non-Revolving Credit Agreement (the "*Credit Agreement*") dated as of July 31, 2015, between Borrower and Lender, together with interest thereon as provided herein and therein. All payments under this Note shall be made to Lender at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

This Note is executed in connection with that certain standby letter of credit (the "*Letter of Credit*") dated as of [____], and issued by [____], as "*Issuing Bank*," for the benefit of [____], as "*Beneficiary*," in the face amount of [____]. Under Section 4.3 of the Credit Agreement, if Borrower fails to reimburse the Issuing Bank for the honor of a drawing under the Letter of Credit on or before the Reimbursement Date, the Unreimbursed Amount will become an Advance of principal under this Note made as of the Honor Date and will bear interest from the Honor Date.

Payment Terms. Borrower agrees to pay monthly payments of interest only on the unpaid principal balance of this Note as of each Payment Date beginning on the latter of (a) the first Payment Date after the Honor Date, or (b) October 1, 2015, with all subsequent payments due and payable on each Payment Date thereafter as provided in Section 3 of the Credit Agreement. Interest will accrue prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full.

Maturity Date. The outstanding principal balance of this Note and all accrued but unpaid interest thereon shall be due and payable in full on the earlier of (x) the expiration date of the Letter of Credit, subject to amendment or extension from time to time in accordance with the terms of the Loan Documents, or (y) the Non-Revolving Credit Termination Date. Under Section 5.2 of the Credit Agreement and subject to the conditions set forth therein, Borrower may request that any amounts due and payable hereunder on the Termination Date be converted into a Term Loan evidenced by a Term Note.

Default and Acceleration. Upon the occurrence of any Event of Default described in Section 10.1 of the Credit Agreement, Lender or any permitted holder of this Note may exercise

any or all of the rights and remedies set forth therein, including the exercise of Lender's option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Borrower, as applicable.

Miscellaneous. This Note and the holder hereof are entitled to all of the rights benefits provided for in the Credit Agreement. All of the terms, covenants and conditions contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Note will be construed in accordance with, and governed by, the internal laws of the State of California.

Borrower promises to pay all costs and expenses (including reasonable attorneys' fees and expert witnesses' fees) suffered or incurred by Lender or subsequent holder of this Note in the collection of this Note or the enforcement Lender's rights and remedies under the Credit Agreement.

Borrower hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral, if any; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

Prior to signing this Note, Borrower read and understood all the provisions of this Note and the Credit Agreement, including the variable interest rate provisions in the Credit Agreement. Borrower agrees to the terms of this Note and the Credit Agreement. Borrower acknowledges receipt of complete copies of this Note and the Credit Agreement.

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the day and year first above written.

MARIN CLEAN ENERGY

By: _____
Dawn Weisz
Executive Officer

By: _____
Chairman of the Board

EXHIBIT C

CASH ADVANCE NOTE

\$ _____

Date: _____

FOR VALUE RECEIVED, **MARIN CLEAN ENERGY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et seq. (“*Borrower*”), promises to pay to the order of **RIVER CITY BANK** (“*Lender*”) the principal sum of _____/100 DOLLARS (\$_____), pursuant to the terms of that certain Non-Revolving Credit Agreement (the “*Credit Agreement*”) dated as of July 31, 2015, between Borrower and Lender, together with interest thereon as provided herein and therein. All payments under this Cash Advance Note (this “*Note*”) shall be made to Lender at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

Payment Terms. Under the terms of the Credit Agreement, Borrower may request Cash Advances under the Non-Revolving Credit. This Note evidences a Cash Advance and will bear interest from the date of such Cash Advance. Borrower agrees to pay monthly payments of interest only on the unpaid principal balance of this Note as of each Payment Date beginning on the latter of (a) the first Payment Date after the date of the Cash Advance, or (b) October 1, 2015, with all subsequent payments due and payable on each Payment Date thereafter as provided in Section 3 of the Credit Agreement. Interest will accrue prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full.

Maturity Date. The outstanding principal balance of this Note and all accrued but unpaid interest thereon shall be due and payable in full on the Non-Revolving Credit Termination Date. Under Section 5.3 of the Credit Agreement and subject to the conditions set forth therein, at any time before the Non-Revolving Credit Termination Date, Borrower may request that any amounts due and payable hereunder be converted into a Term Loan evidenced by a Term Note.

Default and Acceleration. Upon the occurrence of any Event of Default described in Section 10.1 of the Credit Agreement, Lender or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of Lender’s option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Borrower, as applicable.

Miscellaneous. This Note and the holder hereof are entitled to all of the rights benefits provided for in the Credit Agreement. All of the terms, covenants and conditions contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the

terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Note will be construed in accordance with, and governed by, the internal laws of the State of California.

Borrower promises to pay all costs and expenses (including reasonable attorneys' fees and expert witnesses' fees) suffered or incurred by Lender or subsequent holder of this Note in the collection of this Note or the enforcement Lender's rights and remedies under the Credit Agreement.

Borrower hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral, if any; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

Prior to signing this Note, Borrower read and understood all the provisions of this Note and the Credit Agreement, including the variable interest rate provisions in the Credit Agreement. Borrower agrees to the terms of this Note and the Credit Agreement. Borrower acknowledges receipt of complete copies of this Note and the Credit Agreement.

MARIN CLEAN ENERGY

By: _____

Dawn Weisz
Executive Officer

By: _____

Chairman of the Board

EXHIBIT D

TERM NOTE

\$ _____

Date: _____

FOR VALUE RECEIVED, **MARIN CLEAN ENERGY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et seq. (“*Borrower*”), promises to pay to the order of **RIVER CITY BANK** (“*Lender*”) the principal sum of _____/100 DOLLARS (\$_____), pursuant to the terms of that certain Non-Revolving Credit Agreement (the “*Credit Agreement*”) dated as of July 31, 2015, between Borrower and Lender, together with interest thereon as provided herein and therein. All payments under this Term Note (this “*Note*”) shall be made to Lender at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

Payment Terms. Under Section 5 of the Credit Agreement and subject to the conditions set forth therein, Borrower may request that unpaid Advances under the Letter of Credit Notes and/or the Cash Advance Notes be converted to a Term Loan. This Note evidences a Term Loan made to Borrower as of _____[date] in the original principal amount of \$_____, and will bear interest from the date hereof. Borrower agrees to repay this Note by making sixty (60) equal monthly payments of principal hereunder in the amount of \$_____ each, plus all accrued but unpaid interest on the unpaid principal balance of this Note as of each Payment Date, beginning on the first Payment Date after the date of this Note, with all subsequent payments due and payable on each Payment Date thereafter as provided in the Credit Agreement. Interest will accrue prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full.

Maturity Date. The outstanding principal balance of this Note and all accrued but unpaid interest thereon shall be due and payable in full on _____[date – not to exceed 60 months].

Default and Acceleration. Upon the occurrence of any Event of Default described in Section 10.1 of the Credit Agreement, Lender or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of Lender’s option to accelerate this Note and declare all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Borrower, as applicable.

Miscellaneous. This Note and the holder hereof are entitled to all of the rights benefits provided for in the Credit Agreement. All of the terms, covenants and conditions contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Note will be construed in accordance with, and governed by, the internal laws of the State of California.

Borrower promises to pay all costs and expenses (including reasonable attorneys' fees and expert witnesses' fees) suffered or incurred by Lender or subsequent holder of this Note in the collection of this Note or the enforcement any rights of Lender under the Credit Agreement.

Borrower hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral, if any; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

Prior to signing this Note, Borrower read and understood all the provisions of this Note and the Credit Agreement, including the variable interest rate provisions in the Credit Agreement. Borrower agrees to the terms of this Note and the Credit Agreement. Borrower acknowledges receipt of complete copies of this Note and the Credit Agreement.

MARIN CLEAN ENERGY

By: _____
Dawn Weisz
Executive Officer

By: _____
Chairman of the Board

EXHIBIT E

Letter of Credit Application



APPLICATION AND AGREEMENT FOR IRREVOCABLE STANDBY LETTER OF CREDIT

PLEASE CHECK AND COMPLETE APPLICABLE BOXES BELOW.

Marin Clean Energy (“Applicant”) requests the Issuing Bank selected below (“Bank”) to issue an irrevocable standby letter of credit (“Credit”) with the following terms and conditions for delivery to the beneficiary named below (“Beneficiary”) by Courier:

Select (X)	Issuing Bank
	River City Bank
	Union Bank
<hr/>	
Amount in USD\$	\$
Applicant	Marin Clean Energy
Beneficiary	(Enter complete name and address of energy company)
Expiration Date	
Other LC Conditions	<input type="checkbox"/> Partial Drawing Allowed <input type="checkbox"/> Partial Drawings NOT Allowed
Credit Available by Payment:	Against presentation of the documents detailed therein.
Documents Required: (Provide an attachment from energy contract which provides language required from Beneficiary)	A dated statement purportedly signed by an authorized officer or representative of Beneficiary stating: “The undersigned being a duly authorized officer or representative of [Beneficiary Name] hereby represents and warrants that the amount of the accompanying draft represents and covers: [insert text as required]”
Special Conditions	<input type="checkbox"/> Automatic Renewal Clause for [12 months] with [120] days prior Notification of non-renewal <input type="checkbox"/> Other
Final Expiration Date (if applicable)	
IMPORTANT NOTICE	(A) Applicant understands that the risk is greater if Applicant requests a standby letter of credit which requires only a simple demand without any supporting documentation. Typically, standby letters of credit require the beneficiary to provide some written statement in order to obtain payment. However, a beneficiary that can obtain a standby letter of credit available only against presentation of a simple demand, relieves itself of any documentary requirements. (B) Applicant understands that the final form of Credit may be subject to such revision and changes as are deemed necessary or appropriate by Bank and Applicant hereby consents to such revisions and changes.
<p>The opening of the Credit is subject to the terms and conditions appearing on this page and on the subsequent page(s) hereof and on the terms and conditions of the Non-Revolving Credit Agreement, as may be amended from time to time, between Applicant and Bank.</p> <p>Applicant agrees to be bound by the terms and conditions set forth or referred to above and certifies to Bank that Applicant has duly and validly executed and entered into the below Authorization and Agreement.</p>	

AUTHORIZATION AND AGREEMENT BY APPLICANT

The undersigned Applicant hereby requests Bank to issue the Credit, and, in consideration of issuance by Bank, irrevocably agrees: (i) to all terms and conditions of this Application and Agreement and the Credit; (ii) that Bank is issuing the Credit for Applicant based solely on Applicant's credit with Applicant having sole right to give instructions and make agreements or amendments with respect to this Application and Agreement and the Credit, and any presentation made under the Credit.

Marin Clean Energy

Authorized Signature

Date:

In consideration of MUFG Union Bank, N.A. ("Bank") issuing an irrevocable standby letter of credit (as amended or modified from time to time, the "Credit") as provided on the previous page(s) of this Application and Agreement for Irrevocable Standby Letter of Credit (the "Agreement") for the account of the party or parties executing such previous pages as applicant (individually and collectively, "Applicant" or "you"), you hereby agree with Bank as follows:

1. That you shall:

(a) Pay Bank, on demand, such amounts as are required to pay or reimburse Bank for all disbursements ("Disbursement(s)") made or to be made by Bank or Bank's correspondents in connection with the Credit.

(b) Pay Bank, on demand, all commissions, fees and other charges ("Charge(s)") arising out of or in connection with the Credit (including without limitation those for the account of the person or entity in whose favor the Credit is issued (the "Beneficiary") if the Beneficiary fails to pay on first demand).

(c) Pay Bank, on demand, all expenses ("Expense(s)") which Bank or Bank's correspondents may sustain or incur in connection with the Credit.

(d) Make each such payment in immediately available funds in the currency of the applicable Disbursement, Charge or Expense; provided, however, if such payment is to be in a currency other than U.S. Dollars, Bank may, at its option, require such amount to be paid in an equivalent amount of U.S. Dollars converted at Bank's then current rate of exchange.

You agree that Bank may make demand for payment in writing or by telephone, facsimile, SWIFT, telex, Bank's Global Trade Services web product or other method of teletransmission (collectively, "Telecommunications"), and expressly authorize Bank to debit any of your accounts maintained with Bank or any of Bank's affiliates or subsidiaries for any or all of your obligations hereunder as and when the same become due.

2. In addition to all other amounts required to be paid hereunder, you agree to pay Bank, on demand: (a) all charges, costs and expenses (including without limitation the allocated costs of Bank's business staff and reasonable attorneys' fees and costs of all kinds, including the allocated costs of Bank's in-house legal counsel and staff) incurred by Bank in connection with (i) any amendments or negotiations in respect of any documents evidencing your obligations hereunder; (ii) any legal advice sought by Bank in connection with Bank's rights, remedies, legal position or obligations; (iii) enforcing your obligations hereunder; and (iv) any proceeding for declaratory relief, interpleader, injunction, restraining order or similar relief, or any counterclaim or appeal to any such proceeding brought by or against Bank; (b) all taxes levied or imposed by any government agency in connection with this Agreement or the Credit; and (c) interest on any amount owed hereunder which is not paid when due as provided under the Non-Revolving Credit Agreement, and if the Non-Revolving Credit Agreement is not in effect, then at a per annum rate (computed for actual days elapsed on the basis of a 360-day year) equal to (i) 5% in excess of the Reference Rate in the case of amounts due in U.S. Dollars; or (ii) 5% in excess of the rate Bank determines to be its cost of funding the relevant loan or advance (the "Funding Rate") in the case of amounts due in a currency other than U.S. Dollars. Each of these rates shall change from time to time as and when the Reference Rate or the applicable Funding Rate, as the case may be, changes. As used herein, "Reference Rate" means the rate announced by Bank from time to time at its corporate headquarters as its Reference Rate. The Reference Rate is an index rate determined by Bank from time to time as a means of pricing certain extensions of credit and is neither directly tied to any external rate or index nor necessarily the lowest rate of interest charged by Bank at any given time. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate permitted by applicable law.

