



MCE Executive Committee Meeting
Monday, October 6, 2025
12:00 p.m.

Primary Location: 2300 Clayton Road, Suite 1500, Concord, CA, 94520

Secondary Location: 1125 Tamalpais Avenue, San Rafael, CA 94901
1015 W. Colton Avenue. Redlands, CA 92374, Ayres Hotel Redlands (City of San Rafael)

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.

This Committee may be attended by Board Members who do not serve on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. Any item acted upon by the Committee of the Whole will be considered advisory to the Board of Directors and require consideration and action by the Board of Directors at a noticed Board meeting before adoption or approval of the item.

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.

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)
5. Consent Calendar (Discussion/Action)

- C.1. Approval of 8.28.25 Meeting Minutes
- C.2. Resolution 2025-05 Chevron Grant Fund Acceptance
- C.3. Review Draft 10.16.25 Board Retreat Agenda
- 6. MCE Fiscal Year 2025/26 Pro Forma Update (Discussion)
- 7. MCE Public Officials Code of Ethics (Discussion/Action)
- 8. Review of Executive Committee 2024 Items (Discussion)
 - a. Pro Forma Presentation and Discussion from November 2024
 - b. Committee Structure Discussion and Action from December 2024
- 9. Committee & Staff Matters (Discussion)
- 10. 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 described.

DRAFT

MCE SPECIAL EXECUTIVE COMMITTEE MEETING MINUTES
Thursday, August 28, 2025
10:30 A.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
Eli Beckman, Town of Corte Madera
Sally Wilkinson, City of Belvedere

Absent: Maika Llorens Gulati, City of San Rafael
Devin Murphy, City of Pinole
Gabriel Quinto, City of El Cerrito
Shanelle Scales-Preston, County

**Staff
& Others:** Jared Blanton, VP of Public Affairs
Jesica Brooks, Lead Board Clerk and Executive Assistant
Vicken Kasarjian, Chief Operations Officer
Tanya Lomas, Board Clerk Associate
Michael Maher, Maher Accountancy
Catalina Murphy, General Counsel
Ashley Muth, Internal Operations Associate
Efren Oxlaj, Manager of Finance
Justine Parmelee, VP of Internal Operations
Mike Rodriguez-Vargas, Internal Operations Assistant
Dan Settlemeyer, Internal Operations Associate
Maíra Strauss, VP of Finance
Ryan Theiler, Baker Tilly
Dawn Weisz, Chief Executive Officer
Aaron Worthman, Baker Tilly

1. Roll Call

Chair Perrey called the regular Executive Committee meeting to order at 10:53 a.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.

DRAFT

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 7.7.25 Meeting Minutes

C.2 Review 9.18.25 Draft Board Agenda

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

Action: It was M/S/C (Darling/Beckman) to approve Consent **Calendar C.1 and C.2**. Motion carried by unanimous roll call vote. (Absent: Llorens Gulati, Murphy, Quinto, Scales-Preston). Note, C.1 had a clerical edit, which was approved within this action.

6. Review of Draft FY 2024/25 Financial Statements and Draft of Write Up on Currently Known Facts, Decisions, or Conditions (Discussion)

Maira Strauss, VP of Finance and Efren Oxlaj, Manager of Finance presented this item and addressed questions from Committee members.

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

Action: No action required.

7. Committee & Staff Matters (Discussion)

There were no comments.

8. Adjournment

Chair Perrey adjourned the meeting at 11:50 a.m. to the next scheduled Executive Committee Meeting on October 6, 2025.

Max Perrey, Chair

Attest:

Dawn Weisz, Secretary



October 6, 2025

TO: MCE Executive Committee

FROM: Jennifer Green, Manager of Customer Programs

RE: Proposed Resolution No. 2025-05 Authorizing MCE to Accept a Grant Award from Chevron Corporation for a Contribution of Funding for MCE's Home Energy Savings Program (Agenda Item #05 C.2)

ATTACHMENTS: A. Resolution No. 2025-05 Authorizing MCE to Accept a Grant Award from Chevron Corporation for a Contribution of Funding for MCE's Home Energy Savings Program
B. Chevron Award Letter

Dear Executive Committee Members:

Summary:

The Chevron Corporation wishes to contribute \$35,000 to MCE's existing Home Energy Savings (HES) Program in the form of a private grant. Staff have prepared the attached Resolution No. 2025-05 which, if approved, would authorize MCE to accept the grant award from the Chevron Corporation.

Background

In May 2019, MCE began receiving funds from the California Public Utilities Commission (CPUC) to support the implementation of the HES Program that delivers energy savings, improves comfort, enhances indoor air quality, and contributes to the reduction of greenhouse gas emissions. In 2023, the City of Richmond was awarded \$35,000,000 by the California Strategic Growth Council in a Transformative Climate Community (TCC) grant to support 10 disadvantaged, unincorporated and tribal communities with capital improvement projects to reduce emissions, improve public health and expand economic activity. MCE's HES Program was part of the TCC application. In addition, MCE distributes \$230,000 annually to the HES Program through the Local Programs Fund. This layering of funding has been embedded into the HES Program and is a foundation to its success and partnerships.

In August 2025, the Chevron Corporation informed MCE of its desire to contribute \$35,000 in the form of a private grant to the HES Program; specifically, Chevron requested that these funds be used to provide residential upgrades to at least 15 homes in Richmond in order to reduce respiratory triggers. If approved, this effort would build on the HES Program and would layer existing funding

streams to improve overall health outcomes, leverage the successful working relationships with key contractors, and ensure retrofits happen with community sensitivity, thoughtful engagement, and quality installations.

This funding would support MCE's goal of fiscal prudence by securing external funding, modernizing housing stock, improving air quality, and reducing greenhouse gas emissions.

Fiscal Impacts:

If approved, MCE would receive \$35,000 to help cover costs for electrification upgrades in at least 15 homes in Richmond as part of the HES Program.

Recommendation:

Approve proposed Resolution No. 2025-05: Authorizing MCE to Accept a Grant Award from Chevron Corporation for a Contribution of Funding to MCE's Home Energy Savings Program.

RESOLUTION 2025-05

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF MARIN CLEAN ENERGY AUTHORIZING MCE TO ACCEPT A GRANT AWARD FROM CHEVRON CORPORATION FOR A CONTRIBUTION OF FUNDING TO MCE'S HOME ENERGY SAVINGS PROGRAM

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, MCE submitted a 2025 Social Investment Partnership Application to Chevron Corporation for complimentary funding to support MCE's Home Energy Savings (HES) program and provide residential upgrades to reduce asthma triggers within the homes of Richmond residents; and

WHEREAS, MCE has been offered an award of \$35,000 to support MCE's HES Program within at least 15 homes in the City of Richmond by providing low- to -no cost efficiency and electrification upgrades.

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of MCE:

1. The Executive Committee finds that the aforementioned recitals are true and correct, and are herein incorporated into this Resolution.
2. MCE is hereby authorized to accept the \$35,000 grant award from the Chevron Corporation for the provision of services to support the HES program and provide residential upgrades in order to reduce respiratory triggers within the homes of 15 Richmond residents by June 30, 2026.

