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A Letter from Our CEO

Dear MCE Community,

As I reflect on everything we accomplished together in 2024, I am filled with immense gratitude for the hard work and dedication from the amazing MCE team, customers, Board members, and partners. Here are some of the biggest highlights from the past year:

- MCE's Board allocated **\$5 million for bill relief**, helping over 21,000 lower income households and small businesses with monthly MCE Cares bill credits of \$20–\$25. For many, this relief came at a crucial time, offering breathing room to folks facing tough financial choices.
- We secured **\$14.5 million in federal funding and grants**, allowing us to expand programs that directly benefit our communities.
- MCE was honored with **three CalCCA Community Impact Awards** for our Home Energy Savings, Energy Storage, and MCE Sync programs. Also, the Novato Chamber of Commerce named us **Large Business of the Year**.
- MCE's service center achieved a record 43% retention rate, with over 1,700 customers choosing to stay with MCE after learning about the value we provide.
- We launched MCE's new website and brand to enhance accessibility, including a rebate finder tool and multiple language translations, making it easier than ever for customers to access resources.

In 2025, we are excited to celebrate MCE's 15th anniversary and launch service in the City of Hercules, our 38th member community. We are also eager to expand our Virtual Power Plant with \$5 million in funding from the California Energy Commission. As always, our commitment to our community remains steadfast, driving us to create a more equitable and sustainable future for all.

Thank you for your support.

Dawn Weisz CEO, MCE



Who Is MCE?

Since 2010, MCE has offered more renewable power at stable rates, significantly reducing energyrelated greenhouse gas emissions, and reinvesting millions in local energy programs. As California's first Community Choice Aggregation (CCA) program, MCE set the standard for energy innovation and is a leader in developing the not-for-profit, public agency model.

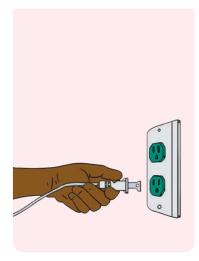
Mission

MCE's mission is to confront the climate crisis by eliminating fossil fuel greenhouse gas emissions, producing renewable energy, and creating equitable community benefits.

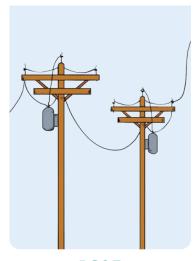
Vision

MCE's vision is to lead California to an equitable, clean, affordable, and reliable energy economy by serving as a model for community-based energy, energy efficiency, and cutting-edge clean-tech products and programs.

How MCE Works



You Benefit from cleaner air, stable rates, choice, and local control



PG&E Delivers energy, maintains lines, and sends bills



MCE Buys and builds fossil-free energy for you

Residents and businesses served

1.5 million

Greenhouse gas emissions reduced

500,000 MT of CO2e

Customer accounts

585,000

Customer bill savings since 2010

597.5 million

New renewables

975 MW

Member communities

Green jobs supported in California

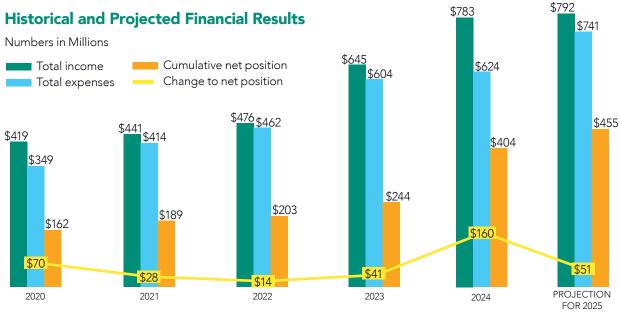
6,500

New workers trained

Committed to new renewables

S3.8 billion

Financial Highlights



Change to net position is calculated by subtracting total expenses from total revenues. MCE's fiscal year is April 1 to March 31.