3. In connection with the Credit, you acknowledge and agree:

(a) That the Credit may be issued by any branch of Bank.

(b) That Bank and Bank's correspondents shall be entitled to make payments or to accept or negotiate drafts drawn under the Credit if the documents presented thereunder appear on their face to be in compliance with the terms and conditions of the Credit. In addition, neither Bank nor Bank's correspondents shall have any liability or responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of the documents presented under the Credit, for the authority of any persons signing such documents, for the description, quantity, quality, weight, condition, packing, delivery, value or existence of the goods represented by such documents, for the acts, omissions, good faith, solvency, performance or capacity of the Beneficiary of the Credit, the consignors, carriers, forwarders, consignees or insurers of the goods described therein, or any other persons, for the performance of any contracts which you enter into with the Beneficiary of the Credit, or for the consequences arising out of any delay or loss in transit of any messages, letters or documents, any delay, interruption, mutilation or other error in the transmission of any communications by any method of Telecommunications or any error in the translation or interpretation of any technical terms or any messages or documents relating to the Credit.

(c) Except in the case where the Credit expressly provides otherwise, the Credit shall be subject to, and performance by Bank, Bank's correspondents and the Beneficiary under the Credit shall be governed by, the Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500, or such subsequent revision thereof, adopted by the International Chamber of Commerce, as is in effect on the date the Credit is issued.

(d) If the Credit is expressed to be governed by the laws of any jurisdiction other than the laws of the State of California, or any other state that has adopted into law a law in the same form as Section 5113 of the California Commercial Code as in effect on the date the Credit is issued, and the Credit expressly provides that it shall be available to successors in interest (or parties similar in nature) to the named Beneficiary, that Bank shall regard any person or entity purporting to be such a successor as such a successor, without any responsibility for verifying the facts of such purported succession, all on your complete responsibility, even if the wrong party is paid.

(e) If you, or some other person or entity acting on your behalf, grant Bank a security interest in any real or personal property as collateral for your obligations arising in connection with the Credit, that Bank, at its discretion, may continue to hold such collateral even after the expiration date of the Credit until the Credit is returned to Bank undrawn, and that in no event shall any release of the collateral be construed to be a release or discharge of your obligations relating to the Credit.

(f) If you have requested that the Credit recite that it is issued for a party other than you ("Account Party"), that such Account Party has and will have no interest in the Credit or its subject matter and that all interests in the Credit and its subject matter will be held exclusively and absolutely by you.

(g) That you irrevocably waive and surrender, and agree not to exercise, any rights that would otherwise accrue to you through Bank or Bank's making payment under the Credit, whether by operation of law, equity or contract and whether under the doctrine of subrogation or otherwise, and that you agree that you will pursue only such remedies as you may have or such obligations as you may be owed in respect of such payments solely and directly on the basis of the contract(s) you have with, or the tort liability of, the Beneficiary or transferee of the Credit, the assignee of the proceeds of the Credit, or other persons or entities, as applicable.

(h) If the Credit is the subject of an "extend or pay" request received by Bank from the Beneficiary and provided by Bank to you, that you will continue to be liable to Bank for the Credit even though an expiry or reduction in amount thereof might otherwise appear to occur after Bank's receipt, until the matter has been resolved to Bank's satisfaction. You understand that Bank retains every right to decline to amend or extend the Credit.

(i) If the Beneficiary of the Credit is a bank or other financial institution (other than Bank) which, in reliance upon the Credit, is asked to issue its own guaranty or other form of undertaking (including a letter of credit) on your behalf (a "Local Bank") and, in fact, issues such guaranty or other form of undertaking on your behalf, that Bank shall have no responsibility to you for the wording of such guaranty or other form of undertaking, or its legal effect, whether under foreign law or

otherwise, and that you will have complete, continuing liability to the Local Bank and to Bank for any and all claims made under such guaranty or other form of undertaking until it terminates, whether or not the Credit has expired.

(j) If any commercial type documents (such as invoices or bills of lading, but not a default or claim statement) are required to be presented under the Credit, that Bank shall have no responsibility whatsoever for examining any such documents under any standard under any circumstances.

4. The occurrence of any one or more of the following shall constitute a Default ("Default") hereunder: (a) your failure to make any payment required hereunder when due, or to perform or observe any other covenant, obligation or agreement contained herein; (b) any breach, misrepresentation or other default by you, any guarantor or any person or entity other than you providing security for your obligations hereunder (each, including you, an "Obligor") under any security agreement, guaranty or other agreement between Bank and any Obligor; (c) the insolvency of any Obligor or the failure of any Obligor generally to pay such Obligor's debts as such debts become due; (d) the commencement as to any Obligor of any voluntary or involuntary proceeding under any laws relating to bankruptcy, insolvency, reorganization, arrangement, debt adjustment or debtor relief; (e) the assignment by any Obligor for the benefit of such Obligor's creditors; (f) the appointment or commencement of any proceeding for the appointment of a receiver, trustee, custodian or similar official for all or substantially all of any Obligor's property; (g) the commencement of any proceeding for the dissolution or liquidation of any Obligor; (h) the termination of existence or death (if an individual) of any Obligor; (i) the revocation of any guaranty or subordination agreement given in connection with your obligations hereunder; (j) the failure of any Obligor to comply with any order, judgment, injunction, decree, writ or demand of any court or other public authority; (k) the filing or recording against any Obligor or the property of any Obligor of any notice of levy, notice to withhold or other legal process for taxes other than property taxes; (l) the default by any Obligor who or which is personally liable for your obligations hereunder on any other obligation concerning the borrowing of money; (m) the issuance against any Obligor or the property of any Obligor of any writ of attachment, execution or other judicial lien; or (n) the deterioration of the financial condition of any Obligor which results in Bank deeming itself, in good faith, insecure.

Immediately and without notice upon the occurrence of a Default specified in clauses (c), (d), (e) or (f) of this Section 4, or, at the option and upon the declaration of Bank, upon the occurrence of any other Default, your obligations hereunder shall immediately become due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and Bank may immediately, and without the expiration of any period of grace, enforce payment of such obligations and exercise any and all other rights and remedies granted to it hereunder or by law. If at the time of any such Default and acceleration of your obligations hereunder, Bank remains liable under the Credit for any reason, then you will provide Bank, on demand, with sufficient funds ("Contingent Security") from which to pay all amounts which Bank may thereafter be called upon to pay in respect of the Credit. All amounts constituting Contingent Security shall be deposited in an account to be maintained with Bank and are hereby pledged to Bank by you as security for your obligations hereunder.

5. This Agreement may not be amended, modified or waived except by a written instrument signed by the party or parties against whom enforcement thereof is sought. No failure or delay on Bank's part in exercising any right hereunder shall operate as a waiver of any right, nor shall any partial exercise of any such right preclude any other further exercise thereof or the exercise of any other right. Each waiver or consent under any provision hereof shall be effective only in the specific instance and for the specific purpose for which given. If this Agreement is executed by more than one person or entity, the obligations of each of you hereunder shall be joint and several, and each of you agree that any one of you, acting alone, shall have full right and authority, binding on all of you, to request or consent to amendments, renewals, extensions, waivers or modifications of the Credit. You hereby acknowledge and agree that Bank is authorized, at any time and from time to time, without notice to you (any such notice being expressly waived), and to the fullest extent permitted by law, to set off and apply any and all deposits (whether general or special, time or demand, or provisional or final) at any time held, and all other indebtedness at any time owing by Bank to or for your credit, against any and all of your obligations hereunder.

6. You shall indemnify and hold Bank and each of Bank's employees, officers, shareholders, affiliates, correspondents, agents and representatives and, as to each entity, each of its respective employees, officers, shareholders, affiliates, correspondents, agents and representatives (each, a "Bank-related Person") harmless from and against any and all claims, demands, actions, causes of action, liabilities, damages, losses, costs and expenses (including without limitation the allocated costs of Bank's business staff and reasonable attorneys' fees and costs of all kinds, including the allocated costs of Bank's in-house legal counsel and staff) incurred by Bank and each Bank-related Person arising from (a) the matters contemplated by this Agreement or the Credit; (b) any contention that you have failed to comply with any law, rule, regulation, order or directive applicable to your sales, leases or performance of services to your customers; or (c) any dispute with the Beneficiary or a transferee of the Credit, an assignee of the proceeds of the Credit or any third party relating to the Credit (including without limitation actions brought by you to enjoin payment or drawings under the Credit); provided, however, that this indemnity shall not apply to any of the foregoing incurred solely as a result of the gross negligence or willful misconduct of Bank or any Bank-related Person. The obligation to indemnify set forth in this section shall survive the payment and satisfaction of all of your obligations and liabilities to Bank.

7. Any written notice or other written communication to be given by Bank under this Agreement will be addressed to you at the address specified on the previous page(s) of this Agreement, or at such other address as you may specify in writing. Unless Bank advises you otherwise, all written communications to Bank should be sent to your office of account. Notices are effective upon receipt; provided, however, that notices received after 3:00 p.m., California time, on a Business Day, or on a day other than a Business Day, shall be deemed received as of the next Business Day. As used herein, "Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business in California. Bank shall be protected in acting on any oral or written request or instruction, whether received in writing, by telephone or other form of Telecommunication, which Bank in good faith believes to be genuine and to have been made by you or your authorized agents.

8. This Agreement shall be binding upon and inure to the benefit of Bank, Applicant and each of our respective successors and permitted assigns (and the heirs and personal representatives of Applicant if Applicant is an individual); provided, however, that Applicant may not assign its rights or delegate its duties without the prior written consent of Bank. If, at the request of Applicant, the amount of the Credit is increased, the maturity of the Credit or the time for presentation of drafts or acceptance of documents thereunder is extended or the terms of the Credit are otherwise modified, this Agreement shall continue to be binding on Applicant with regard to the Credit as so increased, extended or otherwise modified, to the drafts and documents covered thereby, and to any actions taken by Bank or Bank's correspondents in accordance with such increase, extension or other modification.

9. This Agreement hereby incorporates any alternative dispute resolution agreement previously, concurrently or hereafter executed between Bank and Applicant. In the event of any challenge to the legality or enforceability of any provision of this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees and the allocated costs of Bank's in-house legal counsel and staff, incurred in connection therewith. This Agreement will control in the event of any conflict between it and any other document or agreement entered into between Bank and Applicant. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and Applicant hereby consents to service of process by any means authorized by California law. Applicant hereby waives notice of acceptance by Bank of this Agreement.

EXHIBIT F

Union Bank Fee Schedule



Preferred Pricing Exclusively for River City Bank's Client Marin Clean Energy - Schedule of Fees and Charges for Global Trade Services

Standby Letters of Credit

Issuance	
Opening Commission	1.25% p.a., minimum \$ 500
Plus processing fee if paid by invoice	\$ 150
Periodic Commission	1.25% p.a., minimum \$ 500
Auto-Renewal/Evergreen	\$ 1,250 per renewal period + Periodic Commission
Amendment	
Increase or Extension	1.25% p.a., minimum \$ 500
Narrative	\$ 150
Advice	
Advising Fee	\$ 150
Amendment	\$ 150
Add Confirmation	by arrangement, minimum \$ 250
Examination/Payment	
Standby Letter of Credit	1/4% per drawing, minimum \$ 200
Direct Pay Examination/Payment	\$ 150
Discrepancy	\$ 100 per examination
Expired, Unutilized, or Canceled	\$ 150
Drafted - Not issued	\$ 250 per draft
Transfer Letter of Credit	1/4%, minimum \$ 250
Direction to Pay Proceeds	1/4%, minimum \$ 250

Other Trade Services

Postage	
Domestic	\$ 15
Registered/Certified Mail	\$ 25
Courier	
Domestic	\$ 30
International	\$ 65
Handling Charge (Customer's Courier)	\$ 10
Scan Shipping Documents	by arrangement
Fax/Email Messages	
Domestic	\$ 10
International	\$ 20
Swift or Telex	
Short (1 Page)	\$ 30
Long (2 + Pages)	\$ 65
Payment	
Fedwire or CHIPS	\$ 30
Cashier's Check	\$ 45
Foreign Currency Processing	\$ 65
International Services Activity Statement-Mailed	
Account charge/quarter	\$ 45
Payment by invoice/year	\$ 180
Special Handling	
Excess Detail	by arrangement, minimum \$ 125
Consultation Fee (Applies to Drafting only)	\$ 250 per hour, minimum \$ 250
Credit Reports	by arrangement, minimum \$ 100
Tracers	\$ 35
Trade Finance Investigations	per hour \$ 75, plus cable charges

Note: Fees assessed by other banks will be additional. Transactions that are not standard may be subject to different charges. MUFG Union Bank, N.A., reserves the right to charge for services not covered by this fee schedule, and to effect any alterations or amendments as we may consider necessary. Preferred Pricing Exclusively for River City Bank's Client Marin Clean Energy - Valid through August 21, 2016 and subject to Annual Renewal.



