



MCE Special Executive Committee Meeting
Thursday, August 28, 2025
10:30 a.m.

1125 Tamalpais Avenue, San Rafael, CA 94901
2300 Clayton Road, Suite 1500, Concord, CA, 94520

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

Remote Public Meeting Participation

Video Conference: <https://t.ly/DnY7U>

Phone: Dial (669) 900-9128, Meeting ID: 861 2234 3784, Passcode: 415565

*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 1500, Concord, CA 94520.*

DISABLED ACCOMMODATION: If you are a person with a disability who requires an accommodation or an alternative format, please contact MCE at (888) 632-3672 or ada-coordinator@mceCleanEnergy.org at least 72 hours before the meeting start time to ensure arrangements are made.

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1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Discussion/Action)
 - C. 1. Approval of 7.7.25 Meeting Minutes
 - C.2. Review Draft 9.18.25 Board Agenda
6. Review of Draft FY 2024/25 Financial Statements and Draft of Write Up on Currently Known Facts, Decisions, or Conditions (Discussion)

7. Committee & Staff Matters (Discussion)

8. Adjourn

The Executive Committee may discuss and/or take action on any or all of the items listed on the agenda irrespective of how the items are describe

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MCE EXECUTIVE COMMITTEE MEETING MINUTES
Wednesday, July 7, 2025
12:00 P.M.

Present: Barbara Coler, Town of Fairfax
Cindy Darling, City of Walnut Creek
Gabriel Quinto, City of El Cerrito
Laura Nakamura, City of Concord
Max Perrey, City of Mill Valley, Chair
Pat Ravasio, Alternate, Town of Corte Madera
Sally Wilkinson, City of Belvedere

Absent: Maika Llorens Gulati, City of San Rafael
Devin Murphy, City of Pinole
Shanelle Scales-Preston, County of Contra Costa

**Staff
& Others:** Jared Blanton, VP of Public Affairs
Jesica Brooks, Lead Board Clerk and Executive Assistant
Vidhi Chawla, VP of Power Resources
Vicken Kasarjian, Chief Operations Officer
Jonnie Kipyator, Power Analytics Senior Manager
Caroline Lavenue, Legal Counsel II
Tanya Lomas, Board Clerk Associate
Catalina Murphy, General Counsel
Ashley Muth, Internal Operations Associate
Jackie Nuñez, Senior Communications Manager
Efren Oxlaj, Manager of Finance
Justine Parmelee, VP of Internal Operations
Mike Rodriguez-Vargas, Internal Operations Assistant
Enyonam Senyo-Mensah, Internal Operations Manager
Dan Settlemyer, Internal Operations Associate
Maíra Strauss, VP of Finance
Dawn Weisz, Chief Executive Officer

1. Roll Call

Chair Perrey called the regular Executive Committee meeting to order at 12:03 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

There were no comments

3. Public Open Time (Discussion)

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

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4. Report from Chief Executive Officer (Discussion)

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

5. Consent Calendar (Discussion/Action)

- C.1 Approval of 5.5.25 Meeting Minutes
- C.2 Review 7.17.25 Draft Board Agenda

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

Action: It was M/S/C (Coler/Quinto) to approve Consent **Calendar C.1 and C.2 with a correction to a clerical error on C.1**. Motion carried by unanimous roll call vote. (Absent: Llorens Gulati, Murphy, Scales-Preston).

6. MCE 24x7 Renewable Energy Pilot Proposal (Discussion/Action)

Jonnie Kipyator, Power Analytics Senior Manager, presented this item and several MCE staff addressed questions from Committee members.

Chair Perrey opened the public comment period and there were comments made by Dan Segedin.

Action 1: It was M/S/C (Quinto/Darling) **to Recommend Board approval to increase the Deep Green premium from ¢1/kWh to ¢1.50/kWh.**

Motion does not carry. Yays-3 Nos-4 (Nos: Coler, Perrey, Ravasio, Wilkinson; Absent: Llorens Gulati, Murphy, Scales-Preston).

