



MCE Board of Directors Meeting
Thursday, June 20, 2024
6:30 p.m.

Public comments may be made in person or remotely via the details below.

1125 Tamalpais Avenue, San Rafael, CA 94901 (MCE)
2300 Clayton Road, Suite 1150, Concord, CA 94920 (MCE)
11780 San Pablo Ave., Ste D, El Cerrito, CA 94530 (Contra Costa County)
420 Litho Street, Sausalito, CA 94965, Sausalito City Hall (Sausalito)
955 School Street, Napa, CA 94559, City Hall Committee Room (City of Napa)
329 Rheem Blvd., Moraga, CA 94556, Moraga Town Hall, Walnut Conference Room, 2nd Floor (Moraga)
1000 Kentucky Street, Fairfield, CA 94533, Fairfield Community Center, Vista Conference Room (Fairfield)
14 Ace Court, Fairfax, CA 94930 (Fairfax)

Remote Public Meeting Participation

Video Conference: <https://zoomto.me/F6Ogt>
Phone: Dial (669) 900-9128, Meeting ID: 890 0487 7785, Passcode: 525690

The Board may discuss and/or take action on any or all of the items listed on the agenda irrespective of how the items are described.

DISABLED ACCOMMODATION: If you are a person with a disability who requires an accommodation or an alternative format, please contact MCE at (888) 632-3674 or ada-coordinator@mceCleanEnergy.org at least 72 hours before the meeting start time to ensure arrangements are made.

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1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)

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5. Consent Calendar (Discussion/Action)
 - C.1 Approval of 5.16.24 Meeting Minutes
 - C.2 Approved Contracts for Energy Update
 - C.3 Resolution 2024-02 Amending MCE's Conflict of Interest Code
 - C.4 Resolution 2024-03 Appointing COO as Treasurer
 - C.5 Proposed Amendment to MCE Policy 013: Reserve Policy
6. Board Member Additions to Committees (Discussion/Action)
7. Proposed Fiscal Year 2023/24 Deferral to MCE's Operating Reserve Fund (Discussion/Action)
8. Annual Energy Efficiency Report Out (Discussion)
9. Review of External Funding Pursuits (Discussion)
10. Office Investment Opportunity (Discussion)
11. Board & Staff Matters (Discussion)
12. Adjourn

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MCE BOARD MEETING MINUTES
Thursday, May 16, 2024
7:00 P.M.

Present:

Bruce Ackerman, Alternate, Town of Fairfax
Dion Bailey, City of Hercules
Eli Beckman, Town of Corte Madera
Monica Brown, County of Solano
Cindy Darling, City of Walnut Creek
Alexis Fineman, Town of San Anselmo
David Fong, Town of Danville
Ryan Gregory, The County of Napa and Four Napa Cities/Town
(American Canyon, Calistoga, St. Helena, and Town of Yountville)
Kerry Hillis, Town of Moraga
Eduardo Martinez, City of Richmond
Aaron Meadows, City of Oakley
John McCormick, Alternate, City of Lafayette
Devin Murphy, City of Pinole
Laura Nakamura, City of Concord
Elizabeth Pabon-Alvarado, City of San Pablo
Beth Painter, City of Napa
Scott Perkins, City of San Ramon
Shanelle Scales-Preston, City of Pittsburg
Gabriel Quinto, City of El Cerrito
Katie Rice, County of Marin
Matt Rinn, City of Pleasant Hill
Holli Thier, Town of Tiburon
Susan Wernick, City of Novato
Sally Wilkinson, City of Belvedere
Brianne Zorn, City of Martinez

Absent:

Kari Birdseye, City of Benicia
John Gioia, Contra Costa County
Maika Llorens Gulati, City of San Rafael
Janelle Kellman, City of Sausalito
Charles Palmares, City of Vallejo
Gabe Paulson, City of Larkspur
Max Perrey, City of Mill Valley
Mathew Salter, Town of Ross
K. Patrice Williams, City of Fairfield

**Staff
& Others:**

Jesica Brooks, Lead Board Clerk
Stephanie Chen, Director of Legislative Affairs
Vicken Kasarjian, COO
Justin Kudo, Senior Strategic Analysis and Rates Manager
Tanya Lomas, Internal Operations Coordinator
Catalina Murphy, General Counsel

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Ashley Muth, Internal Operations Coordinator
Enyonam Senyo-Mensah, Office Manager
Daniel Settlemyer, Internal Operations Coordinator
Sabrinna Soldavini, Manager of Policy
Jamie Tuckey, Chief of Staff
Dawn Weisz, CEO

1. Roll Call

Chair Scales-Preston called the regular meeting to order at 6:33 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

There were none.

3. Public Open Time (Discussion)

Chair Scales-Preston opened the public comment period and comments were made by David Moller.

4. Report from Chief Executive Officer (Discussion)

CEO Dawn Weisz introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

5. Consent Calendar (Discussion/Action)

- C.1 Approval of 3.21.24 Meeting Minutes
- C.2 Approved Contracts for Energy Update
- C.3 Member Community Voting Shares Annual Update

Chair Scales-Preston opened the public comment period and there were no comments.

Action: It was M/S/C (Perkins/Zorn) to **approve Consent Calendar items C.1 - C.3.** Motion carried by unanimous roll call vote. (Absent: Directors Birdseye, Gioia, Gulati, Kellman, Palmares, Paulson, Perrey, Salter, and Williams).

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

Chief of Staff Jamie Tuckey and COO Vicken Kasarjian introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: It was M/S/C (Thier/Perkins) to **approve addition of Board Members to Committees. Director Nakamura to the Executive Committee, Director Bailey to the**

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Technical Committee, and Directors Bailey, Darling, Fong, Martinez, Meadows, Perkins, Thier and Wilkinson to the Ad Hoc Capital Projects Committee. Motion carried by unanimous roll call vote. (Absent: Directors Birdseye, Gioia, Gulati, Kellman, Palmares, Paulson, Perrey, Salter, and Williams).

7. Proposed MCE Load Management Standards Plan (Discussion/Action)

Sabrinna Soldavini, Manager of Policy, and Justin Kudo, Senior Strategic Analysis and Rates Manager, introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: It was M/S/C (Darling/Bailey) to **adopt and authorize staff to submit MCE's Proposed Load Management Standards Plan to the CEC within 30 days of Board adoption.** Motion carried by unanimous roll call vote. (Absent: Directors Birdseye, Gioia, Gulati, Kellman, Palmares, Paulson, Perrey, Salter, and Williams).

8. Legislative Update (Discussion)

Stephanie Chen, Director of Legislative Affairs, introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: No action required.

11. Board Matters & Staff Matters (Discussion)

There were none.

12. Adjournment

Chair Scales-Preston adjourned the meeting at 7:59 p.m. to the next scheduled Board Meeting on June 20, 2024.

Shanelle Scales-Preston, Chair

Attest:

Dawn Weisz, Secretary



June 20, 2024

TO: MCE Board of Directors

FROM: Stephen Mariani, Senior Power Procurement Manager

RE: Approved Contracts for Energy Update (Agenda Item #05 C.2)

Dear Board Members:

Summary:

This report summarizes contracts for energy procurement entered into by the Chief Executive Officer or her delegate and, if applicable, the Chair of the Technical Committee, since the last report was prepared for the regular Board meeting in May. This summary is provided to your Board for information purposes only and no action is needed.

Review of Procurement Authorities

In November 2020, your Board adopted Resolution 2020-04 which included the following provisions:

The CEO and Technical Committee Chair, jointly, are hereby authorized, after consultation with the appropriate Committee of the Board of Directors, to approve and execute contracts for Energy Procurement for terms of less than or equal to five years. The CEO shall timely report to the Board of Directors all such executed contracts.

The CEO is authorized to approve and execute contracts for Energy Procurement for terms of less than or equal to 12 months, which the CEO shall timely report to the Board of Directors.

The CEO is required to report all such contracts and agreements to the MCE Board of Directors on a regular basis.

<i>Item #</i>	<i>Month of Execution</i>	<i>Purpose</i>	<i>Average Annual Contract Amount</i>	<i>Contract Term</i>
1	April 2024	Purchase of Resource Adequacy (Imports)	\$4,005,234	Under 1 Year
2	April 2024	Purchase of Resource Adequacy (Imports)	\$1,378,300	Under 1 Year
3	April 2024	Purchase of Resource Adequacy (Imports)	\$102,558	Under 1 Year
4	May 2024	Sale of Resource Adequacy	\$1,680,000	Under 1 Year

5	May 2024	Sale of Resource Adequacy (Import Rights)	\$116,910	Under 1 Year
6	May 2024	Purchase of Resource Adequacy (Import Rights)	\$331,250	Under 1 Year
7	May 2024	Sale of Resource Adequacy	\$350,000	Under 1 Year
8	May 2024	Sale of Resource Adequacy	\$744,000	Under 1 Year
9	June 2024	Sale of Resource Adequacy	\$1,600,000	Under 1 Year

Contract Approval Process: Energy procurement is governed by MCE's Energy Risk Management Policy as well as Board Resolutions 2020-04 and 2018-08. The Energy Risk Management Policy (Policy) has been developed to help ensure that MCE achieves its mission and adheres to its procurement policies established by the MCE Board of Directors (Board), power supply and related contract commitments, good utility practice, and all applicable laws and regulations. The Board Resolutions direct the CEO to sign energy contracts up to and including 12 months in length.

The evaluation of every new energy contract is based upon how to best fill MCE's open position. Factors such as volume, notional value, type of product, price, term, collateral threshold and posting, and payment are all considered before execution of the agreement.

After evaluation and prior to finalizing any energy contract for execution, an approval matrix is implemented whereby the draft contract is routed to key support staff and consultants for review, input, and approval. Typically, contracts are routed for commercial, technical, legal, and financial approval, and are then typically routed through the Chief Operating Officer for approval prior to execution. The table below is an example of MCE staff and consultants who may be assigned to review and consider approval prior to the execution of a new energy contract or agreement.