Credit Worthiness

FitchRatings

Fitch Ratings awards MCE a BBB rating with a Stable Outlook

First CCA to receive two investment grade ratings

S&P Global

S&P Global Ratings awards MCE an "A" rating Change in net position

\$159,513,669

Total income

\$783,199,551

Total expenses

⁵**623,685,882**

Operating reserve fund

570,000,000

Days cash on hand

276

Targeted days cash on hand

240

Reserves

\$403,685,515

Targeted reserves

\$374,211,529

Target is based on 60% of annual operating expenses.

MCE closes its second prepayment transaction, saving \$41 million in the first 6 years

2018 2019 2020 2021 2022 2023 2024

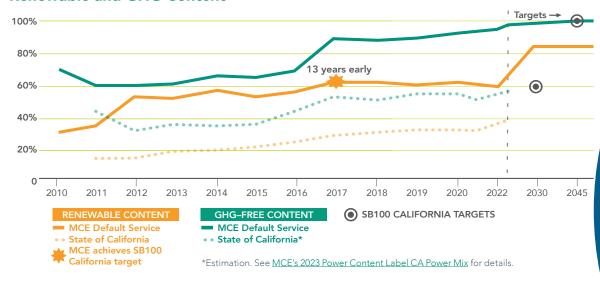
First CCA to receive a rating (Baa2)

Fitch upgrades MCE to BBB+ with a Stable Outlook

MCE's first municipal prepay bonds officially become climate certified green bonds MCE reaches its reserves and liquidity goals

Clean Energy Highlights

Renewable and GHG Content

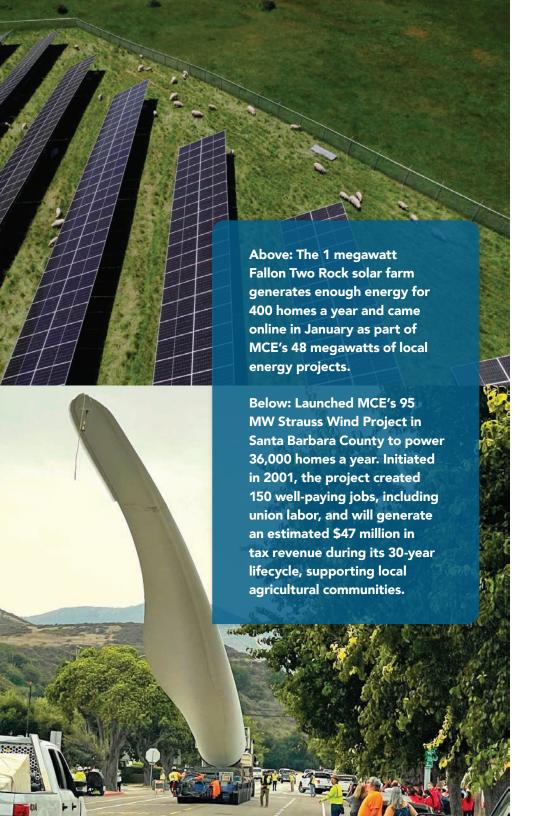


2023 Electric Power Generation Mix

Percent of Total Retail Sales (kWh)

Energy resources	CA Power Mix	MCE Light Green	MCE Deep Green	MCE Local Sol	MCE Green Access
Renewable	37%	60%	100%	100%	100%
Biomass & biowaste	2%	5%	0%	0%	0%
Geothermal	5%	5%	0%	0%	0%
Eligible hydroelectric	2%	4%	0%	0%	0%
Solar	17%	28%	50%	100%	100%
Wind	11%	17%	50%	0%	0%
Coal	2%	0%	0%	0%	0%
Large hydroelectric	9%	40%	0%	0%	0%
Natural gas	36%	0%	0%	0%	0%
Nuclear	9%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%
Unspecified sources of power	7%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%





More Power to You

Building a Cleaner California

MCE is building a cleaner California with new renewable energy resources. MCE's open season process solicits new clean energy resources on an annual basis, seeking contracts that will help MCE:

