



**MCE Board of Directors Meeting**  
**Thursday, November 21, 2024**  
**6:30 p.m.**

1125 Tamalpais Avenue, San Rafael, CA 94901 (MCE)  
2300 Clayton Road, Suite 1150, Concord, CA 94920 (MCE)  
955 School Street, Napa, CA 94559, City of Napa, City Hall Committee Room (City of Napa)  
1200 Harry Price Drive, Fairfield, 94533, Fairfield Adult Recreation Center, ARC Conference Room (Fairfield)  
329 Rheem Blvd., Moraga, CA 94556, Moraga Town Hall, Walnut Conference Room, 2nd Floor (Moraga)

**Remote Public Meeting Participation**

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

Public comments may be made in person, remotely, or via email. Members of the public wishing to submit written comments may email them to [board@mcecleanenergy.org](mailto:board@mcecleanenergy.org) at least 24 hours before the start of the meeting.

*Materials related to this agenda are available for physical inspection at MCE's offices in San Rafael at 1125 Tamalpais Ave., San Rafael, CA 94901, and in Concord at 2300 Clayton Road, Suite 1150, Concord, CA 94920.*

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](mailto:ada-coordinator@mceCleanEnergy.org) at least 72 hours before the meeting start tie to ensure arrangements are made.

**Agenda Page 1 of 2**

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

## Agenda Page 2 of 2

5. Consent Calendar (Discussion/Action)
  - C.1. Approval of 9.19.24 Meeting Minutes
  - C.2. Approval of 10.24.24 Meeting Minutes
  - C.3. Approved Contracts for Energy Update
  - C.4. Resolution No. 2024-06 Appointing Director of Finance as Treasurer
6. Resolution No. 2024-07 Honoring Director Scott Perkins (Discussion/Action)
7. Resolution No. 2024-08 Accepting Award Number B-24-CP-CA-0168 From The Congressional Grants Division Of The U.S. Department Of Housing And Urban Development (Discussion/Action)
8. Proposed Vehicle to Grid Tariff (Discussion/Action)
9. Board & Staff Matters (Discussion)
10. Adjourn

*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.*

**DRAFT**  
**MCE BOARD MEETING MINUTES**  
**September 19, 2024**  
**6:30 P.M.**

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**Present:** Dion Bailey, City of Hercules  
Eli Beckman, Town of Corte Madera  
Barbara Coler, Town of Fairfax  
Cindy Darling, City of Walnut Creek  
Gina Dawson, City of Lafayette  
John Gioia, Contra Costa County  
Ryan Gregory, The County of Napa and Four Napa Cities  
(American Canyon, Calistoga, St. Helena, and Town of Yountville)  
Maika Llorens Gulati, City of San Rafael  
Kerry Hillis, Town of Moraga  
Janelle Kellman, City of Sausalito  
Eduardo Martinez, City of Richmond  
J.R. Matulac, Alternate, City of Vallejo  
Aaron Meadows, City of Oakley  
Devin Murphy, City of Pinole  
Laura Nakamura, City of Concord  
Elizabeth Pabon-Alvarado, City of San Pablo  
Beth Painter, City of Napa  
Gabe Paulson, City of Larkspur  
Scott Perkins, City of San Ramon  
Max Perrey, City of Mill Valley  
Gabriel Quinto, City of El Cerrito  
Katie Rice, County of Marin  
Matt Rinn, City of Pleasant Hill  
Mathew Salter, Town of Ross  
Shanelle Scales-Preston, City of Pittsburg  
Holli Thier, Town of Tiburon  
Sally Wilkinson, City of Belvedere  
K. Patrice Williams, City of Fairfield  
Brianne Zorn, City of Martinez

**Absent:** Kari Birdseye, City of Benicia  
Monica Brown, County of Solano  
Alexis Fineman, Town of San Anselmo  
David Fong, Town of Danville  
Susan Wernick, City of Novato

**Staff  
& Others:** Martin Bond, Senior Business Development Manager  
Jesica Brooks, Lead Board Clerk & Executive Assistant  
Vidhi Chawla, VP of Power Resources

## **DRAFT**

Stephanie Chen, Director of Legislative Affairs  
Kathleen Culhane, Board Clerk  
Susan Hardgrave, Salesforce Administrator  
Alice Havenar-Daughton, VP of Customer Programs  
Chris Kubik, Senior Business Development Manager  
Caroline Lavenue, Legal Counsel  
Tanya Lomas, Internal Operations Coordinator  
Joy Massey, Senior Customer Programs Manager, Transportation  
Electrification  
Alexandra McGee, VP of Strategic Initiatives  
Catalina Murphy, General Counsel  
Ashley Muth, Internal Operations Coordinator  
Efren Oxlaj, Finance Manager  
Justine Parmelee, VP of Internal Operations  
Stephanie Pender, Senior Customer Programs Manager  
Zae Perrin, VP of Customer Operations  
Sol Phua, Customer Programs Specialist  
Sai Powar, Policy Analyst  
Enyonam Senyo-Mensah, Internal Operations Manager  
Daniel Settlemyer, Internal Operations Associate  
Sabrinna Soldavini, Director of Policy  
Jenna Tenney, Manager of Communications and Community  
Engagement  
Jamie Tuckey, Chief Customer Officer  
Dawn Weisz, CEO  
Vince Wiraatmatdja, Senior Legislative Manager

### **1. Roll Call**

Chair Scales-Preston called the regular meeting to order at 6:39 p.m. with quorum established by roll call.

### **2. Board Announcements (Discussion)**

Chair Scales-Preston opened the floor for Board announcements, and there were no comments.

### **3. Public Open Time (Discussion)**

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

**Begin Closed Session** Chair Scales-Preston opened the closed session at 6:43 p.m.

### **4. Return to Open Session – Roll Call**

Chair Scales-Preston returned to open session at 7:01 p.m. and quorum was established by roll call.

## DRAFT

### 5. Board Announcements (Discussion)

Chair Scales-Preston opened the floor for board announcements, and there were no comments.

### 6. Public Open Time (Discussion)

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

### 7. Report from Chief Executive Officer (Discussion):

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

### 8. Consent Calendar (Discussion/Action)

- C.1 Approval of 7.18.24 Meeting Minutes
- C.2 Approved Contracts for Energy Update
- C.3 Board Member Additions to Committees
- C.4 Proposed Professional Services Agreement with Bay Area Air Quality Management District for Reliable, Equitable, and Accessible Charging for Multi-Family Housing (REACH) Grant

Chair Scales-Preston introduced this item and addressed questions from Board members. CEO Weisz requested to withdraw item C.3 for separate consideration and the Chair approved.

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

Action: It was M/S/C (Darling/Perkins) to approve Consent Calendar Items C.1, C.2, and C.4. Motion carried by unanimous roll call vote. (Absent: Directors Birdseye, Brown, Fineman, Fong, and Wernick).

CEO Weisz introduced additional information to Consent Item C.3 as follows: Director Thier has volunteered to be removed from the Executive and the Ad Hoc Capital Projects Committees; Director Quinto will be added to the Ad Hoc Capital Projects Committee; Director Salter will be added to the Executive Committee.

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

## DRAFT

Action: It was M/S/C (Darling/Perkins) to **approve Consent Calendar Item C.3.** Motion carried by roll call vote. (Absent: Directors Birdseye, Brown, Fineman, Fong, and Wernick).

9. **Lease for MCE Concord Office at 2300 Clayton Road, Concord, CA (Discussion/Action)**

Catalina Murphy, General Counsel, 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 (Meadows/Nakamura) to **approve MCE moving to the Proposed Concord Space and authorize the Chief Executive Officer to finalize negotiations and execute the Draft Lease between One Concord Center and MCE for Suite 1500 located at 2300 Clayton Dr, Concord, CA.** Motion carried by unanimous roll call vote. (Absent: Directors Birdseye, Brown, Fineman, Fong, and Wernick).