<i>Review Owner</i>	<i>Review Category</i>
Vidhi Chawla (MCE, Vice President of Power Resources)	Procurement/Commercial
John Dalessi (Pacific Energy Advisors)	Technical Review
Steve Hall (Hall Energy Law)	Legal
Nathaniel Malcolm (MCE, Senior Policy Counsel)	Legal/CPUC Compliance
Garth Salisbury (MCE, Chief Financial Officer & Treasurer)	Credit/Financial
Vicken Kasarjian (MCE, Chief Operating Officer)	Executive

Fiscal Impacts: Expenses and revenue associated with these Contracts and Agreements that are expected to occur during FY 2024/25 are within the FY 2024/25 Operating Fund Budget. Expenses and revenue associated with future years will be incorporated into budget planning as appropriate.

Recommendation: Information only. No action required.



June 20, 2024

TO: MCE Board of Directors

FROM: Catalina Murphy, General Counsel

RE: Resolution 2024-02 Amending MCE's Conflict of Interest Code
(Agenda Item #05 C.3)

ATTACHMENTS: A. Resolution 2024-02 Amending MCE's Conflict of Interest Code
B. Written Description of Changes
C. MCE Conflict of Interest Code in Strikeout/Underline Format

Dear Board Members:

Summary:

The Political Reform Act ("the Act") (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and publish conflict of interest codes. The Conflict of Interest Code is intended to identify and disclose foreseeable disqualifying financial conflicts of interest for decision-makers within the agency and therefore provide transparency, as required by the Act. MCE's Conflict of Interest Code was last updated in November 2022. Pursuant to the Fair Political Practices Commission, which has the primary responsibility to oversee the administration of the Political Reform Act, this Code must be regularly updated to reflect the current structure of the agency.

The updates to MCE's Conflict of Interest Code identify new positions created and remove previously designated positions that must file Statements of Economic Interests to disclose their potential financial conflicts.

MCE noticed the changes to its Conflict of Interest Code by distributing the proposed amendment and a Notice to Amend the Conflict of Interest Code to its employees.

Fiscal Impacts:

None.

Recommendation:

Adopt Resolution 2024-02 Amending MCE's Conflict of Interest Code.

RESOLUTION 2024-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY AMENDING MCE'S CONFLICT OF INTEREST CODE

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

WHEREAS, MCE members include the following communities: the County of Marin, the County of Contra Costa, the County of Napa, the County of Solano, the City of American Canyon, the City of Belvedere, the City of Benicia, the City of Calistoga, the City of Concord, the Town of Corte Madera, the Town of Danville, the City of El Cerrito, the Town of Fairfax, the City of Fairfield, the City of Hercules, the City of Lafayette, the City of Larkspur, the City of Martinez, the City of Mill Valley, the Town of Moraga, the City of Napa, the City of Novato, the City of Oakley, the City of Pinole, the City of Pittsburg, the City of Pleasant Hill, the City of San Ramon, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of Sausalito, the City of St. Helena, the Town of Tiburon, the City of Vallejo, the City of Walnut Creek, and the Town of Yountville; and

WHEREAS, On March 5, 2009, MCE (then, Marin Energy Authority) approved Resolution 2009-02, duly adopting a Conflict of Interest Code as required by the Political Reform Act (Government Code Section 81000, et seq.). MCE last amended its duly adopted Conflict of Interest Code on November 17, 2022, by approving Resolution 2022-14; and

WHEREAS, MCE wishes to amend Appendix A of its Conflict of Interest Code to update official employee designations by including recently added positions and enumerate the appropriate disclosure categories to all designated positions listed.

NOW, THEREFORE, BE IT RESOLVED, by the MCE Board of Directors:

- A. The amended designated positions and assigned disclosure categories described in Appendix A are hereby incorporated into the MCE Conflict of Interest Code by reference.
- B. All officials and employees required to submit a statement of economic interests pursuant to Appendix A shall file their statements with the Chief Executive Officer or their designee. The Chief Executive Officer shall make and retain a copy of all statements filed. All retained statements, original or copied, shall be available for public inspection and reproduction (Government Code Section 81008).
- C. MCE hereby directs the General Counsel to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5. The revised Code should reflect any changes in official employee designations and/or disclosures. If no revisions to the Code are required, MCE

shall submit a report to the California Fair Political Practices Commission no later than October 1st of the same year, stating that amendments to the Code are not required.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 20th day of June 2024, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
County of Marin				
Contra Costa County				
County of Napa				
County of Solano				
City of American Canyon				
City of Belvedere				
City of Benicia				
City of Calistoga				
City of Concord				
Town of Corte Madera				
Town of Danville				
City of El Cerrito				
Town of Fairfax				
City of Fairfield				
City of Hercules				
City of Lafayette				
City of Larkspur				
City of Martinez				
City of Mill Valley				
Town of Moraga				
City of Napa				
City of Novato				
City of Oakley				
City of Pinole				
City of Pittsburg				
City of Pleasant Hill				
City of San Ramon				
City of Richmond				

Town of Ross				
Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of Sausalito				
City of St. Helena				
Town of Tiburon				
City of Vallejo				
City of Walnut Creek				
Town of Yountville				

CHAIR, MCE

Attest:

SECRETARY, MCE

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

Pursuant to the needs of MCE's business, the additions of new staff and the restructuring of existing staff by re-classifying their position titles were addressed in the proposed amendment to the Conflict of Interest Code. Upon review of existing positions and current disclosure regulations, MCE determined that disclosure categories needed revision and/or new and existing positions should be designated. Below is an explanation of new positions added, title changes to existing positions, and the applicable disclosure categories for the newly designated positions.

Director of Internal Operations - Previously listed as Manager of Internal Operations, this position was reclassified to Director of Internal Operations. Disclosure categories remain unchanged.

Vice President of Power Resources - Previously listed as Director of Power Resources, this position was reclassified to Vice President of Power Resources. Disclosure categories remain unchanged.

Director of Power Origination - This is a new position added to the MCE Team. This position discloses under categories 1, 2, and 3.

Vice President of Technology and Analytics - Previously listed as Director of Technology and Analytics, this position was reclassified to Vice President of Technology and Analytics. Disclosure categories remain unchanged.

Manager of Analytics, Data Systems - This is a new position added to the MCE Team. This position discloses under category 1.

Vice President of Human Resources, Diversity and Inclusion - Previously listed as Director of Human Resources, Diversity and Inclusion, this position was reclassified to Vice President of Human Resources, Diversity and Inclusion. Disclosure categories remain unchanged.

Manager of Human Resources - This is a new position added to the MCE Team. This position discloses under category 1.

Vice President of Customer Programs - Previously listed as Director of Customer Programs, this position was reclassified to Vice President of Customer Programs. Disclosure categories remain unchanged.

Manager of Regulatory and Reporting - This is a new position added to the MCE Team. This position discloses under category 1.

Vice President of Public Affairs - Previously listed as Director of Public Affairs, this position was reclassified to Vice President of Public Affairs. Disclosure categories remain unchanged.

Manager of Communications and Community Engagement - Previously listed as Manager of Community and Customer Engagement, this position was reclassified to Manager of Communications and Community Engagement. Disclosure categories remain unchanged.

Director of Strategic Initiatives - Previously listed as Manager of Strategic Initiatives, this position was reclassified to Director of Strategic Initiatives. Disclosure categories remain unchanged.

Director of Customer Operations - Previously listed as Manager of Customer Operations, this position was reclassified to Director of Customer Operations. Disclosure categories remain unchanged.

Manager of Customer Service - This is a new position added to the MCE Team. This position discloses under category 1.

Senior Commercial Counsel - This is a new position added to the MCE Team. This position discloses under categories 1, 2, and 3.

Senior Legislative Manager - This is a new position added to the MCE Team. This position discloses under categories 1, 2, and 3.

Legislative Manager - This is a new position added to the MCE Team. This position discloses under categories 1, 2, and 3.

Senior Strategic Policy Manager - This position has been eliminated and is no longer a position for which staff may be recruited at MCE.

Manager of Policy, Markets - This is a new position added to the MCE Team. This position discloses under categories 1, 2, and 3.

Manager of Policy, Programs - This is a new position added to the MCE Team. This position discloses under categories 1, 2, and 3.

**CONFLICT OF INTEREST CODE
FOR
MARIN CLEAN ENERGY**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code of **Marin Clean Energy (MCE)**.

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

Marin Clean Energy

Appendix A to the Conflict of Interest Code

Designated Positions

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
• Chief Operating Officer	1, 2, 3
○ Manager-Director of Internal Operations	1, 2, 3
○ Director-Vice President of Power Resources	1, 2, 3
▪ <u>Director of Power Origination</u>	<u>1, 2, 3</u>
▪ Manager of Power Resources	1, 2, 3
▪ Principal Power Procurement Manager	1, 2, 3
▪ Senior Power Procurement Manager	1, 2, 3
▪ Power Procurement Manager	1, 2, 3
○ Chief Financial Officer	1, 2, 3
▪ Manager of Finance	1
○ Director-Vice President of Technology &and Analytics	1, 2, 3
▪ <u>Manager of Analytics, Data Systems</u>	<u>1</u>
○ Director-Vice President of Human Resources, Diversity, and & Inclusion	1, 2, 3
▪ <u>Manager of Human Resources</u>	<u>1</u>
• Chief of Staff	1, 2, 3
○ Director-Vice President of Customer Programs	1, 2, 3
▪ <u>Manager of Customer Programs</u>	<u>1</u>
▪ <u>Manager of Regulatory and Reporting</u>	<u>1</u>
○ Vice President-Director of Public Affairs	1, 2, 3
▪ Manager of Customer Operations	<u>1</u>
▪ Manager of Community and Customer Engagement <u>Communications & Community Engagement</u>	<u>1</u>
▪ Manager of Marketing	1
○ Director-Manager of Strategic Initiatives	1, 2, 3
○ <u>Director of Customer Operations</u>	<u>1, 2, 3</u>
▪ <u>Manager of Customer Service</u>	<u>1</u>
• General Counsel	1, 2, 3
○ Associate General Counsel	1, 2, 3
○ Senior Legal Counsel	1, 2, 3
○ Legal Counsel	1, 2, 3
○ Senior Policy Counsel	1, 2, 3
○ Policy Counsel	1, 2, 3
○ <u>Senior Commercial Counsel</u>	<u>1, 2, 3</u>
○ <u>Senior Legislative Manager</u>	<u>1, 2, 3</u>
○ <u>Legislative Manager</u>	<u>1, 2, 3</u>
○ Senior Strategic Policy Manager <u>Manager of Policy, Markets</u>	1, 2, 3
○ <u>Manager of Policy, Programs</u>	<u>1, 2, 3</u>
○ Policy Analyst	1, 2, 3
• Consultants/New Positions	*

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

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

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

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

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

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

**Marin Clean Energy
Appendix B to the Conflict of Interest Code**

Disclosure Categories:

Category 1: Persons in this category shall disclose:

- (a) Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by MCE.
- (b) Interests in real property located within the jurisdiction of MCE or within two miles of the boundaries of the jurisdiction of MCE, or within two miles of any land owned or used by MCE.