- Create a more reliable electric grid
- Achieve California's goal of 100% of electric sales being met by renewable and zero carbon resources by 2045
- Meet regulatory changes related to 24/7 greenhouse gas accounting

New renewable energy build or under development

975 MW

Committed to new renewables

53.8 billion

Labor hours

\$2.9 million

Union labor hours

51.6 million

Renewable

60%

Greenhouse gas-free

95%

Fossil-free

100%

Power Accounting, Scheduling, & Emissions

Power accounting in California is currently done on an annual basis. This means MCE purchases enough electricity to serve the needs of our customers each year. Greenhouse gas emissions are also calculated in this way. However, this methodology doesn't provide the most accurate measure for how much electricity is needed nor the real-time carbon intensity of electricity resources. As climate change makes California hotter and extreme weather events more common, the accounting approach is likely to change.

24/7 Accounting

The California Energy Commission (CEC) is expected to transition to a 24/7 emissions reporting system in 2028, which will be used to evaluate MCE's 2027 hourly resource mix and emissions. For the first time, instead of looking at emissions on an annual basis, this new system will track our energy sources and load hour-by-hour. To accommodate this transition, MCE will need to adjust and optimize how we buy power and measure greenhouse gas emissions to ensure the cleanest possible resources are serving our load in every hour.

Putting Resources onto the Grid

MCE works with the California Independent System Operator (CAISO) to schedule electricity onto and from the grid. CAISO helps MCE and other energy providers balance supply and demand, ensuring resources are dispatched as needed to keep the grid stable.

Managing MCE's Portfolio

MCE works diligently to secure power supply contracts by soliciting them from the market, ensuring the cleanest resources are purchased, and that we are being fiscally responsible for our customers. We combine these power purchasing needs with MCE's mission to create more equitable communities, which means simultaneously looking for ways to support clean energy jobs and workforce development, while supporting the reliability of the grid.





Community Reinvestment: The Power Is in Your Hands

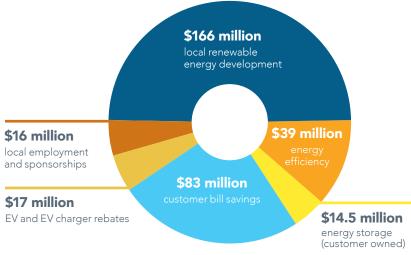
MCE EV Instant Rebates: Making EV Adoption Easier and More Accessible

MCE's EV Instant Rebates make it easier for income-qualified MCE customers to save on the purchase or lease of Electric Vehicles (EVs) or Plug-In Hybrid Electric Vehicles (PHEVs). The rebate offer is \$3,500 off a new EV or PHEV or \$2,000 off a used EV or PHEV. Dealers use the rebate as a sales tool to increase their EV sales, plus receive up to a \$200 sales incentive for every vehicle sold through the program.

Point-of-sale rebates lower the upfront cost of EVs, making what's often seen as a luxury product more competitive with gas cars. This makes it more likely for people to purchase a clean air vehicle when they're in the market.

The self-attestation model for income verification creates a more equitable and cost-effective process for customers. Car buyers do not need to provide sensitive financial documentation to qualify, which can be hard to access due to technology or language barriers.

Community Reinvestment Since 2010



Emergency Water Heater Loaner Incentive Program

Beginning in 2027, Bay Area Air Quality Management District regulations will prohibit the sale of nitrous oxide emitting (gas) water heaters.

MCE is promoting the adoption of electric appliances over polluting natural gas by offering eligible contractors a \$1,500 incentive per heat pump water heater installed after using an emergency loaner.

Heat pump water heaters can be more expensive than traditional gas units, but they increase the health and safety of homes by not producing harmful air pollutants.