10. **PG&E Transfer of Diablo Canyon GHG-Free Attributes (Discussion/Action)**

CEO Weisz and Vidhi Chawla, VP of Power Resources, introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and comments were made by Tuna Fish Salin, Eli Staton, Rebecca Collins, Howdy Dowdy, and Timothy Smith.

Action: It was M/S (Perrey/Perkins) to **direct staff to accept PG&E's allocation of GHG-Free attributes from Diablo Canyon Nuclear Power Plant from 2025-2030.** Motion carried by roll call vote. Yays-30; Nos-2 (Director Coler, Director Martinez). (Absent: Directors Birdseye, Brown, Fineman, Fong, Kellman, and Wernick).

## DRAFT

### 11. End of Session Legislative Update (Discussion)

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

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

### 12. MCE Fiscal Year 2023/2024 Audit Report (Discussion)

Chair Scales-Preston stated that this item will be moved to a future meeting agenda.

### 13. Board and Staff Matters (Discussion)

There were comments made by Director Quinto.

### 14. Adjournment

Chair Scales-Preston adjourned the meeting at 9:42 p.m. to the next scheduled Board Meeting on October 24, 2024.

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Shanelle Scales-Preston, Chair

Attest:

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Dawn Weisz, Secretary

**DRAFT**

**MCE SPECIAL MEETING MINUTES**

Thursday, October 24, 2024

9:30 A.M.

Pittsburgh Yacht Club, 3 Marina Blvd. Pittsburg, CA. 94565

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**Present:**

Dion Bailey, City of Hercules  
Barbara Coler, Town of Fairfax  
Cindy Darling, City of Walnut Creek  
Gina Dawson, City of Lafayette  
Alexis Fineman, Town of San Anselmo  
John Gioia, County of Contra Costa  
Ryan Gregory, County of Napa and Four Napa Cities  
Kerry Hillis, Town of Moraga  
Janelle Kellman, City of Sausalito  
Maika Llorens-Gulati, City of San Rafael  
Eduardo Martinez, City of Richmond  
Aaron Meadows, City of Oakley  
Devin Murphy, City of Pinole  
Laura Nakamura, City of Concord  
Beth Painter, City of Napa  
Max Perrey, City of Mill Valley  
Gabriel Quinto, City of El Cerrito  
Katie Rice, County of Marin  
Mathew Salter, Town of Ross  
Shanelle Scales-Preston, City of Pittsburg  
Brianne Zorn, City of Martinez

**Absent:**

Eli Beckman, Corte Madera  
Kari Birdseye, City of Benecia  
Monica Brown, County of Solano  
David Fong, Town of Danville  
Elizabeth Pabon-Alvarado, City of San Pablo  
Charles Palmares, City of Vallejo  
Gabe Paulson, City of Larkspur  
Scott Perkins, City of San Ramon  
Matt Rinn, City of Pleasant Hill  
Holli Thier, Town of Tiburon  
K. Patrice Williams, City of Fairfield  
Susan Wernick, City of Novato  
Sally Wilkinson, Town of Belvedere



## DRAFT

**Staff:**

Martin Bond, Senior Business Development Manager  
Jessica Brooks, Executive Assistant & Lead Board Clerk  
Tyla Brown, Partnership Development Manager  
Vidhi Chawla, VP of Power Resources  
Stephanie Chen, Director of Legislative Affairs  
Ben Choi, Account Manager II  
Kathleen Culhane, Board Clerk  
Jenn Green, Manager of Customer Programs  
Alice Havenar-Daughton, VP of Customer Programs  
Vicken Kasarjian, COO  
Shaheen Khan, VP of Human Resources, Diversity & Inclusion  
Chris Kubik, Senior Business Development Manager  
Caroline Lavenue, Legal Counsel  
Tanya Lomas, Internal Operations Coordinator  
Joy Massey, Senior Customer Programs Manager, Transportation Electrification  
Catalina Murphy, General Counsel  
Ashley Muth, Internal Operations Coordinator  
Michelle Nochisaki, Senior Customer Programs Manager  
Justine Parmelee, VP of Internal Operations  
Stephanie Pendera, Senior Customer Programs Manager  
Grace Peralta, Senior Customer Programs Manager  
Zae Perrin, VP of Customer Operations  
Enyonam Senyo-Mensah, Internal Operations Manager  
Daniel Settlemyer, Internal Operations Associate  
Sabrinna Soldavini, Director of Policy  
Maira Strauss, Director of Finance  
Jenna Tenney, Manager of Communications and Community Engagement  
Jamie Tuckey, Chief Customer Officer  
Alex Valenti, Manager of Customer Programs  
Dawn Weisz, CEO

### 1. Roll Call

Acting Chair Quinto called the special meeting to order at 9:48 a.m. with quorum established by roll call.

### 2. Public Open Time (Discussion)

Acting Chair Quinto opened the public comment period and there were no comments.

### 3. Welcome & Introductions

Acting Chair Quinto welcomed the Board and extended round table introductions by Board members and staff.

**DRAFT**

**4. MCE Vision, Mission, and Agency Priorities (Discussion)**

Dawn Weisz, CEO, and Vicken Kasarjian, COO, introduced this item and addressed questions from Board members.

Acting Chair Quinto opened the public comment period and there were no comments.

**5. Empowering Communities Through Clean Energy Initiatives (Discussion)**

**a. Grant-Funded Customer Programs**

**b. Community Partnerships**

**c. Business Development**

Alice Havenar-Daughton, VP of Customer Programs, introduced the item, and several staff presented the item and addressed questions from Board members.

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

**6. Navigating Industry Changes & Challenges (Discussion)**

**a. Overview of California Energy Market Structure**

**b. Regional Coordination: Pathway's Initiative**

**c. Energy Affordability**

CEO, Weisz, and COO, Kasarjian, introduced the item, and several staff presented the item and addressed questions from Board members.

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

**7. Site Visits: Energy Storage (Discussion)**

**a.** Pittsburg Unified School District: 3200 Loveridge Rd., Pittsburg, CA. 94565 & 1750 Harbor St, Pittsburg, CA 94565

**b.** Diablo Energy Storage Project: 783 Willow Pass Rd, Pittsburg, CA 94565

Chair Scales-Preston adjourned the Special Meeting at 3:10 p.m. to the next Regular Board Meeting on November 21, 2024.

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Shanelle Scales-Preston, Chair

Attest:

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Dawn Weisz, Secretary



November 21, 2024

TO: MCE Board of Directors

FROM: Stephen Mariani, Senior Power Procurement Manager

RE: Approved Contracts for Energy Update (Agenda Item #05 C.3)

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 September. 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.

Item #	Month of Execution	Purpose	Average Annual Contract Amount	Contract Term
1	September 2024	Purchase of Import Allocation Rights	\$419,500	1 Year or less
2	September 2024	Purchase of Import Allocation Rights	\$598,500	1 Year or less
3	September 2024	Purchase of Import Allocation Rights	\$15,450	1 Year or less

4	October 2024	Purchase of System Energy (Hedge)	\$22,311,724	1 Year or less
5	October 2024	Purchase of System Energy (Hedge)	\$27,263,353	1-5 Years
6	October 2024	Purchase of System Energy (Hedge)	\$22,219,775	1 Year or less

### **Contract Approval Process:**

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.

<b>Review Owner</b>	<b>Review Category</b>
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 Commercial Counsel)	Legal/CPUC Compliance
Maira Strauss (MCE, Director of Finance)	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.



