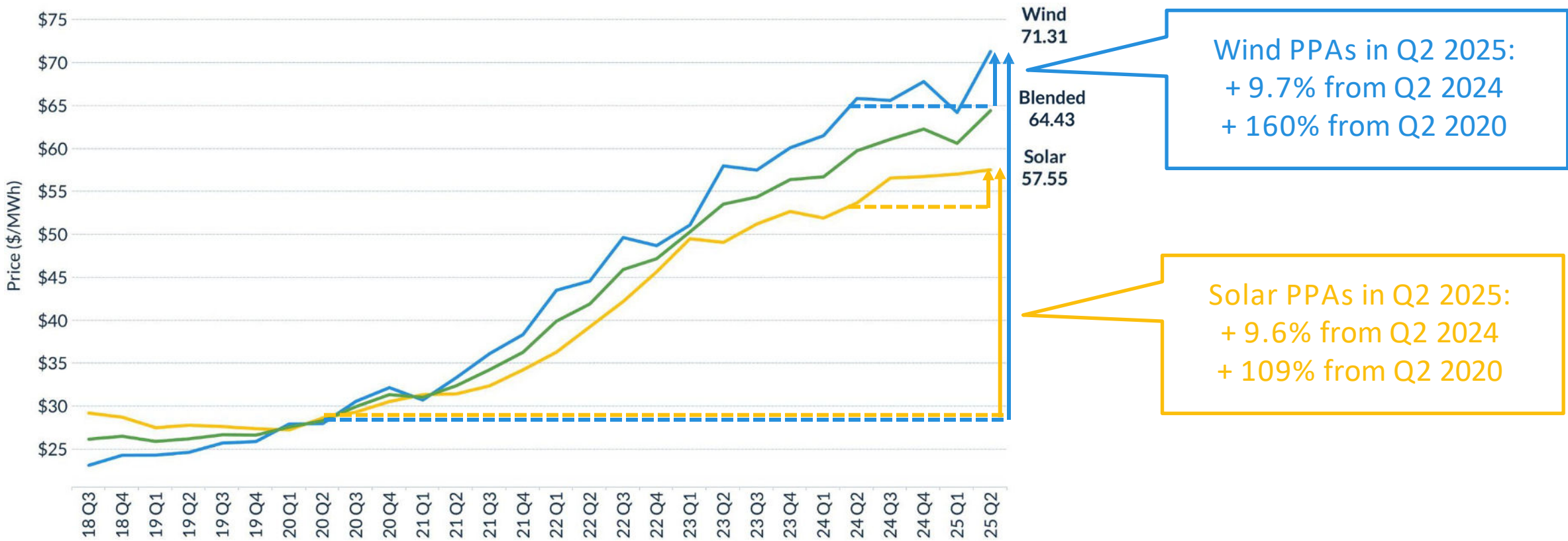




CEO Report, Oct. 6 2025

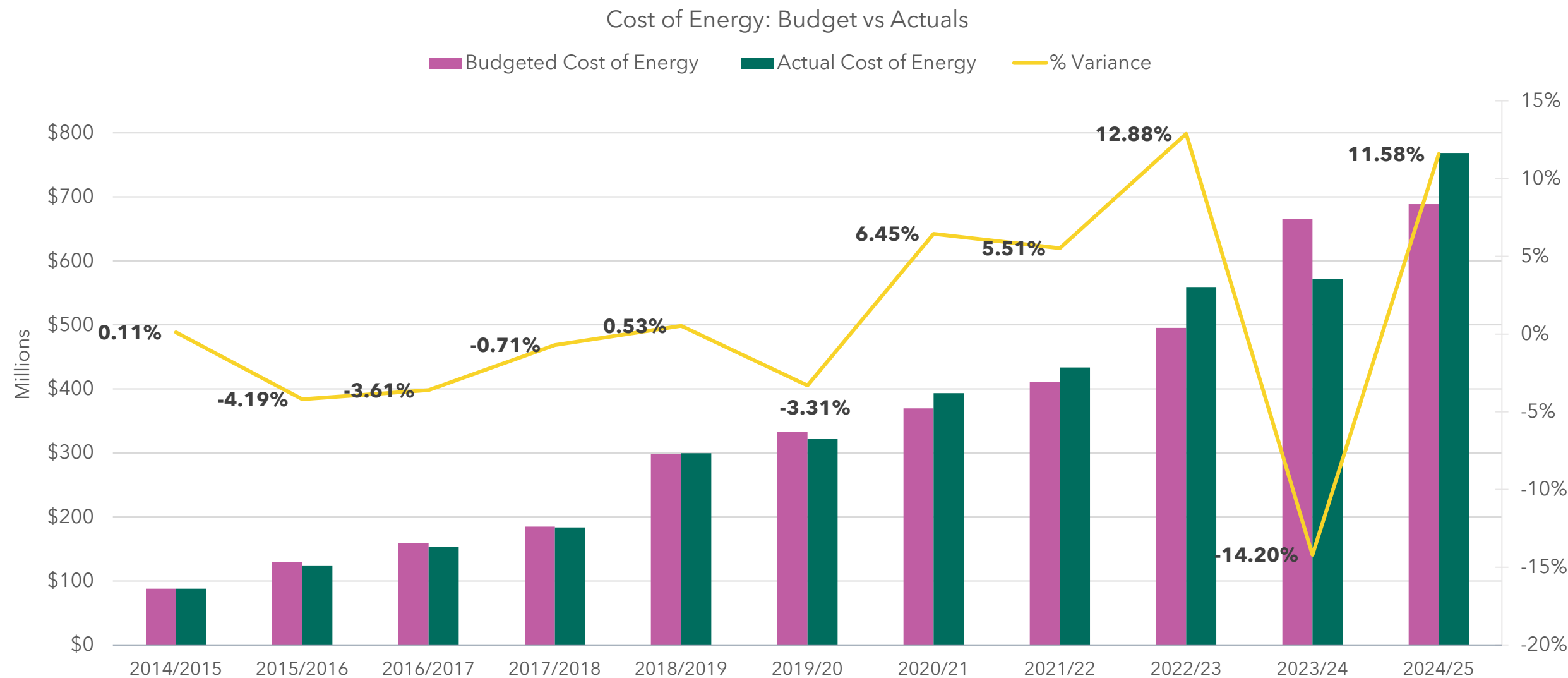
Solar and wind PPA prices continue to rise, and full impacts of Federal policies are not even reflected in the market yet...