"Electrification is the next big step in our clean energy transition, as we've already made huge strides to clean up California's electricity supply. Gas water heating presents one of the biggest opportunities to electrify and reduce greenhouse gas emissions, but is also the hardest because residents wait to replace their unit until it fails. This loaner program is helping contractors empower homeowners to go electric."

— Dawn Weisz, MCE CEO





Small Business Energy Advantage

MCE provides no- and low-cost upgrades that make it easy and simple for small businesses that operate within a state-designated priority population or meet the criteria for hard-to-reach, to achieve real savings, improve comfort, and build healthier spaces. Qualifying small businesses are matched with an energy expert who identifies potential upgrades for immediate installation including LED upgrades, smart thermostats, and air purifiers.

- Distribute \$1.25 million to small businesses in environmental and social
- Provide up to 1,200 small businesses with energy education and
- Upgrade at least 900 small businesses by installing energy saving measures

"The Small Business Energy Advantage program addresses equity concerns that can impact small business owners operating in historically marginalized communities. These businesses have faced challenges accessing billsaving resources and incentives from other energy programs. We're excited to deliver a program that streamlines access and unlocks new energy efficiency opportunities for small businesses."

> - Laura Nakamura, City of Concord council member & MCE Board Director

Home Energy Savings and Essential Home Repairs

MCE provides free energy upgrades, including heat pumps for water and space heating, to moderateincome homeowners and renters. Since 2020, over \$6.8 million has been invested in free upgrades for over 1,500 homes. However, many residents couldn't participate due to additional repair needs beyond what the program covered.

With \$248,000 from the TECH Clean California Quick Start Grant, MCE funded essential repairs at no cost to residents, enabling the installation of 57 heat pumps in 47 homes — far surpassing the original goal of 20 homes. By using a single contractor with a set price schedule, MCE maximized the budget's impact, achieving cost efficiencies that allowed for a greater number of installations.

Bill Savings

MCE is committed to helping our customers reduce their energy costs and access cleaner energy, especially in California's current energy affordability crisis. MCE's Board allocated \$5 million for a bill relief program for low-income homes and small businesses. The second round of our MCE Cares Credit provides monthly bill credits of \$20 for homes and \$25 for businesses, with over 21,000 customers enrolled.

Percentage of Income Payment Plan (PIPP) is a CPUC-funded pilot that bills participants on a fixed, flat rate based on a percentage of their income, rather than according to their usage. PIPP participants with existing debt will also be enrolled in the Arrearage Management Program. PIPP currently has 500 customers enrolled, representing \$300,000 in discounts since July of 2023.

MCE promoted the state-funded Arrearage Management Program, which has enrolled almost 5,300 customers, helping to forgive over \$3.75 million in arrears since March 2021. This debt forgiveness program has a 56% enrollment rate for all eligible customers, which is among the highest in California, and we've seen a 32% reduction in customers requiring this program.

Expanding Access to Clean Energy

MCE's Deep Green 100% renewable service option now includes over 46,000 homes and businesses, representing 8% of our customer base. In 2024, there was a 63% increase in Deep Green enrollment requests compared to 2023. More customers than ever are choosing 100% renewable electricity.

MCE offers Deep Green at no additional cost to lower-income households. Over 8,000 customers have saved more than \$740,000.



Pathways to Power

MCE's Richmond Virtual Power Plant (VPP) Pilot

Traditional power plants like a solar farm in the desert or a natural gas plant by a freeway are centralized at a single location. What makes VPPs virtual is the fact that they use software to digitally connect numerous small distributed energy resources together, allowing customers to power their homes or businesses, shift demand based on grid demand, and send excess power across multiple locations back to the grid even while being physically apart.

What's a Distributed Energy Resource?

A Distributed Energy Resource (DER) is a small-scale energy source or technology that generates, stores, or manages electricity close to where it's used — like solar panels, home batteries, EVs, smart thermostats, or heat pump water heaters. DERs enable homes and businesses to generate their own power, store excess energy, or optimize energy use more efficiently.