**EXHIBIT G
REQUEST FOR CASH ADVANCE UNDER
NON-REVOLVING CREDIT AGREEMENT DATED AUGUST 21, 2015
(the "Agreement")**

Marin Clean Energy ("Borrower") hereby requests River City Bank as Lender to fund a Cash Advance under the above referenced Agreement for the express purpose and under the terms provided herein.

Purpose:	
Date of this Request:	
Amount:	
Date of Proposed Advance:	
Interest and Term:	<input type="checkbox"/> Interest Only with Full Repayment due on Termination Date (August 31,2016) <input type="checkbox"/> Term Note with Advance payable over 60 months
Account Number for Disbursement:	
The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Advance: (A) The representations and warranties of the Borrower set forth in the Agreement and in the Loan Documents are and will be true and correct in all material respects, on and as of the date of the Proposed Advance, (B) At the time and immediately after giving effect to the Proposed Advance, no default or Event of Default has occurred and is continuing.	
The Borrower has caused this Request for Cash Advance to be executed and delivered by its duly authorized officer as of the date first written above. By: Title: _____	

DRAFT

FIRST AMENDMENT TO

\$15,000,000

NON-REVOLVING CREDIT AGREEMENT

Dated as of March 17, 2016

by and between

**MARIN CLEAN ENERGY,
as Borrower**

and

**RIVER CITY BANK,
as Lender**

This First Amendment to Non-Revolving Credit Agreement (this “First Amendment”) is entered into as of March 17, 2016, by and between **MARIN CLEAN ENERGY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq. (“Borrower”), and **RIVER CITY BANK**, a California corporation (“Lender”).

W I T N E S S E T H:

WHEREAS, Borrower has requested, and Lender has agreed to make available to Borrower a non-revolving credit facility upon and subject to the terms and conditions set forth in a Non-Revolving Credit Agreement dated August 21, 2015 between Borrower and Lender (the “Agreement”) for issuance of Letters of Credit as sub-facilities thereunder and;

(1) Section 2.3 of the Agreement requires Borrower to execute a Letter of Credit Note in a form attached thereto as Exhibit B upon issuance of each Letter of Credit and ;

(2) Borrower and Lender desires to clarify the maturity date of the Letter of Credit Note as stated in Section 2.3(a)(i) of the Agreement and to clarify the paragraph titled “Maturity Date” as stated in the Exhibit B and replace it with the Exhibit B attached hereto wherein such clarification appears.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

(1) Section 2.3(a)(i) of the Agreement is modified as follows:

“...(i) be due and payable on (x) the applicable Maturity Date, or (y) the Non-Revolving Credit Termination Date, whichever occurs later”.

(2) The Original Note attached as Exhibit B to the Agreement is hereby replaced in its entirety by the Exhibit B attached hereto.

Borrower’s Representations and Warranties. By signing this Agreement, Borrower represents and warrants that (a) Borrower is duly authorized to enter into this Agreement and (b) No default or Event of Default has occurred or is continuing under the Agreement.

Continuing Validity. Except as expressly changed in this First Amendment, the terms of the original Agreement remain unchanged and in full force and effect. Consent by Lender to this First Amendment does not waive Lender’s right to strict performance of the Agreement as changed, nor obligate Lender to make any future change in terms. Nothing in this First Amendment will constitute a satisfaction of the obligation(s) under the Agreement. It is the intention of Lender to retain as liable parties all makers and endorsers of the original Agreement, including accommodation parties, unless a party is expressly released by Lender in writing. Any

maker or endorser, including accommodation makers, will not be released by virtue of this First Amendment. If any person who signed the original Agreement does not sign this First Amendment below, then all persons signing below acknowledge that this First Amendment is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this First Amendment or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

Executed and delivered in Sacramento, California, as of the first date written above.

MARIN CLEAN ENERGY

By: _____
Dawn Weisz
Chief Executive Officer

By: _____
Chair of the Board

RIVER CITY BANK

By: _____
Name: _____
Its: _____

DRAFT EXHIBIT B

LETTER OF CREDIT NOTE

\$ _____

Date: _____

FOR VALUE RECEIVED, **MARIN CLEAN ENERGY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et seq. ("*Borrower*"), promises to pay to the order of **RIVER CITY BANK** ("*Lender*") the lesser of (a) the principal sum of _____/100 DOLLARS (\$ _____), or (b) the aggregate unpaid principal amount of Advances made to Borrower by Lender under the Letter of Credit described below to which this Letter of Credit Note (this "*Note*") relates, pursuant to the terms of that certain Non-Revolving Credit Agreement (the "*Credit Agreement*") dated as of July 31, 2015, between Borrower and Lender, together with interest thereon as provided herein and therein. All payments under this Note shall be made to Lender at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

This Note is executed in connection with that certain standby letter of credit (the "*Letter of Credit*") dated as of [____], and issued by [____], as "*Issuing Bank*," for the benefit of [____], as "*Beneficiary*," in the face amount of [____]. Under Section 4.3 of the Credit Agreement, if Borrower fails to reimburse the Issuing Bank for the honor of a drawing under the Letter of Credit on or before the Reimbursement Date, the Unreimbursed Amount will become an Advance of principal under this Note made as of the Honor Date and will bear interest from the Honor Date.

Payment Terms. Borrower agrees to pay monthly payments of interest only on the unpaid principal balance of this Note as of each Payment Date beginning on the latter of (a) the first Payment Date after the Honor Date, or (b) October 1, 2015, with all subsequent payments due and payable on each Payment Date thereafter as provided in Section 3 of the Credit Agreement. Interest will accrue prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full.

Maturity Date. The outstanding principal balance of this Note and all accrued but unpaid interest thereon shall be due and payable in full on (x) the expiration date of the Letter of Credit, subject to amendment or extension from time to time in accordance with the terms of the Loan Documents, or (y) the Non-Revolving Credit Termination Date, whichever occurs later. Under Section 5.2 of the Credit Agreement and subject to the conditions set forth therein, Borrower may request that any amounts due and payable hereunder on the Termination Date be converted into a Term Loan evidenced by a Term Note.

Default and Acceleration. Upon the occurrence of any Event of Default described in Section 10.1 of the Credit Agreement, Lender or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of Lender's option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Borrower, as applicable.

Miscellaneous. This Note and the holder hereof are entitled to all of the rights benefits provided for in the Credit Agreement. All of the terms, covenants and conditions contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Note will be construed in accordance with, and governed by, the internal laws of the State of California.

Borrower promises to pay all costs and expenses (including reasonable attorneys' fees and expert witnesses' fees) suffered or incurred by Lender or subsequent holder of this Note in the collection of this Note or the enforcement Lender's rights and remedies under the Credit Agreement.

Borrower hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral, if any; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

Prior to signing this Note, Borrower read and understood all the provisions of this Note and the Credit Agreement, including the variable interest rate provisions in the Credit Agreement. Borrower agrees to the terms of this Note and the Credit Agreement. Borrower acknowledges receipt of complete copies of this Note and the Credit Agreement.

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the day and year first above written.

MARIN CLEAN ENERGY

By: _____

Dawn Weisz
Executive Officer



March 17, 2016

TO: Marin Clean Energy Board

FROM: David McNeil, Project and Finance Manager
Mike Maher, Maher Accountancy

RE: Proposed Budgets FY 2016/17 (Agenda Item #05)

ATTACHMENT: Proposed Budgets for FY 2016/17

Dear Board Members:

SUMMARY:

Before the end of every fiscal year, MCE's Board has the responsibility to set forth Budgets for MCE's Operating Fund, Energy Efficiency Program Fund, Renewable Energy Reserve Fund and the Local Renewable Energy Reserve Fund for the upcoming fiscal year. These Budgets authorize the Staff to earn revenue and spend funds within the limits set forth in each budget line item. The attached Budgets reflect MCE's anticipated revenue and expenditures for the 12 months ending March 31, 2017. Anticipated results for the year ending March 31, 2016 have been provided for information and comparative purposes.

The attached Proposed Budgets for the Fiscal Year Ending March 31, 2017 set forth the following line items:

OPERATING FUND

- **Revenue:** The proposed revenue reflects rates for energy that are unchanged from the previous year. Lower revenue in FY 2016/17 reflects higher than expected usage in FY 2015/16 and conservative estimates of usage in the upcoming year.
- **PG&E Service Fees:** PG&E service fees, which are primarily charged on a per customer basis, will increase in FY 2016/17 due to an expected increase in the number of customers and full year charges resulting from the expansion of MCE's service territory in 2016.
- **Data Manager:** Data management costs are charged on a per meter basis. MCE's service territory expanded during FY 2015/16. Recording these costs over the full year has the effect of pushing the overall cost upward.
- **Cost of Energy:** MCE's cost of energy is expected to increase in FY 2016/17. The increase in projected power costs is primarily the result of higher anticipated sales volumes as well as changes in the composition of MCE's renewable energy portfolio associated with policies adopted in the 2015 Integrated Resource Plan update aimed at greater utilization of bundled renewable energy power purchase contracts and fewer purchases of unbundled renewable energy certificates. The average cost of the supply portfolio is projected to increase by approximately 1.6%, to \$71.8 per MWh in the coming fiscal year from \$70.7 per MWh estimated for the prior fiscal year.
- **Personnel:** Increased Staff costs reflect anticipated hiring for new positions in FY 2016/17, the full year impact of staff hired during FY 2015/16, increased salaries associated with new pay

ranges approved by the Board in late 2015, cost of living increases for all staff and performance based increases for individual staff members.

- Technical Consultants: MCE's technical consultant costs are expected to decrease in FY 2016/17 due to contract restructuring.
- Legal Counsel: MCE's legal costs are expected to increase in FY 2016/17. Increased costs are caused by a shifting of expenses from "Other Services" to "Legal Counsel" (see below) and increased costs associated with an increased number of Power Purchase Agreements expected to be negotiated and executed in FY 2016/17. Legal Counsel costs are also expected to increase due to increased support for energy efficiency, regulatory and public request activity.
- Communications: The communications budget is not expected to increase in FY 2016/17.
- Other Services: The other services line item includes costs associated with audit, accounting, information technology, among several other services.
- General and Administration: The general and administration line includes: data and office telephone service, insurance, equipment rentals, subscriptions, travel, business meals, other services, conferences, professional education, special events sponsorship, office supplies and postage, and small equipment. G&A costs are expected to increase to accommodate new staff, full year expenses associated with the expansion of MCE's customer territory in 2015 and various expenditures for MCE's new office facility.
- Occupancy: Occupancy costs include lease payments, utilities, and maintenance costs. MCE moved into its current location during FY 2015/16. FY 2016/17 occupancy costs are expected to increase reflecting a full 12 months of lease payments at the new location.
- Integrated demand side pilot programs: This budget category will assist MCE with achieving its strategic energy goals for integrated demand side management.
- Marin County Green Business Program: Contribution to the Marin County Green Business Program.
- Low income solar programs: MCE plans to continue its efforts to encourage solar installations in low income areas by alleviating some of the costs.
- Interest and Financing Costs: Financing costs are expected to increase to support the needs of the organization.
- Local Renewable Energy Development Fund: MCE transfers 50% of the premium from Deep Green energy sales to fund local renewable projects.
- Capital Outlay: MCE anticipates the need for capital outlay related to the new office facility and equipment for its staff.
- Depreciation: Depreciation expense is a non-cash outlay related to capital equipment and leasehold improvements. This is provided for informational purposes only, as the separate Capital Outlay line represents the actual outflow required to acquire these resources. The net effect of depreciation on the Operating Fund balance is zero.

ENERGY EFFICIENCY PROGRAM FUND

- The Energy Efficiency Program is financed through the CPUC and distributes funds through its multi-family, small commercial, single family, and financing sub-programs. The program is a reimbursable type program, where eligible expenses are reimbursed by the CPUC. Accordingly, the revenue and expenses for this program are intended to offset each other.

LOCAL RENEWABLE ENERGY DEVELOPMENT FUND

- This Fund is financed by 50% of the premium from deep green customer sales. These resources are used to plan, create and develop local energy efficient projects.

RENEWABLE ENERGY FUND

- This Fund is intended for the procurement or development of renewable energy not planned for in the operating fund. Resources may accumulate from year to year and be expended as management determines.

Changes to the Operating Fund Budget:

Staff recommends the following changes to the Operating Fund Budget submitted at the February 18, 2016 Board Meeting:

- Increase Personnel costs by \$122,000 to \$4,489,000. Increased Personnel costs are offset by a \$122,000 decrease in the Change in Net Position, which is now forecast to be \$5,880,000.

The increase in Personnel costs will facilitate the staffing of a new position in the Energy Efficiency department, accommodate a reduced estimate of the amount of Energy Efficiency salaries that will be funded by the CPUC and fund the movement of an administrative position in the Procurement team from part time to full time.