November 21, 2024

TO: MCE Board of Directors

FROM: Catalina Murphy, General Counsel

RE: Resolution No. 2024-06 Appointing Director of Finance as Treasurer (Agenda Item #05 C.4)

ATTACHMENT: Proposed Resolution 2024-06 Appointing Director of Finance as Treasurer

Dear Board Members:

**Summary:**

MCE has relied on Vicken Kasarjian, Chief Operating Officer, to serve as its Treasurer in accordance with Government Code 6505.5, since being appointed as Interim Treasurer by your Board in June 2024. At this time, MCE believes the Director of Finance, Maíra Strauss, who is currently serving as a Deputy Treasurer, has the requisite qualifications and experience to serve as the MCE 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 Director of Finance**

MCE Director of Finance and Deputy Treasurer, Maíra Strauss, possesses a wide range of experience that qualifies her to carry out the functions and duties of the Treasurer as described above. Maíra is an accomplished finance professional with over 15 years of progressive experience in financial planning and analysis, strategic finance, accounting and risk management. With a diverse background spanning the non-profit sector in the U.S. and Europe, as well as the for-profit energy industry in South America, Maíra possesses a unique blend of expertise that greatly benefits MCE. She has over 6 years of dedicated service at MCE, where she has successfully overseen budgeting, forecasting, financial reporting, and efficiently managed the agency's investments funds in accordance with Board-approved investment policies, ensuring MCE's fiscal health and strategic growth while consistently demonstrating exceptional leadership and expertise in financial management. Maíra's strong analytical skills, and commitment to transparency and fiscal accountability, has fostered trust and collaboration across all departments. With a proven record of success, Maíra is well equipped to drive the organization's financial strategy forward as Treasurer.

### **Fiscal Impacts:**

None.

### **Recommendation:**

Approve Proposed Resolution No. 2024-06 Appointing Director of Finance as Treasurer.

## RESOLUTION 2024-06

### A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY APPOINTING DIRECTOR OF FINANCE 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 or Auditor-Controller, and such person or persons 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**, Maíra Strauss, who currently serves as MCE's Director of Finance and Deputy Treasurer, 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 Director of Finance, Maíra Strauss, 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 21st day of November, 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				



**Attest:**

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SECRETARY, MCE

## **RESOLUTION 2024-07**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY HONORING BOARD MEMBER SCOTT PERKINS**

**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**, the City of San Ramon executed the Joint Powers Agreement (JPA) establishing membership with MCE on July 31, 2017; and

**WHEREAS**, Scott Perkins was elected to the City of San Ramon Council in 2003 and served as Vice Mayor for two terms; and

**WHEREAS**, Director Perkins was appointed to serve as the San Ramon representative on the MCE Board of Directors on September 22, 2017, where he has served for seven years, additionally serving as a member of the Technical Committee since September 22, 2017, Ad Hoc Contracts Committee in 2018, 2020, 2021, 2023, and 2024, Ad Hoc Ratesetting Committee in 2022, and Ad Hoc Capital Projects Committee in 2024; and

**WHEREAS**, Director Perkins served for 34 years in the Navy and Navy Reserve and was recalled to Active Duty during Desert Storm and served in Germany, Turkey and Iraq; and

**WHEREAS**, after leaving active duty in the Navy, Director Perkins spent 36 years at Lawrence Livermore National Laboratory, where he served as a Test Engineer, Resource Manager, and Facility Manager, contributing to various programs including the USAF Ground Launched Cruise Missile, the X-Ray Laser Program, and the Nuclear Materials Surveillance Program, before retiring in 2016 and continuing to consult for the Weapons Complex Integration program; and

**WHEREAS**, Director Perkins has been actively involved in his community in the Cub Scouts and Boy Scouts, serving as Den Leader, Cubmaster, and one of the

founding leaders of Troop 84 in San Ramon, where he continues as an Assistant Scoutmaster supporting the High Adventure Program and mentoring over 100 scouts toward their Eagle Scout rank, leading 23 fifty-mile backpacking trips in the Sierra Nevada mountains, hiking the John Muir Trail (230 miles over 22 days), and climbing Mt. Kilimanjaro (19,341 feet) in Africa;

**WHEREAS**, Director Perkins serves as a representative on multiple city, county, and regional committees including the Arts Advisory Committee, Economic Development Advisory Committee, Housing Advisory Committee, Library Advisory Committee, Library Foundation, Community Emergency Response Team, East Bay Regional Parks District, Southwest Area Transportation Committee, Street Smarts, TRAFFIX, Tri-Valley Transportation Council, Association of Bay Area Governments, Dougherty Valley Oversight Committee, East Bay Regional Communications Systems Authority, Local Agency Formation Committee, San Ramon Valley Fire Protection District, San Ramon Valley Unified School District, among others; and

**WHEREAS**, the MCE Board of Directors and staff thank Director Perkins for his steadfast support and engagement with the agency, its vision, and mission.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of MCE that the MCE Board and Staff do hereby extend to Scott Perkins our appreciation for his dedicated service, our congratulations on his future endeavors, and our best wishes for his continued success, happiness, and good health in the years to come.

**PASSED AND ADOPTED** at a regular meeting of the MCE Board of Directors on this 21st day of November 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				

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CHAIR, MCE

**Attest:**

\_\_\_\_\_  
SECRETARY, MCE



November 21, 2024

TO: MCE Board of Directors

FROM: Catalina Murphy, General Counsel

RE: Resolution No. 2024-08 Accepting Award Number B-24-CP-CA-0168 From The Congressional Grants Division Of The U.S. Department Of Housing And Urban Development (Agenda Item #07)

ATTACHMENTS: A. Proposed Resolution No. 2024-08 Accepting Award Number B-24-CP-CA-0168 From the Congressional Grants Division of The U.S. Department Of Housing And Urban Development.  
B. FY 2024 Community Project Funding Grant Agreement No. B-23-CP-CA-0168 (MCE Enabling Electrification)

Dear Board Members:

**Summary:**

In 2023, your Board accepted the awarded funds from three pending earmark awards that were included in the Federal budget process. The Proposed Resolution No. 2024-08 Accepting Award Number B-24-CP-CA-0168 From the Congressional Grants Division of the U.S. Department of Housing and Urban Development ("Proposed Resolution") seeks to have your Board approve the pending earmark awarded to MCE in 2024. The earmark represents community project funding grants ("CPF Grants") that will be administered by the Congressional Grants Division of the U.S. Department of Housing and Urban Development ("HUD").

Under the earmark, MCE has been awarded a CPF Grant to fund the MCE Enabling Electrification program to assist low-income households in Marin, Solano, Contra Costa, and Napa counties in acquiring energy-efficient technologies, mitigating associated health and safety hazards and necessary home repairs ("MCE Awarded Funds"). The MCE Awarded Funds will support upgrading homes with prehabilitation work such as electrical and light construction work to enable installation of clean energy electrification technologies.

The Proposed Resolution ("Proposed Resolution") would allow MCE to accept the MCE Awarded Funds and enter into the necessary agreements with HUD to use the funding for the applicable projects in MCE's current customer program offerings, consistent with the CPF Grant requirements.

**Fiscal Impacts:**

If approved, MCE will receive \$850,000 to fund the MCE Enabling Electrification program. MCE would also be required to provide a cost share in the amount of \$170,000, making the total project

cost \$1,020,000. MCE's cost share would be funded through MCE's CPUC-funded low and moderate income residential programs.

**Recommendation:**

Approve proposed Resolution No. 2024-08 Accepting Award Number B-24-CP-CA-0168 From the Congressional Grants Division of The U.S. Department Of Housing And Urban Development.