Category 2: Persons in this category shall disclose investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that engage in the design, development, construction, sale, or the acquisition of facilities that generate electricity, including, wind, solar, geothermal, hydroelectric, ocean, garbage, and biomass.

Category 3: Persons in this category shall disclose investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that are energy or environmental consultants, research firms, or engineering firms, entities that design, build, manufacture, sell, distribute, or service equipment of the type that is utilized by electric power suppliers, including, wind, solar, geothermal, hydroelectric, ocean, garbage, and biomass, or any entity that is, or within the past 12 months has been, party to an MCE proceeding before any local, state, or regional regulatory or judicial entity.

June 20, 2024

TO: MCE Board of Directors

FROM: Catalina Murphy, General Counsel

RE: Resolution No. 2024-03 Appointing Chief Operating Officer as Treasurer (Agenda Item #05 C.4)

ATTACHMENT: Proposed Resolution 2024-03 Appointing Chief Operating Officer as Treasurer

Dear Board Members:

Summary:

In February 2024, your board re-appointed Garth Salisbury, Chief Financial Officer, to serve as its Treasurer in accordance with Government Code 6505.5. Due to staffing changes, it is necessary to appoint a new Treasurer. MCE Chief Operating Officer (COO), Vicken Kasarjian, has the requisite qualifications and experience to serve as MCE Treasurer. Vicken originally served as MCE's Treasurer in 2019, prior to appointing Garth Salisbury as Treasurer.

1. Responsibilities and Duties of Treasurer

Government Code Section 6505.5 identifies the duties of an agency treasurer:

- a. Receive and receipt for all money of the agency or entity and place it in the treasury of the treasurer so designated to the credit of the agency or entity.
- b. Be responsible, upon their official bond, for the safekeeping and disbursement of all agency or entity money so held by them.
- c. Pay, when due, out of money of the agency or entity held by them, all sums payable on outstanding bonds and coupons of the agency or entity.
- d. Pay any other sums due from the agency or entity from agency or entity money, or any portion thereof, only upon warrants of the public officer performing the functions of auditor or controller who has been designated by the agreement.
- e. Verify and report in writing on the first day of July, October, January, and April of each year to the agency or entity and to the contracting parties to the agreement the amount of money they hold for the agency or entity, the amount of receipts since their last report, and the amount paid out since their last report.

2. Authority to Appoint Officer

Government Code Section 6505.6 and Section 4.13.3 of the MCE Joint Powers Agreement provide that MCE may appoint one of its own officers or staff to serve as its Treasurer. Following their appointment, the officer must contract with a certified public accountant to conduct an annual independent audit pursuant to Government Code Section 6505.

3. Qualifications of Chief Operating Officer

MCE COO, Vicken Kasarjian, possesses a wide range of experience that qualifies him to carry out the functions and duties of the Treasurer as described above. Vicken Kasarjian has over 37 years of progressively complex experience in many facets of electric and water utility finance and operations. Vicken has worked on several multimillion-dollar debt refinancing, refinancing and repurposing of approved-for-construction extra-high-voltage transmission developments, preparing for sale and marketing tens of millions of dollars of bond issues, and the development, justification and management of \$700 million per year in capitol and operations and maintenance budget. In addition, Vicken has experience assessing and implementing different financial models and approaches to construct large renewable energy sources, particularly for low-income customers and communities. Since 2003, Vicken has been involved in utilizing complex financial models and performance criteria to proactively perform risk assessments, market-to-market transaction reviews, including credit and collateral assessments in energy related transactions. Lastly, Vicken has significant background in many types of Federal Energy Regulatory Commission approved transactions in organized markets like the California Independent System Operator and the Pennsylvania-New Jersey-Maryland Interconnection.

Fiscal Impacts:

None.

Recommendation:

Approve Proposed Resolution No. 2024-03 Appointing Chief Operating Officer as Treasurer.

RESOLUTION 2024-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY APPOINTING CHIEF OPERATING OFFICER AS TREASURER

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

WHEREAS, MCE members include the following communities: the County of Marin, the County of Contra Costa, the County of Napa, the County of Solano, the City of American Canyon, the City of Belvedere, the City of Benicia, the City of Calistoga, the City of Concord, the Town of Corte Madera, the Town of Danville, the City of El Cerrito, the Town of Fairfax, the City of Fairfield, the City of Hercules, the City of Lafayette, the City of Larkspur, the City of Martinez, the City of Mill Valley, the Town of Moraga, the City of Napa, the City of Novato, the City of Oakley, the City of Pinole, the City of Pittsburg, the City of Pleasant Hill, the City of San Ramon, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of Sausalito, the City of St. Helena, the Town of Tiburon, the City of Vallejo, the City of Walnut Creek, and the Town of Yountville; and

WHEREAS, pursuant to Government Code Section 6505.6 and Section 4.13.3 of MCE's Joint Powers Agreement, as amended, dated December 19, 2008 (JPA), MCE may appoint one of its officers or employees to either or both of the positions of Treasurer, and such person shall comply with the duties and responsibilities of the office or officers as set forth in subdivisions (a) to (e), inclusive, of Government Code Section 6505.5; and

WHEREAS, the appointed Treasurer will have the authority to invest or reinvest funds of a local agency, or to sell or exchange securities so purchased in accordance with MCE's Investment Policy. Pursuant to Government Code Section 53607, this authority may be delegated for a one-year period; and

WHEREAS, Vicken Kasarjian, who currently serves as the Chief Operating Officer of MCE and who previously served as MCE's Treasurer in 2019, is qualified to serve as Treasurer and can perform the required functions and duties of Treasurer.

NOW, THEREFORE, BE IT RESOLVED, by the MCE Board of Directors, as authorized by Government Code 6505.6 and Section 4.13.3 of the MCE JPA, hereby appoints the Chief Operating Officer, Vicken Kasarjian, as Treasurer of MCE, effective immediately upon the passage and adoption of this resolution.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 20th day of June 2024, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
County of Marin				
Contra Costa County				
County of Napa				
County of Solano				
City of American Canyon				
City of Belvedere				
City of Benicia				
City of Calistoga				
City of Concord				
Town of Corte Madera				
Town of Danville				
City of El Cerrito				
Town of Fairfax				
City of Fairfield				
City of Hercules				
City of Lafayette				
City of Larkspur				
City of Martinez				
City of Mill Valley				
Town of Moraga				
City of Napa				
City of Novato				
City of Oakley				
City of Pinole				
City of Pittsburg				
City of Pleasant Hill				
City of San Ramon				
City of Richmond				
Town of Ross				
Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of Sausalito				
City of St. Helena				
Town of Tiburon				

City of Vallejo				
City of Walnut Creek				
Town of Yountville				

CHAIR, MCE

Attest:

SECRETARY, MCE



June 20, 2024

TO: MCE Board of Directors

FROM: Maira Strauss, Director of Finance
Vicken Kasarjian, Chief Operating Officer

RE: Proposed Amendment to MCE Policy 013: Reserve Policy (Agenda Item #05 C.5)

ATTACHMENT: Amendment to MCE Policy 013: Reserve Policy (Redline)

Summary:

In November 2019, your Board amended the MCE Reserve Policy to increase the Reserve target to 60% of budgeted total expenses (energy and operating expenses) and increased the Liquidity target to 240 days liquidity on hand. Adequate Reserves enable MCE to satisfy working capital requirements, procure energy at competitive rates, adhere to loan and debt covenants, cover unanticipated expenditures, support rate stability and they have been cited by both Moody's, S&P and Fitch as one of MCE's primary credit strengths.

MCE's current credit ratings are as follows:

Moody's: "Baa1"	S&P: "A"	Fitch: "BBB+"
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Conversations with the rating agencies over the past few years have identified a discrepancy in the methodologies utilized to calculate Days Liquidity on Hand.

Days Liquidity on Hand is generally defined as:

$$\text{Days Liquidity on Hand} = \frac{(\text{Total Available Unrestricted Cash} + \text{Investments}) \times 365}{\text{Total Operating Expenses}}$$

MCE's Investment Policy defines days liquidity on hand to include the available amount of any credit facility:

$$\text{Days Liquidity on Hand} = \frac{(\text{Total Available Unrestricted Cash} + \text{Investments} + \text{Unused Bank Lines of Credit}) \times 365}{\text{Total Operating Expenses}}$$

Moody's does not recognize the credit facility in their metrics when calculating Days Liquidity on Hand and Fitch only recognizes the credit facility if it is called out or referred to as "Adjusted Days Liquidity".

To align more generally with the rating agency's definition reference to unused bank lines of credit could be removed on Hand in the Reserve Policy (see attached amendment 1

At the June 5th meeting of the Executive Committee, the Executive Committee voted unanimously to recommend approval of the amendment to Policy 013: Reserve Policy.¹ After removing the reference to "unused bank lines of credit" from the definition of Days Liquidity on Hand, the table below represents the projected levels of Reserves and Liquidity for Fiscal Year 2023/24 and the current Fiscal Year 2024/25:

Reserve and Liquidity Projections

MCE Reserve & Liquidity Requirement Targets		FY 2023/24	FY 2024/25
Reserve Projections	Reserve Target (%)	60%	60%
	Reserve Target (\$)	421,183,800	439,560,000
	Projected Actual Reserves (\$) *	394,173,000	456,173,000
	Projected Actual Reserves (% of Target)	94%	104%
Liquidity Projections	Projected Unrestricted Cash and Investments (\$)	422,273,000	517,773,000
	Projected Unused Bank Line (\$)	0	0
	Deferred Income*	40,000,000	0
	Total Projected Liquidity (\$) *	462,273,000	517,773,000
	Projected Days Liquidity on Hand	240	258
	Target Days Liquidity on Hand	240	240
	Liquidity Target (\$)	461,571,000	481,710,000
Annual Expenses	Budgeted Annual Operating Expenses + Cost of Energy for the Current Fiscal Year (\$)	701,973,000	732,600,000

*Subject to Board approval of a \$40 million deferral into the Operating Reserve Fund.