Staff also recommends that the Board provide Staff with the authority to transfer funds from the following budget line items to the Personnel line item as needed:

Budget Line Item	Maximum Allowable Transfer to Personnel
Other Services	110,000
Communications consultants and related	80,000
Legal counsel	200,000

As the Board is aware, MCE continues to evaluate bringing in-house various activities currently performed by contractors in order to reduce costs and improve the quality of services. The recommendation to approve inter-budget line item transfers is intended to allow Staff the discretion to hire additional staff who would replace work currently performed by contractors. A transfer from each of the Budget line items, should it occur, would decrease the approved maximum spending limit for that line item and increase in the Personnel line item by the same amount. No increase in total operating costs would result from these transfers.

Recommendations:

1. Approve Proposed Revenues and Expenditures for the Operating Fund, Energy Efficiency Program Fund, Renewable Energy Reserve Fund and the Local Renewable Energy Reserve Fund for Fiscal Year Ending March 31, 2017.
2. Authorize Staff to direct the following transfers at Staff's discretion: Transfer from Other Services to Personnel an amount not to exceed \$110,000; Transfer from Communications Consultants and Related to Personnel an amount not to exceed \$80,000; Transfer from Legal Counsel to Personnel an amount not to exceed \$200,000 during FY2016/17.

MARIN CLEAN ENERGY						
OPERATING FUND						
Proposed Budget						
Fiscal Year 2016/17						
	Projected 2016 Results (information only)	Proposed 2017 Budget	Variation	Variation %		
ENERGY REVENUE						
Revenue - Electricity (net of allowance)	147,443,380	\$ 144,507,000	(2,936,380)	-2.0%		
Other Revenue	428,512		(428,512)			
TOTAL ENERGY REVENUE	147,871,892	144,507,000	(3,364,892)	-2.3%		
ENERGY EXPENSES						
Cost of energy	125,671,563	126,864,000	1,192,437	0.9%		
Service fees - PG&E	882,146	918,000	35,854	4.1%		
TOTAL ENERGY EXPENSES	126,553,709	127,782,000	1,228,291	1.0%		
NET ENERGY REVENUE	21,318,183	16,725,000	(4,593,183)	-21.5%		
OPERATING EXPENSES						
Personnel	3,141,797	4,489,000	1,347,203	42.9%		
Data manager	2,868,024	2,899,000	30,976	1.1%		
Technical consultants	638,795	536,000	(102,795)	-16.1%		
Legal counsel	386,793	717,000	330,207	85.4%		
Communications consultants & related	751,000	751,000	-	0.0%		
Other services	465,040	404,000	(61,040)	-13.1%		
General and administration	343,930	368,000	24,070	7.0%		
Occupancy	233,706	288,000	54,294	23.2%		
Integrated demand side pilot programs	36,190	50,000	13,810	38.2%		
Marin County green business program	10,000	10,000	-	0.0%		
Low income solar programs	35,000	35,000	-	0.0%		
TOTAL OPERATING EXPENSES	8,910,275	10,547,000	1,636,725	18.4%		
OPERATING INCOME	12,407,909	6,178,000	(6,229,909)	-50.2%		
NONOPERATING REVENUES (EXPENSES)						
Interest income	7,500	15,000	7,500	100.0%		
Interest expense and financing costs	(123,680)	(213,000)	(89,320)	72.2%		
Depreciation (supplemental)	(80,000)	(100,000)	(20,000)	25.0%		
TOTAL NONOPERATING REVENUES (EXPENSES)	(196,180)	(298,000)	(101,820)			
CHANGE IN NET POSITION	12,211,729	5,880,000	(6,331,729)	-51.8%		
Net position beginning of period	13,256,319	25,468,048	12,211,729	92.1%		
Change in net position	12,211,729	5,880,000	(6,331,729)	-51.8%		
Net position end of period	25,468,048	31,348,048	5,880,000	23.1%		
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER						
Capital Outlay	(295,656)	(156,000)	139,656	-47.2%		
Depreciation (supplemental)	80,000	100,000	20,000	25.0%		
Repayment of Loan Principal	(2,024,038)	-	2,024,038	-100.0%		
Transfer to Renewable Energy Reserve	(1,000,000)	-	1,000,000	-100.0%		
Transfer to Local Renewable Energy Development Fund	(151,383)	(173,263)	(21,880)	14.5%		
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	(3,391,077)	(229,263)	3,161,814			
Net increase (decrease) in Operating Fund balance	\$ 8,820,652	\$ 5,650,737	\$ (3,169,915)	-35.9%		

MARIN CLEAN ENERGY			
ENERGY EFFICIENCY PROGRAM FUND			
Proposed Budget			
Fiscal Year 2016/17			
	Projected 2016 Results (information only)	Proposed 2017 Budget	Increase (Decrease)
REVENUE AND OTHER SOURCES:			
Public purpose energy efficiency program	\$ 1,505,702	\$1,220,267	\$ (285,435)
EXPENDITURES AND OTHER USES:			
CURRENT EXPENDITURES			
Public purpose energy efficiency program	1,505,702	\$1,220,267	(285,435)
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>
LOCAL RENEWABLE ENERGY DEVELOPMENT FUND			
Proposed Budget			
Fiscal Year 2016/17			
	Projected 2016 Results (information only)	Proposed 2017 Budget	Increase (Decrease)
REVENUE AND OTHER SOURCES:			
Transfer from Operating Fund	151,383	\$ 173,263	\$ 21,880
EXPENDITURES AND OTHER USES:			
Capital Outlay	111,115	173,263	62,148
Net increase (decrease) in fund balance	<u>\$ 40,268</u>	<u>\$ -</u>	
RENEWABLE ENERGY RESERVE FUND			
Proposed Budget			
Fiscal Year 2016/17			
	Projected 2016 Results (information only)	Proposed 2017 Budget	Increase (Decrease)
REVENUE AND OTHER SOURCES:			
Transfer from Operating Fund	\$ 1,000,000	\$ -	\$ (1,000,000)
EXPENDITURES AND OTHER USES:			
	-		-
Net increase (decrease) in fund balance	<u>\$ 1,000,000</u>	<u>\$ -</u>	



March 17, 2016

TO: Marin Clean Energy Board

FROM: Kirby Dusel, Pacific Energy Advisors, Inc.

RE: MCE Greenhouse Gas Emissions Analysis for CY 2014 (Agenda Item #06)

ATTACHMENTS: A. Understanding MCE's GHG Emission Factors – Calendar Year 2014
B. MCE Emission Factor Certification Template, as provided by The Climate Registry (CY 2014)
C. Presentation: MCE 2014 GHG Emissions Analysis

Dear Board Members:

Background

A key tenet of MCE's mission is to reduce energy-related greenhouse gas emissions (GHGs) through the development and use of various clean energy resources. MCE has committed to assembling a power supply portfolio that exceeds the renewable energy content offered by PG&E and provides customers with a "cleaner" energy alternative as measured by a comparison of the attributed portfolio GHG emission rate (or "emission factor") published by each organization.

Each year your Board is asked to approve a document titled "Understanding MCE's GHG Emission Factors" (attached), which includes a detailed discussion focused on the compilation and calculation of MCE's annual emission factors, a comparison of MCE and PG&E emission factors, information regarding data sources and pertinent regulatory/legislative developments focused on GHG emissions reporting. Your Board is also asked to approve the attached Emission Factor Certification Template, which can be used by certain MCE customers, which also report emissions statistics to The Climate Registry.¹

¹ MCE is a member of The Climate Registry ("TCR"), which is non-profit organization that designs and operates voluntary and compliance-based GHG reporting programs and assists organizations in measuring, verifying and reporting the carbon in their operations in order to manage and reduce it. Certain MCE customers also maintain TCR membership. For such customers, the reporting of annual GHG emissions related to electric energy use is facilitated with information included in the attached template.

MCE's portfolio emissions for the 2014 calendar year totaled 184,454 metric tons or approximately 407 million pounds of carbon dioxide equivalent. These emission totals were divided by MCE's aggregate retail energy deliveries of 1,254,794 MWhs, resulting in an MCE portfolio emissions rate of 0.147 metric tons CO₂e/MWh, or 324 pounds/MWh, for the 2014 calendar year. The following table provides additional detail regarding the emissions computations related to MCE's 2014 supply portfolio.

2014 Calendar Year	MWh Purchased	% Total	Emission Rate (metric tons CO ₂ e/MWh)	Total Emissions (metric tons)	Emission Rate (lbs CO ₂ e/MWh)	Total Emissions (lbs)
Total Renewable Energy	717,631	57.2%	0.002	8,144	5	3,589,600
RPS – Eligible	717,631	57.2%	0.002	8,144	5	3,589,600
Non-RPS Eligible Renewable	0	0.0%	0.000	0	0	0
Zero Carbon	110,000	8.8%	0.000	0	0	0
System Power	427,163	34.0%	0.428	176,310	944	403,061,611
Totals	1,254,794	100%	0.147	184,454	324	406,651,211

Based on these calculations, it has been determined that MCE's 2014 aggregate portfolio emission factor (of 324 pounds/MWh) was approximately 26% lower than PG&E's reported 2014 emission factor of 435 pounds/MWh.²

Fiscal Impact: None

Recommendations:

1. Approve the use, distribution and web posting of MCE's Emission Factor Certification Template, as provided by The Climate Registry (CY 2014); and
2. Approve the use, distribution and web posting of the "Understanding MCE's GHG Emission Factors – Calendar Year 2014" document.

² PG&E's final 2014 emission factor, as reported at <http://www.pgecurrents.com/2016/02/05/pge%E2%80%99s-carbon-emissions-remain-among-nation%E2%80%99s-lowest/>.

Understanding MCE's GHG Emission Factors – Calendar Year 2014

Summary

A key environmental metric for the MCE program continues to be the attributed greenhouse gas (GHG) emissions profile associated with retail electric energy deliveries to its customers. This paper describes the methodology used to calculate such GHG emission rates for the MCE program. Based on this methodology, the calendar year (CY) 2014 GHG emissions rates attributed to MCE's retail electric energy deliveries are as follows:

Light Green Service (Minimum 50% Renewable):	334 lbs CO₂e/MWh (CY 2013 = 371 lbs CO₂e/MWh)
Deep Green Service (100% Renewable):	0 lbs CO₂e/MWh (CY 2013 = 0 lbs CO₂e/MWh)
Total MCE CY 2014 Portfolio:	324 lbs CO₂e/MWh (CY 2013 = 364 lbs CO₂e/MWh)

Background

A key tenet of MCE's mission is to reduce energy-related greenhouse gas emissions (GHGs) through the development and use of various clean energy resources. MCE has committed to assembling a power supply portfolio that exceeds the renewable energy content offered by PG&E and provides customers with a "cleaner" energy alternative as measured by a comparison of the attributed portfolio GHG emission rate (or "emission factor") published by each organization. MCE compares its emission factor to that of PG&E on an annual basis.

The period addressed in this emission factor comparison is the calendar year 2014 ("CY2014"). The data reporting time lag is necessary to facilitate the compilation of final electric energy statistics (e.g., customer energy use and renewable energy deliveries) and to allow sufficient time for data computation, review and audit before releasing such information to the public. For example, PG&E's CY2014 emission factor was published in early February, 2016. This is the most current available emission factor for PG&E. Going forward, the timeline associated with PG&E's emission factor availability is not expected to change significantly. MCE will complete an emissions rate comparison following PG&E's publication of its annual emissions statistic.

In each calendar year, MCE will endeavor to procure GHG-free energy supplies in sufficient quantities to ensure that MCE provides its customers with an electric energy supply that generates fewer attributed GHG emissions per megawatt hour than the incumbent utility.¹ MCE's future purchases of GHG-free energy supplies will be primarily based on its annual Integrated Resource Plan, reasonable projections of PG&E's emission rate, budgetary impacts and rate setting objectives. Projections of PG&E's emission rate will take into consideration planned increases in Renewables Portfolio Standard procurement obligations and other publicly available information regarding PG&E's anticipated procurement activities.

About Emission Rates

Portfolio emission rates are based on the attributed emission impacts associated with the use of specific fuel sources, which are consumed/combusted when generating electric power. An attributed emission rate reflects the proportionate use of various fuel sources and resource types within a utility's supply portfolio. To the extent that procured/delivered energy supplies are produced by generating resources that are known to emit GHGs during production of electric energy, such resources will increase the utility's attributed portfolio emission factor.

¹ MCE will complete such purchases to the extent that available GHG-free energy products will not necessitate out-of-cycle rate adjustments or impose material budgetary impacts. If such consequences would result from the incremental procurement of GHG-free energy products, MCE will seek Board approval prior to engaging in related transactions.

Conversely, the inclusion of resources that do not emit GHGs (or emit relatively small GHG quantities during power production, as is the case with geothermal resources included within MCE's resource portfolio) will reduce the utility's portfolio emission factor. In general, renewable energy resources, which use fuel sources like wind and sunlight (solar), have been identified as non-polluting or GHG-free.² Similarly, hydroelectric and nuclear generators, which do not involve GHG-emitting combustion processes, are also considered to be non-polluting or carbon-neutral (i.e., the net emissions impact associated with electric power production is less than or equal to the status quo).