Action 2: It was M/S/C (Quinto/Darling) **to Recommend Board approval of the 24/7 Renewable Pilot program for up to 400 municipal customers starting on 1/1/2026 for 3 years with an initial premium of ¢5.40/KWh.**

Motion carried by unanimous roll call vote. (Absent: Llorens Gulati, Murphy, Scales-Preston).

Action 3: It was M/S/C (Quinto/Darling) **to Recommend Board approval of the 24/7 Renewable Pilot program rate-premium methodology and direct staff to update premiums annually during MCE budget-setting.**

Motion carried by unanimous roll call vote. (Absent: Llorens Gulati, Murphy, Scales-Preston).

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7. Fiscal Year 2024/25 Financial Audit Process (Discussion)

Maíra Strauss, VP of Finance, presented this item and several MCE staff addressed questions from Committee members.

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

Action: No action required.

8. Language Accessibility Study Report (Discussion)

Jackie Nuñez, Senior Communications Manager, presented this item and addressed questions from Committee members.

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

Action: No action required.

9. Committee & Staff Matters (Discussion)

Director Wilkinson made comments.

10. Adjournment

Chair Perrey adjourned the meeting at 2:15 p.m. to the next scheduled Executive Committee Meeting on August 4, 2025.

Max Perrey, Chair

Attest:

Dawn Weisz, Secretary



DRAFT

MCE Board of Directors Meeting
Thursday, September 18, 2025
6:30 p.m.

1125 Tamalpais Avenue, San Rafael, CA 94901
2300 Clayton Road, Suite 1500, Concord, CA 94520

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

Remote Public Meeting Participation

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

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 - C.2. Approved Contracts for Energy Update

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- C.3. Addition of Board members to Committees
- C.4. Legislative and Regulatory Updates
- 6. MCE Rates Overview (Discussion)
- 7. Final Fiscal Year 2024/25 Financial Audit Presentation and Budget Closing Fiscal Year 2024/25 (Discussion)
- 8. Legislative Session Recap (Discussion)
- 9. Board & Staff Matters (Discussion)
- 10. Adjourn

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



August 28, 2025

TO: MCE Executive Committee

FROM: Maíra Strauss, Vice President of Finance and Treasurer
Efren Oxlaj, Manager of Finance

RE: Review of Draft FY 2024/25 Financial Statements and Draft of Write Up on
Currently Known Facts, Decisions, or Conditions (Agenda Item #06)

Attachments: A. Draft Financial Statements FY 2024/25
B. Draft of Write up on Currently Known Facts, Decisions or Conditions

Dear Executive Committee Members:

Background:

MCE's fiscal year runs from April 1st through March 31st. After the fiscal year ends, staff works with a professional third-party audit firm to audit the financial statements. Since 2018, Baker Tilly has been conducting MCE's financial audit in conjunction with staff and MCE's accounting firm, Maher Accountancy. As part of the audit for Fiscal Year (FY) 2024/25, staff is providing a draft of the financial statements and write up on the section titled "Currently Known Facts, Conditions, or Decisions" of the audit packet. The draft financial statements are provided for information only and cannot be changed. Staff is seeking feedback from your Board on the draft write up for the section mentioned above.

Summary of Draft Financial Statements

MCE's financial statements are comprised of the following: Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. Parties interested in MCE's assets and liabilities should focus on the Statement of Net Position, while those interested in understanding the total revenues and expenses for the fiscal year should review the Statement of Revenues, Expenses, and Changes in Net Position. Those interested in cash flow should review the Statement of Cash Flow.

The tables below summarize the key results shown on the three statements described above.

Summary of Statement of Net Position

	2025	2024
Current assets		
Total current assets	\$ 455,168,716	\$ 371,376,427
Noncurrent assets		
Total noncurrent assets	223,884,665	220,655,749
Total Assets	679,053,381	592,032,176
Current Liabilities		
Total Current Liabilities	192,190,329	118,346,661
Deferred Inflows of Resources		
Operating Reserve Fund	70,000,000	70,000,000
Net Position		
Net Investment in capital Assets	555,816	326,788
Unrestricted	416,307,236	403,358,727
Total Net Position	416,863,052	403,685,515

MCE ended the fiscal year with a total net position of \$416.8 million, representing a year-over-year increase of \$13.2 million or 3.2%. There is also \$70 million in deferred revenue which is not included in the total net position but is in the Operating Reserve Fund. In accordance with Board approved policy, MCE intends to recognize this revenue in future years when revenues may be insufficient to cover expenses.