PASSED AND ADOPTED at a regular meeting of the MCE Executive Committee on this 6th day of October, 2025, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT

Contra Costa County				
City of Belvedere				
City of Concord				
Town of Corte Madera				
City of El Cerrito				
Town of Fairfax				
City of Larkspur				
City of Mill Valley				
City of Pinole				
City of San Rafael				
City of Walnut Creek				

CHAIR, MCE

Attest:

SECRETARY, MCE



Lily Rahnema
Community Engagement Manager

September 23, 2025

Alexandra McGee
MCE
Vice President of Strategic Initiatives

Dear Alexandra,

As an expression of our Chevron Way values, Chevron Richmond believes supporting local communities is our responsibility as a good neighbor. We are committed to making social investments that will expand economic development and improve social well-being through capacity building and community investment. We focus on funding results-oriented organizations, enabling our contributions to have a greater impact in the community. Since 2012, the Chevron Richmond Refinery has contributed over \$52 million to organizations improving the quality of life in Richmond, North Richmond, and West Contra Costa County, including \$2.1 million in 2024.

We recognize your organization plays a key role in the Richmond and West Contra Costa communities, and we welcome the opportunity to partner with you. We are pleased to award MCE Clean Energy with a total of \$35,000 in support of the *Addressing Respiratory Triggers with MCE's Home Energy Savings (HES)* program.

Payment will be sent to you via check in the mail, so please look out for it. You will also be sent an IRS form confirming the donation, which needs to be signed and sent back to us. Please note, the IRS form is time sensitive. So while I am aware of your timeline with the board, since the funding will already be transferred, please do send that particular document back to Chevron ASAP. It only confirms receipt of the funding and nothing else in terms of execution, etc.

Funding should ideally be spent by June 30, 2026, with the option to extend the deadline to December 31, 2026, if needed. A final narrative and spending report will be expected upon project completion. The terms of the project are based on the application submitted by MCE for this funding. In addition to the neighborhoods listed in the application—Santa Fe, Coronado, and Iron Triangle—I recommend including Atchison Village and North Richmond as they are direct fence-line communities to the refinery. I'm available to discuss this further after November or at your convenience. I'm also happy to support outreach to these neighborhoods through the Neighborhood Councils, in collaboration with MCE, if that would be helpful.

Thank you all for your collaboration on this very exciting initiative.

In partnership,

Lily Rahnema

Richmond Refinery
Chevron Products Company
(a division of Chevron U.S.A. Inc.)
841 Chevron Way
Richmond, CA 94801
Tel 510 242 5403
lilyrahnema@chevron.com



MCE Special Meeting
Board Retreat
Thursday, October 16, 2025
9:15 a.m.

Public comments may be made in person at the address below.

2300 Clayton Rd, Suite 1500, Concord, CA, 94520

Livestream Viewing

<https://mcecleanenergy.org/board-meetings/>

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Agenda Page 1 of 2

1. Roll Call/Quorum
2. Public Open Time (Discussion)
3. Welcome and Introductions (Discussion)
4. Year in Review and Key Highlights (Discussion)
5. 15th Anniversary Speaker (Discussion)
6. Managing MCE's Power Supply Portfolio (Discussion)
7. CAISO, Risk Mitigation and MCE's Approach to Market Participation (Discussion)
8. Using Virtual Power Plants to Decrease Volatility and Risk in MCE's Supply (Discussion)

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- a. Overview
- b. How VPP's Operate

Lunch Break 12:15 - 1:15

- 9. VPP In Action: Risk Mitigation Bidding Simulation (Discussion)
- 10. Small Group Breakouts with MCE Staff (Discussion)
- 11. Adjourn

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MCE FY 2025/26 Pro Forma Update

MCE Executive
Committee Meeting
October 6, 2025



Pro Forma Model

- Comprehensive financial model for projecting monthly revenues and power supply costs used in MCE budget
- Incorporates inputs for MCE rates, projected retail sales volume, power supply contracts, CAISO grid costs, power content parameters, and wholesale energy/capacity market prices
- Updated monthly for all recently executed contracts, realized CAISO prices, updated market forward prices, load forecast and other changes

Key Uncertainties

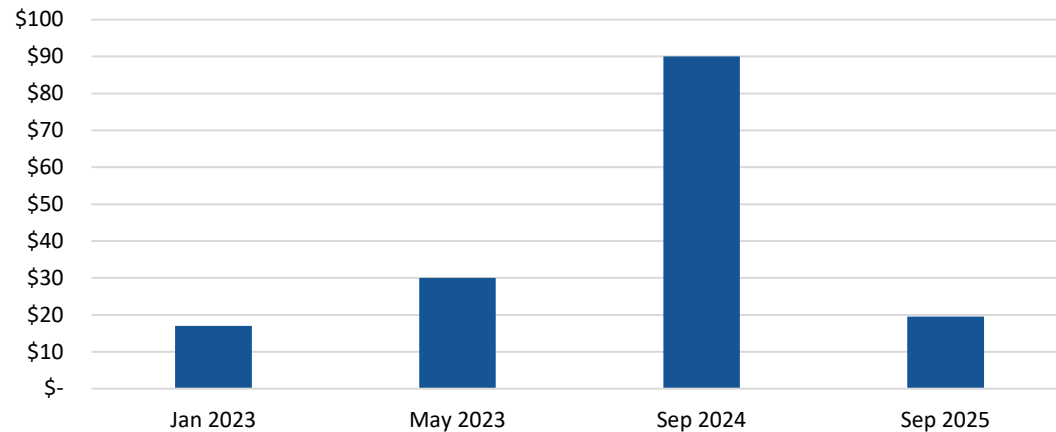
- Revenue is primarily a function of sales volume and is strongly influenced by AC usage during the June through September summer rate season
- Customer counts and net energy metering counts can affect revenue but tend to be more predictable
- Power Costs are impacted by several variables:
 - Differences between contracted energy volumes and actual demand (i.e., planned open positions and unplanned imbalances due to load and supply variability)
 - Prices at which imbalances are settled
 - Differences between nodal (location-specific) CAISO energy prices for supply vs. zonal CAISO energy prices for load (i.e., congestion costs)
 - Timing of energy deliveries for certain renewable/carbon free energy contracts that do not have precise delivery schedules

Market Outlook

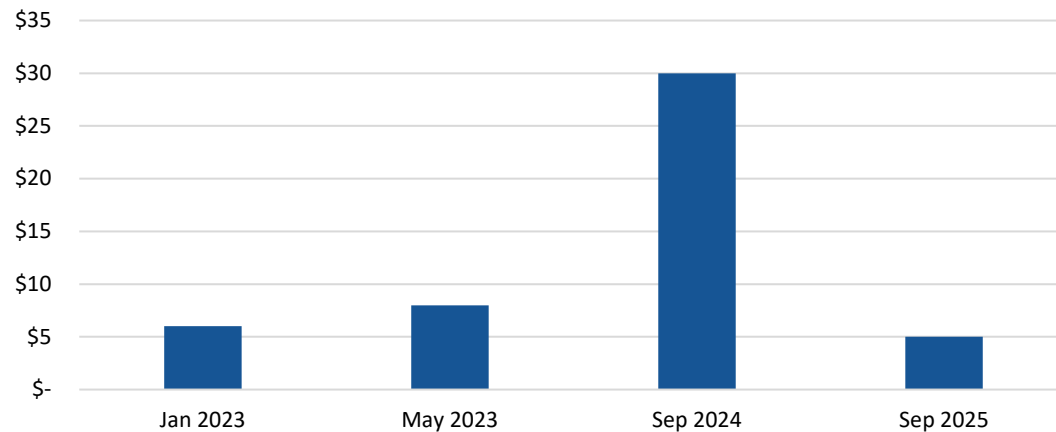
- Summer 2025 was unusually mild with low loads across the CAISO grid
- Hydro supplies and natural gas storage are at healthy levels
- Forward CAISO energy prices are down 19% from year ago levels
- Renewable energy and resource adequacy prices have retreated from the record highs of 2024
- Energy markets have stabilized (for now) after the extreme volatility of recent years

Clean Energy Prices

PCC1 Renewable Energy Prices (\$/MWh)