Because of widely varying opinions and computations focused on the environmental impacts associated with specific generating technologies, it is important to identify an industry-accepted standard when determining the emission impacts attributable to generating facilities included within a utility's supply portfolio. To avoid the potential for perpetual policy and accounting changes that could result from the use of ad hoc (and potentially inaccurate) emission calculations for certain generating resources, MCE incorporates statistics prepared by the California Air Resources Board (CARB) when determining emissions associated with its energy supply portfolio. In particular, CARB's published emission rate for unspecified sources, or "system power", provides an unbiased, publicly available reference that can be incorporated in instances where specific generating sources cannot be identified. Application of standards such as this will facilitate an "apples to apples" comparison of emission factors associated with unknown energy sources, including those procured by MCE, PG&E and other electric utilities.

MCE is member of The Climate Registry ("TCR"). The TRC describes itself as;

A non-profit organization governed by U.S. states and Canadian provinces and territories. TCR designs and operates voluntary and compliance GHG reporting programs globally, and assists organizations in measuring, verifying and reporting the carbon in their operations in order to manage and reduce it.

Through its membership in TCR, MCE has access to the policies, procedures and GHG accounting guidelines endorsed by this organization and can incorporate such guidelines when determining its attributed portfolio emissions factors. Note that PG&E was a founding member of TCR, joining in 2008, and uses TCR's methodology when compiling its annual emission statistics.

For certain MCE customers that are also members of TCR, MCE has prepared the attached Emission Factor Certification template, which can be used by these customers when completing voluntary reports for TCR. Looking ahead, MCE will continue to update (and post on its website) this certification template so that it can be readily accessed and used by MCE customers.

It is also noteworthy that the topics of emission accounting, emission calculation methodologies, and attributed emission rates continue to be a focal point during discussions involving PG&E, the legislature, regulators and other stakeholders. At this point in time, there is not a single applicable methodology for determining GHG emission rates that must be followed within the electric utility industry. As previously noted, MCE has referenced protocols endorsed by The Climate Registry as well as guidance provided by the U.S. Environmental Protection Agency (U.S. EPA) and the Center for Resource Solutions ("CRS," which administers the Green-e Energy program) when determining its attributed portfolio emission rates; other organizations have independently developed alternative methodologies, which borrow from multiple protocols, some of which may not be aligned with The Climate Registry, U.S. EPA and/or CRS. As one could reasonably suspect, certain differences between such methodologies

² Certain fuel sources, including landfill gas, are reflected as having zero GHG emissions due to the positive environmental impacts achieved through the conversion of methane to carbon dioxide (during energy production).

have contributed to confusion and consternation during emission rate comparisons, and it is becoming increasingly apparent that a uniform methodology based on existing best practices may be helpful in alleviating such issues.

Robust discussion and debate regarding this subject continues to unfold, and the California Legislature (Assembly Bill 1110, Ting) is now focused on creating a uniform GHG emission calculation methodology, including related consumer disclosures as part of each retail electricity seller's annual Power Content Label reporting process. In practical terms, the proposed GHG emissions calculation methodology being considered in AB 1110 appears to be inconsistent with other industry-accepted calculation methodologies currently used within California and elsewhere in the United States. Discussions continue to occur between stakeholders and the author's office with the goal of reaching a clear and acceptable approach. MCE will continue to monitor this important process and will keep the Governing Board informed regarding substantive developments related to this proposed legislation.

Calculating GHG Emissions Associated with Unspecified Sources

Not all electric energy purchases are associated with specific generating facilities. Many industry contracts identify the use of "system power," a term of art that is regularly used in the utility industry to define electric energy that is produced and delivered to the grid by various generating resources not under contract with particular buyers. Such delivery arrangements provide increased flexibility for energy sellers which often results in reduced energy prices for buyers. While there are certain economic and operational efficiencies that may relate to the use of system power, there are also complications that can surface when attempting to quantify GHG emissions attributable to energy volumes associated with unspecified generating sources. Many load-serving entities (LSEs) within California rely heavily on the use of system power to fulfill their respective service obligations. PG&E's 2014 Power Content Label indicated the delivery of 21% of total supply from unspecified, or market, sources; MCE sourced 34% of its retail deliveries from unspecified power. It is therefore important to identify an emission factor for such deliveries that can be referenced by LSEs when compiling emission statistics.

As previously noted, CARB has established an emission factor for unspecified generating sources to facilitate GHG calculations and reporting associated with the use of system power and power purchases from generation "portfolios," which do not create direct relationships between specific electric generators and energy buyers. The CARB emission rate for unspecified power purchases is currently set at 0.428 metric tons CO₂e/MWh, or 943.58 pounds of CO₂e/MWh. This emission rate is publicly available and can be referenced in section 95111(b)(1) of CARB's February 2015 update to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions: <http://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-2014-unofficial-02042015.pdf>. MCE staff previously engaged CARB in discussions and email exchanges to confirm the appropriate use of this emission rate for all unspecified/system power purchases; CARB advised MCE to use this published emission factor when determining GHG emissions associated with such purchases. Based on MCE's review, CARB has not recently updated the aforementioned emission factor, but staff will continue to monitor this item and will update its future emission factor calculations in consideration of any adjustments that may be made by CARB to this statistic.

Identification of a credible, publicly available system power emission factor is particularly relevant for MCE, which relies on the use of system power to meet some of its customers' non-renewable energy requirements. CARB's emission factor for unspecified sources has been applied by MCE when determining total emissions associated with system power purchases. It is also noteworthy that PG&E appears to have applied a similar factor when calculating emissions associated with unspecified generating sources.

Determination of MCE's Total Portfolio Emission Factor

For CY2014, MCE's supply portfolio was heavily weighted towards non-carbon emitting/carbon-neutral resources. Sixty-six percent of MCE's energy supply was attributable to various renewable energy and hydroelectric purchases, which are considered to be very low- or non-GHG producing resources for purposes of MCE's emissions calculations. The following table summarizes MCE's aggregate energy purchases, which includes both Light Green and Deep Green sales volumes, for CY2014. It is important to note that all "zero carbon" energy volumes are attributable to hydroelectric generating sources located within the Western U.S.

2014	MWh Purchased	% Total
Total Renewable Energy¹	717,631	57.2%
RPS – Eligible Renewable	717,631	57.2%
Non-RPS Eligible Renewable	0	0.0%
Zero Carbon	110,000	8.8%
System Power	427,163	34.0%
Total	1,254,794	100%

¹Includes both bundled and unbundled renewable energy sources. Note that MCE's reported RPS percentage (as communicated to the CPUC in applicable reporting templates) may differ from this statistic due to Green-e Energy rules related to MCE's Deep Green product. However, all of MCE's renewable energy purchases during the 2014 calendar year were produced by RPS-eligible generators (meaning, generators that received RPS certification by the California Energy Commission, including associated RPS identification numbers for each facility).

When determining MCE's aggregate attributed portfolio emission factor, the aforementioned CARB emission rate for unspecified sources, which equals 0.428 metric tons CO₂e/MWh, was applied to MCE's system power purchases – 427,163 MWh during the 2014 calendar year. Due to the emission characteristics attributable to MCE's other power sources, all other energy volumes were attributed an average emission factor just above zero (5 pounds of CO₂e/MWh; this is based on the proportionate inclusion of geothermal electricity within MCE's resource mix, which has a small emissions impact approximating 70 pounds of CO₂e/MWh). As such, MCE's portfolio emissions for the 2014 calendar year totaled 184,454 metric tons or approximately 407 million pounds of carbon dioxide equivalent. These emission totals were divided by MCE's aggregate retail energy deliveries of 1,254,794 MWhs, resulting in an MCE portfolio emissions rate of 0.147 metric tons CO₂e/MWh, or 324 pounds/MWh, for the 2014 calendar year. The following table provides additional detail regarding these emissions computations for MCE's CY2014 supply portfolio.

2014 Calendar Year	MWh Purchased	% Total	Emission Rate (metric tons CO ₂ e/MWh)	Total Emissions (metric tons)	Emission Rate (lbs CO ₂ e/MWh)	Total Emissions (lbs)
Total Renewable Energy	717,631	57.2%	0.002	8,144	5	3,589,600
RPS – Eligible	717,631	57.2%	0.002	8,144	5	3,589,600
Non-RPS Eligible Renewable	0	0.0%	0.000	0	0	0
Zero Carbon	110,000	8.8%	0.000	0	0	0
System Power	427,163	34.0%	0.428	176,310	944	403,061,611
Totals	1,254,794	100%	0.147	184,454	324	406,651,211

Based on these calculations, it has been determined that MCE's CY2014 aggregate portfolio emission factor (of 324 pounds/MWh) was approximately 26% lower than PG&E's reported 2014 emission factor of 435 pounds/MWh.³

³ PG&E's final CY2014 emission factor, as reported at <http://www.pgecurrents.com/2016/02/05/pge%E2%80%99s-carbon-emissions-remain-among-nation%E2%80%99s-lowest/>.

Determination of MCE's Light Green and Deep Green Emission Factors

While certain stakeholders may be interested in MCE's previously discussed aggregate emission factor, there is also an interest in clearly understanding the specific emission factors attributable to MCE's retail supply options, which were available during CY2014: Light Green (minimum 50% renewable energy content) and Deep Green (100% renewable energy content). As such, MCE has calculated product-specific emission factors, which may be useful to certain customers who want to better understand the direct environmental impacts attributable to energy consumption within their respective households and/or businesses. It is important to note that any MCE customer may choose to "zero out" attributed energy-related emissions by voluntarily selecting the Green-e certified Deep Green 100% renewable energy option. For more information regarding Deep Green enrollment, customers are encouraged to visit: <http://www.mcecleanenergy.org/100-renewable/>.

Light Green: MCE diligently plans and procures electricity to ensure the cleanest possible power supply for Light Green customers. During CY2014, MCE delivered a total of 1,219,294 MWh to Light Green customers of which 682,130 MWh (55.9% of total) were supplied from qualifying, California Renewables Portfolio Standard ("RPS") eligible sources, including biomass, landfill gas, small hydroelectric, solar and wind – these RPS-eligible renewable energy volumes were used to demonstrate compliance with California's RPS and were retired through the Western Renewable Energy Generation Information System (WREGIS) consistent with applicable regulatory guidelines. MCE also delivered 110,000 MWh (9.0% of total) from non-polluting hydroelectric generators. The aforementioned resources, which comprised 65.0% of MCE's total Light Green supply portfolio, were all determined to be carbon-free, low-carbon or carbon-neutral based on specified fuel sources.⁴ The balance of Light Green resource requirements were supplied from unspecified sources, or "system power." This CARB emission rate of 943.58 pounds of CO₂e/MWh was multiplied by total system power deliveries (427,163 MWh, or 35.0% of total), resulting in total Light Green portfolio emissions of approximately 406 million pounds of CO₂ equivalent. As this total represented the entirety of emissions associated with MCE's Light Green power supply portfolio, the amount of 406 million pounds of CO₂ equivalent was divided by the total delivered Light Green electricity volume of 1,219,294 MWh, resulting in a 2014 Light Green emission factor of 334 pounds of CO₂e/MWh.

Deep Green: A voluntary, 100% renewable energy supply option that is available to all customers within the MCE service territory. During CY2014, MCE supplied a total of 35,501 MWh to Deep Green customers, all of which was supplied by RPS-eligible generators. However, due to Green-e Energy certification requirements, only 21.7% (the requisite RPS renewable energy procurement mandate during the 2014 calendar year) of the aforementioned Deep Green supply was retired and included within MCE's RPS compliance report (substantiating the delivery of an RPS-compliant resource mix to Deep Green customers); the balance of Deep Green supply was produced by RPS-eligible generators and was retired on behalf of participating customers consistent with Green-e Energy requirements – "Green-e is the nation's leading independent certification and verification program for renewable energy and greenhouse gas emission reductions in the retail market," which is administered/monitored by the San Francisco-based Center for Resource Solutions; all renewable energy volumes were retired through the WREGIS system.⁵ As a result of the 100% renewable energy supply that was delivered to Deep Green customers, the emission factor was determined to be zero pounds of CO₂e/MWh.

⁴ In 2014, MCE's Light Green supply portfolio included certain amounts of electricity produced by geothermal resources located with Calpine's Geysers facility. Such volumes were attributed a modest GHG emission factor of 70 pounds of carbon dioxide per MWh, consistent with previous guidance provided by Calpine.

⁵ Information as posted on the Green-e website: <http://www.green-e.org/about.shtml>.

Consistent with its adopted Integrated Resource Plan, MCE does not engage in procurement transactions with nuclear generating facilities and, at this point in time, will rely exclusively on renewable energy resources and hydroelectricity to ensure delivery of a comparatively cleaner energy supply.⁶

As previously noted, MCE will continue to update subsequent annual emissions factors based on currently available data, including actual energy purchases and CARB's then-effective emission rate for unspecified sources. Any questions regarding this information should be forwarded to info@mcecleanenergy.org. Additional information regarding MCE's emission factors can be located at www.mcecleanenergy.org.

⁶ By comparison, PG&E's 2014 Power Content Label reflected the proportionate use of 21% nuclear-generated electricity.

MCE Emission Factor Certification Template, as provided by The Climate Registry:

[March 17, 2016]

[Member] may use the Marin Clean Energy's (MCE) 2014 emission factor in their voluntary greenhouse gas report submitted to The Climate Registry. Please note that during the 2014 calendar year MCE, the first operating Community Choice Aggregation program in California, offered two distinct retail supply options: 1) Light Green, which is the default retail supply option (MCE has committed to delivering Light Green customers a minimum 50% renewable energy supply); and 2) Deep Green, a voluntary retail supply option that procures 100% renewable energy for participating MCE customers.