## **RESOLUTION NO. 2024-08**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY ACCEPTING AWARD NUMBER B-24-CP-CA-0168 FROM THE CONGRESSIONAL GRANTS DIVISION OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**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**, the Consolidated Appropriations Act 2024 (Public Law 118-47) (“FY2024 Act”) contains \$3,290,054,336 in Economic Development Initiative funding for the purpose of making community project funding/congressionally-directed grants (also commonly referred to as Federal Earmarks). These Fiscal Year 2024 Community Project Funding grants (“CPF Grants”) will be administered by the Congressional Grants Division of the U.S. Department of Housing and Urban Development (“HUD”); and

**WHEREAS**, MCE submitted project proposals that support existing MCE customer programs to its congressional representatives for the CPF Grants. Representative DeSaulnier selected the MCE Enabling Electrification project to move through the Appropriations Committee pursuant to the FY2024 Act; and

**WHEREAS**, MCE has been awarded a grant in the amount for \$850,000 (“MCE Awarded Funds”) with a required cost share by MCE in the amount of \$170,000 (“MCE Match Funds”) to perform required electrical, carpentry and light construction work to enable the installation of electrification technologies to low-income MCE customers. For an award that requires cost share, HUD would provide \$850,000 and MCE would be required to contribute \$170,000 to total \$1,020,000; and

**WHEREAS**, HUD may approve funding allocations for the MCE Awarded Funds, subject to the terms and conditions of the FY2024 Act requirements, the Grant Agreement, and the CPF Grant Guide between HUD and MCE.

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

1. If MCE receives the MCE Awarded Funds from HUD pursuant to the above referenced FY2024 Act, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the FY2024, as well as the Grant Agreement and the CPF Grant Guide between HUD and MCE.

2. The Chief Executive Officer of MCE ("CEO") is hereby authorized and directed to receive the MCE Awarded Funds, in an amount not to exceed \$850,000 from HUD and provide Match Funds of \$170,000 by MCE, in accordance with all applicable rules and laws.

3. The CEO hereby agrees to use the MCE Match Funds and MCE Awarded Funds for eligible activities as approved by HUD and in accordance with all program requirements, and other rules and laws, as well as in a manner consistent and in compliance with the Grant Agreement and other HUD CPF Grant requirements.

4. The CEO is authorized to execute the Grant Agreement and any subsequent or modifications thereto, as well as any other documents necessary to complete the receipt of the MCE Awarded Funds, as HUD may deem appropriate.

**PASSED AND ADOPTED** at a regular meeting of the MCE Board of Directors on this 21<sup>st</sup> day of November 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				

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CHAIR, MCE

**Attest:**

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SECRETARY, MCE

**FY 2024 COMMUNITY PROJECT FUNDING  
GRANT AGREEMENT NO. B-24-CP-CA-0168**

**Grantee Name:** Marin Clean Energy

**Grantee Address:** 1125 Tamalpais Avenue, San Rafael, CA 94901

**Grantee's Unique Entity Identifier (UEI):** J6WWDNMWMGQ1

**Grantee's Employer Identification Number (EIN):** 26-4300997

**Federal Award Identification Number (FAIN):** B-24-CP-CA-0168

**Assistance Listing Number and Name:** 14.251 Economic Development Initiative, Community Project Funding, and Miscellaneous Grants

**Period of Performance/Budget Period Start Date:** Date the agreement is executed by HUD

**Period of Performance/Budget Period End Date:** August 31, 2032

This Grant Agreement between the U.S. Department of Housing and Urban Development (HUD) and Marin Clean Energy (the Grantee) is made pursuant to the authority of the Consolidated Appropriations Act, 2024 (Public Law 118-42) and the Explanatory Statement for Division L of that Act, which was printed in the Senate section of the Congressional Record on March 5, 2024 (Explanatory Statement) as deemed to be amended by the Further Consolidated Appropriations Act, 2024 (Public Laws 118-47).

In reliance upon and in consideration of the mutual representations and obligations under this Grant Agreement, HUD and the Grantee agree as follows:

**ARTICLE I. Definitions**

The definitions at 2 CFR 200.1 apply to this Grant Agreement, except where this Grant Agreement specifically states otherwise.

Budget period is defined in 2 CFR 200.1 and begins and ends on the dates specified above for the Period of Performance/Budget Period Start Date and Period of Performance/Budget Period End Date.

Period of Performance is defined in 2 CFR 200.1 and begins and ends on the dates specified above for the Period of Performance/Budget Period Start Date and Period of Performance/Budget Period End Date.

**ARTICLE II. Total Grant Amount**

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of \$850,000 available to the Grantee.

### **ARTICLE III. Award-Specific Requirements**

A. Federal Award Description. The Grantee must use the Federal funds provided under this Grant Agreement (Grant Funds) to carry out the Grantee's "Project." Unless changed in accordance with Article III, section C of this Grant Agreement, the Grantee's Project shall be as described in the Project Narrative that is approved by HUD as of the date that HUD signs this Grant Agreement. For reference, HUD will attach this approved Project Narrative as Appendix 1 to the Grant Agreement on the date that HUD signs this Grant Agreement.

B. Approved Budget. The Grantee must use the Grant Funds as provided by the Approved Budget. Unless changed in accordance with Article III, section C of this Grant Agreement, the Approved Budget shall be the line-item budget that is approved by HUD as of the date that HUD signs this Grant Agreement. For reference, HUD will attach this approved line-item budget as Appendix 2 to this Grant Agreement on the date that HUD signs this Grant Agreement.

C. Project and Budget Changes. All changes to the Grantee's Project or Approved Budget must be made in accordance with 2 CFR 200.308 and this Grant Agreement. To request HUD's approval for a change in the approved Project Narrative and/or Budget, the Grantee must submit a formal letter to HUD's Office of Economic Development - Congressional Grants Division (CGD) Director through the assigned Grant Officer in accordance with HUD's instructions for amending the Project Narrative and/or Project Budget found in the document titled "FY2024 Economic Development Initiative - Community Project Funding Grant Guide " that accompanies the Grant Agreement. The Grantee is prohibited from making project or budget changes that would conflict with the Applicable Appropriations Act Conditions described in Article III, section D of this Grant Agreement. The assigned Grant Officer for this grant is provided in the Award Letter for this grant and found on HUD's website. The CGD will notify the Grantee of whether HUD approves or disapproves of the change. Before the Grantee expends Grant Funds in accordance with any change approved by HUD or otherwise allowed by 2 CFR 200.308, the Grantee must update its grant information in HUD's Disaster Recovery Grant Reporting (DRGR) to reflect that change.

D. Applicable Appropriations Act Conditions. The conditions that apply to the Grant Funds under the Consolidated Appropriations Act, 2024, and the Explanatory Statement, as modified by the Further Consolidated Appropriations Act, 2024 or a later act, are incorporated by this reference and made part of this Grant Agreement. The Grant Funds are not subject to the Community Development Block Grants regulations at 24 CFR part 570 or Title I of the Housing and Community Development Act of 1974.

E. In accordance with 2 CFR 200.307, costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the grant. As authorized under 2 CFR 200.307, program income may be treated as an addition to the Federal award, provided that the Grantee uses that income for allowable costs under this Grant Agreement. Any program income that cannot be expended on allowable costs under this Grant Agreement must be reported and paid to HUD within 120 days after the period of performance, unless otherwise specified by an applicable Federal statute.

F. The Grantee must use the Grant Funds only for costs (including indirect costs) that meet the applicable requirements in 2 CFR part 200 (including appendices). The Grantee's indirect cost rate information is as provided in Appendix 3 to this Grant Agreement. Unless the Grantee is an Institution of Higher Education, the Grantee must immediately notify HUD upon any change in the Grantee's indirect cost rate during the Period of Performance, so that HUD can amend the Grant Agreement to reflect the change if necessary. Consistent with 2 CFR Part 200, Appendix III (C.7), if the Grantee is an Institution of Higher Education and has a negotiated rate in effect on the date this Grant Agreement is signed by HUD, the Grantee may use only that rate for its indirect costs during the Period of Performance.

G. The Grantee must comply with any specific conditions that HUD may apply to this Grant Agreement as provided by 2 CFR 200.208. If applicable, these conditions will be listed or added as Appendix 5 to this Grant Agreement.