Large Hydro Energy Prices (\$/MWh)

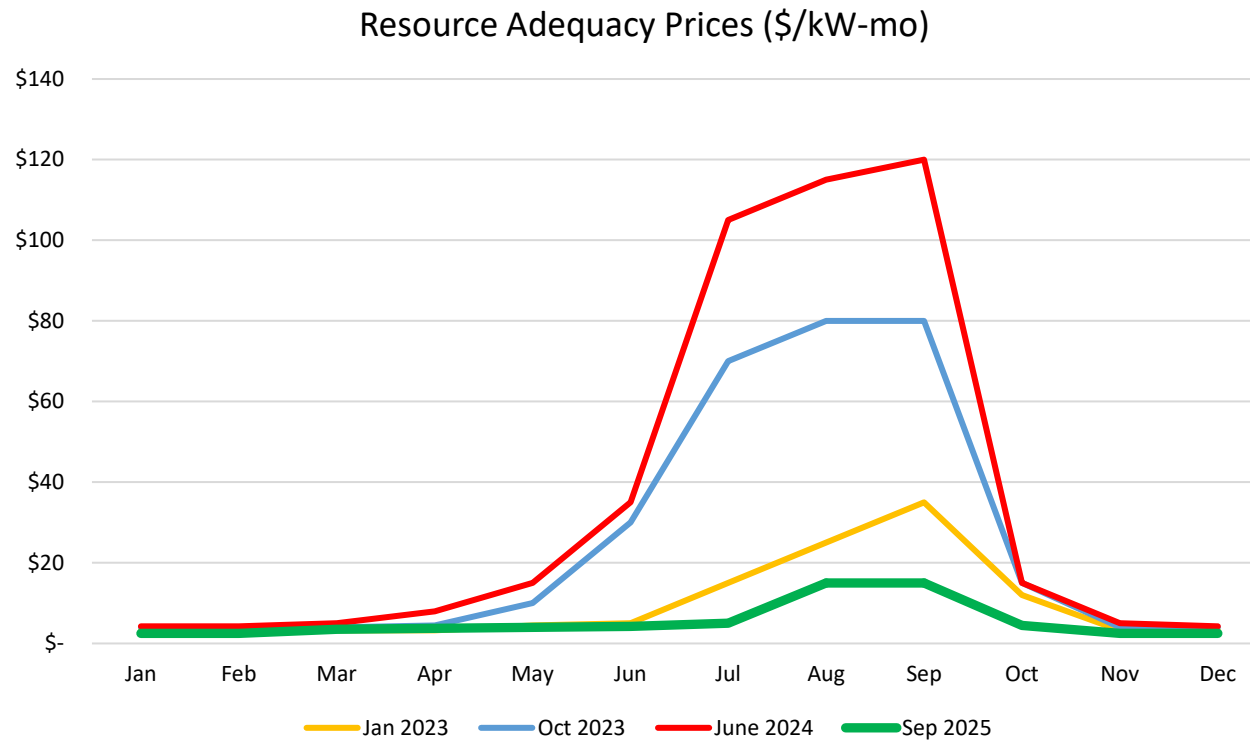


- Prices have fallen from 2024 peaks.
- Soft demand/prices in 2025 with modest rebound in 2026 and beyond.

2026 Product Pricing

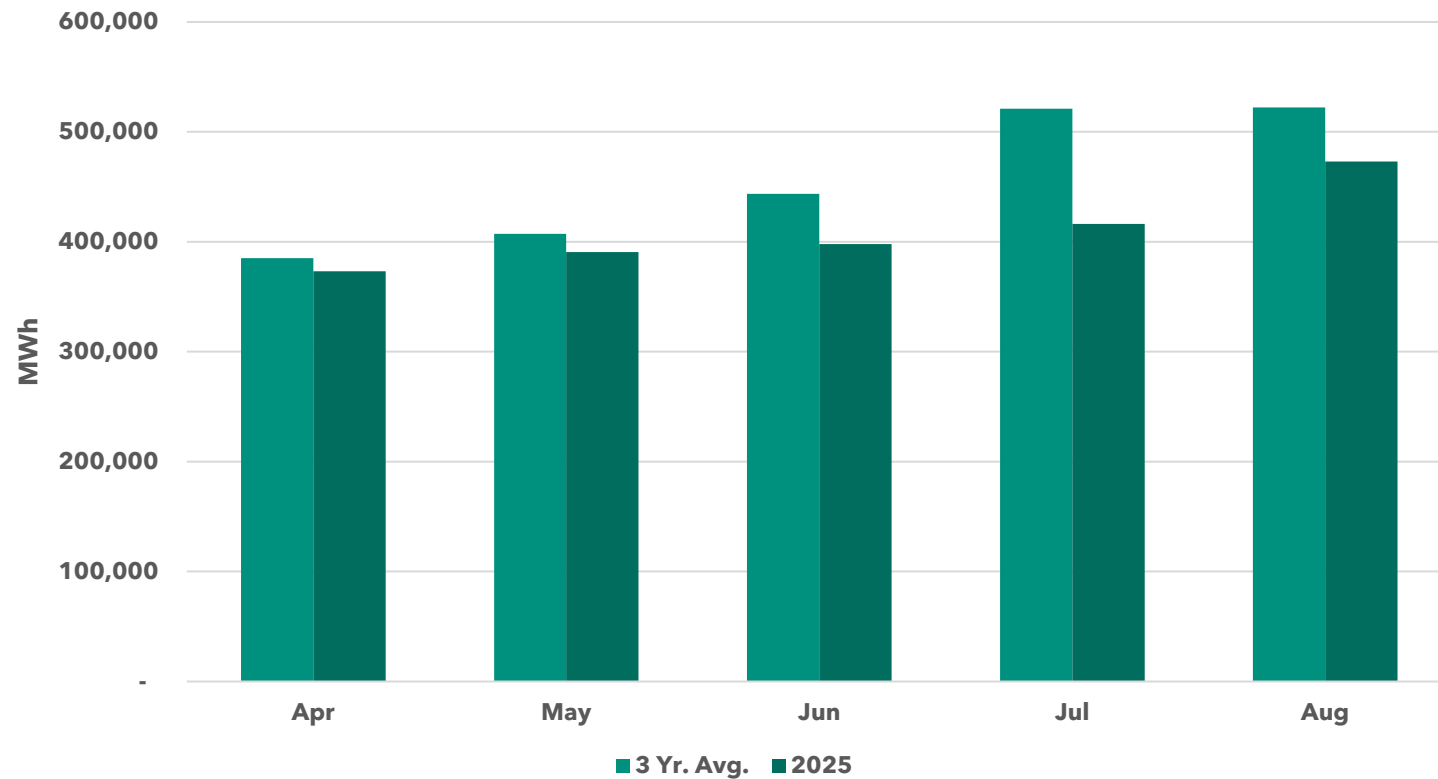
Product	Premium (\$/MWh)
PCC 1 Renewable	\$23 to \$25
PCC 2 Renewable	\$15 to \$18
PCC 3 Renewable	\$4 to \$6
Large Hydro	\$12 to \$18

Resource Adequacy Pricing (Year-Ahead)



- RA prices have collapsed since peaking in 2024 as new supply and realities of Slice of Day implementation alleviate shortage concerns.
- Long term pricing now in the \$6- \$7/KW-month range for annual strip vs. \$30+ seen in 2024.

MCE Sales Volume



- 2025 retail sales YTD are well below three-year average.
- Mild weather resulted in below normal energy consumption.
- July 2025 was coolest in MCE history.