Operating a VPP

DER's are connected digitally to create the VPP. MCE sends signals to shift electricity use (or "load") away from peak hours, when demand is the highest. In the future, MCE's VPP will bundle this saved energy, known as "capacity," and send it into the CAISO markets. Customers will receive bill credits for the energy or capacity they contributed to the CAISO.

MCE and partners have developed the first enterprise Distributed Energy Resource Management System (eDERMS) designed for CCAs. The technology currently enables the monitoring and dispatch of batteries, heat pump water heaters, HVAC systems, thermostats, EV equipment, and load controllers.

MCE's Richmond VPP pilot provides grid-smart devices to low-income customers and small businesses and retrofits and rebuilds homes while installing DERs.

VPP pilot goals

- 100 homes retrofitted with grid-smart technology
- 10 abandoned homes completely rebuilt and sold to lower income, first-time homeowners
- 20 commercial and industrial participants
- A successful CAISO bid of the VPP DERs.



A cleaner, more reliable grid

- Shifting energy use away from times when the grid faces the most demand
- Increasing use of renewable energy by powering batteries with daytime solar
- Reducing the need for gas peaker plants that reduce air quality in impacted communities



Lower energy costs

- Reducing electricity consumption during expensive peak hours
- Monthly bill credits
- Reducing MCE's costs to purchase electricity during peak hours



Revitalized communities

- Creating fully-modernized affordable housing options for firsttime lower-income homeowners in neighborhoods with a history of underinvestment
- Facilitating home remediation and financial training with a social impact bond, which provides support for residents whose families have been excluded from homeownership

MCE's Energy Resiliency Program

MCE has committed \$14.5 million to battery storage paired with solar for local critical facilities and homes. Each day when the sun is shining, the batteries charge. When the sun sets and electricity is most expensive, the building draws from the battery from on site solar. By using battery power during peak hours, customers reduce their costs and help make more energy available for others.

Case study	Funding	Energy capacity	Savings
Bolinas Community Center	\$40,000	23 kilowatt-hour battery	\$2,000 in MCE bill credits
West Marin Medical Center	\$21,000	40 kilowatt-hour battery	\$30,400 in savings
Sage Lane Senior Affordable Housing	\$92,000	Three 10 kilowatt-hour batteries and 9.45 kilowatts of solar	\$3,000 in bill credits
Pittsburg Unified School District	\$715,000	3 megawatt-hours of batteries	\$2.8 million in energy savings

"We are always looking for ways to improve the quality of life for our residents. Battery backup during power outages is very important to our senior residents and gives them peace of mind."

 Kit Krauss, Board Chair of the Two Valleys Community Land Trust



Above: MCE staff and Board members tour an energy storage site in Pittsburg, CA.

Below: Battery recipient,
West Marin Medical Center.
Left: Kit Krauss at Sage Lane.

Amplify Financial Impact

Building a Balanced Budget

In 2024 MCE achieved our targets for reserves and days cash on hand for the first time.

- In Fiscal Year 2023/24 MCE's investments brought in \$15 million in interest income, reflecting an average yield of 4.7%
- MCE's prepay bonds have helped our customers save over \$55 million in the first six years
- Two investment-grade credit ratings from Fitch Ratings (BBB) and S&P Global (A) help MCE negotiate contracts for energy at lower prices

Yearly independent audits examine and evaluate MCE's financials to make sure that records are a fair and accurate representation of the transactions they claim to represent. Financial statements are written records that convey the business activities and the financial performance of a company.

MCE is a founding member of California Community Choice Financing Authority, California's first clean energy prepayment bond issuer agency, which has <u>issued \$1.6 billion in prepayment bonds</u> on behalf of MCE. The bonds are expected to reduce MCE's renewable energy purchase costs by \$55 million in the initial six years of the bonds.

Deep Green Champion, Hurricane Hauling team member.