Summary of Statement of Revenues, Expenses, and Changes in Net Position

	2025	2024
Operating Revenues		
Total Operating Revenues	\$ 816,224,799	\$ 767,779,391
Operating Expenses		
Total Operating Expenses	828,392,314	623,657,258
Operating income (loss)	(12,167,515)	144,122,133
Nonoperating Revenues (Expenses)		
Nonoperating Revenues (expenses), net	25,345,052	15,391,536
Change in Net Position	13,177,537	159,513,669
Net Position at beginning of year	403,685,515	244,171,846

Net Position at end of year**416,863,052****403,685,515**

Despite an increase in operating revenues of 6.3% primarily from sales of electricity, the increase in operating expenses of nearly 33% led to an operating loss of \$12.2 million. Captured in operating expenses is the cost of energy, which was significantly higher due to increased prices for renewables and payment of energy invoices earlier in the calendar year than anticipated. However, MCE ended the fiscal year with a positive change in net position of \$13.2 million reflective of strong non-operating revenues driven by income from investments in fixed income securities, certificates of deposits, and interest from high yield savings accounts.

	2025	2024
Cash flows from operating activities		
Net cash provided by operating activities	\$ 30,863,564	\$ 214,311,960
Cash flows from non-capital financing activities		
Finance costs paid	-	(44,501)
Cash flows from capital and related financing activities		
Net cash used by capital and related financing activities	(870,787)	(802,244)
Cash flows from investing activities		
Net cash used by investing activities	(14,716,293)	(139,246,920)
Net change in cash and cash equivalents	15,276,484	74,218,295
Cash and cash equivalents at beginning of year	211,349,505	137,131,210
Cash and cash equivalents at end of year	226,625,989	211,349,505

Summary of Statement of Cash Flows

Unlike the previous two statements summarized, which are prepared according to accrual accounting principles (i.e. recognizing revenues and expenses when they are earned or incurred), the Statement of Cash Flows shows actual cash transactions and describes how cash moves in and out of MCE. During Fiscal Year 2024/25, MCE saw \$30.8 million in inflow of cash from operating activities, a drop of 85.6% from the previous year due to increased cost of energy and payment of energy invoices earlier in the calendar year than anticipated. MCE also saw an outflow of \$14.7 million which went to buying more investments like treasuries, certificates of deposit, and other high-quality notes. The net change in cash and cash equivalents was an increase of \$15.3 million for the fiscal year, bringing the total to \$226 million.

Summary of the section titled "Currently Known Facts, Decisions, or Conditions", Attachment B.

This section is a component of the audited financial statements packet where staff may describe currently known facts, decisions or conditions that could significantly impact MCE's finances. In accordance with GASB 103 MCE may write about:

1. Trends in relevant economic and demographic data (.e.g. changes in customer base, income levels, population, etc.).
2. Relevant factors used to develop the subsequent year's budget.
3. Expected changes in budgetary net position or fund balance.
4. Actions the government has taken related to postemployment benefit liabilities, capital asset improvement plans, lessee liabilities, and other long-term financings that will affect the government in a subsequent period.
5. Actions other parties have taken that will affect the government in a subsequent period, such as new legislation or regulations imposed on the government.

Staff may also provide other information on other currently known facts, decisions or conditions that could impact MCE's financial position. Staff recommends keeping these guidelines in mind when providing feedback on the current draft of this section.

Recommendation: Discussion item only.