It is currently projected that the addition to Net Position for Fiscal Year 2023/24 after a \$40 million deferral into the Operating Reserve Fund will result in reaching 93% of the Reserve target and 100% of the Liquidity target.

¹ The attachment to the June 5 Executive Committee Staff Report referenced the previous Reserve Policy. The attached Reserve Policy document is the current policy document subject to the proposed amendment.

Fiscal Impacts: The proposed amendment to the Reserve Policy does not have a direct fiscal impact on MCE's annual budget and rate setting processes.

Recommendation: Approval of the proposed amendment to MCE Policy 013: Reserve Policy.

POLICY 013: Reserve Policy

Policy Statement

MCE will adopt budgets and establish rates that provide for a growing Reserve until target funding levels are met.

The Reserve will grow to and be maintained at a funding level equal to or exceeding 60% of projected energy and operating expenses for the current fiscal year. The Reserve will be accounted for as the Net Position in MCE's financial statements.

The MCE Board will adopt budgets and establish rates for MCE with the goal of building and maintaining Reserves at or above the target level by March 2022, subject to MCE's ability to meet operational expenditures and maintain competitive rates.

Policy Purpose

MCE will prudently manage its operations in a manner that supports its long-term financial independence and stability while providing sufficient financial capacity to meet short term obligations. This Reserve Policy is important in meeting MCE's strategic objectives, securing favorable commercial terms from both third-party service providers and lenders and in the maintenance and potential improvement in MCE's stand-alone credit ratings.

Adequate Reserves will enable MCE to satisfy working capital requirements, procure energy at competitive rates, adhere to loan or bond covenants, cover unanticipated expenditures, and support rate stability.

Relationship to the Budget, Liquidity and Periodic Review

By setting rates and authorizing expenditures through approved Budgets, MCE determines targeted additions to Reserves. Staff will carefully monitor MCE's liquidity to ensure it meets the objectives of the organization with the goal of securing 240 days liquidity on hand¹. Staff will review the Reserve Policy annually to ensure it meets the needs of the agency. The future development of MCE may require the expansion of reserve requirements to support new activities such as major expansion of MCE activities or the acquisition of generating assets.

¹ Days liquidity on hand = $\frac{(\text{unrestricted cash and investments} + \text{unused bank lines of credit}) \times 365}{(\text{operating expenses} + \text{cost of energy, each for the current fiscal year})}$

MCE Board Offices and Committee Rosters

BOARD OFFICES

Chair:	Shanelle Scales-Preston, City of Pittsburg
Vice Chair:	Gabe Quinto, City of El Cerrito
Treasurer:	<i>(Proposed Appointment June 2024)</i> Vicken Kasarjian, MCE Chief Operating Officer
Deputy Treasurer:	Maria Strauss, MCE Director of Finance
Secretary:	Dawn Weisz, MCE Chief Executive Officer

BOARD OFFICES SECTION PROCESS

The Chair and Vice Chair offices are held for 1 year and there are no limits on the number of terms held by either Chair or Vice Chair.¹ The selection of these offices shall take place on or near December of each year.² The office of Treasurer is appointed by the Board via an approved resolution and may be a non-board member. The Treasurer appointment, along with the delegated authority, is held for 1 year and there are no limits on the number of terms held.³ Deputy Treasurers are appointed directly by the Treasurer each year. Once appointed by the Board, the Secretary shall continue to hold the office each year until the Secretary chooses to resign from the role or the Board decides to remove the individual from the Secretary position.⁴ The Secretary does not need to be a member of the Board. All officer appointments/selections by the Board require a majority vote of the full membership of the Board.⁵

EXECUTIVE COMMITTEE *(Membership Approved 5.16.24)*

1. Max Perrey, Chair	City of Mill Valley
2. Eli Beckman	Town of Corte Madera
3. Cindy Darling	City of Walnut Creek
4. Dave Fong	City of Danville
5. Maika Llorens Gulati	City of San Rafael
6. Eduardo Martinez	City of Richmond
7. Devin Murphy	City of Pinole
8. Gabe Quinto	City of El Cerrito
9. Shanelle Scales-Preston	City of Pittsburg
10. Holli Thier	Town of Tiburon
11. Sally Wilkinson	City of Belvedere
12. Laura Nakamura	City of Concord

¹ Section 4.13.1 of MCE Joint Powers Agreement.

² Article V, Section 1 of MCE's Operating Rules and Regulations.

³ Article V, Section 1 of MCE's Operating Rules and Regulations; California Government Code § 53607.

⁴ Article IV, Section 1(c) of MCE's Operating Rules and Regulations.

⁵ Article VI, Section 2 of MCE's Operating Rules and Regulations. At MCE's current membership of 37 communities with appointed Directors, the vote needed is 19.

TECHNICAL COMMITTEE (*Membership Approved 5.16.24*)

- | | |
|------------------------|---------------------------------------|
| 1. Devin Murphy, Chair | City of Pinole |
| 2. Gina Dawson | City of Lafayette |
| 3. Alexis Fineman | Town of San Anselmo |
| 4. John Gioia | County of Contra Costa |
| 5. Eduardo Martinez | City of Richmond |
| 6. Charles Palmares | City of Vallejo |
| 7. Scott Perkins | City of San Ramon |
| 8. Katie Rice | County of Marin |
| 9. Gabe Quinto | City of El Cerrito |
| 10. Dion Bailey | City of Hercules |
| Barbara Coler | Town of Fairfax (<i>Interested</i>) |

AD HOC CONTRACTS COMMITTEE, 2024

- | | |
|--------------------|----------------------|
| 1. Barbara Coler | Town of Fairfax |
| 2. Cindy Darling | City of Walnut Creek |
| 3. Aaron Meadows | City of Oakley |
| 4. Gabe Paulson | City of Larkspur |
| 5. Scott Perkins | City of San Ramon |
| 6. Katie Rice | County of Marin |
| 7. Sally Wilkinson | City of Belvedere |

AD HOC AUDIT COMMITTEE, 2024

- | | |
|--------------------|--------------------|
| 1. Dave Fong | Town of Danville |
| 2. Laura Nakamura | City of Concord |
| 3. Gabriel Quinto | City of El Cerrito |
| 4. Sally Wilkinson | City of Belvedere |

AD HOC CAPITAL PROJECTS COMMITTEE, 2024

The Ad Hoc Capital Projects Committee will consider strategies for risk mitigation which include possible ownership of fossil-free generating resources, grid enhancing technologies for transmission access, and consolidation of office spaces, with a potential shift from leasing to ownership.

- | | |
|---------------------|----------------------|
| 1. Dion Bailey | City of Hercules |
| 2. Cindy Darling | City of Walnut Creek |
| 3. David Fong | Town of Danville |
| 4. Eduardo Martinez | City of Richmond |
| 5. Aaron Meadows | City of Oakley |
| 6. Scott Perkins | City of San Ramon |

7. Holli Thier
8. Sally Wilkinson
- Max Perrey

Town of Tiburon
City of Belvedere
City of Mill Valley (*Interested*)

MCE Technical Committee Overview

Scope

The scope of the MCE Technical Committee is to explore, discuss and provide direction or approval on issues related to electricity supply, distributed generation, greenhouse gas emissions, energy efficiency, procurement risk management and other topics of a technical nature.

Frequent topics include electricity generation technology and procurement, greenhouse gas accounting and reporting, energy efficiency programs and technology, energy storage technology, net energy metering tariff, local solar rebates, electric vehicle programs and technology, Feed-in Tariff activity and other local development, Light Green, Deep Green and Local Sol power content planning, long term integrated resource planning, regulatory compliance, MCE's Energy Risk Management Policy (ERMP), procurement risk oversight, and other activity related to the energy sector. The MCE Technical Committee reviews and discusses new technologies and potential application by MCE.

Authority

- Approval of and changes to MCE's Net Energy Metering Tariff
- Approval of and changes to MCE's Feed in Tariff
- Approval of annual greenhouse gas emissions level and related reporting
- Approval of MCE procurement pursuant to Resolution 2018-03 or its successor
- Approval of MCE procurement-related certifications and reporting, including the Power Content Label
- Approval of contracts with vendors for technical programs or services, energy efficiency program or services and procurement functions or services
- Approval of power purchase agreements
- Approval of adjustments to power supply product offerings
- Approval of the Integrated Resource Plan
- Receipt of reports from the Risk Oversight Committee (ROC) on at least a quarterly basis regarding the ROC's meetings, deliberations, and any other areas of concern
- Initiation of and oversight of a review of the implementation of the ERMP as necessary
- Approval of substantive changes to MCE's Energy Risk Management Policy (ERMP), including periodic review of the ERPM and periodic review of ERPM implementation

Committee Member Selection Process

MCE strives to assemble a Technical Committee comprised of at least one county representative and one city/town representative from each county in the MCE service area. Available seats on the Technical Committee are therefore first offered to any interested and applicable Board member whose county is not yet represented by one county and one city/town member. Interested members can be added at a meeting of the Board when it is included in the agenda.

Current Meeting Schedule

First Friday of each month at 10:00 am

MCE Executive Committee Overview

Scope

The scope of the MCE Executive Committee is to explore, discuss and provide direction or approval on general issues related to MCE including legislation, regulatory compliance, strategic planning, outreach and marketing, contracts with vendors, human resources, finance and budgeting, debt, rate setting, and agenda setting for the regular MCE Board meetings and annual Board retreat.