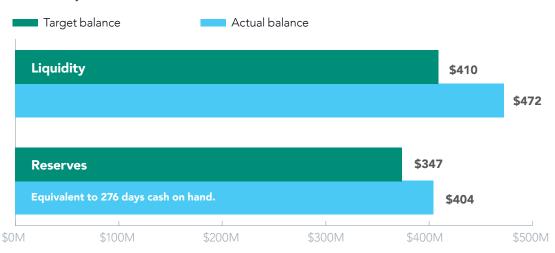
Summary of Financial Results

	2024	2023
Operating revenues	\$ 767,779,391	\$ 636,588,526
Nonoperating revenues		4,226,302
Interest income	15,420,160	4,007,603
Total income	\$ 783,199,551	\$ 644,822,431
Operating expenses	623,457,057	603,621,093
Non-operating expenses	228,825	236,468
Total expenses	623,685,882	603,857,561
Change in net position	\$ 159,513,669	\$ 40,964,870
Current assets		
Current assets	\$ 371,376,427	\$ 287,116,314
Noncurrent assets	220,655,749	77,560,902
Total assets	\$ 592,032,176	\$ 364,677,216
Current liabilities	118,346,661	89,968,725
Noncurrent liabilities	_	536,645
Total liabilities	\$ 118,346,661	\$ 90,505,370
Deferred inflows of resources	S	
Operating Reserve Fund	70,000,000	30,000,000
Net position		
Investment in capital assets	326,788	508,444
Unrestricted	403,358,727	243,663,402
Total net position	\$ 403,685,515	\$ 244,171,846
·		



Progress Toward Liquidity and Reserves Goals

As of fiscal year 2023 – 2024 end



S&P Global

"We believe MCE's current and projected energy portfolio positions the utility favorably relative to California's stringent and continually evolving regulatory landscape."

- S&P Global Rating's statement

FitchRatings

"MCE has managed the competitive environment, successfully retaining approximately 87% of the customers in its service area that are eligible to optout. Power supplies are predominantly renewable (>60%) and greenhouse gas (GHG) free (>95%), which is MCE's competitive advantage to service currently offered by PG&E."

— Fitch Rating's statement



Inspire Action

Collective Community Power

In July 2024, MCE was awarded \$380,000 from the Marin Community Foundation's Climate Justice Grant to partner with The LIME Foundation, SEI, and AEA to expand their NextGen Trades Academy. Over 80 jobseekers in Marin City, San Rafael's Canal District, and West Marin will get paid to learn about green construction, electrification, and energy efficiency.

Of the 450 past participants, nearly 90% have been of low- to moderateincome and about half identify as Latine, Black, or Indigenous. One in three graduates find careers within 30 days of program completion with an average

The Climate Justice Grant helps MCE build on its existing support of the LIME Foundation's NextGen Trades Academy — adding cohorts, offering stipends, and refining the model to help meet the needs of local youth.

- Paid in-person and virtual hands-on training
- 18 months of mentorship and job placement support
- Certifications, networking, career counseling, and life skills training

"Youth entering construction trades can start earning around \$25-\$35 per hour in California, with the potential to reach \$75 as they gain experience over a short period of time. By avoiding student debt and gaining in-demand skills, they achieve financial independence faster, making construction a valuable alternative to college."

- Letitia Hanke, The LIME Foundation CEO

Because of Youth

A call-to-action for community organizations

The Because of Youth Campaign began three years ago with the aim to spotlight the role youth and community based organizations (CBOs) play in advocating for climate action and environmental education. The campaign incorporates sustainability initiatives that address climate change and celebrates diverse efforts in creating a sustainable future.