With respect to the Light Green retail supply option, the 2014 emission factor attributed to this service option was determined to be 334 pounds of carbon dioxide equivalent per megawatt hour (lbs CO²e/MWh). For the Deep Green retail supply option, the 2014 emission factor attributed to this service option was determined to be zero lbs CO²e/MWh, as a result of MCE delivering 100% renewable energy to participating customers. When considered in aggregate, the emission factor attributed to MCE's total portfolio, which reflects the procurement of resources sufficient to supply all MCE customers (both Light Green and Deep Green), was determined to be 324 lbs CO²e/MWh for the 2014 calendar year – this statistic has been calculated for informational purposes only. In reporting to The Climate Registry, [Member] has selected the appropriate emissions factor corresponding with the retail supply option(s) under which [Member] received electric service during the 2014 calendar year.

MCE has calculated its 2014 emission factor of 334 lbs CO²e/MWh for the Light Green product and zero lbs CO²e/MWh for the Deep Green product based on the following independently developed methodology:

1. Light Green retail electricity product: Marin Clean Energy diligently plans and procures electricity to ensure the cleanest possible power supply for Light Green customers. During the 2014 calendar year, MCE delivered a total of 1,219,294 MWh to Light Green customers of which 682,130 MWh (55.9% of total) were supplied from California Renewables Portfolio Standard (RPS) eligible sources, including biomass, landfill gas, small hydroelectric, solar and wind – these RPS-eligible renewable energy volumes were used to demonstrate compliance with California's RPS and were retired through the Western Renewable Energy Generation Information System (WREGIS) consistent with applicable regulatory guidelines. MCE also delivered 110,000 MWh (9.0% of total) from non-polluting hydroelectric generators. The aforementioned resources, which comprised 65.0% of MCE's Light Green supply portfolio, were all determined to be carbon-free, low-carbon¹ or carbon-neutral based on specified fuel sources. The balance of Light Green resource requirements were supplied from unspecified sources, or "system power", for which the California Air Resources Board (CARB) has assigned an emission rate of 0.428 metric tons CO²e/MWh, or 943.58 lbs CO²e/MWh. This emission rate is publicly available and can be referenced in section 95111(b)(1) of CARB's February 2015 update to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions: <http://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-2014-unofficial-02042015.pdf>. MCE staff previously engaged CARB in discussions and email exchanges to confirm the appropriate use of this emission rate for all

¹ In particular, MCE's 2014 Light Green resource mix included 51,280 MWh produced by geothermal generating resources located within Northern California. Such volumes were attributed a nominal emissions factor of 70 lbs CO²e/MWh, consistent with guidance provided by the generator operator.

unspecified/system power purchases; CARB advised MCE to use this published emission factor when determining GHG emissions associated with such purchases. For purposes of determining MCE's Light Green emission factor for the 2014 calendar year, the aforementioned CARB emission rate of 943.58 lbs CO²e/MWh was multiplied by total system power deliveries (427,163 MWh, or 35.0% of total), resulting in attributed Light Green portfolio emissions approximating 403 million pounds of CO² equivalent from system power deliveries. An additional 3.6 million pounds of CO² equivalent was attributed to MCE's Light Green supply portfolio in consideration of geothermal electricity procurement during the 2014 calendar year. In aggregate, MCE's Light Green power supply portfolio included attributed emissions totaling 407 million pounds of CO² equivalent. The total of 407 million pounds of CO² equivalent was divided by the total delivered Light Green electricity volume of 1,219,294 MWh, resulting in a 2014 Light Green emission factor of 334 lbs CO²e/MWh.

2. Deep Green retail electricity product: Marin Clean Energy offers the Deep Green, 100% renewable energy retail supply option on a voluntary basis. During the 2014 calendar year, MCE supplied a total of 35,501 MWh to Deep Green customers, all of which was supplied by RPS-eligible generators; associated renewable energy certificates were retired through the WREGIS consistent with applicable regulatory guidelines and Green-e Energy certification guidelines (as MCE's Deep Green product continues to remain Green-e Energy certified). As a result of the 100% renewable energy supply that was delivered to Deep Green customers, the attributed emission factor was determined to be zero lbs CO²e/MWh.

To determine MCE's total attributed portfolio emission factor for the 2014 calendar year, which reflects the procurement of resources sufficient to supply both Light Green and Deep Green customers, MCE's total portfolio emissions of 407 million pounds of CO² equivalent was divided by total retail sales to all MCE customers (both Light Green and Deep Green), which equaled 1,254,794 MWhs.² The resultant attributed emission factor for MCE's total supply portfolio was determined to be 324 lbs CO²e/MWh.

With respect to the noted renewable energy and hydroelectric purchases included within MCE's Light Green and Deep Green energy supply portfolios, MCE has retained all pertinent transaction records, including evidence of applicable renewable energy certificate retirements (within WREGIS), to substantiate its procurement activities and emission factor calculations. When determining the aforementioned attributed emission factors, MCE has only reflected the impacts of renewable and carbon-neutral/carbon-free resources for which it owns and possesses applicable renewable energy certificates and/or transaction records. All applicable renewable energy certificates are held in MCE's WREGIS account until such time that certain certificates must be "retired" to demonstrate mandatory and/or voluntary compliance. Any questions regarding the previously noted emission factors and/or related calculations should be directed to the following point of contact:

Kirby Dusel
kirby@pacificea.com
Marin Clean Energy
1125 Tamalpais Avenue
San Rafael, California 94901
1 (888) 632-3674

² The sum of MCE's Light Green and Deep Green energy sales may not equal total reported MCE retail sales due to numeric rounding.



MCE 2014 GHG Emissions Analysis

Marin Clean Energy | March 17, 2016



Overview & Background

- What is a GHG emissions rate (or GHG emissions factor)?
 - A statistic that reflects the proportionate use of various fuel sources and resource types within a utility's supply portfolio
 - An emissions factor **increases** when... delivered energy supplies are produced by generating resources that are known to emit GHGs during production of electric energy (example: natural gas power plants)
 - An emissions factor **decreases** when... delivered energy supplies are produced by generating resources that do not emit (or emit very little) GHGs during production of electric energy (examples: solar, geothermal and/or hydro)
- MCE's emission factors are calculated using methodologies and principles endorsed by The Climate Registry, the Center for Resource Solutions, the EPA...
- To the extent that MCE owns an environmental attribute, it is incorporated in its emissions factor computation

CY 2014: Power Content Snapshot

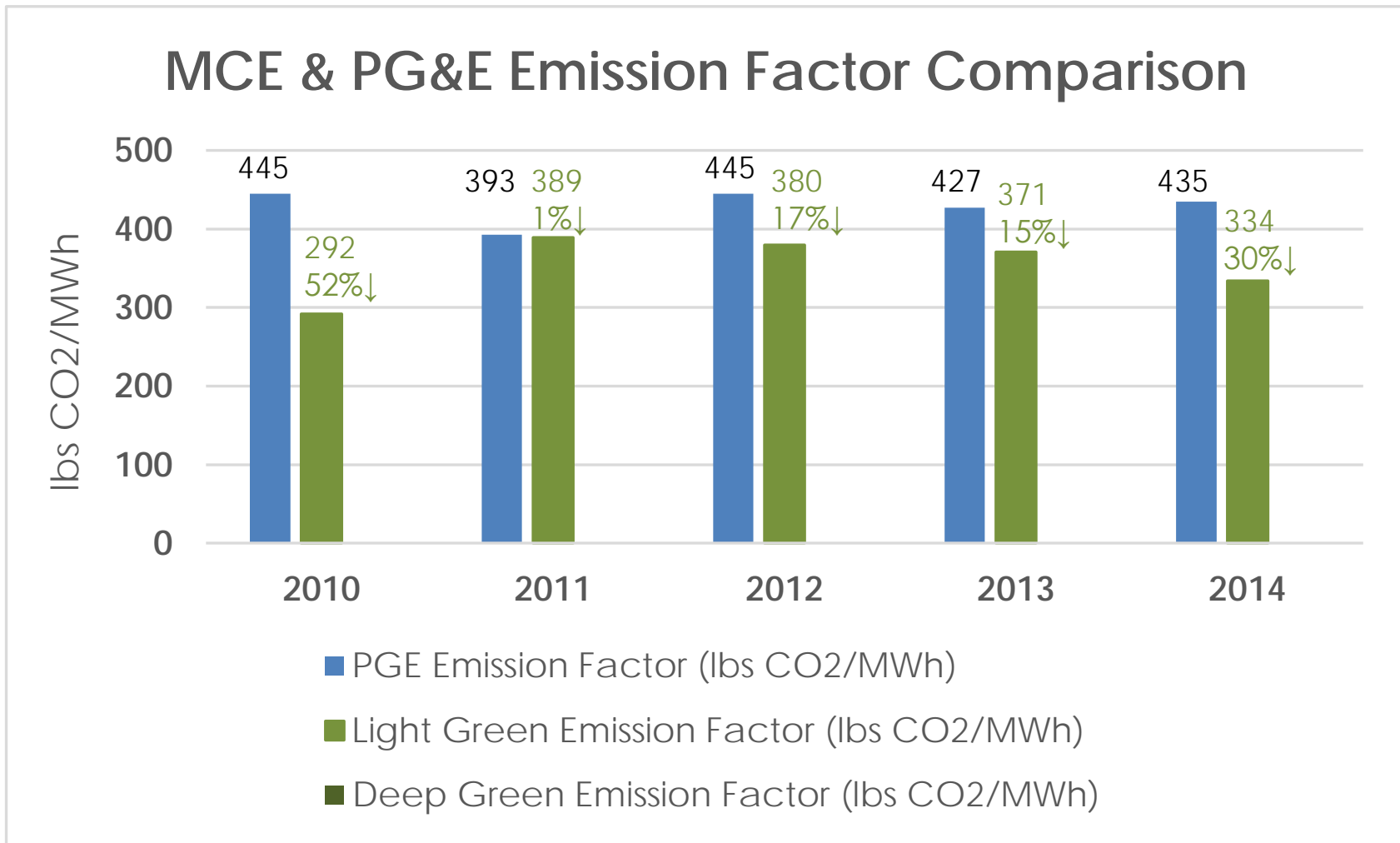
2014	MWh Purchased	% of Total
Total Renewable Energy ¹	717,631	57.2%
<i>RPS – Eligible Renewable</i>	717,631	57.2%
<i>Non-RPS Eligible Renewable</i>	0	0.0%
Zero Carbon	110,000	8.8%
System Power	427,163	34.0%
Total Retail Sales	1,254,794	100%

¹Includes both bundled and unbundled renewable energy sources. Note that MCE's reported RPS percentage (as communicated to the CPUC in applicable reporting templates) may differ from this statistic due to Green-e Energy rules related to MCE's Deep Green product. However, all of MCE's renewable energy purchases during the 2014 calendar year were produced by RPS-eligible generators (meaning, generators that received RPS certification by the California Energy Commission, including associated RPS identification numbers for each facility).

CY 2014: Emissions Factor Computation

2014 Calendar Year	MWh Purchased	% Total	Emission Rate (metric tons CO ₂ e/MWh)	Total Emissions (metric tons)	Emission Rate (lbs CO ₂ e/MWh)	Total Emissions (lbs)
Total Renewable Energy	717,631	57.2%	0.002	8,144	5	3,589,600
<i>RPS – Eligible</i>	717,631	57.2%	0.002	8,144	5	3,589,600
<i>Non-RPS Eligible Renewable</i>	0	0.0%	0.000	0	0	0
Zero Carbon	110,000	8.8%	0.000	0	0	0
System Power	427,163	34.0%	0.428	176,310	944	403,061,611
Totals	1,254,794	100%	0.147	184,454	324	406,651,211

MCE & PG&E Emissions Factor Comparison





March 17, 2016

TO: Marin Clean Energy Board

FROM: John Dalessi, Pacific Energy Advisors

RE: Proposed Marin Clean Energy Rates for Fiscal Year 2016/17
(Agenda Item #07)

Dear Board Members:

SUMMARY:

The Marin Clean Energy Community Choice Aggregation Implementation Plan and Statement of Intent (“Implementation Plan”) describes the policies and procedures for setting and modifying electric rates for the Marin Clean Energy (MCE) program. As described in the Implementation Plan, the MCE annual ratesetting process is coordinated with the establishment of fiscal year program budgets. MCE rates are typically reviewed on an annual basis during the month of January to determine whether rate changes are warranted in consideration of the next fiscal year’s proposed budget, rate competitiveness, rate stability, customer understanding, efficiency and equity among customers.

MCE’s ratesetting policies establish a thirty-day public review period for proposed rate changes before final rates are adopted by the Board. Public release of the proposed rates in February typically initiates the public review period. Rates for the next fiscal year are typically adopted by your Board during the month of March.

MCE’s current rates are projected to yield sufficient revenues to recover the proposed FY 2016/17 expenditures and build reserves, and no changes from the currently adopted rates are recommended for FY 2016/17. The recommendation to maintain current rates through FY 2016/17 was presented at the February, 2016 MCE Board Meeting, and with conclusion of the 30-day public comment period, is now recommended for your Board’s approval.