H. The Grantee is responsible for managing the Project and ensuring the proper use of the Grant Funds. The Grantee is also responsible for ensuring the completion of the Project, the grant closeout, and compliance with all applicable federal requirements. All subawards made with funding under this Grant Agreement are subject to the subaward requirements under 2 CFR Part 200, including 2 CFR 200.332, and other requirements provided by this Grant Agreement. The Grantee is responsible for ensuring each subrecipient complies with all requirements under this Grant Agreement, including the general federal requirements in Article IV. A subaward may be made to a for-profit entity only if HUD expressly approves that subaward and the for-profit entity is made subject to the same Federal requirements that apply to all other subrecipients, including all requirements 2 CFR part 200 provides with respect to a subaward, except the audit requirements in 2 CFR part 200, subpart F.

#### **ARTICLE IV. General Federal Requirements**

A. If the Grantee is a unit of general local government, a State, an Indian Tribe, or an Alaskan Native Village, the Grantee is the Responsible Entity (as defined in 24 CFR part 58) and agrees to assume all of the responsibilities for environmental review and decision-making and action, as specified and required in regulations issued by the Secretary pursuant to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.

B. If the Grantee is a housing authority, redevelopment agency, academic institution, hospital or other non-profit organization, the Grantee shall request the unit of general local government, Indian Tribe or Alaskan Native Village, within which the Project is located and which exercises land use responsibility, to act as Responsible Entity and assume all of the responsibilities for environmental review and decision-making and action as specified in paragraph A above, and the Grantee shall carry out all of the responsibilities of a grantee under 24 CFR Part 58.

C. After March 9, 2024, neither the Grantee nor any of its contractors, subrecipients, and other funding and development partners may undertake, or commit or expend Grant Funds or

local funds for, project activities (other than for planning, management, development and administration activities), unless a contract requiring those activities was already executed on or before March 9, 2024, until one of the following occurs:

- (i) the Responsible Entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and given a release of funds;
- (ii) the Responsible Entity has determined and documented in its environmental review record that the activities are exempt under 24 CFR 58.34 or are categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or
- (iii) HUD has performed an environmental review under 24 CFR part 50 and has notified Grantee in writing of environmental approval of the activities.

D. Following completion of the environmental review process, the Grantee shall exercise oversight, monitoring, and enforcement as necessary to assure that decisions and mitigation measures adopted through the environmental review process are carried out during project development and implementation.

E. The Grantee must comply with the generally applicable HUD and CPD requirements in 24 CFR Part 5, subpart A, including all applicable fair housing, and civil rights requirements. The Grantee must report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of the Grantee's Project, consistent with the instructions and forms provided by HUD in order to carry out its responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987 (e.g. HUD-27061).

F. The Grantee must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 CFR part 200, as may be amended from time to time. If 2 CFR part 200 is amended to replace or renumber sections of part 200 that are cited specifically in this Grant Agreement, the part 200 requirements as renumbered or replaced by the amendments will govern the obligations of HUD and the Grantee after those amendments become effective.

G. The Grantee must comply with the Award Term in Appendix A to 2 CFR Part 25 ("System for Award Management and Universal Identifier Requirements") and the Award Term in Appendix A to 2 CFR Part 170 ("Reporting Subawards and Executive Compensation"), which by this reference are incorporated into and made part of this Grant Agreement.

H. If the Total Grant Amount, as provided in Article II of this Grant Agreement, is greater than \$500,000, the Grantee must comply with the Award Term and Condition for Grantee Integrity and Performance Matters in Appendix 4 to this Grant Agreement.

I. Unless the Grantee is exempt from the Byrd Amendment as explained below, the Grantee must comply with the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352, (the Byrd Amendment) and 24 CFR Part 87, which prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, loan, or cooperative agreement. The Grantee must sign the corresponding certification in Appendix 8 to this Grant Agreement and return it to HUD with this Grant Agreement. The Grantee must include in its award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), the requirements for the certification required by Appendix A to 24 CFR Part 87 and for disclosure using the *Disclosure of Lobbying Activities* (SF-LLL) form. In addition, the Grantee must obtain the executed certification required by Appendix A and an SF-LLL from all covered persons. "Person" is as defined by 24 CFR Part 87. Federally recognized Indian tribes and TDHEs established by Federally recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment. State-recognized Indian tribes and TDHEs established only under state law must comply with this requirement.

J. The Grantee must comply with drug-free workplace requirements in Subpart B of 2 CFR Part 2429, which adopts the governmentwide implementation (2 CFR Part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988, Pub. L. 100-690, Title V, Subtitle D (41 U.S.C. 701-707).

K. Unless the Grantee is a Federally recognized Tribe, the Grantee must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) as implemented by regulations at 49 CFR Part 24. The URA applies to acquisitions of real property and relocation occurring as a direct result of the acquisition, rehabilitation, or demolition of real property for Federal or Federally funded programs or projects. Real property acquisition that receives Federal financial assistance for a program or project, as defined in 49 CFR 24.2, must comply with the acquisition requirements contained in 49 CFR part 24, subpart B. Unless otherwise specified in law, the relocation requirements of the URA and its implementing regulations at 49 CFR part 24, cover any displaced person who moves from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD financial assistance.

L. If Grant Funds are used for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

M. The Grantee must comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u, and HUD's regulations at 24 CFR part 75, as applicable, including the reporting requirements in 24 CFR 75.25. Grants made to Tribes and TDHEs are subject to Indian Preference requirements in Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)). As stated in 24 CFR 75.3(c), grants to Tribes and TDHEs are subject to Indian Preference requirements in lieu of Section 3.

Grantees that are not exempt from Section 3 must submit annual reports of Section 3 accomplishment Performance Measures in DRGR in January of the calendar year. This report reflects Section 3 accomplishments for the previous calendar year.

N. The Grantee must not use any Grant Funds to support any Federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use. Public use includes use of funds for mass transit, railroad, airport, seaport, or highway projects, and utility projects which benefit or serve the general public (including energy-related, communication-related, water-related, and waste water-related infrastructure), other structures designated for use by the general public or with other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields, as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. 107-118). Public use does not include economic development that primarily benefits private entities.

O. The Grantee must not use any Grant Funds to maintain or establish a computer network that does not block the viewing, downloading, and exchanging of pornography. This requirement does not limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

P. The Grantee must administer its Grant Funds in accordance with the Conflict-of-Interest requirements set forth in Appendix 6 of this Grant Agreement.

Q. The Grantee must comply with the governmentwide debarment and suspension requirements in 2 CFR part 180 as incorporated and supplemented by HUD's regulations at 2 CFR part 2424.

R. The Grantee must comply with the award term regarding trafficking in persons in Appendix 7 of this Grant Agreement.

S. The assurances and certifications the Grantee has made and submitted to HUD are incorporated by this reference and made part of this Grant Agreement.

T. Any person who becomes aware of the existence or apparent existence of fraud, waste or abuse of any HUD award must report such incidents to both the HUD official responsible for the award and to HUD's Office of Inspector General (OIG). HUD OIG is available to receive allegations of fraud, waste, and abuse related to HUD programs via its hotline number (1-800-347-3735) and its online hotline form. The Grantee must comply with 41 U.S.C. § 4712, which includes informing employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, an employee of the Grantee or a subrecipient—as well as a personal services contractor—who makes a protected disclosure about a Federal grant or contract cannot be discharged, demoted, or otherwise discriminated against as long as they reasonably believe the information they disclose is evidence of:

1. Gross mismanagement of a Federal contract or grant;

2. Waste of Federal funds;
3. Abuse of authority relating to a Federal contract or grant;
4. Substantial and specific danger to public health and safety; or
5. Violations of law, rule, or regulation related to a Federal contract or grant.

U. The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

## **ARTICLE V. Drawdown Requirements**

A. The Grantee may not draw down Grant Funds until HUD has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying, if applicable.