MARIN CLEAN ENERGY
STATEMENT OF NET POSITION
As of March 31, 2025

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents - unrestricted	\$ 147,331,563	\$ 101,027,404
Accounts receivable, net of allowance	63,716,419	61,447,640
Accrued revenue	32,246,942	31,912,468
Other receivables	22,849,094	5,822,709
Prepaid expenses	2,372,584	972,203
Cash and cash equivalents - restricted for grant purposes	22,294,426	40,322,101
Investments	138,291,067	115,763,550
Deposits	26,066,621	14,108,352
Total current assets	455,168,716	371,376,427
Noncurrent assets		
Cash and cash equivalents - unrestricted	57,000,000	70,000,000
Investments	166,170,227	149,588,819
Capital assets, net of depreciation and amortization	555,816	863,432
Deposits	158,622	203,498
Total noncurrent assets	223,884,665	220,655,749
Total assets	679,053,381	592,032,176
LIABILITIES		
Current liabilities		
Accrued cost of electricity	158,422,801	67,950,289
Accounts payable	3,980,165	4,552,442
Other accrued liabilities	5,353,759	2,713,413
User taxes and energy surcharges due to other governments	1,282,378	1,288,372
Security deposits - energy suppliers	856,800	983,400
Lease liabilities	-	536,644
Advances from grantors	22,294,426	40,322,101
Total current liabilities	192,190,329	118,346,661
DEFERRED INFLOWS OF RESOURCES		
Operating Reserve Fund	70,000,000	70,000,000
NET POSITION		
Net position		
Net investment in capital assets	555,816	326,788
Unrestricted	416,307,236	403,358,727
Total net position	\$ 416,863,052	\$ 403,685,515

MARIN CLEAN ENERGY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended March 31, 2025

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Electricity sales, net	\$ 801,542,634	770,344,682
Rate stabilization	-	(40,000,000)
Grant revenue	14,393,254	11,360,450
Other revenue	288,911	26,074,259
Total operating revenues	<u>816,224,799</u>	<u>767,779,391</u>
OPERATING EXPENSES		
Cost of electricity	768,519,084	571,404,901
Contract services	22,184,759	21,157,869
Staff compensation	24,719,274	20,936,409
Other operating expenses	12,336,595	9,002,600
Depreciation and amortization	632,602	1,155,479
Total operating expenses	<u>828,392,314</u>	<u>623,657,258</u>
Operating income (loss)	<u>(12,167,515)</u>	<u>144,122,133</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	25,354,208	15,420,160
Finance costs	(9,156)	(28,624)
Nonoperating revenues (expenses), net	<u>25,345,052</u>	<u>15,391,536</u>
CHANGE IN NET POSITION	13,177,537	159,513,669
Net position at beginning of year	403,685,515	244,171,846
Net position at end of year	<u>\$ 416,863,052</u>	<u>403,685,515</u>

MARIN CLEAN ENERGY
STATEMENT OF CASH FLOWS
Year Ended March 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 811,751,482	787,253,332
Receipts from grantors	12,584,238	17,492,976
Receipts of security deposits	4,118,400	735,000
Other operating receipts	61,191	26,038,569
Payments to suppliers for electricity and collateral	(705,397,207)	(550,128,341)
Payments for other goods and services	(35,595,730)	(32,226,533)
Payments for deposits and collateral	(21,226,265)	-
Payments for staff compensation	(22,614,450)	(20,341,996)
Payments of taxes and surcharges to other governments	(12,818,095)	(14,511,047)
Net cash provided by operating activities	30,863,564	214,311,960
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Finance costs paid	-	(44,501)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of lease liabilities	(545,801)	(802,244)
Payments to acquire capital assets	(324,986)	-
Net cash used by capital and related financing activities	(870,787)	(802,244)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	16,641,296	13,175,360
Proceeds from sales and maturities of investments	47,017,973	67,390,731
Purchase of investments	(78,375,562)	(219,813,011)
Net cash used by investing activities	(14,716,293)	(139,246,920)
Net change in cash and cash equivalents	15,276,484	74,218,295
Cash and cash equivalents at beginning of year	211,349,505	137,131,210
Cash and cash equivalents at end of year	\$ 226,625,989	211,349,505
Reconciliation to the Statement of Net Position		
Current assets		
Cash and cash equivalents - unrestricted	\$ 147,331,563	101,027,404
Cash - restricted	22,294,426	40,322,101
Noncurrent assets		
Cash and cash equivalents - unrestricted	57,000,000	70,000,000
Cash and cash equivalents	\$ 226,625,989	211,349,505
NONCASH INVESTING ACTIVITIES:		
Unrealized appreciation and timing differences in investment income	\$ 8,712,912	\$ 2,244,800