2025 Wind and Solar PPAs are more than double 2020 prices...without tariffs and tax credit phaseouts.



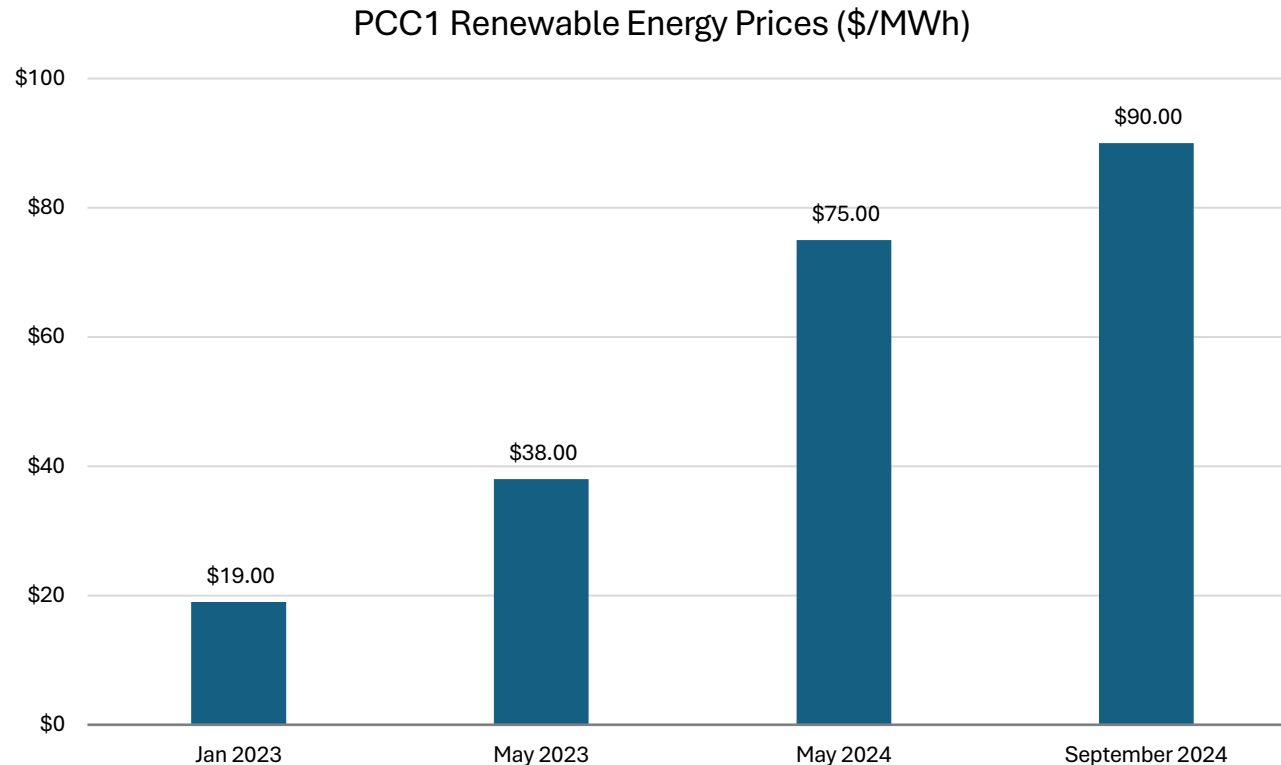
Source: LevelTen North American Continental PPA Price Index, Q2 2025.

Reminder: Cost of Energy Budget Vs Actuals