FY 25/26 Budget Outlook

- Revenue will be below budget due to low summer sales volume.
- Power costs are expected to come in below budget due to low sales volume, decreases in energy prices, and accelerated renewable energy deliveries during Q1 2025.
- Net operating revenue is projected to be better than budget as cost reductions outpace revenue shortfall
- MCE is fully hedged for balance of fiscal year based on projected load and supply - variances will be due to uncontrollable factors.

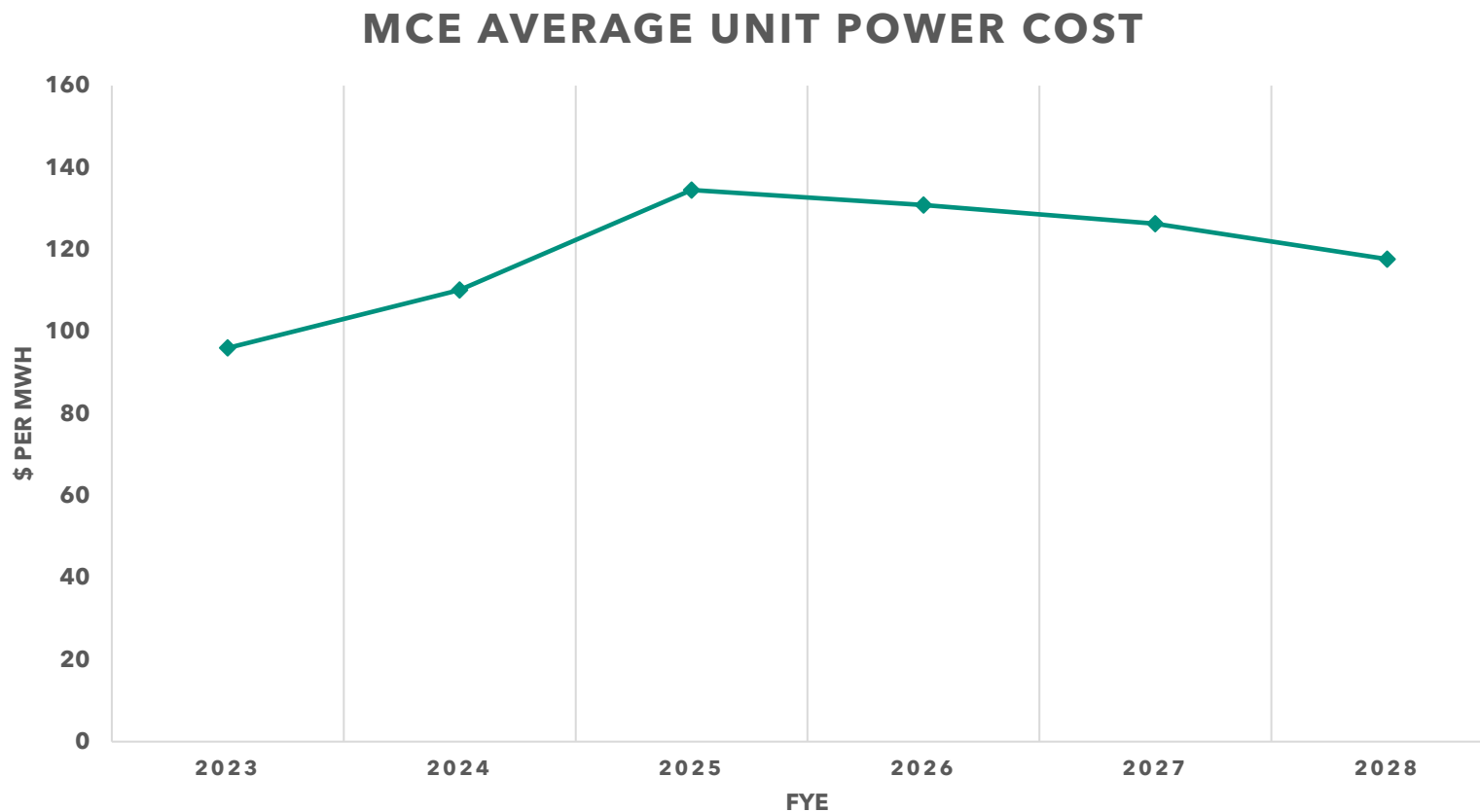
FY 25/26 Year-to-Date Budget Vs. Actuals

	YTD Budget	Actual April 1 - June 30, 2025	Variance	Variance %
Energy Revenue	\$183,289,427	\$170,157,162	\$(13,132,265)	(7.2%)
Energy Expenses	<u>\$184,537,271</u>	<u>\$185,623,465</u>	<u>\$1,086,194</u>	<u>0.6%</u>
Net Energy Revenue	\$(1,247,844)	\$(15,466,303)	\$(14,218,459)	

FY 25/26 Full Year Pro Forma Outlook

	Annual Budget	Pro Forma	Variance	Variance %
Energy Revenue	\$826,689,500	\$766,106,551	\$(60,583,277)	(7.3%)
Energy Expenses	<u>\$765,542,000</u>	<u>\$693,510,902</u>	<u>\$(72,031,361)</u>	<u>(9.4%)</u>
Net Energy Revenue	\$61,147,500	\$72,595,649	\$11,448,084	

MCE Power Cost Trends



- Model is projecting modest declines in average power supply costs.
- Forward contracting/hedging program largely insulates customers from market volatility.

Thank you!



mceCleanEnergy.org
info@mceCleanEnergy.org



October 6, 2025

TO: MCE Board of Directors

FROM: Justine Parmelee, VP of Internal Operations

RE: MCE Public Officials Code of Ethics (Agenda Item #07)

ATTACHMENTS: A. Draft MCE Public Officials Code of Ethics
B. County of Marin Code of Ethics for Board and Commission Members

Dear Executive Committee Members:

Summary:

Maintaining public trust and confidence in the integrity and ethical conduct of the Board and MCE employees is a core value. Therefore, protecting the public interest is paramount in all official conduct.

Many local public agencies use a code of ethics to guide public officials in carrying out their duties during service. While the Brown Act governs open meeting requirements, it does not prescribe broader standards of conduct. Establishing standards expresses a shared dedication to ethical, transparent, and effective governance in furthering MCE's vision and mission.

Background:

When joining MCE's Board of Directors, members are expected to undergo a board orientation on the background of MCE, the framework by which the agency operates, and a look at the challenges and opportunities ahead. During this orientation, the board is presented with the following assignment:

- **Share:** Spread the word about MCE programs, rebates, successes, and community-based work
- **Inform:** Notify MCE about key initiatives and events happening in your community with an energy nexus
- **Govern:** Approve MCE's budget, rates, and policies.
- **Advise:** Offer your perspective on community-based policy decisions
- **Advocate:** Be a spokesperson and advocate for MCE with external parties and key stakeholders

A Code of Ethics can build on this assignment, and serve to reinforce public trust, clarify responsibilities, and reduce risks associated with unintentional procedural missteps. The County of Marin, County of Napa, Solano Irrigation District, Marin Municipal Water District, and East Bay

Municipal Utility District all have useful and relevant ethics policies and/or “Code of Ethics” documents which serve as a helpful reference point for MCE to follow.

Code of Ethics:

The draft MCE Public Officials Code of Ethics (Attachment A) highlights several commitments surrounding ethics, meeting decorum, interactions with the public, interactions with other board members, and interactions with staff. These commitments were developed from examples in local jurisdictions, such as the County of Marin’s Code of Ethics (Attachment B) included in their Board and Commission Membership Guide, in conjunction with effective strategies developed during the November 21, 2024, Special Executive Committee meeting. Examples include:

- Act in the best interest of the public and the agency’s mission.
- Promote public confidence in MCE and community choice aggregation through your actions.
- Use care and accuracy when making statements about MCE operations.
- Use the lens of MCE values in discussions and decision-making: inclusivity, accessibility, equity, innovation, fiscal responsibility, and sustainability.
- Engage with colleagues, staff, and the public in a courteous, respectful, and professional manner.
- Involve community members in the decision-making process and welcome divergent points of view.
- Respond to the public in ways that are complete, clear and easy to understand.
- Use agency resources, including staff time, equipment, and facilities, mindfully and solely to advance agency business.