Authority

Executive Committee is authorized to make decisions regarding:

- Legislative positions outside of the Board-approved legislative plan
- Procurement pursuant to Resolution 2018-04 or its successor
- Compensation and evaluation of the CEO
- Ad hoc committees
- Honorary awards

The Executive Committee also serves to make recommendations to the Board regarding:

- The annual budget and budget adjustments
- Rate setting
- Entering into debt
- MCE Policies (such as Policy 013: Reserve Policy and Policy 014: Investment Policy)

Committee Member Selection Process

MCE strives to assemble an Executive Committee comprised of at least one county representative and one city/town representative from each county in the MCE service area. Available seats on the Executive Committee are therefore first offered to any interested and applicable Board member whose county is not yet represented by one county and one city/town member. Interested members can be added at a meeting of the Board of Directors when it is included in the agenda.

Current Meeting Schedule

First Wednesday of each month at 12:00 pm



June 20, 2024

TO: MCE Board of Directors

FROM: Maira Strauss, Director of Finance
Vicken Kasarjian, Chief Operating Officer

RE: Proposed Fiscal Year 2023/24 Deferral to MCE's Operating Reserve Fund (Agenda Item #07)

ATTACHMENT: MCE Policy 016: Operating Reserve Fund ("ORF Policy")

Dear Board Members:

Summary:

On June 5th, 2024 the Executive Committee of your Board voted to recommend a \$40 million deferral into the Operating Reserve Fund ("ORF") for Fiscal Year 2023/24 to provide for rate stabilization and financial stability. This transfer would create an important cushion against future financial uncertainties and help maintain steady rates for MCE customers.

Background:

In November 2019 your Board approved Resolution 2019-06 creating the Operating Reserve Fund ("ORF"). The ORF policy allows MCE to defer revenue in years when financial results are strong to be used in future years when financial results may not be as strong and operates as a rate stabilization fund. The ORF policy was created under Government Accounting Standard Board, Standard 62, which allows an accounting treatment where revenue is deferred into the future when it might be needed to satisfy covenants or other financial requirements. Revenue deferred from a fiscal year is not recognized in that year and reduces the net revenue and the addition to Net Position¹ in that year.

As required by Resolution 2019-06 and the ORF Policy, the MCE Board must approve the transfer of revenues to or from the ORF. Since the creation of the ORF in 2019, the Board has approved deferrals of revenues into the ORF three times totaling \$30 million. As MCE's budget has grown, driven primarily by the increasing cost of power, and as availability of power supply has become more volatile and uncertain, the need to hedge against future risk is much higher than in previous years.

Possible Uses for the Operating Reserve Fund: The ORF is structured as a traditional

¹ Net Position: Defined as the cumulative difference between annual revenues (operating and non-operating) and annual expenses (operating and non-operating).

rate stabilization fund and can be used in the future if there are sudden unanticipated costs or if MCE has financial obligations to maintain a certain amount of net revenue (e.g. a bond covenant to maintain debt service coverage). The ability to withdraw funds from the ORF during financial challenges helps maintain rate stability for MCE's customers. As an example, if there was a market condition (i.e. significant heat event) resulting in additional energy costs that would require MCE to increase rates to meet bond covenants or to achieve positive net revenues for the year, your Board could approve a withdrawal from the ORF to reduce or avoid a rate increase.

Operating Reserve Fund Policy Parameters: The ORF Policy allows a deferral of revenues into the ORF when the net revenues (addition to Net Position) are projected to exceed 5% of total revenues in a fiscal year. The ORF Policy has a targeted maximum balance of 10% of the total revenues in the current fiscal year.

Fiscal Year 2023/24 Recommended Deferral into the ORF: In Fiscal Year 2023/24 which ended on March 31, the total addition to Net Position is estimated to be approximately \$190 million. This represents 24% of total revenues, which exceeds the Policy's minimum transfer threshold of 5%. A transfer of \$40 million to the ORF for Fiscal Year 2023/24 would bring the ORF total to \$70 million, representing 8.75% of total revenues, approaching the targeted maximum balance of 10%.

MCE Reserve Policy Parameters: MCE's Reserve Policy sets a goal of achieving a Net Position of 60% of that year's budgeted energy and operating expenses. Staff currently projects that after a deferral of \$40 million into the ORF from Fiscal Year 2023/24 net revenues, that the reserve target would be achieved during the current fiscal year.

Fiscal Impacts: A deferral of \$40 million to the ORF for Fiscal Year 2023/24 would reduce the addition to Net Position from \$190 million (unaudited financials) to approximately \$150 million and increase the balance in the ORF to \$70 million.

Recommendation: Approval of a deferral of \$40 million in Fiscal Year 2023/24 revenues into the ORF.



APPROVED

Date: 11/19/2020

MARIN CLEAN ENERGY

POLICY 016: Operating Reserve Fund

Policy Purpose

The Operating Reserve Fund Policy will describe the situations in which staff will propose and the MCE Board of Directors will consider deposits into and withdrawals from the Operating Reserve Fund and establishes an Operating Reserve Fund Targeted Balance.

Policy Statement

The financial strength of MCE is one of the necessary pillars of the Agency if it is to deliver on its mission to address climate change by providing competitively priced renewable and GHG free energy to its customers. MCE will adopt policies and procedures designed to strengthen its financial position to allow the Agency to achieve these environmental goals. The MCE Board of Directors will adopt budgets and establish and adjust rates as necessary each fiscal year to provide sufficient revenues to pay all operating expenses and all other financial obligations of the agency. While MCE strives to meet its Reserve Policy targets, rates will be set to provide an addition to MCE's Net Position whenever possible. MCE will also take the necessary steps to achieve and maintain strong investment grade credit ratings to minimize interest costs and counterparty collateral posting requirements.

To this end, in November of 2019 the MCE Board of Directors approved Resolution 2019-06 creating an Operating Reserve Fund and later approved the first deferral of revenue into the Operating Reserve Fund effective the end of the 2019-20 Fiscal Year. The Operating Reserve Fund has been established and will be maintained and utilized to strengthen MCE's financial position and to be a tool to assist in addressing variability in MCE's annual cashflows and expenses. The Operating Reserve Fund is not to be used to address specific expenses of the Agency, but rather as a tool that supports MCE's ability to meet its financial obligations each fiscal year.

To the extent there is any conflict with Resolution 2019-06 which authorized the creation of the Operating Reserve Fund and this Policy 016, which provides directives for deposits to and withdrawals from the Operating Reserve Fund, this Policy 016, and any amendments thereto, shall control once approved by the MCE Board of Directors.

Policy Directives

Deposits: Staff will recommend and the Board will consider deferral of revenue into the Operating Reserve Fund in a fiscal year (1) when the projected addition to Net Position is greater than 5% of total operating and non-operating revenues or (2) once the Reserve Policy targets are met, from any excess net revenues after payment of any debt service or other financial obligations due in that fiscal year

Operating Reserve Fund Targeted Balance: Deposits can be made into the Operating Reserve Fund as allowed above until the balance equals 10% of the total operating and non-operating Revenues in the

then current fiscal year.

Withdrawals: Staff will recommend withdrawals of Revenues from the Operating Reserve Fund in a fiscal year where net revenues are projected to be negative or as necessary to satisfy any legal covenants, contractual obligations or to maintain investment grade credit ratings.

MCE
2023
Annual
Energy
Efficiency
Report
Out

Board of Directors
Meeting

June 2024



2023 Energy Efficiency Impacts

Sector	Expenditures	Commitments	Total
Agricultural	\$384,787	\$18,446	\$403,233
Commercial	\$3,968,433	\$6,727,658	\$10,696,091
Workforce Development	\$79,572	\$177,024	\$971,596
Industrial	\$561,322	\$269,127	\$830,449
Residential	\$2,943,124	\$274,928	\$3,218,052
Total Portfolio	\$8.7 million	\$7.5 million	\$16.1 million

3,199 Metric Tons of CO² Emissions Reduced = **6,444 cars off the road**

\$2.08 million
in rebates issued

1,500
customer sites

5.12 GWh
saved

311,628
therms
saved



Program Sector Highlights

MCE Solar One
Richmond, CA

Residential Highlights

“The total rebate was several thousand dollars [per unit], which made the difference between being able to do the projects or not.”

– Low-income multifamily property owner

Multifamily Energy Savings (low-income)

- 653 units served
- Direct install, electrification, energy efficiency
- 8 properties reserved in 2023

Home Energy Savings (single-family, moderate-income)

- 352 homes served
- Duct sealing and attic insulation
- Electrification options

Strategic Energy Management (multifamily)

- 10 multifamily properties enrolled
- 8 site assessments
- 2 properties with measured savings



Teresa's Home
Pittsburg, CA

“I look forward to reducing my energy bill in the hot summers, and the insulation will also help me save in the cold winters. I wanted to stop using natural gas and carbon ...I’ve had a wonderful experience with MCE – everyone is very polite, friendly, and respectful. I encourage more people to participate so they can save too!”

– Teresa
MCE moderate-income
homeowner

A man in a blue uniform and cap is working on a kitchen range hood. He is looking up at the hood with his hands raised, touching the metal surface. The hood has two circular lights. The background shows a kitchen with wooden cabinets and a tiled wall.

Workforce Development

Contractors

Fill the growing workforce gap in the electrification and energy efficiency sector

Jobseekers

Support people with barriers to employment; secure sustainable careers

Workforce Development Impacts

Highlights

- 37 job seekers received job readiness and electrification job training
- Industry new hires received stipends to get work-ready, such as work boots and tool kits
- 5 contractors received field training and electrification education services



“Divine Electric's journey with MCE and SEI has resulted in an outstanding, full-time hire. Chalk one up for the green-job-movement!”

Darin Divine

Divine Electric and
Plumbing

Commercial Highlights

Commercial Energy Efficiency Program

- 41 small and medium businesses participated
- \$250,000 in rebates collectively
- Over \$475,000 in annual bill savings

Commercial Efficiency Market

- Doubled participation to 38 projects
- 115% realization rate for forecasted savings

Strategic Energy Management (commercial)

- 11 customers enrolled, including five cities and counties
- Customers reinvested their milestone incentives back into their organizations to further advance their energy management initiatives



Agricultural & Industrial Highlights

Agricultural and Industrial Resource Program, Strategic Energy Management Program

- 7 large Strategic Energy Management participants
- Delivered \$36,000 in rebates in 2023
- Approximately \$160,000 in annual bill savings
- Steam trap repairs and boiler repairs are two low-cost maintenance projects that saved industrial customers the most
- Coordinated with University of CA Cooperative Extension Marin, Marin Resource Conservation District, and Marin Agricultural Land Trust to gain insight into these farmers' unique energy needs



New Program

Small Business Energy Advantage

- Equity program – targeting small businesses in Disadvantaged Communities
- Launching mid-2024
- Project management services and no-cost direct install of energy-saving measures
- Incentives for additional energy-saving measures
- Referrals to other programs such as: Self-Generation Incentive Program, Heat Pump Water Heater, Green Business Certification, etc.
- \$10,000 Outreach Grants to local community-based organizations
- Goal to update 900 small businesses over three years
- Will market city-by-city based on estimated number of eligible customers

Questions?