Looking Back: Slide from Nov. 2024 Pro Forma Update

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

Looking Back: Slide from Nov. 2024 Pro Forma Update

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

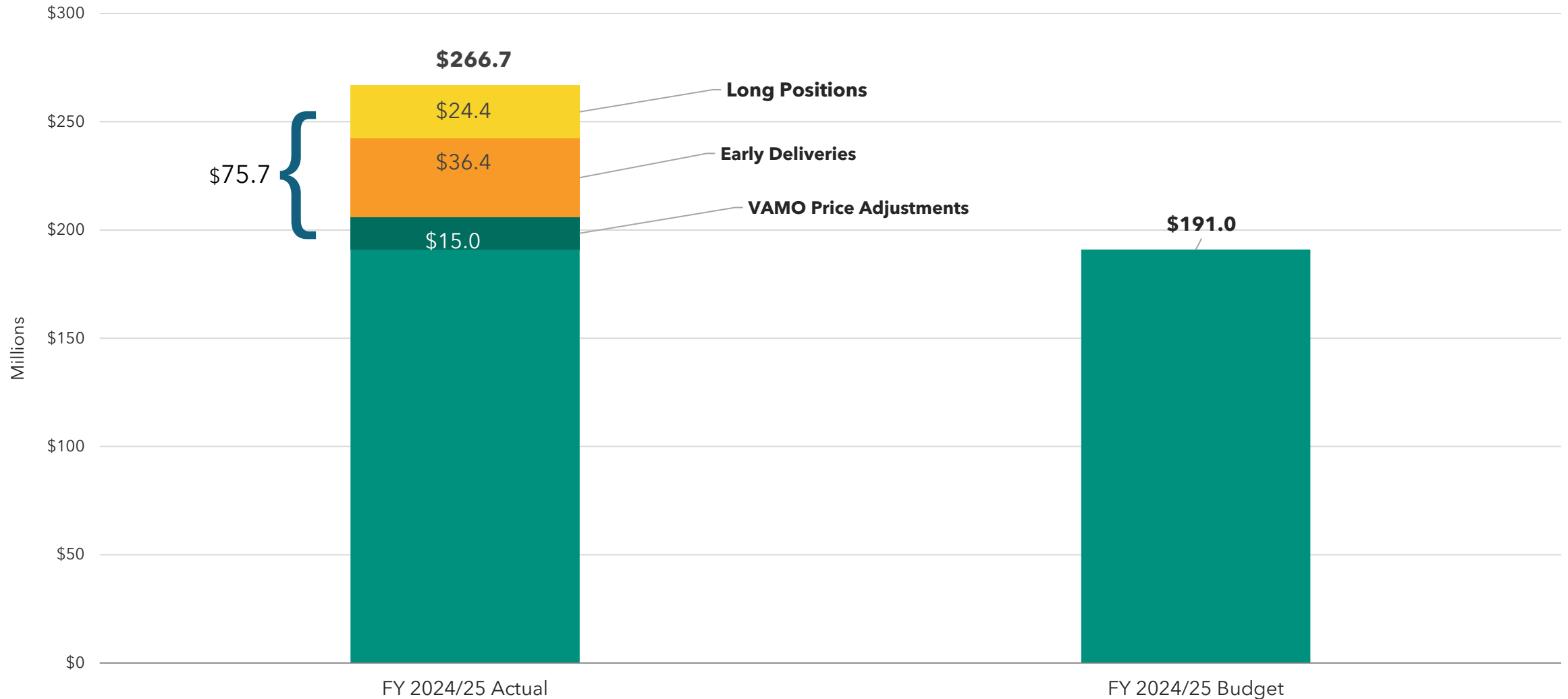
Looking Back: March 2025 Budget Approval