B. The Grantee must use DRGR to draw down Grant Funds and report to HUD on activities.

C. The Grantee must enter activity and budget information in DRGR that is consistent with the Grantee's Approved Project Narrative and Approved Budget as described in Article III, sections A and B of this Grant Agreement and complies with HUD's instructions for entering information in DRGR found in the document titled "Grant Award Instructions" that accompanies the Grant Agreement.

D. The Grantee must only enter activities in DRGR that are described in the Approved Budget.

E. The Grantee must expend all Grant Funds in accordance with the activity and budget information in DRGR.

F. Each drawdown of Grant Funds constitutes a representation by the Grantee that the funds will be used in accordance with this Grant Agreement.

G. The Grantee must use DRGR to track the use of program income and must report the receipt and use of program income in the reports the Grantee submits to HUD under Article VI of this Grant Agreement. The Grantee must expend program income before drawing down Grant Funds through DRGR.

H. Notwithstanding any other provision of this grant agreement, HUD will not be responsible for payment of any Grant Funds after the date Treasury closes the account in accordance with 31 U.S.C. § 1552. Because Treasury may close the account up to one week



before the September 30 date specified by 31 U.S.C. § 1552, the Grantee is advised to make its final request for payment under the grant no later than September 15, 2032.

## **ARTICLE VI. Program-Specific Reporting Requirements**

In addition to the general reporting requirements that apply under other provisions of this Agreement, the following program-specific reporting requirements apply to the Grantee:

A. The Grantee must submit a performance report in DRGR on a semi-annual basis and must include a completed Federal financial report as an attachment to each performance report in DRGR. Performance reports shall consist of a narrative of work accomplished during the reporting period. During the Period of Performance, the Grantee must submit these reports in DRGR no later than 30 calendar days after the end of the 6-month reporting period. The first of these reporting periods begins on the first of January or June (whichever occurs first) after the date this Grant Agreement is signed by HUD.

B. The performance report must contain the information required for reporting program performance under 2 CFR 200.329(c)(2) and (d), including a comparison of actual accomplishments to the objectives of the Project as described in Article III, section A of this Grant Agreement, the reasons why established goals were not met, if appropriate, and additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

C. Financial reports must be submitted using DRGR or such future collections HUD may require and as approved by OMB and listed on the Grants.gov website (<https://grants.gov/forms/forms-repository/post-award-reporting-forms>).

D. The performance and financial reports will undergo review and approval by HUD. If a report submission is insufficient, HUD will reject the report in DRGR and identify the corrections the Grantee must make.

E. No drawdown of funds will be allowed through DRGR while the Grantee has an overdue performance or financial report.

F. The Grantee must report and account for all property acquired or improved with Grant Funds as provided by 2 CFR part 200 using the applicable common forms approved by OMB and provided on the Grants.gov website (<https://grants.gov/forms/forms-repository/post-award-reporting-forms>). This reporting obligation includes submitting status reports on real property at least annually as provided by 2 CFR 200.330, accounting for real and personal property acquired or improved with Grant Funds as part of Project Closeout, and promptly submitting requests for disposition instructions as provided by 2 CFR 200.311, 200.31, and 200.314.

## **ARTICLE VII. Project Closeout**

A. The grant will be closed out in accordance with 2 CFR part 200, as may be amended from time to time, except as otherwise specified in this Grant Agreement.

B. The Grantee must submit to HUD a written request to close out the grant no later than 30 calendar days after the Grantee has drawn down all Grant Funds and completed the Project as described in Article III, section A of this Grant Agreement. HUD will then send the Closeout Agreement and Closeout Certification to the Grantee.

C. At HUD's option, the Grantee may delay initiation of project closeout until the resolution of any findings as a result of the review of semi-annual activity reports in DRGR. If HUD exercises this option, the Grantee must promptly resolve the findings.

D. The Grantee recognizes that the closeout process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any HUD review, including reasonable requests for on-site inspection of property acquired or improved with grant funds.

E. No later than 120 calendar days after the Period of Performance, Grantees shall provide to HUD the following documentation:

1. A Certification of Project Completion.
2. A Grant Closeout Agreement.
3. A final financial report giving:
  - i) the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of 2 CFR part 200, subpart E);
  - ii) a certification of the costs; and
  - iii) the amounts and sources of other project funds.
4. A final performance report providing a comparison of actual accomplishments with the objectives of the Project, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.
5. A final property report, if specifically requested by HUD at the time of closeout.

## **ARTICLE VIII. Default**

A default under this Grant Agreement shall consist of any use of Grant Funds for a purpose other than as authorized by this Grant Agreement, any noncompliance with statutory, regulatory, or other requirements applicable to the Grant Funds, any other material breach of this Grant Agreement, or any material misrepresentation in the Grantee's submissions to HUD in anticipation of this award. If the Grantee fails to comply with the terms and conditions of the Grant Agreement, HUD may adjust specific conditions of this Grant Agreement as described in 2 CFR part 200, as may be amended from time to time. If HUD determines that noncompliance cannot be remedied by imposing additional conditions, HUD may take one or more of the remedies for noncompliance described in 2 CFR part 200, as may be amended from time to time. HUD may also terminate all or a part of this award as provided by 2 CFR 200.340 and other applicable provisions of 2 CFR part 200, as may be amended from time to time. Nothing in this Grant Agreement shall be construed as creating or justifying any claim against the Federal government or the Grantee by any third party.

## **ARTICLE IX. HUD Contact Information**

Except where this Grant Agreement specifically states otherwise, all requests, submissions, and reports the Grantee is required to make to HUD under this Grant Agreement must be made in accordance with HUD's grant instructions found in the document titled "FY2024 Economic Development Initiative - Community Project Funding Grant Guide" that accompanies the Grant Agreement.

**This agreement is hereby executed on behalf of the Grantee and HUD as follows:**

### **GRANTEE**

\_\_\_\_\_  
(Name of Organization)

BY: \_\_\_\_\_  
(Signature of Authorized Official)

\_\_\_\_\_  
(Typed Name and Title of Authorized Official)

\_\_\_\_\_  
(Date)

**HUD**

BY: \_\_\_\_\_

Nadab Bynum,  
Acting Deputy Assistant Secretary for Economic Development

\_\_\_\_\_  
(Date)

**APPENDIX 1 – Project Narrative**

**APPENDIX 2 – Approved Budget**

### APPENDIX 3 – Grantee’s Indirect Cost Rate Information

As the duly authorized representative of the Grantee, I certify that the Grantee:

- ☐ Will not use an indirect cost rate to calculate and charge indirect costs under the grant.
- ☐ Will calculate and charge indirect costs under the grant by applying a *de minimis* rate as provided by 2 CFR 200.414(f), as may be amended from time to time.
- ☐ Will calculate and charge indirect costs under the grant using the indirect cost rate(s) listed below, and each rate listed is included in an indirect cost rate proposal developed in accordance with the applicable appendix to 2 CFR part 200 and, *if required*, was approved by the cognizant agency for indirect costs.

Agency/department/major function	Indirect cost rate	Type of Direct Cost Base
	%	
	%	
	%	

Name of Authorized Official:

Signature:

X

Date (mm/dd/yyyy):

Position/Title:

/ /

#### Instructions for the Grantee’s Authorized Representative:

You must mark the one (and only one) checkbox above that best reflects how the Grantee’s indirect costs will be calculated and charged under the grant. Do not include indirect cost rate information for subrecipients.

The table following the third box must be completed only if that box is checked. When listing a rate in the table, enter both the percentage amount (e.g., 10%) and the type of direct cost base to be used. For example, if the direct cost base used for calculating indirect costs is Modified Total Direct Costs, then enter “MTDC” in the “Type of Direct Cost Base” column.

If using the Simplified Allocation Method for indirect costs, enter the applicable indirect cost rate and type of direct cost base in the first row of the table.