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Alex Valenti
Manager of Customer Programs
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June 20, 2024

TO: MCE Board of Directors

FROM: Alexandra McGee, Director of Strategic Initiatives

RE: Review of External Funding Pursuits (Agenda Item #09)

ATTACHMENTS: A. Presentation – Review of External Funding Pursuits
B. MCE Funding Pursuits by Category

Dear Board Members:

Summary:

Unprecedented federal funding has inspired staff to implement a collaborative, multi-departmental strategy for applying for external funding to benefit MCE member communities. Securing external funding allows MCE to keep rates low while serving more community members with critical electrification and resiliency measures with an emphasis on community equity. Over the last 18 months, MCE has been awarded \$167 million. This includes nine grant applications totaling \$9.13 million and \$158 million from the California Public Utilities Commission to fund MCE's energy efficiency programs through 2031. Staff are currently drafting three additional applications for at least \$5 million and are awaiting decisions on ten more applications totaling \$64.05 million.

Background:

The Inflation Reduction Act of 2022 commits \$369 billion towards climate and clean energy investments over the next decade. This legislation focuses on reducing greenhouse gas emissions, promoting renewable energy sources, and enhancing overall energy efficiency, making it one of the most significant federal commitments to combating climate change in U.S. history. The Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, allocates about \$550 billion in new spending for infrastructure improvements, with a sizable portion directed towards climate-related investments. This includes funding for electric vehicle infrastructure, public transit, clean energy projects, and climate resilience initiatives. Together, these represent unprecedented opportunities to advance critical environmental and sustainability goals.

Vendor Support

To ensure that MCE can be a good steward of these funds and partnerships, staff closed a request for offers for grant writing services in November 2023 and selected Build Momentum.

Formerly known as Grant Farm, Build Momentum has successfully raised approximately \$1 billion in grants, loans, and other incentives for energy, water, transportation, and manufacturing projects since 2005 – leveraging approximately \$5 billion in additional federal, state, and private funding.

Staff selected AmpliFund to manage the performance metrics and budgets of newly awarded funds. A mock audit of our system is currently underway to ensure that MCE is ready to meet the multiple compliance requirements of federal funding.

Results:

As outlined in Attachment B, MCE was awarded nine applications totaling \$9,129,999 and ten additional applications totaling \$64,054,814 are pending results. MCE either applied or partnered on eleven other applications for a total of \$15,100,000, which were denied.

There are also opportunities to influence the outcome of a grant before the details are finalized. This is done by responding to Requests for Information, building relationships and reputation with funding agencies, and offering to partner with entities likely to pursue an aligned funding opportunity. Together, MCE staff has engaged with many entities to advocate for Community Choice Aggregators to be eligible to apply, asking for agencies to prioritize mission-aligned and equitable policy positions, such as prioritizing funding and financing for low-income customers or positioning ourselves to be well-respected candidates once the solicitation is released. A non-exhaustive list of related engagements is included in Attachment B.

Staff have also provided numerous letters of support to community-based organizations and local government entities pursuing aligned funding. To ensure that the community is informed of these efforts, staff have attended and presented at various public meetings to share these efforts.

Fiscal Impacts:

MCE has been awarded \$9,129,999 and is being considered for an additional \$64,054,814 in other applications. Staff continue to apply for opportunities as they arise, equating to at least \$5,000,000 in the next few months. Supporting contracts with Build Momentum and Amplifund total \$360,000 spanning three years including Fiscal Year 2023/24, 2024/25, and 2025/26.

Recommendation:

Discussion only.



Review of External Funding Pursuits

June 2024

Key Priority

Be fiscally prudent and amplify our impact by applying for and utilizing state, federal, and other funding.



Cross-Team Coordination

Initiated January 2023

Strategic Initiatives | **Legal** | **Policy** | **Customer Programs** | **Public Affairs**
Customer Operations



Internal Efforts

- 10 staff from 7 departments meet bimonthly to discuss strategy and opportunity.
- To ensure staff is supported in their efforts, MCE has contracted with:
 - Build Momentum for grant writing support, and
 - AmpliFund to manage the performance metrics and budgets of new funds.
- A mock audit of MCE financial, policy, and programmatic systems is underway to ensure compliance with federal funding obligations.

A photograph of two women standing next to a JuiceBox electric vehicle charging station. The woman on the left is wearing a dark blue button-down shirt with a small MCE logo on the chest and blue jeans. The woman on the right is wearing a dark blue zip-up hoodie with yellow accents and yellow cargo pants. The charging station is mounted on a wall and has a black charging cable with a white connector. A teal circular graphic is overlaid on the bottom left of the photo.

VPP Home
Richmond, CA

Grants & Earmarks Awarded

Strategic Growth Council Transformative Climate Communities (sub to City of Richmond)	\$3,000,000	Expand Home Energy Savings Program in Richmond
2022 Earmark (prime)	\$2,000,000	Electric Vehicle (EV) Charging Stations
Department of Energy (DOE) “Charged by Public Power” (prime)	\$1,000,000	Community focus groups to inform EV programs
2023 Earmark (prime)	\$850,000	Electrical panel upgrades & ancillary services
Marin Community Foundation (MCF) Resiliency Grant (prime)	\$750,000	Solar + Storage for critical facilities in Marin
2022 Earmark (prime)	\$750,000	Healthy Homes
2022 Earmark (prime)	\$500,000	Energy Storage
MCF EV Grant (prime)	\$180,000	EV charging for multifamily sites in Marin
California Energy Commission (CEC) Advanced Energy Community (sub to Zero Net Energy Alliance)	\$99,999	Virtual Power Plant (VPP) pilot in Richmond
\$9,129,999 Awarded		

Pending Awards

DOE Grid Resilience and Innovation Partnerships (GRIP) (prime)	\$50,000,000	Expand the Virtual Power Plant
DOE Communities Taking Charge Accelerator (prime)	\$4,000,000	Electrify municipal fleets
California Public Utilities Commission (CPUC) Locally Invested Transportation Equity Pilot (prime)	\$4,000,000	Provide cohort-style learning to electrify municipal fleets
2024 Earmark (prime)	\$1,502,814	Provide ebike access and adoption
2024 Earmark (prime)	\$1,312,000	Restaurant electrification pilot
FEMA Building Resilient Infrastructure and Communities (prime)	\$1,180,000	150 kW solar + 700 kWh storage systems for Napa
2024 Earmark (prime)	\$1,080,000	Provide emergency water heater loaner
EPA Environmental and Climate Justice Community Grants Program (sub to MCF)	\$600,000	Develop green workforce pathways
MCF Climate Justice Initiative (prime)	\$380,000	Build green workforce in Marin
\$64,054,814 awaiting decisions		

Recipients of MCE's Letters of Support

Agencies:

- Alliance for Renewable Clean Hydrogen Energy Systems
- Association of Bay Area Governments
- Bay Area Air Quality Management District
- Bay Area Rapid Transit (BART)
- Bay Area Regional Energy Network
- California Infrastructure and Economic Development Bank (IBank)
- Electric Power Research Institute

Local Governments:

- City of Pittsburg
- City of Concord
- Contra Costa County
- County of Marin

Community Based Organizations:

- BattWatts
- Bidirectional Energy
- Canal Alliance
- Cool the Earth
- Dillon Beach Resource Committee
- GRID Alternatives
- Lime Foundation
- MarinCAN
- VCE-REACH
- Yoots
- YouthBuild

Academic institutions:

- Lawrence Berkeley National Lab
- National Renewable Energy Lab
- San Jose State University
- University of CA, Berkeley