Planned Cost of Energy Increase: \$100M

- **Cost of Energy** represents **94%** of MCE's operating budget
- **Increase** in budgeted cost of energy by **\$100M** due to:
 - \$77M: Increased cost of PCC1 renewable energy
 - \$13M: Regulatory change to account for line losses
 - \$10M: Addition of Hercules
- Board requested more optimistic planning for cost of energy given **14% more positive results in prior fiscal year**

Looking Back: August 2025 Budget Results

Unplanned Cost of Energy Variance: \$76M



Are MCE's Results an Outlier?

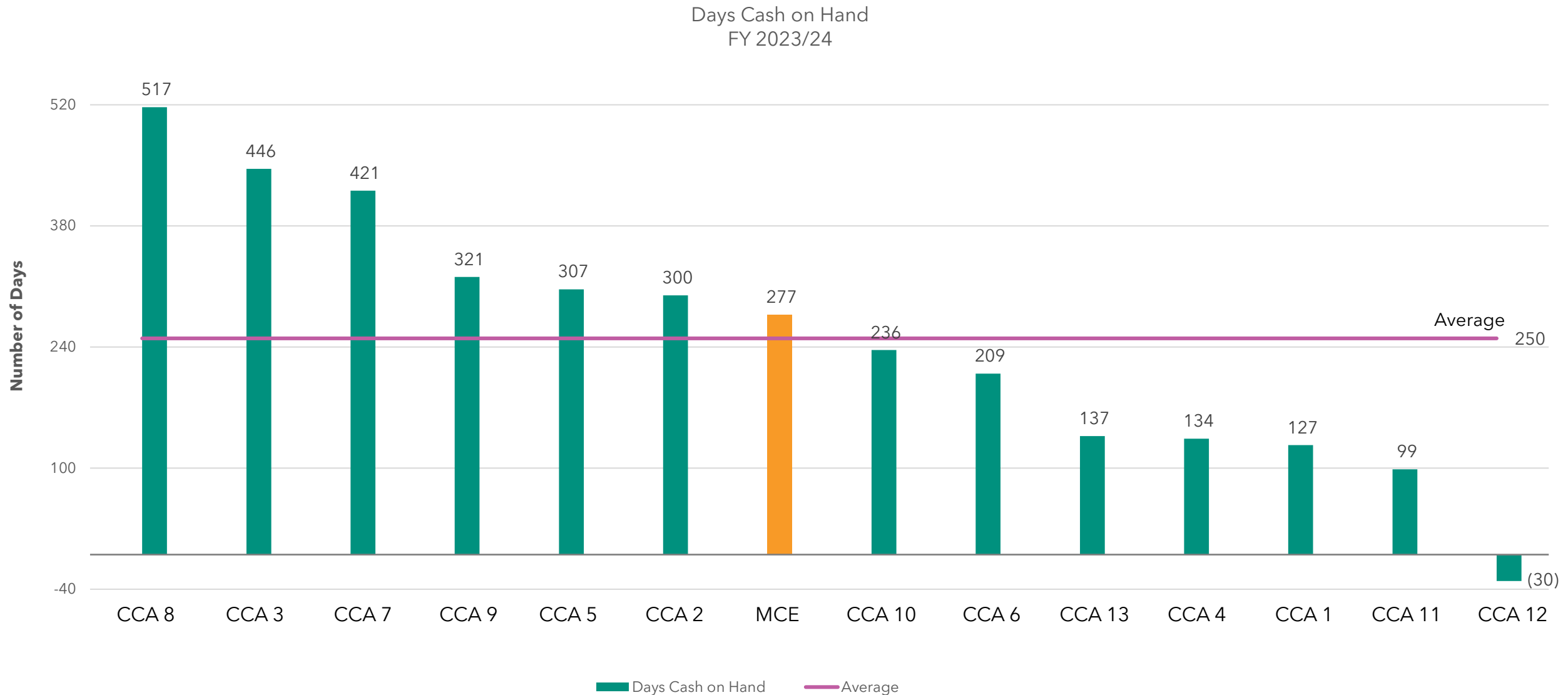
- All market participants face volatility
- MCE's Finance Department performs an annual internal assessment of CCA financials
- CCAs have fiscal years that begin and end on different months
- There is a 3-5 month lag in receiving audited statements after fiscal year close
- So far in 2025, MCE is the only CCA with audited results
- Unaudited statements are unreliable due to data lags and reliance on estimates and projections from the past trends