The full draft of the MCE Public Officials Code of Ethics is attached for your review. Adoption will provide new and incumbent public officials with a unifying set of guidelines, enhance public confidence by demonstrating MCE’s proactive commitment to such, and serve as a reference for staff when supporting Board operations and addressing procedural questions.

Fiscal Impacts:

None.

Recommendation:

Recommend the MCE Public Officials Code of Ethics to the MCE Board of Directors for approval.

[DRAFT] MCE Public Officials Code of Ethics

Purpose and Scope:

This Code of Ethics sets forth standards of behavior and responsibilities expected of public officials in conducting agency business on behalf of MCE and their respective communities. These standards express a shared dedication to ethical, transparent, and effective governance in furthering MCE's vision and mission.

Public officials shall:

- Adhere to the rules of open and public meetings in the Ralph M. Brown Act.
- Act in the best interest of the public and the agency's mission.
- Promote public confidence in MCE and community choice aggregation through your actions.
- Maintain the highest standards of integrity, transparency, and accountability.
- Demonstrate fairness, impartiality, and objectivity in all decisions.
- Use care and accuracy when making statements about MCE operations.
- Use the lens of MCE values in discussions and decision-making: inclusivity, accessibility, equity, innovation, fiscal responsibility, and sustainability.
- Engage with colleagues, staff, and the public in a courteous, respectful, and professional manner.
- Refrain from personal attacks, discriminatory remarks, or intimidation.
- Be informed of the background issues before your board.
- Prepare by reading the pre-meeting packet and send questions in advance to staff.
- Keep questions and discussion focused on the agenda topic and staff report.
- Summarize feedback to keep in-meeting comments succinct, ensuring efficient and productive discussions.
- Involve community members in the decision-making process and welcome divergent points of view.
- Work in partnership with other local agencies, businesses, and organizations to further the interest of MCE.
- Promote an environment where diverse viewpoints are heard and respected.
- Listen to understand instead of to reply.
- Respond to the public in ways that are complete, clear and easy to understand.
- Respect shared constituency.
- Use agency resources, including staff time, equipment, and facilities, mindfully and solely to advance agency business.
- Protect sensitive and legally privileged information obtained in ad hoc and closed session discussions by keeping them confidential.

- Provide feedback on staff performance directly to the CEO or head of Human Resources, rather than in open session.
- Safeguard the confidentiality of sensitive information, personnel records, and legal advice, disclosing them only as authorized by law.
- Report any suspected violations of this Code or legal requirements to the CEO or Chair of the Board.

Code of ethics

Marin County's Code of Ethics are guiding principles for all public officials, including board and commission members. When you follow the Code of Ethics, you commit to performing your duties to the highest standards of conduct.

If you receive a stipend or payment from the County and serve on a board, you are required to take the State of California's ethics training.

The Code of Ethics ensures the common good is the hallmark of the decision making process.

- Promote decisions that serve the public interest and promote the greatest public good.
- Actively promote public confidence in county government through your actions.
- Recognize and support the public's right to know the public's business.
- Involve citizens in the decision making process and welcome divergent points of view.
- Respond to the public in ways that are complete, clear and easy to understand.
- Maintain a respectful attitude toward employees, other public officials and colleagues.
- Respect and protect privileged information (i.e., personnel matters, litigation).
- Be a good listener, carefully considering all opinions and points of view.
- Be informed on the background on issues before your commission or board.
- Work in partnership with other governmental agencies, political subdivisions and organizations to further the interest of the county.
- Reference to an appointed position or title will only be used when attending official meetings or functions and in no case shall my appointed title be used to promote or advance personal or political interests.
- Void outside interests that will interfere or conflict with maintaining an objective and impartial perspective.
- Carefully guard against conflict of interest or its appearance in your actions or decisions.
- Accepting gifts, services or any object of value from any source offered to influence a decision is prohibited.

- Efforts to influence or attempt to influence other officials to act in a manner benefiting your personal/financial interests are prohibited.
- Evaluate recommendations (or decisions) to identify the best service, product or alternative at minimal cost without sacrificing quality or fiscal responsibility.
- Comply with all laws and regulations applicable to an appointed official and those governing the conduct of meetings.



MCE FY 2024/25 Pro Forma Update

November 6, 2024



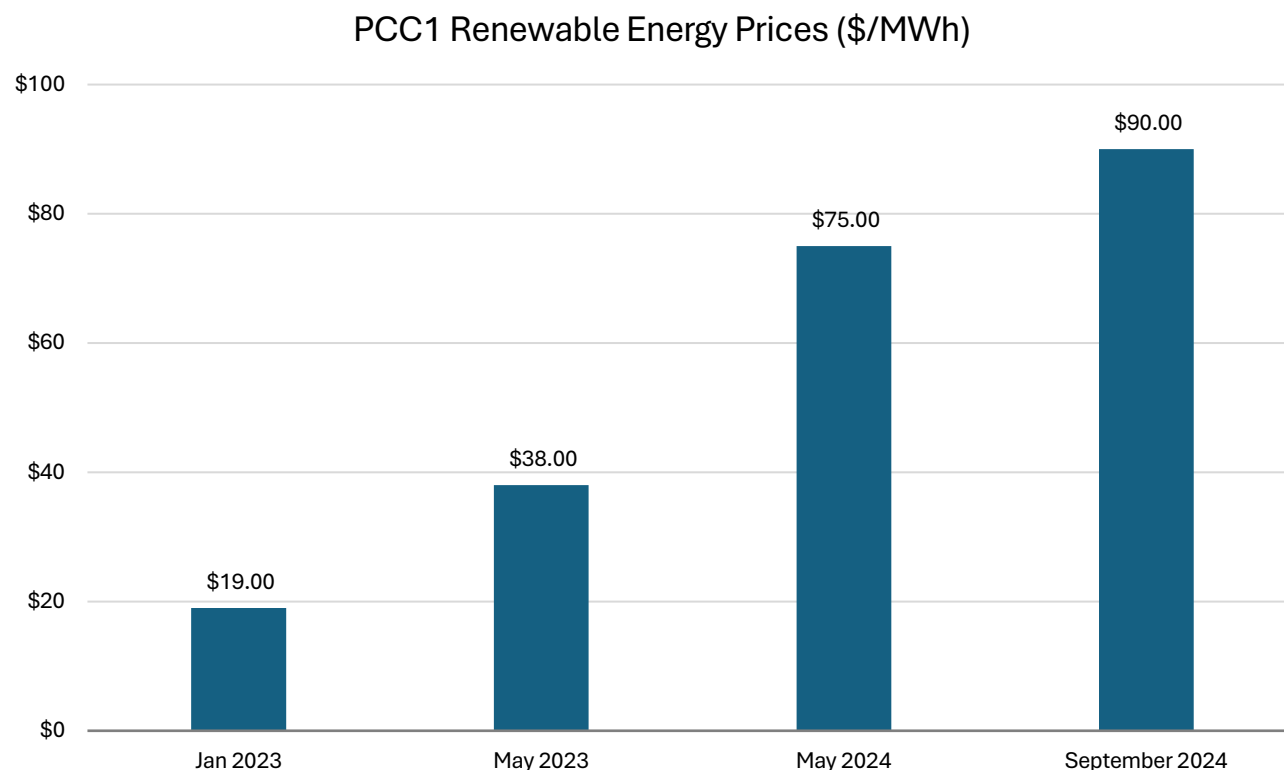
Pro Forma Model

- Comprehensive financial model for projecting monthly revenues and power supply costs used in MCE budget
- Incorporates inputs for MCE rates, projected retail sales volume, power supply contracts, CAISO grid costs, power content parameters, and wholesale energy/capacity market prices
- Updated monthly for all recently executed contracts, realized CAISO prices, updated market forward prices, load forecast and other changes