If using the Multiple Allocation Base Method, enter each major function of the organization for which a rate was developed and will be used under the grant, the indirect cost rate applicable to that major function, and the type of direct cost base to which the rate will be applied.

If the Grantee is a government and more than one agency or department will carry out activities under the grant, enter each agency or department that will carry out activities under the grant, the indirect cost rate(s) for that agency or department, and the type of direct cost base to which each rate will be applied.

To learn more about the indirect cost requirements, see 2 CFR part 200, subpart E; Appendix III to Part 200 (for Institutions of Higher Education); Appendix IV to Part 200 (for nonprofit organizations); Appendix VII to Part 200 (for state and local governments and Indian Tribes); and Appendix IX to Part 200 (for hospitals).

**APPENDIX 4 –  
Award Term and Condition for Grantee Integrity and Performance Matters**

Reporting of Matters Related to Grantee Integrity and Performance

(a) General Reporting Requirement.

(1) If the total value of your active grants, cooperative agreements, and procurement contracts from all Federal agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the grantee must ensure the information available in the responsibility/qualification records through the System for Award Management (SAM.gov), about civil, criminal, or administrative proceedings described in paragraph (b) of this award term is current and complete. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in responsibility/qualification records in SAM.gov on or after April 15, 2011 (except past performance reviews required for Federal procurement contracts) will be publicly available.

(b) Proceedings About Which You Must Report.

(1) You must submit the required information about each proceeding that—

(i) Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;

(ii) Reached its final disposition during the most recent five-year period; and

(iii) Is one of the following—

(A) A criminal proceeding that resulted in a conviction;

(B) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;

(C) An administrative proceeding that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or

(D) Any other criminal, civil, or administrative proceeding if—

(1) It could have led to an outcome described in paragraph (b)(1)(iii)(A) through (C);

(2) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and



(3) The requirement in this award term to disclose information about the proceeding does not conflict with applicable laws and regulations.

(c) Reporting Procedures.

Enter the required information in SAM.gov for each proceeding described in paragraph (b) of this award term. You do not need to submit the information a second time under grants and cooperative agreements that you received if you already provided the information in SAM.gov because you were required to do so under Federal procurement contracts that you were awarded.

(d) Reporting Frequency.

During any period of time when you are subject to the requirement in paragraph (a) of this award term, you must report proceedings information in SAM.gov for the most recent five-year period, either to report new information about a proceeding that you have not reported previously or affirm that there is no new information to report. If you have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000, you must disclose semiannually any information about the criminal, civil, and administrative proceedings.

(e) Definitions.

For purposes of this award term—

Administrative proceeding means a non-judicial process that is adjudicatory in nature to make a determination of fault or liability (for example, Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with the performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

Conviction means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

Total value of currently active grants, cooperative agreements, and procurement contracts includes the value of the Federal share already received plus any anticipated Federal share under those awards (such as continuation funding).

**APPENDIX 5 – Specific Award Conditions**

NONE.

**APPENDIX 6 – Conflict of Interest Requirements**

1. *Conflicts Subject to Procurement Regulations.* When procuring property or services, the grantee and its subrecipients shall comply with the applicable conflict-of-interest rules in 2 CFR 200.317 and 2 CFR 200.318(c). In all cases not governed by 2 CFR 200.317 and 2 CFR

200.318(c), the Grantee and its subrecipients must follow the requirements contained in paragraphs 2-5 below.

2. *General prohibition.* No person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee or subrecipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have a financial interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage, or adoption) the spouse, parent (including a stepparent), child (including a stepchild), sibling (including a stepsibling), grandparent, grandchild, and in-laws of a covered person.

3. *Exceptions.* HUD may grant an exception to the general prohibition in paragraph (ii) upon the Grantee's written request and satisfaction of the threshold requirements in paragraph (iv), if HUD determines the exception will further the Federal purpose of the award and the effective and efficient administration of the Grantee's Project, considering the cumulative effects of the factors in paragraph (v).

4. *Threshold requirements for exceptions.* HUD will consider an exception only after the Grantee has provided the following documentation:

- a. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how that disclosure was made; and
- b. An opinion of the Grantee's attorney that the interest for which the exception is sought would not violate state or local law.

5. *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the Grantee has satisfactorily met the threshold requirements in paragraph (iii), HUD will consider the cumulative effect of the following factors, where applicable:

- a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- b. Whether an opportunity was provided for open competitive bidding or negotiation;
- c. Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

- d.* Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process regarding the assisted activity in question;
- e.* Whether the interest or benefit was present before the affected person was in a position as described in paragraph (ii);
- f.* Whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- g.* Any other relevant considerations.

6. *Disclosure of potential conflicts of interest.* The Grantee must disclose in writing to HUD any potential conflict of interest.

#### **APPENDIX 7 – Award Term Regarding Trafficking in Persons**

The following award term and condition, which is required by 2 CFR part 175, applies as written:

*(a) Provisions applicable to a grantee that is a private entity.*

(1) Under this award, the grantee, its employees, subrecipients under this award, and subrecipient's employees must not engage in:

(i) Severe forms of trafficking in persons;

(ii) The procurement of a commercial sex act during the period of time that this award or any subaward is in effect;

(iii) The use of forced labor in the performance of this award or any subaward; or

(iv) Acts that directly support or advance trafficking in persons, including the following acts:

(A) Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;

(B) Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:

(1) Exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant or cooperative agreement; or

(2) The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action;

(C) Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;

(D) Charging recruited employees a placement or recruitment fee; or

(E) Providing or arranging housing that fails to meet the host country's housing and safety standards.

(2) The Federal agency may unilaterally terminate this award or take any remedial actions authorized by 22 U.S.C. 7104b(c), without penalty, if any private entity under this award:

(i) Is determined to have violated a prohibition in paragraph (a)(1) of this appendix; or

(ii) Has an employee that is determined to have violated a prohibition in paragraph (a)(1) of this this appendix through conduct that is either:

(A) Associated with the performance under this award; or

(B) Imputed to the grantee or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR part 2424.

*(b) Provision applicable to a grantee other than a private entity.*

(1) The Federal agency may unilaterally terminate this award or take any remedial actions authorized by 22 U.S.C. 7104b(c), without penalty, if a subrecipient that is a private entity under this award:

(i) Is determined to have violated a prohibition in paragraph (a)(1) of this appendix; or

(ii) Has an employee that is determined to have violated a prohibition in paragraph (a)(1) of this appendix through conduct that is either:

(A) Associated with the performance under this award; or

(B) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR part 2424.

*(c) Provisions applicable to any grantee.*

(1) The grantee must inform the Federal agency and the Inspector General of the Federal agency immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (a)(1) of this appendix.

(2) The Federal agency's right to unilaterally terminate this award as described in paragraphs (a)(2) or (b)(1) of this appendix:

(i) Implements the requirements of 22 U.S.C. 78, and

(ii) Is in addition to all other remedies for noncompliance that are available to the Federal agency under this award.

(3) The grantee must include the requirements of paragraph (a)(1) of this award term in any subaward it makes to a private entity.

(4) If applicable, the grantee must also comply with the compliance plan and certification requirements in 2 CFR 175.105(b).

(d) *Definitions. For purposes of this award term:*

“Employee” means either:

(1) An individual employed by the grantee or a subrecipient who is engaged in the performance of the project or program under this award; or

(2) Another person engaged in the performance of the project or program under this award and not compensated by the grantee including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing requirements.

“Private Entity” means any entity, including for-profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR 200.1.

The terms “severe forms of trafficking in persons,” “commercial sex act,” “sex trafficking,” “Abuse or threatened abuse of law or legal process,” “coercion,” “debt bondage,” and “involuntary servitude” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

## APPENDIX 8 – Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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(Signature of Authorized Official)

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(Typed Name and Title of Authorized Official)

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(Date)

**NOTE:** This certification is not required for Federally recognized Indian tribes and Tribally Designated Housing Entities (TDHEs) established by a federally recognized Indian tribe through the tribe’s sovereign power. However, this exemption does not apply to State-recognized Indian tribes and TDHEs established under State law.