Total Net Position FY 2023/24

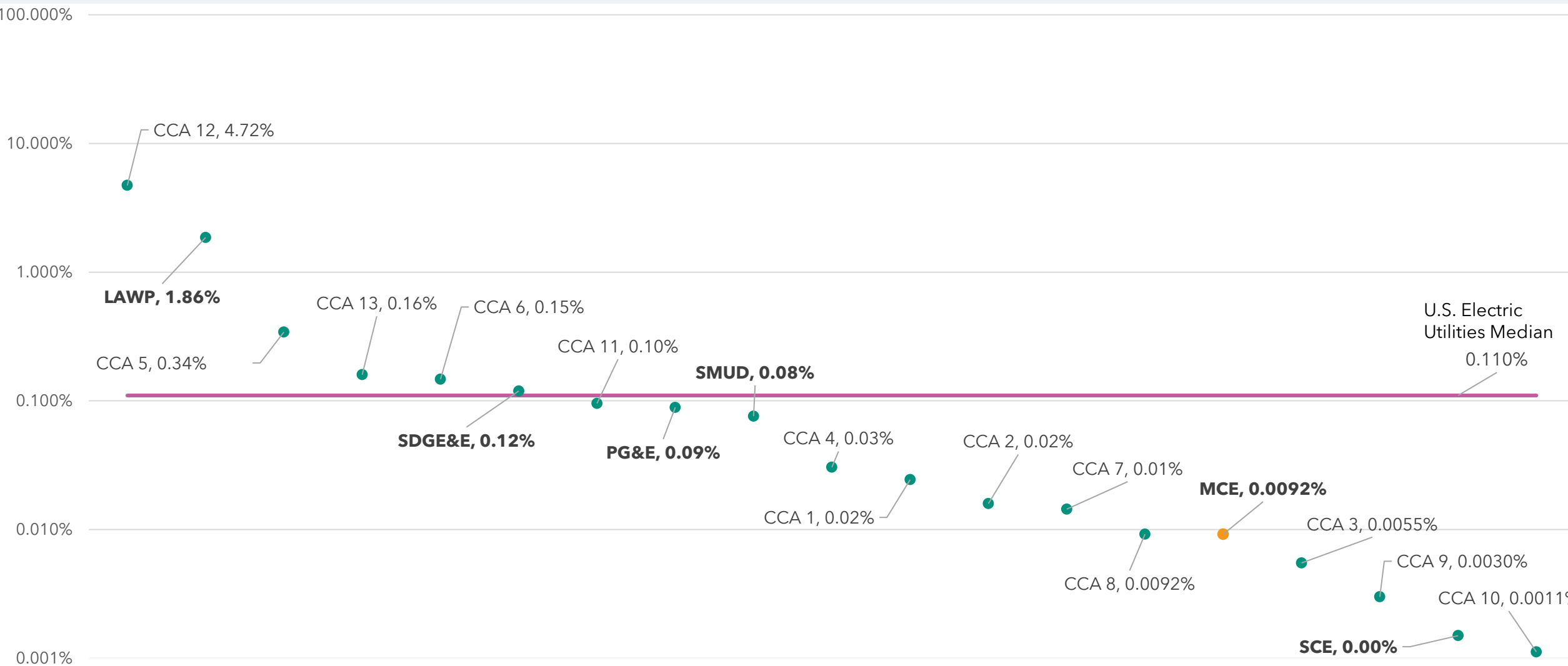


Days Cash on Hand

FY 2023/24



Probability of Default by S&P Metrics



MCE Financial Documents

<https://mcecleanenergy.org/>

Cost of Energy, Electricity Sales, and Net Energy Revenue

FY 2023/24	Electricity Sales, net	Cost of Energy	Net Energy Revenue
CCA 1	1,252,788,000	1,047,553,000	205,235,000
CCA 2	892,320,000	707,476,000	184,844,000
CCA 3	530,672,000	361,542,000	169,130,000
MCE	730,345,000	571,405,000	158,940,000
CCA 4	1,354,775,000	1,219,547,000	135,228,000
CCA 6	366,594,000	284,631,000	81,963,000
CCA 5	221,505,000	150,016,000	71,489,000
CCA 7	374,203,000	325,171,000	49,032,000
CCA 8	216,890,000	176,729,000	40,161,000
CCA 9	97,906,000	64,723,000	33,183,000
CCA 10	69,700,000	51,451,000	18,249,000
CCA 11	337,084,000	321,916,000	15,168,000
CCA 12	198,067,000	197,130,000	937,000
CCA 13	544,358,000	547,248,000	(2,890,000)