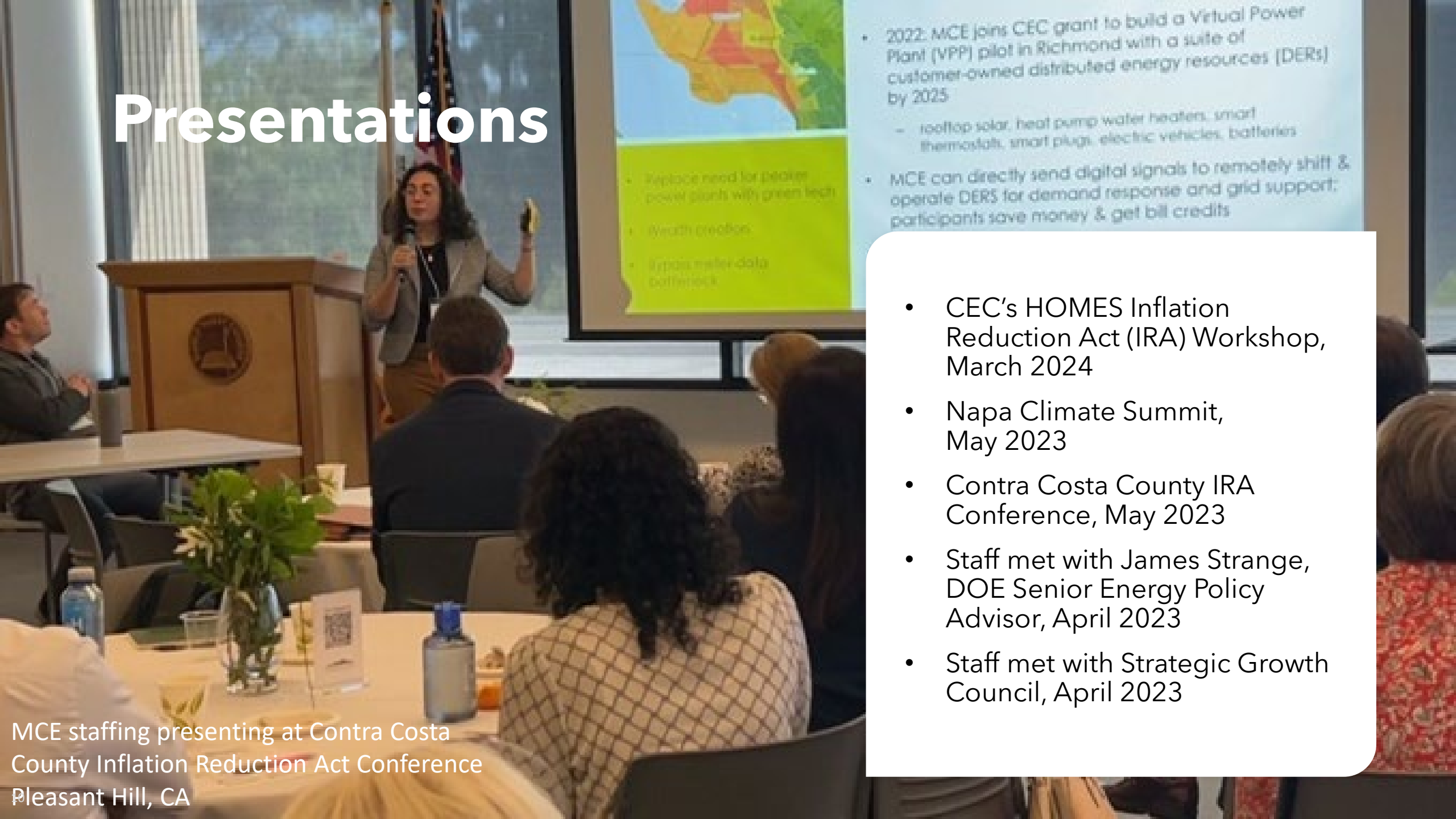
Submitted Proposals Not Awarded

DOE's GRIP (sub)	\$10,000,000	Advanced modeling of distribution resources, load forecasting tool
CEC's Green Hydrogen (sub)	\$3,000,000	Green hydrogen electrolysis for transportation fuel
2023 Earmark (prime)	\$1,600,000	Multifamily and workplace EV charging; funds for lower-income families to buy VGI-enabled chargers
DOE's Buildings UP	\$400,000	Low-income electrification programming
DOE's Community Energy Innovation Prize (prime)	\$100,000	Expand social impact bond to North Richmond and Vallejo
PG&E Pitch Fest	NA	Expand EV sync

Other Proposals Not Awarded

DOT Charging and Fueling Infrastructure (sub to Marin County)	In kind	Support EV planning studies
CEC's Assessing the Role of Hydrogen in California's Decarbonizing Electric System (sub to EPRI)	In kind	Develop a green hydrogen roadmap for California
DOE FY5-27 Lab Call (sub to NREL)	In kind	Clean transportation modeling
DOE's Energy Efficient Mobility Systems (sub to Lawrence Berkeley National Labs)	In kind	Clean transportation modeling
CEC's Optimizing Long-Duration Energy Storage to Improve Resilience and Reliability in Disadvantaged and Low-Income Communities and Native American Tribes (sub to DasH2)	In kind	Green hydrogen electrolysis for power offtake

Presentations



- Replace need for peaker power plants with green tech
- Wealth creation
- bypass meter data bottleneck

- 2022: MCE joins CEC grant to build a Virtual Power Plant (VPP) pilot in Richmond with a suite of customer-owned distributed energy resources (DERs) by 2025
 - rooftop solar, heat pump water heaters, smart thermostats, smart plugs, electric vehicles, batteries
- MCE can directly send digital signals to remotely shift & operate DERs for demand response and grid support; participants save money & get bill credits

- CEC's HOMES Inflation Reduction Act (IRA) Workshop, March 2024
- Napa Climate Summit, May 2023
- Contra Costa County IRA Conference, May 2023
- Staff met with James Strange, DOE Senior Energy Policy Advisor, April 2023
- Staff met with Strategic Growth Council, April 2023

MCE staffing presenting at Contra Costa County Inflation Reduction Act Conference
Pleasant Hill, CA

Future Prospects

Equitable Building Decarbonization (CEC)

- Supporting multiple applications with electrification incentives for low- to moderate-income households
- Due June 28

Virtual Power Plant Approaches for Demand Flexibility (CEC)

- Leading a \$5 million application to expand the VPP pilot to all of MCE's service area
- Due July 1

Distributed Electricity Backup Assets (CEC)

- Funds for PeakFlex and Energy Storage Program
- Coordinating with a multi-CCA application
- Solicitation release delayed



A large group of approximately 40 people, mostly young adults, are posed for a group photo in front of a vast solar farm. They are all wearing white hard hats and bright yellow safety vests over their casual or business-casual attire. The solar panels stretch out behind them in neat rows across a grassy field. The sky is overcast.

Thank you!



mceCleanEnergy.org
info@mceCleanEnergy.org

Alexandra McGee
Director of Strategic Initiatives
amcgee@mceCleanEnergy.org

MCE Funding Pursuits by Category

Awarded Funds	Amount	Prime/Sub	Purpose
Transformative Climate Communities	\$3,000,000	Sub to City of Richmond	Expand Home Energy Savings Program in Richmond
2022 Earmark	\$2,000,000	Prime	Electric Vehicles (EV) Charging Stations
Department of Energy (DOE) "Charged by Public Power"	\$1,000,000	Prime	Community focus groups to inform EV programs
2023 Earmark	\$850,000	Prime	Electrical panel upgrades & ancillary services
Marin Community Foundation (MCF) Resiliency Grant	\$750,000	Prime	Solar+Storage for Critical Facilities in Marin
2022 Earmark	\$750,000	Prime	Healthy Homes
2022 Earmark	\$500,000	Prime	Energy Storage
MCF EV Grant	\$180,000	Prime	EV Charging for multifamily sites in Marin
California Energy Commission (CEC) Advanced Energy Community	\$99,999	Sub to Zero Alliance	Net Energy Virtual Power Plant (VPP) Pilot in Richmond
Commission	\$158,000,000	Prime	Energy efficiency and electrification
SUM	\$167,129,999		

Awaiting Decision	Amount	Purpose
Innovation Partnerships (GRIP) (prime)	\$50,000,000	Prime Expand the Virtual Power Plant
Accelerator	\$4,000,000	Prime Electrify Municipal Fleets
Commission (CPUC) Locally Invested Transportation Equity	\$4,000,000	Provide cohort-style learning to electrify Prime municipal fleets
2024 Earmark	\$1,502,814	Prime Provide EBike Access and Adoption
2024 Earmark	\$1,312,000	Prime Restaurant Electrification Pilot
Federal Emergency Management Agency Building Resilient Infrastructure and Communities	\$1,180,000	150 kW solar + 700 kWh storage systems Prime for Napa
2024 Earmark	\$1,080,000	Prime Provide Emergency Water Heater Loaner
(EPA) Environmental and Climate Justice Community Grants Program	\$600,000	Sub to MCF Develop green workforce pathways
MCF Climate Justice Initiative	\$380,000	Prime Build green workforce in Marin
DOE’s Solar For All	TBD	Sub to Ibank Expand Community Solar
SUM	\$64,054,814	

Currently Drafting	Amount	Purpose
CEC's Equitable Building Decarbonization (sub to mult primes)	TBD	Provide electrification funds for low- to moderate-income households
CEC's VPP Approaches for Demand Flexibility (prime)	\$5,000,000	Expand the VPP to all MCE communities

CEC's Distributed Electricity
Backup Assets (partner to mult
CCAs)

TBD

Expand PeakFlex and Energy Storage
Program

SUM \$5,000,000

Denied	Amount	Purpose
DOE's GRIP	\$10,000,000	Sub to OATI Advanced modeling of distribution resources, load forecasting tool
CEC's Green Hydrogen	\$3,000,000	Sub Green Hydrogen Electrolysis for transportation fuel
2023 Earmark	\$1,600,000	Prime Multifamily and workplace EV chargers; funds for lower income families to buy VGI-enabled chargers
DOE's Buildings UP	\$400,000	Prime Low-income electrification programming
DOE's Community Energy Innovation Prize	\$100,000	Prime Expand social impact bond to North Richmond and Vallejo
Pacific Gas and Electric (PG&E) Pitch Fest	NA	Expand EV Sync
Department Of Transportation (DOT) Charging and Fueling Infrastructure	In kind	Sub to Marin County Support EV Planning studies
CEC's Assessing the Role of Hydrogen in California's Decarbonizing Electric System	In kind	Sub to EPRI Develop a Green Hydrogen roadmap for California
DOE FY5-27 Lab Call DE-LC-000L108	In kind	Sub to NREL Development of BattWatts tool
DOE's Energy Efficient Mobility Systems	In kind	Sub to Lawrence Berkeley National Labs Clean Transportation Modeling
CEC's Optimizing Long-Duration Energy Storage to Improve Resilience and Reliability in Disadvantaged and Low-Income Communities and Native American Tribes	In kind	Sub to Dash2 Green hydrogen electrolysis for power offtake
SUM	\$15,100,000	

June 20, 2024

TO: MCE Board of Directors

FROM: Justine Parmelee, Director of Internal Operations

RE: Office Investment Opportunity (Agenda Item #10)

Summary:

MCE has the opportunity to own its office building located at 1125 Tamalpais Ave in San Rafael, showcasing our continued investment in the community while building long-term equity in a property.

Background:

MCE currently leases two offices, at a rate of \$4.19 per rentable square foot in San Rafael and \$2.50 per rentable square foot in Concord. The San Rafael office is 10,710 square feet and the Concord office is 9,738 square feet. MCE is paying \$830,640 for leasing this year.

The lease termination date in San Rafael is March 8, 2025, and the lease termination date in Concord is December 31, 2024. Both leases have clauses requiring MCE to give intent to renew or vacate by September 2024.

The San Rafael office is a single occupant office building located in our west service area, close to public transit and primary freeways. It has ample parking for a building of its size and location and includes several improvements that MCE has already invested in, including a solar carport and EV chargers. MCE has been in the San Rafael office location for 9+ years.