MARIN CLEAN ENERGY
STATEMENT OF CASH FLOWS (CONTINUED)
Year Ended March 31, 2025

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2025</u>	<u>2024</u>
Operating income (loss)	\$ (12,167,515)	\$ 144,122,133
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization expense	632,602	955,278
(Increase) decrease in:		
Accounts receivable, net	(2,268,779)	4,953,833
Accrued revenue	(334,474)	(732,021)
Other receivables	(16,944,778)	(905,999)
Prepaid expenses	(1,400,381)	(320,893)
Deposits	(11,033,423)	(2,419,783)
Increase (decrease) in:		
Accrued cost of electricity	90,472,512	22,146,866
Accounts payable	(572,277)	525,110
Other accrued liabilities	2,640,346	867,491
User taxes and energy surcharges due to other governments	(5,994)	(1,824,209)
Security deposits - energy suppliers	(126,600)	405,000
Operating Reserve Fund	-	40,000,000
Advances from grantors	(18,027,675)	6,539,154
Net cash provided by operating activities	<u>\$ 30,863,564</u>	<u>214,311,960</u>



MCE signs renewable energy agreements, procures electricity and electrical capacity and signs other power purchase agreements to comply with state law and elevated voluntary targets for renewable and greenhouse gas-free products as described in its Integrated Resource Plan. California law established a Renewable Portfolio Standard (RPS) that requires load-serving entities ("LSEs"), such as MCE, to gradually increase the amount of renewable energy they procure for their customers.

As of March 31, 2025, MCE has executed RPS contracts of ten years or more in duration that are projected to meet MCE's Senate Bill 350 long-term contracting requirements. Additionally, MCE is planning to continue its long-term RPS procurement as opportunities arise. MCE manages risks associated with these commitments by aligning purchase commitments with expected demand for electricity from diverse technologies, geographical locations, and suppliers. Expected obligations under power purchase agreements totaled approximately \$5.9 billion as of March 31st, 2025 and \$5.5 billion as of March 31, 2024.

MCE, like other load serving entities across the state, continues to face regulatory mandates, limited inventory of available projects, supply chain disruptions, and interconnection delays that increase the costs and availability of necessary generation assets. Renewable energy prices saw increased volatility during Fiscal Year 2024/25 and reached record high prices in late 2024. Although prices have come down since then, Fiscal Year 2024/25 captures a significant portion of the elevated prices for renewables.

Despite the increases in prices for energy products, MCE remains in a strong financial position with a resilient customer base. During Fiscal Year 2024/25, S&P Global Rating reaffirmed MCE's A issuer credit rating with a stable outlook highlighting the agency's strong liquidity balance and robust carbon-free energy portfolio. In addition, Fitch Ratings upgraded MCE's credit rating from BBB- to A-, also with a stable outlook, citing the agency's growing reserves and stable customer base as the main drivers for the upgrade. Both ratings reflect MCE's sound financial management and fiscal policies, putting the agency in a favorable position to access capital markets should the need arise.

Furthermore, MCE has begun evaluation opportunities to implement a Remedial Action Scheme (RAS) to mitigate curtailment at a solar project in the Central Valley. Curtailment is common across projects in this part of California due to a broader need for transmission uprates and upgrades. The RAS is a software based solution that doesn't require heavy infrastructure investment and is easier to

implement and maintain than a new transmission infrastructure. Implementing the RAS could potentially decrease the energy costs currently being incurred by the project facing curtailment, leading to cost savings of approximately \$20 million annually. MCE is working with the California Independent System Operator and Pacific Gas & Electric Company (PG&E) to design a RAS solution that meets the agency's goals. MCE could potentially own and use the RAS subject to negotiations and regulatory considerations.

MCE started serving the City of Hercules in April 2025. The city added around 10,000 additional customer accounts, bringing the total customer count to about 600,000.