CCA Renewable Energy Offers

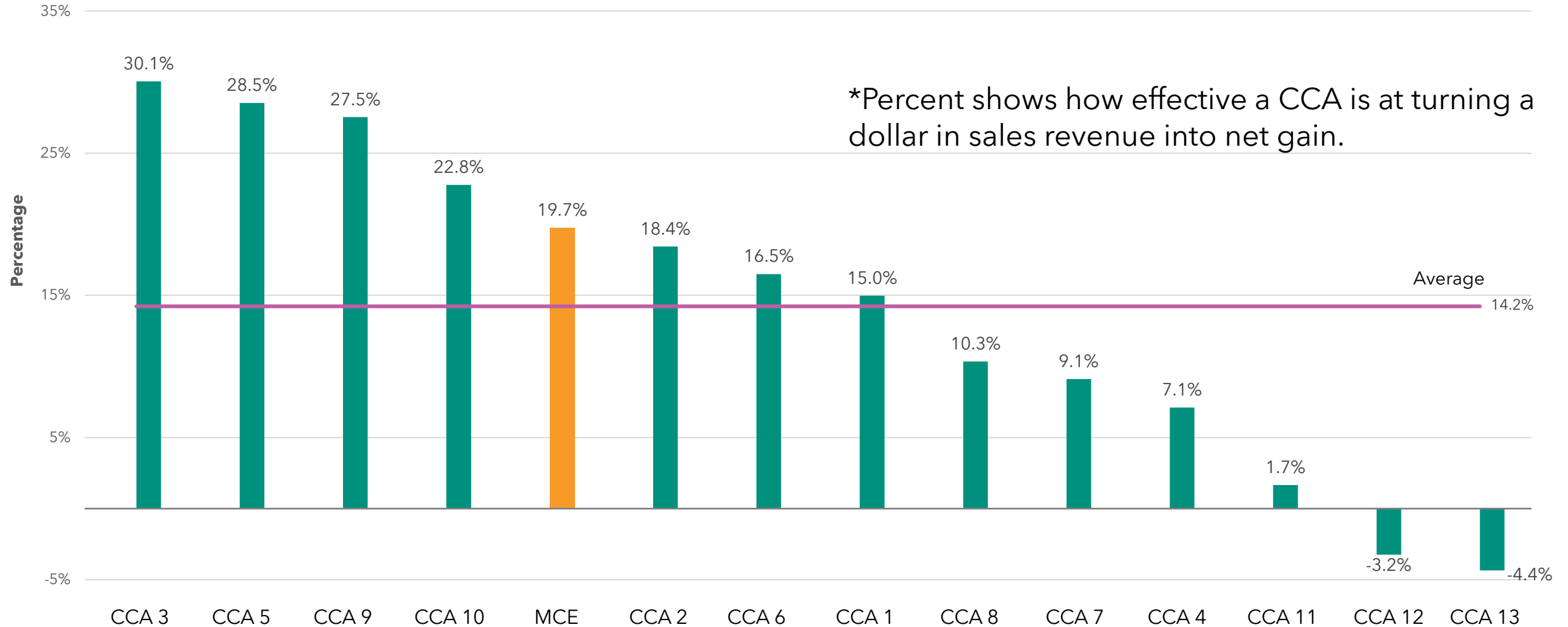
FY 2024/25

CCA	Default service 🌿	Opt - up offer 🌿	100% Renewable 🌿
CCA 3	62%		100%
MCE	60%		100%
CCA 6	60%		100%
CCA 8	51%		100%
CCA 10	51%	100%	
CCA 7	50%		100%
CCA 12	50%		100%
CCA 3	50%		100%
CCA 11	47%	55%	100%
CCA 1	45%	50%	100%
CCA 9	42%		100%
CCA 4	40%	50%	100%
CCA 5	39%		100%
CCA 13	30%		100%