Our impact

- Collaborated with over 20 CBOs
- Highlighted 25 youth activists
- Shared 5 youth blog posts
- Shared 4 youth video interviews

Our goals

- Celebrate young environmental leaders
- Community focused initiatives
- Understand youth priorities
- Increase brand awareness
- Develop strategies for collaboration

Because of Youth 2024 video interviews and guest blog posts

The interviews were done with youth centered CBOs across MCE service areas and then posted on MCE social media platforms. The blog posts were submitted by youth activists and guided by a variety of open-ended questions targeted to explore youth engagement and the significance of community involvement.



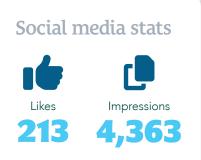






"Because of Youth was a fantastic opportunity that helped spotlight the important climate activism work that I was doing within my own community. I created a blog post and a video highlighting my work with Napa Schools for Climate Action and then applied for MCE's Summer Internship. Now, I am working for MCE's Public Affairs Department as a Business Development Intern and getting to do more of what I love!"

- Allison Bencsik, on her 2024 Because of Youth experience





Facing the Future

United Toward a Brighter Tomorrow

Powerful partnerships help MCE build a more equitable and reliable clean energy future while reducing greenhouse gas emissions. The future of clean energy isn't just about technology, it's about ensuring that underserved populations are prioritized.

RCF Connects

Rooted in Richmond, with decades of experience, RCF Connects is a leading motivator in Contra Costa County in the field of philanthropy and community change. We've partnered with RCF Connects on MCE's VPP which also implemented a Social Impact Municipal Bond to acquire, rehab, and resell 21 zero-net energy ready homes to lower-income first-time home buyers. So far, four of these homes have been sold.

GRID Alternatives

Over the last 20+ years GRID has installed solar for more than 2,800 lowincome homeowners in the greater Bay Area — generating almost 8 megawatts of solar capacity for low-income families. MCE is working with GRID on a coordinated home upgrade program, Richmond Rising, as part of the Strategic Growth Council's Transformative Climate Communities grant. MCE and GRID's collaboration will provide home repairs, energy efficiency upgrades, electrification measures, and solar installations to 250 Richmond residents over the next 5 years.

East Contra Costa Community Alliance (ECCA)

ECCA and Lawrence Berkeley National Lab are working together on a grant to support energy efficiency modular home models in east Contra Costa. The partnership includes Habitat for Humanity and MCE will be supporting workshop facilitation and serving as a subject matter expert for community members.

Expanding MCE's Programs

Outside of MCE's historic partnership with the California Public Utilities Commission (CPUC), MCE has secured over \$14.5 million in non- CPUC grants since 2019 to support programs from green workforce to energy efficiency. Most recently MCE was awarded \$5 million from the CEC to expand the Richmond VPP pilot to our entire service area.

Program	Granting entity	Funds secured
VPP FLEX	California Energy Commission	\$5,000,000
Climate Justice Initiative	Marin Community Foundation	\$380,000

MCE's values act as our guide posts for the future

- We are innovators, advancing a more sustainable energy economy with new technologies, programs, and policies
- We center equity in all of our work, prioritizing historically impacted communities
- We serve our communities and customers through accessible engagement
- We celebrate diverse identities in an inclusive work environment
- We strive for a sustainable workplace, community, and planet
- We invest in financial strength to deliver stable rates and programs



MCE's internship program

MCE

MCE's paid internship program creates entry-level opportunities for local community members to gain hands-on experiences in the renewable energy industry. Focused on inclusivity, the program empowers individuals who might not otherwise access this field, providing meaningful projects and insights into MCE's mission.

To date, 47 participants — 68% from MCE's service area across four counties — have benefited from internships spanning 11 departments. Many internships have been extended beyond the initial three months to 3-6 months, with some leading to Fellowships or full-time roles, fostering lasting career growth.



binary

Proudly Serving 38 Member Communities

MCE is a not-for-profit public electricity provider, offering Bay Area customers renewable energy and local energy programs since 2010.



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mceCleanEnergy.org

Stay in touch: @mceCleanEnergy