BACKGROUND – MCE RATESETTING CYCLE, POLICIES AND PROCESS

Ratesetting Cycle

MCE typically adjusts its rates on an annual basis, and the new rates go into effect on or about April 1. Ratesetting is coordinated with the annual budgeting cycle due to the inherent linkages between the MCE Budget and MCE rates. Rates could be adjusted more frequently, if necessary, to ensure recovery of all MCE program costs, but this is not typical and has not been necessary to date.

Proposed rates are typically presented to your Board in February, based on the proposed upcoming fiscal year budget. This release of the proposed rates initiates a

thirty-day public review and comment period. If rate increases are being proposed, the affected MCE customers are provided with notice of said rate increase. Following completion of the thirty-day public review and comment period, final rates are adopted by your Board in March and placed into effect on April 1. Final rates may differ from the initially proposed rates to account for changes resulting from adoption of the final fiscal year budget, consideration of public comments received during the aforementioned review period, and/or other factors that may be considered by your Board.

Ratesetting Policies

MCE has established various policies that are considered in designing MCE rates. These ratesetting policies are as follows:

Revenue sufficiency: rates must recover all expenses, debt service and other expenditure requirements, and build prudent reserves; i.e., the “revenue requirement”.

Rate competitiveness: rates must allow MCE to successfully compete in the marketplace to retain and attract customers.

Rate stability: rates changes should be minimized to reduce customer bill impacts.

Customer understanding: rates should be simple, transparent and easily understood by customers.

Equity among customers: rate differences among customers should be justified by differences in usage characteristics and/or cost of service.

Efficiency: rates should encourage conservation and efficient use of electricity (e.g., off-peak vehicle charging).

To the extent that the policies may be in tension with one another, the rate proposal attempts to strike an appropriate balance. For example, a cost-of-service analysis might suggest that a particular rate should be increased, but the increase might be limited in the interest of rate stability and/or rate competitiveness. In accordance with the Implementation Plan, the policy of revenue sufficiency may not be violated; however, the Board may use discretion in how the other ratesetting policies are reflected in MCE rates.

Ratesetting Process

The ratesetting cycle begins with a forecast of MCE electric energy sales for the coming fiscal year. The forecast includes the number of customers that are expected to be enrolled and take service on each of the MCE rate schedules as well as the monthly billing quantities expected under each rate schedule. Depending upon the rate schedule in question, billing quantities can include monthly kWh, kWh during specified time-of-use periods (e.g., on-peak, partial peak, off-peak), maximum monthly kW demand and maximum kW demand during specified time-of-use periods. The forecasted billing quantities are used to derive a forecast of revenues at current (and proposed) MCE rates.

The projected revenue at current rates, termed “present rate revenues”, is compared to fiscal year budget items that must be funded through such rates (the “revenue

requirement”) to determine whether rate adjustments are warranted for purposes of addressing any projected surplus or deficit.

As an interim step in the rate design process, the revenue requirement is first allocated to customer classes. Customers are classified based on end-use and other service characteristics in an attempt to represent groups of customers with relatively similar cost-of-service profiles. MCE has established nine customer classes that include: residential (Res-1), small commercial (Com-1 and Com-6), medium commercial (Com-10), large commercial (Com-19), industrial (Com-20), agricultural (Ag), street lighting (SL) and traffic control (TC) end uses. Revenues are allocated based on a cost of service analysis, assessment of rate competitiveness, and other policy considerations.

Typical end uses within the commercial customer classes are described below:

Rate Group	Example End Use
Com-1 and Com-6	Small office, small retail
Com-10	Bank, restaurant, mixed use retail
Com-19	Department store, large office building, grocery store
Com-20	Institutional, hospital, college, water treatment facility

Rates are designed for the various rate schedules associated with each customer class in order to recover the revenue requirement allocated to that class. There are currently over 40 rate schedules under which MCE customers may take service subject to the relevant eligibility criteria. MCE determines rate schedule eligibility by mapping each MCE rate schedule to an equivalent PG&E rate schedule; customers contacting PG&E to change rate schedules (e.g., selection of an optional time-of-use rate or a net energy metering rate) would automatically be placed on a corresponding MCE rate schedule.

FY 2016/17 PROPOSED RATES

MCE’s current rates are sufficient to recover the proposed FY 2016/17 revenue requirement, based on the proposed budget referenced in Agenda Item #5. Staff recommend no changes to current rates for FY 2016/17. This recommendation is also consistent with each of MCE’s rate design policies articulated above. The recommendation to maintain current rates through FY 2016/17 has been discussed with the MCE Ad Hoc Rates Committee and the MCE Executive Committee, and is supported by both Committees. This recommendation was presented to your Board at the February 18th, 2016 MCE Board Meeting, with a request that no action be taken on the recommendation until the March Board meeting, following the customary 30-day public review period pertaining to rate matters, discussed above. MCE has received no comments from the public regarding this rate proposal and recommends your Board adopt the recommendation.

FY 2016/17 Revenue Requirement

The FY 2016/17 revenue requirement is based on the proposed FY 2016/17 Budget for MCE’s Operating Fund. The difference between the revenue requirement used for ratesetting and the budgeted revenue is due to the revenue deficiencies associated with uncollectible customer accounts as well as costs and revenues associated with the net energy metering (NEM) program. The proposed revenue requirement for FY 2016/17 is \$145,564,329 as shown in Table 1, which is equivalent to projected revenues at present rates.

The proposed revenue requirement, including a reconciliation to the proposed FY 2017 Budget, is shown in Table 1.

Table 1: Proposed FY 2017 Revenue Requirement

Revenue Requirement	
Proposed FY 2017 Operating Fund Budget Revenue	\$144,507,000
Uncollectible Account Expenses and NEM Costs	\$1,057,329
Proposed Revenue Requirement	\$145,564,329
Present Rate Revenues	\$145,564,329
Surplus (Deficiency) in Funds	\$0
Required Rate Increase	0%

Termination Fees

MCE's rates and charges include a Termination Fee applicable to customers departing MCE service after the initial sixty-day post enrollment opt-out period. As with other MCE rates and charges, the Termination Fee is proposed to remain unchanged for FY 2016/17. The Administrative Fee component of the Termination Fee would remain at \$5 for residential customers and \$25 for non-residential customers. The Cost Recovery Charge component of the Termination Fee, which would apply in the event MCE is unable to recover the costs of supply commitments attributable to the customer that is terminating service, would remain at zero.

Recommendation: No action needed. Maintain current rates through FY 2016/17.



March 17, 2016

TO: Marin Clean Energy Board

FROM: Alex DiGiorgio, Community Development Manager
Allison Hang, Community Development Manager

RE: Inclusion of New Communities in MCE (Agenda Item #08)

ATTACHMENTS: A. Policy 007 - New Customer Communities
B. MCE Affiliate Membership Process
C. MCE Invitation Letter
D. MCE Membership Application Checklist

Dear Board Members:

Background on CCA in California:

As of March 2016, community choice aggregation (CCA) programs have continued to emerge throughout California, including well over 80 different jurisdictions. Those that are furthest along include CleanPowerSF (service begins May 2016); San Mateo County's Peninsula Clean Energy (anticipated launch October, 2016); Alameda County's East Bay Community Energy (anticipated launch 2017); and Santa Clara County's Silicon Valley Clean Energy Authority (anticipated launch 2017).

Elsewhere in California, cities and counties are joining together to form CCA programs. The multi-county structure appears to be gaining popularity as San Luis Obispo, Santa Barbara, and Ventura Counties have joined together (and are now selecting bids for a technical study), much like Santa Cruz, Monterey and San Benito Counties did approximately two years ago. Multiple jurisdictions in the LA County Area have passed resolutions to explore CCA, and similar mobilization is occurring from Humboldt to San Diego.

MCE Inclusion Period:

On September 25, 2013 your Board approved Policy 007: New Customer Communities defining a process for including new communities in MCE services. In 2013, 2014, and 2015 MCE staff implemented Policy 007 through the formal inclusion of five new communities.

On June 18, 2015 your Board established an Ad Hoc Inclusion Committee made up of your Board representatives to review information collected to date and develop recommendations to improve new community inclusion going forward.

On September 17, 2015, the Ad Hoc Inclusion Committee recommended and your Board approved the following items to create efficiencies for staff, achieve economies of scale, and streamline procurement procedures:

- 1) Adjustments to Policy 007 - New Customer Communities (Attachment A)
- 2) Adjustments to the MCE Affiliate Membership Process (Attachment B) to allow for a formal inclusion period to be offered.
- 3) Direction to staff to offer communities considering MCE membership a formal six-month inclusion period that would allow no-cost membership consideration if a membership application is complete on or before March 31, 2016. Attachment C is the invitation letter and Attachment D is the Membership Application Checklist.

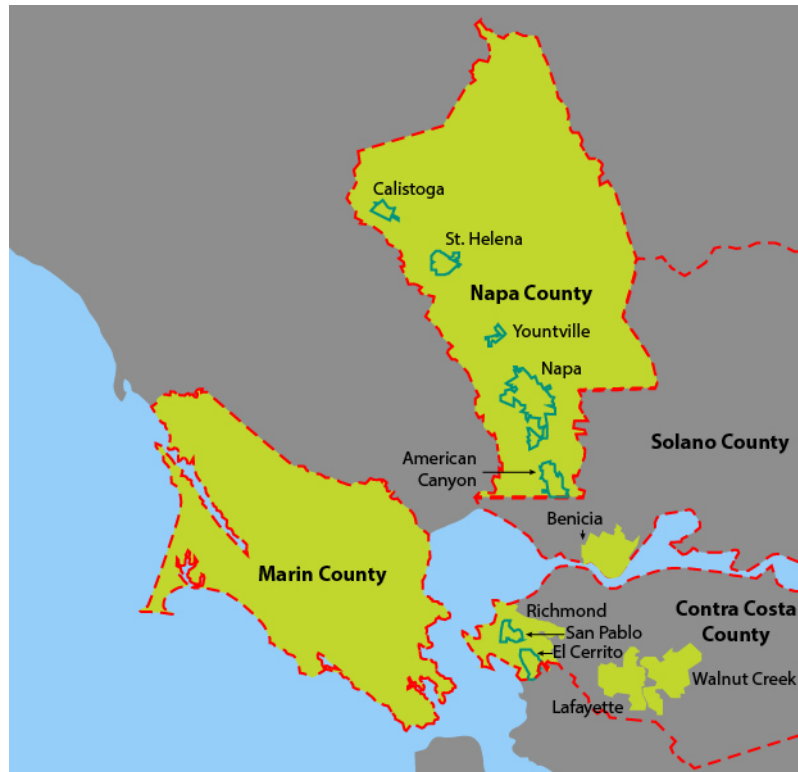
To date, four jurisdictions (Calistoga, St. Helena, American Canyon, and the City of Napa) have completed membership applications. Meanwhile, three more (Yountville, Lafayette and Walnut Creek) have completed the first reading of their ordinances to join MCE, and may complete applications by the end of the inclusion period.

All five Napa jurisdictions are within the County of Napa, which began MCE service February 2015. Sustainable Napa County (SNC), a countywide nonprofit organization, has been highly involved in MCE membership exploration in the Napa jurisdictions. CCA membership meets SNC's goal to increase the use of renewable energy, especially locally generated renewable energy. Also in alignment with this goal, SNC has started a Solar Mapping Project to identify what opportunities exist in Napa County for local energy projects. CEO Dawn Weisz spoke at SNC's Policymakers summit in November 2015 which encouraged multi-jurisdictional coalitions around sustainability issues. In 2009, all five jurisdictions joined with the Napa County Transportation and Planning Agency (NCTPA) on a Napa Countywide Community Climate Action Framework which included CCA as a high impact option to meet GHG reduction targets.

The following information includes details about the cities that have completed or may complete steps for MCE membership during the current inclusion period:

- The **City of Napa** (Napa County) spans approximately 18 square miles in Southern Napa County and has approximately 29,000 electricity accounts. On July 24, 2012, the Napa City Council adopted the City's first Sustainability Plan, funded through an Energy Efficiency and Conservation Block Grant (EECBG). The city also used those funds to implement projects, including retrofitting streetlights and city facilities with LED lighting
- The **City of American Canyon** (Napa County) spans approximately 5 square miles at the Southern end of Napa County and has approximately 7,800 electricity accounts. The City completed an Energy Efficiency Climate Action Plan in December 2012.
- The **City of St. Helena** (Napa County) spans approximately 5 square miles in Central Western Napa County and has approximately 2,100 electricity accounts. St Helena's Sustainability Committee works on a number of energy related projects, including MCE, PACE Financing, and EV Charging stations.
- The **City of Calistoga** (Napa County) spans approximately 2.6 square miles at the North Western tip of Napa County and has approximately 2,000 electricity accounts. The Calistoga Climate Action Plan was adopted by the City Council on April 1, 2014 and the City's Green Committee works to achieve the goals.
- The **Town of Yountville** (Napa County) spans approximately 1.5 square miles in Central Napa County and has approximately 600 electricity accounts. The Town created the Go Green Team committee in April 2015 to develop a Climate Action

Plan. The Go Green Team recommended membership in MCE as a key element of that Climate Action Plan.