**Name of Authorized Official:**

**Signature:**

**Date (mm/dd/yyyy):**

**Position/Title:**

X

/ /



November 21, 2024

TO: MCE Board of Directors

FROM: Sabrina Soldavini, Director of Policy

RE: Policy Update of Regulatory Items

ATTACHMENT: Regulatory Packet with Filings since the September Board Meeting

Dear Board Members:

Below is a summary of the key activities at 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. California Public Utilities Commission (CPUC)

a. Resource Adequacy (RA)

In October, the CPUC issued a Proposed Decision (PD) in Track 2 of the RA proceeding. Track 2 of the proceeding addressed several issues including: the Planning Reserve Margin (PRM) for 2026 - the amount of additional RA procurement required above the forecast need to ensure load can be served under extreme conditions, local RA Central Procurement Entity (CPE) procedural changes, and adoption of a new capacity methodology for the RA program.

The PD is responsive to and adopts key issues raised by CalCCA and other parties in Opening and Reply comments. In particular, the PD declines to adopt the proposed 26 percent PRM for 2026 currently, instead determining that more analysis is needed before adoption. CalCCA had urged the CPUC to continue to refine the PRM-setting process and inputs before adoption to ensure proper alignment and account for reliability needs with the RA program's transition to the slice-of-day framework. Additionally, the PD declines to dismantle the CPE framework or eliminate the local RA requirements, agreeing with CalCCA that such a drastic change would be greatly disruptive to the RA program at this time.



MCE will work with CalCCA to file Opening and Reply comments on the PD in late November and a Final Decision is expected by the CPUC in December.

Fiscal Impacts: There are no immediate fiscal impacts to MCE, but a future change to the PRM will ultimately impact procurement costs associated with the amount of RA MCE will be required to purchase to meet its compliance needs and support reliability.

b. Energy Efficiency (EE)

i. Integrated Demand Side Management (IDSM)

In October, the CPUC issued a draft resolution to approve MCE's advice letter to launch an IDSM program within its energy efficiency portfolio. MCE submitted the advice letter in March 2024 and received approval to allocate \$4 million of its EE funding (\$1 million annually) in 2024-2027 to an IDSM program. In its advice letter, MCE submitted program details on its Peak Flex Market program to improve grid reliability consistent with Commission guidance. MCE proposed to adapt its existing single season Peak Flex Market program to implement a year-round load-shifting IDSM program designed as a comprehensive strategy that offers demand response and load shifting for both residential and commercial customers. The Peak Flex Market program will leverage new and existing distributed energy resources (DERs) including, but not limited to, batteries, vehicle grid integration, and heat pump water heaters for daily load-shifting during peak hours.

The draft resolution approves MCE's proposed updates to its Peak Flex Market program in its entirety and allows MCE to begin program implementation immediately upon adoption of the resolution. The draft resolution is undergoing a public comment period and MCE anticipates a vote to adopt the resolution in December 2024. This timeline allows MCE to begin implementation of its updated Peak Flex Market program in Quarter 1 of 2025.

Fiscal Impacts: There is no direct fiscal impact to MCE. The CPUC has already approved the proposed budget for this program of approximately \$4 million in its EE portfolio decision.

ii. Program Overlap Analysis

In October 2024 MCE jointly submitted an EE advice letter with other program administrators (PAs) of EE programs. The advised letter was filed by Southern California Regional Energy Networks (SoCalREN) and focused on EE program overlap analyses. In its July 2023 Decision approving MCE and other PA's EE portfolios, the CPUC also required the Joint PAs to conduct research on potential EE program overlap, corresponding risks to ratepayers and risk mitigation strategies. MCE participated in the Joint PA research and advice letter drafting processes. The Joint PA advice letter details potential areas for program overlap, quantifies possible risks to ratepayers, details actions taken to mitigate potential risks and recommends future actions to further mitigate any potential risk to ratepayers. CPUC staff is reviewing the

advice letter and MCE Staff will report on any future actions the CPUC takes in response, if any.

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

#### f. 2025 ERRA Forecast Application

MCE is currently engaging in Pacific Gas and Electric's (PG&E) 2025 Energy Resource Recovery Account (ERRA) Forecast Proceeding with CalCCA. The ERRA proceeding will determine PG&E's generation and Power Cost Indifference Adjustment (PCIA) rates for 2025.

In October, CalCCA filed comments in response to an Administrative Law Judge (ALJ) Ruling, Opening and Reply Briefs, as well as a Motion to Strike a portion of PG&E's testimony from the record of the proceeding. CalCCA's filings were broadly aimed at ensuring equitable and reasonable cost recovery for both PG&E and CCA customers. In particular, CalCCA's efforts have urged the CPUC to not deviate from previously approved ratemaking methodology, highlighting that PG&E's proposal to change ratemaking methods in this proceeding, which would result in a higher PCIA, is both out of scope and unnecessary at this time.

MCE will work with CalCCA to file additional comments in November and expects the Commission to issue a PD in early December.

Fiscal Impacts: There is no direct fiscal impact to MCE, but the proceeding will set the PCIA rates that MCE customers pay in 2025. Staff will provide an update once final 2025 rates have been determined.

### III. California Energy Commission (CEC)

#### a. Proposed Power Source Disclosure (PSD) Regulations

In October, the CEC issued draft regulations proposing changes to the PSD program.

Under the current rules, retail suppliers, such as MCE, report the fuel mix and GHG emissions for each of its programmatic offerings on an annual basis according to a comparison between a retail supplier's clean, specified electricity purchases and its retail sales. To the extent a retail supplier has not procured specified clean electricity at least matching its retail sales, that retail supplier's procurement portfolio would be attributed system power emissions (power that has a higher GHG-intensity than any clean specified purchases).

Under the new draft regulations, a retail supplier would be required to report its "total power content" in addition to its individual programmatic offerings. The "total power

content” will reflect the total fuel mix and associated GHG emissions used to serve total loss-adjusted load. This means that transmission and distribution line losses will be factored into a retail supplier’s procurement needs and thus increase the amount of clean specified electricity the retail supplier will need to procure in order to not be assigned system power emissions for its “total power content”.

Additionally, the draft regulations implement SB 1158 (2022). SB 1158 requires retail suppliers to account for emissions from electricity resources on an hourly basis using a retail supplier’s hourly loss-adjusted load. Under this new hourly framework, to avoid being assigned system power emissions in specific hours, a retail supplier would need to optimize its clean specified electricity purchases to match or exceed its assigned hourly loss-adjusted load. To the extent a retail supplier’s clean, specified electricity purchases in a particular hour, including purchases necessary to charge any stand-alone battery storage resources, are less than the retail supplier’s loss adjusted load in that hour, the retail supplier will be attributed system power emissions for that hour.

The draft regulations also adjust how the system power GHG-intensity is calculated and reported on the Power Content Label. In the near-term, the draft regulations would take into account the annual system resource mix and adjust the GHG-intensity for system power based on the amount of renewable and clean generation versus fossil fuel generation serving load on an annual basis. This annual framework will shift to an hourly accounting of system power GHG-intensity in the 2028 reporting year. The hourly framework would consider the hourly system resource mix and adjust the hourly GHG-intensity based on the amount of renewable and clean generation serving load in a particular hour.

The CEC may adopt the draft regulations as soon as its December 2024 business meeting. Staff will provide an update once the final regulations are approved.

Fiscal Impacts: There are no direct fiscal impacts as a result of these proposed draft regulations. However, MCE can expect to see increased procurement costs to the extent procurement and portfolio optimization is adjusted to meet internal MCE targets under the new CEC reporting frameworks at both the annual and hourly levels.