Advantages of Office Building Ownership:

- a. **Build equity and long-term cost savings:** Owning an office building would mean every dollar spent on occupancy, renovation, improvement, and repair would be an investment in MCE's own portfolio, rather than improving a landlord's. Ownership would also end monthly rental expenses and future rent increases. MCE estimates that the breakeven point of purchasing the San Rafael office vs. leasing it would occur about eight to nine years after purchase. If the office was utilized further as a shared community hub with a sub-lease to one or more similar agencies, the breakeven point would be sooner.
- b. **Provide a stable presence in the community:** MCE is a pillar in the community; having one space to call our own reassures customers and the public of MCE's stability and longevity. Purchasing within our service area is a direct community investment benefit. MCE's office already serves as a meeting hub for local government and community-based partners and is poised to expand upon it; space sharing with like-minded agencies can spark collaboration and allow us to share expenses.
- c. **Capitalize on a market that favors the buyer:** Inventory of available office buildings and spaces on the market remains high, a sign that favors lower prices and an upper hand for the buyer in negotiations. However, this trend is leveling off and this window of opportunity may be narrowing. There are signs that remote work opportunities are

starting to drop trending toward a return to office. A recent market report in San Francisco showed that only 22.2% of new postings offered remote work. MCE is poised to purchase as a cash buyer in this favorable market.

- d. **Opportunity to innovate and showcase latest technologies:** Owning an office space gives the agency more freedom to renovate and make structural changes to a building beyond what a landlord may permit. This would allow us to showcase the latest in energy efficiency technologies. For example, MCE could install battery storage and grid management technologies in our own office or convert a conference space into an energy efficiency technology exhibit for customers to try different equipment before purchasing.

Challenges and Risks of Office Building Ownership

- a. **Limited flexibility in spacing size and needs:** When purchasing an office, MCE will need to make a strong estimate about how much space we need, as it may be difficult to expand if we fall short. Leasing provides flexibility to change our spacing needs when required. If MCE were to need to sell its office to adjust to future needs, there's no guarantee that the market would be favorable or unfavorable in the future to do so.
- b. **Additional liability and responsibility:** Owning our offices would make MCE solely responsible for all property management. While we are heavily involved in property management already in San Rafael, there are aspects that are still outsourced to the landlord as well as a portion of insurance and tax burden. The increase in property management would come with additional costs. MCE would also take on liability and responsibility to comply with ADA standards and other compliance standards, such as Title 24, currently the responsibility of our landlord. MCE has received a report on external and internal ADA requirements for the building and will bring an analysis of costs to a future meeting. MCE may want to renovate a space, that could trigger a full review.

Fiscal Impacts: Purchase price and closing costs to be brought to a future board meeting for authorization to acquire property.

Recommendation: Discussion only.



June 20, 2024

TO: MCE Board of Directors

FROM: Sabrina Soldavini, Manager of Policy

RE: Policy Update of Regulatory and Legislative Items

ATTACHMENT: Regulatory Packet with Filings since the May Board Meeting

Dear Board Members:

Below is a summary of the key activities at the state and federal legislatures and the California Public Utilities Commission (CPUC), California Energy Commission (CEC), and the California Independent System Operator (CAISO) impacting Community Choice Aggregation (CCA) and MCE.

I. Legislative Advocacy

a. State Legislative Advocacy

At this point in the legislative session, all active bills have advanced to the second house and are being heard by the relevant policy committees. The below table summarizes the status of all bills on which MCE has taken a formal position this session:

Bill Number and Author	Subject	MCE Position	Status
SB 1130 (Bradford)	Family Electric Rate Assistance eligibility and reporting	Support	Active
SB 1095 (Becker)	Mobile and manufactured home electrification	Support	Held in Senate Appropriations
AB 3062 (Bauer-Kahan)	Advance notice for controlled/prescribed burns	Support	Active
SB 1221 (Min)	Neighborhood electrification pilots	Support	Active
SB 1014 (Dodd)	California Wildfire Mitigation Strategic Planning Act	Support	Active

II. California Public Utilities Commission

a. Integrated Resource Planning (IRP)

In May 2024, MCE worked with the California Community Choice Association (CalCCA) to file Opening Comments in response to a CPUC Ruling issued in April 2024 requesting comment on Assembly Bill (AB) 1373 implementation issues. AB 1373 directs the CPUC to determine by September 1, 2024, whether to direct the Department of Water Resources (DWR) to procure long-lead-time resources (such as off-shore wind) on behalf of all Load Serving Entities (LSEs) to help meet the state's reliability and GHG requirements.

CalCCA's Opening Comments on the Ruling recommended that the CPUC use central procurement sparingly and carefully to avoid central procurement serving as competition to LSEs procurement efforts and inadvertently increasing costs. CalCCA also recommended that if the CPUC identifies a need for central procurement by September 1, 2024, it should only order procurement of off-shore wind as other proposed resource types such as out-of-state wind, geothermal, and long-duration energy storage do not meet AB 1373's eligibility criteria.

The CPUC will work with stakeholders over the coming months to define the scale, scope, and need for any potential DWR procurement. The CPUC expects to issue a Proposed Decision in July and a Final Decision in August, in advance of the September 1, 2024, statutory deadline. Staff will continue to provide updates as they become available.

Fiscal Impacts: There is no direct fiscal impact to MCE at this time. However, if the CPUC ultimately orders central procurement, a portion of those costs (and benefits) will eventually be allocated to MCE and/or its customers.

b. Demand Flexibility

In May 2024, MCE worked with CalCCA to file comments in response to a CPUC Ruling in Track B of the CPUC's Demand Flexibility Proceeding. The Ruling requested party comments on questions related to dynamic rate design proposals, barriers for low-income communities to participate in and benefit from dynamic rates, and Investor Owned Utility (IOU) implementation costs and cost recovery processes to meet California Energy Commission (CEC) Load Management Standards (LMS). CalCCA's Opening Comments recommended: 1) that any updates to IOU dynamic rate components should provide sufficient levels of transparency and opportunity for party intervention; 2) that updates to rate components in IOU billing systems should also provide for opportunities for CCAs to update their rates; 3) all customers should be included in the scope of customer studies on dynamic rates, and 4) LMS cost recovery should be equitable between bundled and unbundled customers if funding is not available from non-ratepayer or CEC funds.

Reply Comments are due on June 12, 2024, and the CPUC is then expected to rule on Track B issues related to dynamic pricing later this year. Staff will continue to provide updates as they become available.

Fiscal Impacts: There is no direct fiscal impact to MCE at this time.

c. Resource Adequacy (RA)

In May, the CPUC issued a Proposed Decision (PD) addressing near-term reform to the current RA program. Most importantly, the PD confirms that the new RA Slice-of-Day (SOD) framework will be implemented for Compliance Year 2025. This means that starting with the year-ahead RA compliance filings in Q4 2024, an LSE will need to demonstrate procurement of sufficient resources to meet demand on an hourly basis plus an additional 17% to ensure that sufficient capacity is available in every hour to meet demand and grid needs. The PD also addresses a series of implementation and compliance issues, including accounting methodologies for solar + storage resources, rules for imported capacity, and opportunities to cure RA deficiencies caused by short-term delays in new resources coming online, but that ultimately are available to support reliability by the target RA month.

The PD, however, does not address certain key issues that CalCCA has advocated for to enhance SOD implementation and protect affordability. In particular, the PD does not address CalCCA's proposal to allow LSEs to trade hourly compliance obligations to optimize hourly RA portfolios and increase the opportunities for all LSEs to meet RA obligations given demonstrated market scarcity. The PD also rejects CalCCA's and other LSEs' request for limited waivers for RA procurement deficiencies that are due to market scarcity despite good-faith LSE procurement efforts.

MCE is working with CalCCA to develop comments and reply comments on the PD. The Commission is expected to vote on a Final Decision at its June 20 Business Meeting.

Fiscal Impacts: There are no direct financial impacts to MCE, but MCE will incur procurement costs to accommodate the changed RA framework and meet compliance requirements.

d. Energy Efficiency (EE)

In May 2024, MCE hosted a public webinar to receive stakeholder feedback on its notice and request to launch its Small Business Energy Advantage program. MCE's Small Business Energy Advantage program plans to provide small businesses located in underserved communities with access to bill-reducing energy efficiency upgrades that also offer health, comfort, and safety benefits. MCE received funding and CPUC approval for its energy efficiency portfolio including this commercial focused equity segment program in July of 2023. In the webinar, MCE offered details on its proposed program overview, eligibility criteria, and implementation timeline. MCE welcomed questions and feedback from the public on its proposals. MCE received a clarifying question on the eligibility criteria of the program. MCE will submit an advice letter to the CPUC requesting formal approval of program implementation plans on June 24, 2024.

Fiscal Impacts: There is no direct fiscal impact to MCE. The CPUC already approved the proposed budget for this program in its EE portfolio decision.

e. Community Solar

In May, MCE submitted Advice Letter 76-E to the CPUC requesting approval of two amended Power Purchase Agreements (PPAs) for the Conflitti projects serving MCE's Disadvantaged Communities Green Tariff (DAC-GT) program. The amendments raise the PPA price and

extend the COD date of the project. The amendments were approved by MCE's Technical Committee at the May Technical Committee meeting.

On May 30th, 2024, the CPUC approved a proposed decision in the Green Access Programs Application for Review. The decision adopts several Joint CCA recommendations to modify the DAC-GT program including adding program capacity, taking steps towards implementing an automated billing solution, and expanding project site eligibility, among other programmatic changes. The decision also ends the Community Solar Green Tariff (CSGT) and rolls legacy customers, projects, and unused capacity into the DAC-GT program. As a result, MCE's DAC-GT program now has an additional 3.6 MW of capacity, bringing the overall program size to 8.2 MW. Finally, the decision establishes a new community renewable energy program.

On June 4th, 2024, the CPUC issued a Ruling requesting comments to determine implementation details for the new community renewable energy program. MCE will work with other CCAs to submit a Joint CCA response to the Ruling.

Fiscal Impacts: MCE will receive additional funding to expand its DAC-GT program. The exact amount of additional funding is currently unknown and dependent on future PPA pricing.