FY 24/25 Outlook

- Year-to-date revenue and power costs are close to budget
- Full year revenues are projected to come in 1.6% above budgetary assumption based on slightly higher sales volume
- Expecting higher full year power supply costs (+5.1%) primarily driven by high renewable energy prices
- Grid congestion and solar generation curtailments are also contributing to higher power costs

Renewable Energy Pricing Trends

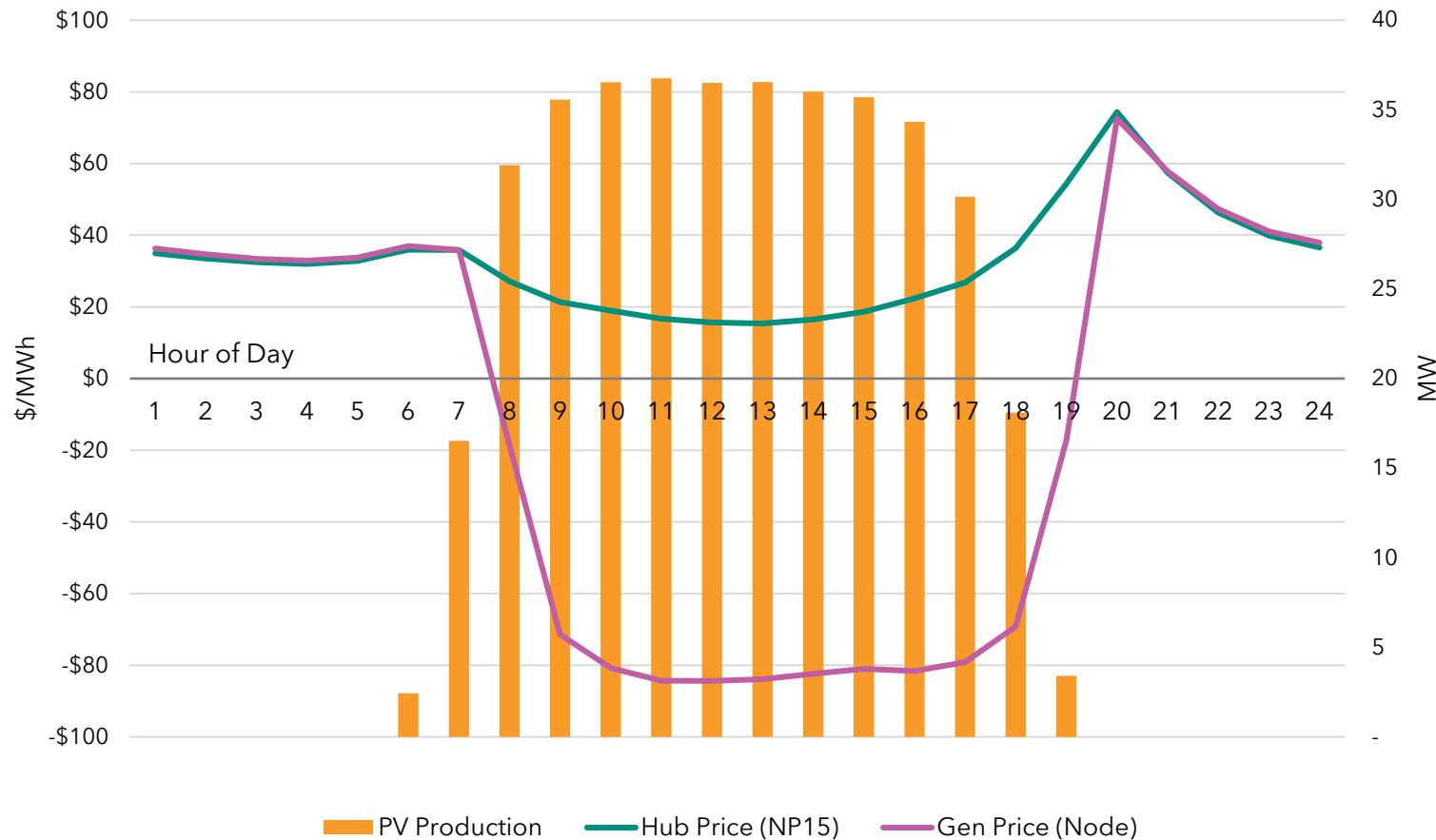


- Renewable energy pricing has significantly increased in past two years with prices up 20% since time of budget
- Forward contracts dampen budgetary impact, but experiencing higher prices for recent/new contracts
- Price increases impact PG&E VAMO contract with variable pricing terms

PG&E VAMO Contract

- Voluntary Allocation and Market Offer (VAMO) contract provides MCE with approximately 850,000 MWh of PCC1 renewable energy in 2024
- Price is set at the market price benchmark (MPB) published by the CPUC
 - Forecast MPB published in October 2023 was used for initial 2024 invoices
 - Final MPB published in October 2024 will be used for remaining 2024 invoices and to true-up initial invoices
- Final price is \$54.56 per MWh vs. initial price of \$31.74
- Will result in \$12 to \$15 million fiscal impact in FY 24/25

Grid Congestion



- Generation is paid nodal price in CAISO market
- At certain project locations, transmission congestion forces nodal prices to be negative during solar production hours
- Economic to pay CAISO to run if lower cost than buying replacement renewable energy

FY 24/25 Year-to-Date Budget Vs. Actuals

	YTD Budget	Actual through August 31, 2024	Variance	Variance %
	2024/25	2024/25	2024/25	2024/25
Energy Revenue	\$350,004,333	\$350,683,653	\$679,320	0.2%
Energy Expenses	<u>\$296,706,339</u>	<u>\$303,460,842</u>	<u>\$6,754,503</u>	<u>2.3%</u>
Net Energy Revenue	\$53,297,994	\$47,222,811	\$(6,075,183)	

FY 24/25 Full Year Pro Forma Outlook

	Annual Budget	Pro Forma	Variance	Variance %
	2024/25	2024/25	2024/25	2024/25
Energy Revenue	\$787,862,000	\$800,675,957	\$12,813,957	1.6%
Energy Expenses	<u>\$688,761,000</u>	<u>\$723,572,274</u>	<u>\$34,811,274</u>	<u>5.1%</u>
Net Energy Revenue	\$99,101,000	\$77,103,683	\$(21,997,317)	

Questions and Discussion





December 4, 2024

TO: MCE Executive Committee

FROM: Justine Parmelee, VP of Internal Operations

RE: Revisiting MCE's Committee Structure (Agenda Item #07)

ATTACHMENTS: A. Board and Committee Membership and Scope
B. CCA Standing Committee Research

Dear Executive Committee Members:

Summary:

At the October 2, 2024 meeting of this Committee there was a request to revisit the structure of MCE committees, consider a separate standing finance and audit committee, and explore different levels of scope for board members with expertise on committees. MCE has a committee structure that has evolved and been refined over sixteen years of Board deliberation and operational experience. To maximize visibility, efficiency, and participation, MCE's Board maintains two standing committees, the Executive Committee, and the Technical Committee.