- The **City of Lafayette** (Contra Costa County) spans approximately 15.4 square miles in the County's center, an area commonly referred to as 'Lamorinda' (a combination of the three smaller, contiguous jurisdictions of Lafayette, Moraga and Orinda). The City has an estimated 8,000 electricity accounts serving a population of approximately 25,000. Lafayette's Environmental Task Force has been studying CCA generally, and MCE specifically, for about two years and has recommended the City join MCE. In a City-wide survey asking respondents which option they would choose if Lafayette joined MCE, 45% chose Deep Green; 42% chose Light Green; and 12.9% chose 'opt out' (over 170 responses total). The local non-profit, Sustainable Lafayette, has also been active in exploring community choice, and has welcomed MCE's presence and participation at community events. Lafayette is an active participant in the [Cities for Climate Action Campaign](#) and the City's first vote on its ordinance to join MCE was unanimous (5-0).
- The **City of Walnut Creek** (Contra Costa County) spans approximately 20 square miles in the County's center, adjacent to the Cities of Lafayette and Concord. The City has an estimated 20,000 electricity accounts serving a population of approximately 68,000. Walnut Creek passed its first Climate Action Plan in 2012, and a 2005 City-wide greenhouse gas (GHG) emissions survey concluded more than a third of the City's GHG emissions were attributable to the residential and commercial/industrial sectors. The City's first vote on its ordinance to join MCE was unanimous (4-0, 1 abstained).

After submitting a complete membership application, the next steps in the MCE Affiliate Membership Process are as follows:

Step 5: Staff will undertake and complete a membership analysis; since this is an inclusion period the membership analysis cost will be waived. The primary focus of the analysis will be quantitative criteria A, B and C below.

Affiliate Membership Criteria:

- A. Allowing for MCE service in new community will result in a projected net rate reduction for existing customer base.
- B. Offering service in new community will enhance the strength of local programs, including an increase in distributed generation, and will accelerate greenhouse gas reductions on a larger scale.
- C. Including new community in MCE service will increase the amount of renewable energy being used in California's energy market.
- D. There will be an increase in opportunities to launch and operate MCE energy efficiency programs to reduce energy consumption and reliance on fossil fuels.
- E. New opportunities are available to deploy local solar and other distributed renewable generation through the MCE Net Energy Metering Tariff and Feed in Tariff.
- F. Greater demand for jobs and economic activity is likely to result from service in new community.
- G. The addition of the new community is likely to create a stronger voice for MCE at the State and regulatory level.

Note: For the potential new member communities, due to the opportunities for new energy efficiency program participation in the community, criteria D is adhered to. Given the potential for new localized solar installations in the community, criteria E is adhered to. Also, based on MCE's experiences to-date with regard to economic activity and impacts at the State and regulatory level, expansion to this community would support positive outcomes in criteria F and G.

Step 6: Results of the membership analysis will then be presented to MCE Board at which point there are two options depending on whether affiliate membership criteria are met or not:

- 1) If quantitative affiliate membership criteria are met, the MCE Board may adopt a resolution to include municipality in MCE Joint Powers Authority membership.
- 2) If qualitative criteria are not met but other compelling criteria are present, Board may consider approval of membership.

Step 7: Mayor/Board President of new jurisdiction executes JPA Agreement.

Step 8: MCE submits updated Implementation Plan to CPUC.

Fiscal Impact: None at this time. Should MCE add new communities, Staff will prepare a Budget Amendment to accommodate increased revenues and expenses.

Recommendation: Discussion item only.



POLICY NO. 007 – NEW CUSTOMER COMMUNITIES

Whereas MCE’s founding mission is to address climate change by using a wide range of renewable energy sources, reducing energy related greenhouse gas emissions and promoting the development of energy efficiency programs; and

Whereas creating opportunities for customer electric service in new communities may allow MCE to further progress towards its founding mission; and

Whereas MCE currently provides a minimum 50% renewable energy supply to all MCE customers (through its default Light Green retail service option), which substantially exceeds similar renewable energy supply percentages provided by California’s investor-owned utilities (IOUs); and

Whereas the inclusion of new communities to MCE’s membership will increase state-wide renewable energy percentages due to 1) MCE’s specified minimum renewable energy supply percentage of 50%, and 2) access to its 100% renewable option; and

Whereas the inclusion of new communities to MCE’s membership will also decrease greenhouse gas emissions within the Western United States as a result of minimum renewable energy supply percentages exceeding such percentages provided by California’s IOUs; and

Whereas the inclusion of new communities reaffirms the viability of community choice aggregation, and provides an incentive for other cities and counties to pursue more renewable energy options within their own jurisdictions.

Therefore, it is MCE’s policy to explore and support customer electric service in new communities to further agency goals.

In consideration of the above MCE may allow access to service in new communities through two channels, affiliate membership or special-consideration membership, as applicable.

Affiliate membership considered if:

1. All applicable membership criteria are satisfied,
2. New community is located in a county that is not more than 30 miles from MCE existing county jurisdiction, and
3. Customer base in new community is 40,000 or less or is within a County already served by MCE.

Special-consideration membership considered if:

1. All applicable membership criteria are satisfied,
2. New community is located in a county that is more than 30 miles from MCE existing jurisdiction and/or the customer-base in the new community is greater than 40,000.



MCE Affiliate Membership Process

Step 1: Governing body submits letter to MCE from new community jurisdiction, requesting consideration as a member.

Step 2: Staff evaluates request to determine: (a) if internal resources are available to consider new membership, and (b) if a formal 'inclusion period' should be offered to create staff efficiencies.

Step 3: MCE Staff request Membership Application from new community governing body.

Step 4: Membership Application submitted to MCE. Request submitted to MCE Board to consider adherence to criteria D, E, F and G below, and to authorize membership of new community, subject to a net positive result in quantitative membership analysis by staff.

Step 5: Following MCE Board approval, staff executes agreement with governing body of new jurisdiction to fund costs of membership analysis (cost waived under inclusion period). Staff undertakes and completes analysis, with primary focus on quantitative criteria A, B and C below. If needed, re-analysis may be conducted over time to account for varying market conditions.

Step 6: Results of membership analysis presented to MCE Board. 1). If quantitative affiliate membership criteria are met, MCE Board adopts resolution to include municipality in MCE Joint Powers Authority membership. 2). If qualitative criteria are not met but other compelling criteria are present, Board may consider approval of membership.

Step 7: Mayor/Board President of new jurisdiction executes JPA Agreement.

Step 8: MCE submits updated Implementation Plan to CPUC.

Membership Criteria:

- A. Including new community will result in a projected net rate reduction for existing customer base.
- B. Including new community will enhance strength of local programs, including an increase in distributed generation, and will accelerate greenhouse gas reductions on a larger scale.
- C. Including new community will increase the amount of renewable energy being used in California's energy market.
- D. There will be an increase in opportunities to launch and operate MCE energy efficiency programs to reduce energy consumption and reliance on fossil fuels.
- E. New opportunities are available to deploy local solar and other distributed renewable generation through the MCE Net Energy Metering Tariff and Feed in Tariff.
- F. Greater demand for jobs and economic activity is likely to result from service in new community.
- G. Inclusion of new community is likely to create stronger voice for MCE at the State and regulatory level.



September 21, 2015

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

Kevin Haroff
City of Larkspur

Garry Lion
City of Mill Valley

Brid Wagenknecht
County of Napa

Denise Athas
City of Novato

Carla Small
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

Marin Clean Energy
1125 Tamalpais Avenue
San Rafael, CA 94901

1 (888) 632-3674
mceCleanEnergy.org

Dear [City/Town] Manager:

We are in receipt of your letter, dated ____, expressing interest in exploring membership with MCE and are happy to consider your request. We are pleased to inform you that our Board has approved a six-month “inclusion period” that would allow no-cost membership consideration if your membership application is completed on or before March 31, 2016.

Membership application requirements are attached here and include the following:

- Adoption of a resolution requesting membership
- Adoption of the ordinance required by the Public Utilities Code Section 366.2(c) (10)
- Executed Memorandum of Understanding
- Signed request for load data from PG&E
- Designation of a staff person from your [city/town/county] to serve as a liaison to MCE

If you are interested in submitting a membership application please notify [Alex DiGiorgio/Allison Hang], MCE’s Community Development Manager, and [he/she] will assist you with any questions you may have as you complete the checklist. You can reach [Alex] by email at: [ADiGiorgio@mceCleanEnergy.org] or by phone at: 415-464-6031].

Please note that (1) adoption of your Ordinance to join MCE will be subject to approval by the MCE Board, and (2) MCE will conduct an economic feasibility analysis prior to approving membership. Also, if membership is approved, timing of procurement and customer enrollment would be determined by the MCE Board. We will remain in close contact with your [city/town] about the most likely target dates for each process.

To streamline communications and policy setting, any participating cities and towns in your county may have the option to select one shared representative and one alternate to serve on the MCE Board as a voting member. If you choose this option, the selected representative would have a weighted vote based on the combined customer load of all participating cities and towns within your county.

We are happy to meet with you or your council to answer questions or provide additional information. We look forward to the opportunity to work with you on your membership application for MCE service. Please let me know if we can be of any further assistance.

Sincerely,

MCE Membership Application Checklist

- ✓ Request for load data for PG&E signed by Mayor, City Manager, Board president or Chief County Administrator
- ✓ County assessor data for all building stock in jurisdiction
- ✓ Adoption of a resolution requesting membership in MCE
- ✓ Adoption of the ordinance required by the Public Utilities Code Section 366.2(c) (10) to join MCE's CCA program, adopted governing Board, subject to MCE Board approval
- ✓ Executed 'Agreement for Services' or 'Memorandum of Understanding' (if during inclusion period) to cover:
 - Community agrees to publicize and share information about MCE with community during the 6 month enrollment period. Options to publicize include but are not limited to website, social media, public events, community workshops, and newsletter announcements (where feasible), as well as distribution of flyers and handouts provided by MCE at community offices.
 - Community agrees to provide desk space for up to 2 MCE staff during the 6 month enrollment period, and agrees to consider ongoing desk space availability if needed for effective and efficient outreach.
 - Community agrees to assign staff member as primary point of contact with MCE. Assigned staff member will support and facilitate communication with other community staff and officials, as well as provide input and high-level assistance on community outreach.
 - Community agrees to cover of quantitative analysis cost, not to exceed \$10,000; waived under inclusion period.



March 17, 2016

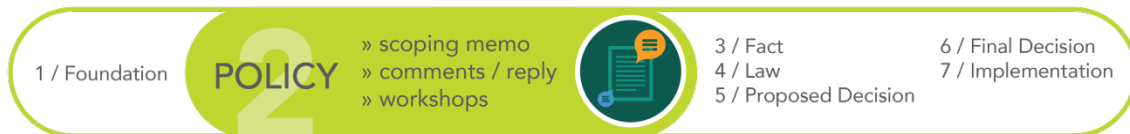
TO: Marin Clean Energy Board
FROM: Jeremy Waen, Senior Regulatory Analyst
RE: Regulatory Update (Information only – not on agenda)

Dear Board Members:

Executive Summary of Regulatory Affairs for March 2016

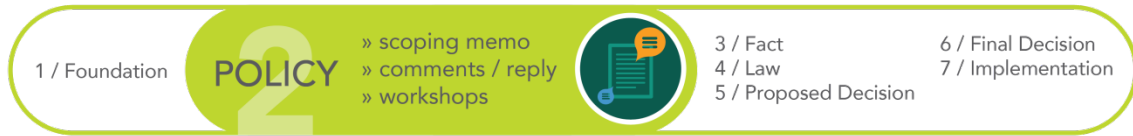
Below is a summary of the key activities at the California Public Utilities Commission (CPUC) for March 2016 impacting community choice aggregation and MCE. Highlights include:

1. MCE Seeks Power Charge Indifference Adjustment (PCIA) Reform in PG&E 2015 Energy Resource Recovery Account (ERRA) (A.14-05-024)



On February 16, MCE and the City of Lancaster jointly presented their response to the “optional homework assignment” presented by Commission staff to parties planning to engage in the March 8 workshop regarding potential PCIA reform. This Joint Response set forth an extensive set of proposed solutions to improve the fairness and transparency of the PCIA. On a separate but related front, Energy Division staff issued a Draft Resolution regarding PG&E Advice Letter (AL) 4761-E which sought *Approval of Forbearance Agreements between PG&E and Solar Partners II, LLC and Solar Partners VIII, LLC for Ivanpah Units #1 and #3*. In its protest to this AL, MCE staff argued that MCE customers departed from PG&E’s generation service prior to PG&E’s decision to extend the cost recovery for these large, high cost resources and therefore should no longer have to pay for this resource through the PCIA. The Draft Resolution fails to act on MCE’s recommendations. The Commission is set to vote on this matter during the March 17 Voting Meeting. MCE staff hope to draw attention to this matter during the March 8 PCIA workshop.

2. MCE Supports Local Government Energy Efficiency Program Administration with Comments on Regional Energy Networks (R.13-11-005)



On February 26, 2016 MCE filed comments recommending that the Commission continue to support local government energy efficiency program administration by allowing the Regional Energy Networks (RENs) to continue. RENs are consortiums of local governments that serve their communities with energy efficiency programs. Allowing both the REN and CCA options provides flexibility for local governments interested in administering energy efficiency programs. MCE supported RENs' autonomy for program design and the ability to make changes to their programs. Additionally, MCE recommended that the CPUC invite applications to create additional RENs.