The scope and current membership of these two committees is attached for reference (see Attachment A.) Generally, the scope of the Executive Committee includes contracts with vendors, rate setting, outreach, human resources, finance and budgeting, bonding, debt, legislation, and regulatory compliance. Maintaining the finance function within this committee has proved to be beneficial as it allows for strong cross-topic visibility among key functions of the agency that drive budget and finance decisions.

Background:

Previously, your Board has discussed removing some functions from the Executive Committee and putting these functions into a separate committee. As an example, a "Marketing Committee" and a "Finance Committee" have been suggested for consideration as separate committees in the past. After some deliberation, the Board determined that maintaining marketing and financing functions within the Executive Committee is strongly preferred for a variety of reasons:

1. Maintaining the finance scope within the Executive Committee ensures the committee is exposed to intersecting topics (rather than just one isolated topic) to better inform decision-making. As an example, the Executive Committee is currently responsible for approving large contracts for goods and services, is engaged in marketing and outreach discussions, and is well-informed on regulatory risks and opportunities that influence rates, budget setting and power-supply planning.
2. Formation of a finance committee would remove the most significant portion of the Executive Committee scope into a separate committee structure, narrowing the decision-making both in scope and in membership.
3. To comply with the Brown Act, a finance committee would only be permitted to include a minority (fewer than half) of Executive Committee members, meaning financial recommendations or decisions would be made by a smaller subset of Executive Committee members unless the request is elevated to the Board.
4. Approximately 50% of Executive Committee agenda items are related to financial activities. There are several times per year when the Executive Committee meeting is canceled. Removing financial items from the scope of the Executive Committee would likely result in cancelling more Executive Committee meetings, while creating a need for redundant educational activities for a smaller subset of the Board.
5. Managing any new committee increases administrative oversight including meeting preparation, material preparation and distribution, meeting hosting, technical support, ensuring board participation via a quorum, public noticing, legal oversight for Brown Act compliance, and other staff obligations.

Would a Finance Committee lead to more specialized expertise?

Some boards, particularly those in the private and non-profit sector, select members based on specialized expertise that can allow for some operational guidance and input. CCAs are set up differently as the membership of the MCE Board is not selected by or vetted through any qualification process to determine expertise on any operational matters. In addition, the term of the Board member's representation is uncertain, and hinges on elections and municipal appointment decisions. While there may be times that a Board member could have some relevant experience in electric utility operations in California as a not-for-profit joint powers authority, the special training and unique expertise required for managing most of the day-to-day operations of MCE, which are handled by staff, require years of specialized training and experience, as well the capacity to allocate full time attention to the work. There tends to be a high rate of Board turnover as most members are replaced every few years. This results in limited historical knowledge and limited ability to maintain consistency.

Would a standing audit committee have any advantages over an ad hoc audit committee?

There are advantages and disadvantages to having a standing audit committee vs. an audit committee that is ad hoc in nature, and either structure can be used. However, in either structure, it is important that MCE perform a third-party audit using a qualified, experienced auditor. And in either case, the role of the board committee is to observe that the selected

auditor completes the assigned tasks and issues the final report, not to separately conduct audit activities or report on separate audit findings.

Your Board has established an Ad Hoc Audit Committee to allow for more straightforward discussion of market-sensitive information with the auditor during the audit process. Agencies with standing Audit Committees are always open to members of the public, including during the direct conversations with the auditor.

Other CCAs have different committees. Should MCE follow their lead?

Other CCAs have established committee structures that share some similarities and some differences with MCE's committee structure (see Attachment B). As an example, one surveyed CCA uses their executive committee to do a full preview of all items and presentations that will go to their full board, allocating the necessary amount of time to those meetings. Another surveyed CCA does not have an executive committee or audit committee but uses a "Finance Committee" in place of typical executive committee and audit committee functions. One surveyed CCA with a standing audit committee is finding it difficult to discuss operational details in a public setting and is therefore revisiting its committee structure to transition to an ad hoc audit committee.

Despite the differences in committee structures, all CCAs have board members who are elected officials, without any prerequisite for industry or technical training. As a result, CCAs rely on trained professional staff to manage day-to-day operations, hire professional auditors to conduct audits, and rely on board members for input and advocacy on key policy decisions that impact CCA service in their respective communities.

What are best practices for the scope of elected board members?

MCE Board members are dedicated, elected public servants with many work and community commitments. MCE employs nearly 100 professional staff with specialized training and expertise, and full-time engagement, freeing up Board members to focus on the connection between MCE and member communities.

MCE's Joint Powers Agreement states that: "The Board shall conduct or authorize to be conducted all business and activities of the agency, consistent with the JPA Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law".

Your Board selected a CEO and directed the CEO to hire and manage a team of professional staff and consultants overseeing all day-to-day operations. While your Board sets the high-level standards and goals for the agency ("what we do"), the CEO and professional staff team is responsible for implementing Board standards and goals ("how we do it").

The Board also continues to provide key support to MCE as follows:

- **Share:** Spread the word about MCE programs, rebates, successes and community-based work and advocate for MCE with external parties and key stakeholders

- **Inform:** Notify MCE about key initiatives and events happening in the community with an energy nexus
- **Advise:** Offer perspectives on community-based policy decisions
- **Governance:** Approves annual budget, rates, and policies

Board members can promote agency efficiency by learning about prior decisions, avoiding revisiting prior decisions unless there is a clear, identified need, and seeking future decisions that maintain consistency in operational processes. This approach will allow Board input to focus on addressing key community opportunities and needs, and advance policy objectives with regulators and legislators to deliver on the agency's vision.

Fiscal Impacts: Revisiting prior Board decisions and creation of new committees has a modest impact on staff administrative functions and focus, legal engagement, and in some cases requires external support services.

Recommendation: No action.



MCE Executive Committee Overview

Scope

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

Authority

Executive Committee is authorized to make decisions regarding:

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

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

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

Committee Member Selection Process

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

Current Meeting Schedule

First Wednesday of each month at 12:00 pm



MCE Technical Committee Overview

Scope

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

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

Authority

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

- Approval of substantive changes to MCE's Energy Risk Management Policy (ERMP), including periodic review of the ERPM and periodic review of ERPM implementation

Committee Member Selection Process

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

Current Meeting Schedule

First Friday of each month at 10:00 am

Att. B CCA Standing Committee Research

CCA	Committees			All Standing Committees	Notes	Credit Rating	Net Position (2023)
	Executive	Finance	Community Advisory				
Apple Valley Choice Energy (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None	The Apple Valley Town Council governs AVCE, and there are no other related committees.	•S&P: A	Not available
Ava Community Energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	•Executive •Marketing/Regulatory/Legislative •Financial/Administrative/Procurement •Community Advisory		•S&P: A	\$362,656,276
Central Coast Community Energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	•Policy Board •Finance and Audit •Operations Board •Community Advisory	3CE's Operations Board encompasses financial matters.	•S&P: A	\$241,871,325
Clean Energy Alliance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	•Community Advisory		•S&P: A-	-\$6,452,284
Clean Power SF	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	•Community Advisory	Overseen by SF PUC Commission which provides oversight on financial issues and SF Board of Supervisors	•Moody's: A2	\$118,001,000
CPA - Clean Power Alliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	•Executive •Finance •Energy Planning and Resources •Legislative and Regulatory •Community Advisory	. Full presentation are included as dry-run	•S&P: A-	Not available
Desert Community Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	•Community Advisory	Board and Community Advisory Committee administered by the Coachella Valley Assn. of Governments	•S&P: BBB	\$19,314,374
Energy for Palmdale's Independent Choice (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None	Board is administered by the Palmdale City Council	•No rating	\$928,609,458
Lancaster Energy (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None	Lancaster receives all oversight from California Choice Energy Authority.	•S&P: A	\$1,035,953,397
Orange County Power Authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•Marketing & Communications •Legislative and Regulatory Committee •Risk Oversight Committee	There is a Budget Committee but it is Ad Hoc.	•No rating	\$38,536,593

CCA	Committees			All Standing Committees	Notes	Credit Rating	Net Position (2023)
	Executive	Finance	Community Advisory				
Peninsula Clean Energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	•Executive •Audit and Finance •Community Advisory		•S&P: A- •Moody's: Baa1	\$307,625,992
Pico Rivera Innovative Municipal Energy (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None		•No rating	\$374,704,492
Pioneer Community Energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	•Audit and Finance •Risk Oversight •Community Programs Advisory		•S&P: A-	\$72,324,990
Pomona Choice Energy (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None		•No rating	\$229,900,000
Rancho Mirage Energy Authority (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None		•No rating	\$299,927,675
Redwood Coast Energy Authority	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	•Finance •Community Advisory	Finance Committee info is located at the bottom of the Board page	•No rating	Not available
San Diego Community Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	•Finance and Risk Management •Community Advisory		•No rating	\$186,012,331
San Jacinto Power (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None		•No rating	\$168,945,000
San Jose Clean Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	•Community Advisory	Governed by San Jose City Council	•S&P: A •Moody's: A2	\$176,070,000
Santa Barbara Clean Energy (CalChoice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	•None		•No rating	\$1,021,551,000

CCA	Committees			All Standing Committees	Notes	Credit Rating	Net Position (2023)
	Executive	Finance	Community Advisory				
Silicon Valley Clean Energy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> • Executive • Finance & Admin • Audit • Customer Program Advisory • Commercial & Industrial 		<ul style="list-style-type: none"> • S&P: A • Moody's: Baa1 	\$324,535,815
Sonoma Clean Power	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> • Community Advisory 		• S&P: A	\$200,859,845
Valley Clean Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> • Community Advisory 		• No rating	\$36,282,841

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MCE EXECUTIVE COMMITTEE MEETING MINUTES
Wednesday, December 4, 2024
12:00 P.M.

Present: Eli Beckman, Town of Corte Madera
Cindy Darling, City of Walnut Creek, Acting Chair
Maika Llorens Gulati, San Rafael
Lisa Motoyama, Alternate, City of El Cerrito, joined at 12:28pm
Devin Murphy, City of Pinole, joined at 12:22pm
Laura Nakamura, City of Concord
Mathew Salter, Town of Ross
Sally Wilkinson, City of Belvedere

Absent: Eduardo Martinez, City of Richmond
Max Perrey, City of Mill Valley, Chair
Shanelle Scales-Preston, City of Pittsburgh

**Staff
& Others:** Jesica Brooks, Lead Board Clerk and Executive Assistant
Vicken Kasarjian, Chief Operations Officer
Shaheen Khan, VP of Human Resources, Diversity, and Inclusion
Caroline Lavenue, Legal Counsel
Tanya Lomas, Internal Operations Coordinator
Lindsay Meehan, Manager of Human Resources
Catalina Murphy, General Counsel
Ashley Muth, Internal Operations Coordinator
Justine Parmelee, VP of Internal Operations
Enyonam Senyo-Mensah, Internal Operations Manager
Dan Settlemyer, Internal Operations Associate
Javier Montalbo, Customer Programs Manager
Carol Dorsett, Human Resources Specialist, Talent, Diversity, & Inclusion
Evelyn Reyes, Customer Programs Specialist
Maira Strauss, Director of Finance
Martin Bond, Senior Business Development Manager
Sol Phua, Customer Programs Specialist II
Nicole Busto, Director of Marketing
Efren Oxlaj, Finance Manager
Jackie Nunez, Senior Bilingual Communications Manager
Shyna Deepak, Communications Manager
Alice Havenar-Daughton, VP of Customer Programs
Jenn Green, Manager of Customer Programs
Jenna Tenney, Director of Communications & Community Engagement
Alexandra McGee, VP of Strategic Initiatives

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Zena Meyer, Finance Analyst
Jamie Tuckey, Chief Customer Officer
Dawn Weisz, Chief Executive Officer

1. Roll Call

Acting Chair Darling called the regular Executive Committee meeting to order at 12:01 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

There were no comments.

3. Public Open Time (Discussion)

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

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 11.6.24 Meeting Minutes

C.2 Proposed Fifth Agreement with Strategic Energy Innovations

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

Action: It was M/S/C (Gulati/Beckman) to approve **Consent Calendar C.1 and C.2**. Motion carried by unanimous roll call vote. (Absent: Martinez, Motoyama, Murphy, Perrey, and Scales-Preston).

6. Revisiting MCE's Committee Structure (Discussion/Action)

Justine Parmelee, VP of Internal Operations, presented this item and addressed questions from Committee members.

Acting Chair Darling opened the public comment period and there were comments from member of the public Dan Segedin.

Action: It was M/S/C (Gulati/Nakamura) to approve Staff's recommendation of no change to the current Committee Structure. Motion carried by roll call vote. 6-Yay, 2-No. (No: Salter, Wilkinson; Absent: Martinez, Perrey, and Scales-Preston).

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7. Streamlined Executive Committee Meetings (Discussion/Action)

Justine Parmelee, VP of Internal Operations, presented this item and addressed questions from Committee members.

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

Action 1: It was M/S/C (Beckman/Gulati) **to recommend to the Board of Directors:**

- i. Require one year of Board membership prior to joining the Executive Committee.**
- ii. Require one year of Executive Committee membership to be eligible to become Chair of the committee.**
- iii. Remove any member if the member community representative is absent for more than two meetings annually.**

Motion does not carry. 4-yay, 4-no (No: Darling, Murphy, Motoyama, Murphy, Salter; Absent: Martinez, Perrey, and Scales-Preston).

Action 2: It was M/S/C (Salter/Motoyama) **to recommend to the Board of Directors:**

- i. Require 6 months of Board membership prior to joining the Executive Committee.**
- ii. Require one year of Executive Committee membership to be eligible to become Chair of the committee.**
- iii. Remove any member if the member community representative is absent for more than two meetings annually.**

Motion carried by roll call vote. 7-yays, 1-no. (No: Murphy; Absent: Martinez, Perrey, and Scales-Preston).

Action 3: It was M/S/C (Darling/Wilkinson) **to hold two in-person meetings annually, alternating Primary Location between MCE's San Rafael and Concord offices for every meeting, and to establish recommended best practices for deliberations: to allow one round of questions from each committee member, one round of comments from each committee member, then a call for action.** Motion carried by roll call vote. 7-yays, 1-no. (No: Murphy; Absent: Martinez, Perrey, and Scales-Preston).

Action 4: It was M/S/C (Beckman/Wilkinson) **to limit the term of the Executive Committee Chair to two one-year terms and to forward a recommendation to the Board and Technical Committee to adopt the**

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same. Motion carried by unanimous roll call vote. (Absent: Martinez, Perrey, and Scales-Preston).

8. Update on Attracting and Retaining MCE Staff (Discussion)

Shaheen Khan, Vice President of Human Resources, Diversity, and Inclusion, presented this item and addressed questions from Committee members.

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

Action: No action required.

After agenda item #08, Acting Chair Darling had to leave the meeting and passed facilitation to Director Beckman to continue the meeting.

9. Committee & Staff Matters (Discussion)

There were no comments

10. Adjournment

Acting Chair Beckman adjourned the meeting at 2:34 p.m. to the next scheduled Executive Committee Meeting on January 1, 2025.

Cindy Darling, Acting Chair

Attest:

Dawn Weisz, Secretary