Net Gain Margin %

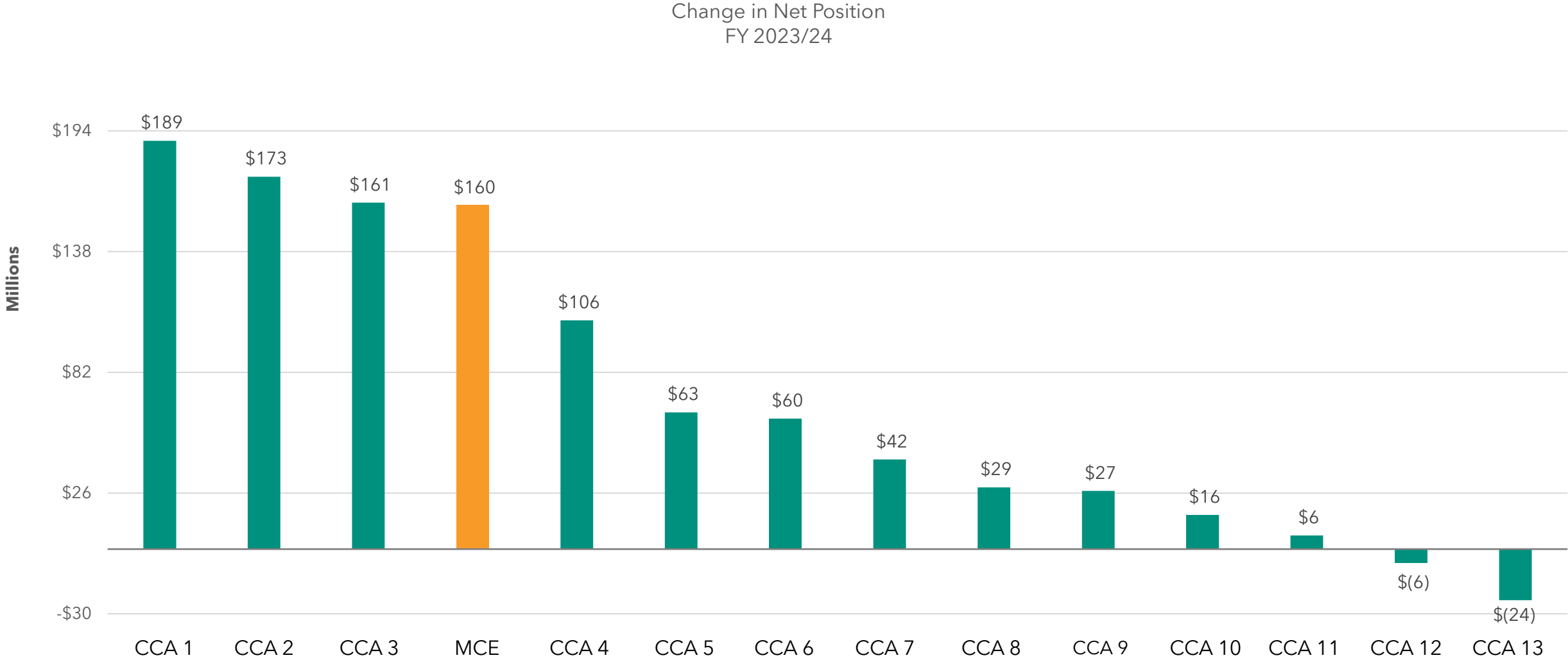
FY 2023/24

Net Gain Margin %
FY 2023/24



Change in Net Position

FY 2023/24



CCAs Sorted by Change in Net Position

FY 2023/24

CCA	Change in Net Position	Customer Accounts	Load (GWh)
CCA 1	\$ 189,371,000	954,000	7,961
CCA 2	\$ 172,677,000	644,000	6,681
CCA 3	\$ 160,661,000	281,000	3,965
MCE	\$ 159,513,000	587,000	5,644
CCA 4	\$ 106,107,000	1,044,000	10,719
CCA 5	\$ 63,383,000	171,000	1,841
CCA 6	\$ 60,489,000	384,000	2,872
CCA 7	\$ 41,575,000	314,000	3,429
CCA 8	\$ 28,659,000	231,000	2,185
CCA 9	\$ 26,981,000	62,000	673
CCA 10	\$ 15,872,000	33,000	403
CCA 11	\$ 6,328,000	205,000	2,388
CCA 12	\$ (6,428,000)	247,000	1,868
CCA 13	\$ (23,705,000)	447,000	4,817

Total Deferred Revenue FY 2023/24



CCA Average KPIs

FY 2023/24

CCA	Average MWh Revenue	Average MWh Cost	Average MWh Gross Gain	Average MWh Operating Gain	Average MWh Net Gain
CCA 10	\$ 172.95	\$ 127.67	\$ 45.28	\$ 38.17	\$ 39.38
CCA 1	\$ 158.82	\$ 131.59	\$ 27.23	\$ 22.82	\$ 23.79
CCA 9	\$ 145.59	\$ 96.17	\$ 49.41	\$ 38.68	\$ 40.09
CCA 11	\$ 141.16	\$ 134.81	\$ 6.35	\$ 1.81	\$ 2.65
CCA B	\$ 136.14	\$ 105.89	\$ 30.24	\$ 24.00	\$ 25.85
MCE	\$ 136.03	\$ 101.24	\$ 34.79	\$ 25.57	\$ 28.26
CCA 3	\$ 134.80	\$ 91.18	\$ 43.62	\$ 34.63	\$ 40.52
CCA 6	\$ 127.64	\$ 99.11	\$ 28.54	\$ 19.18	\$ 21.06
CCA 4	\$ 126.56	\$ 113.77	\$ 12.78	\$ 8.94	\$ 9.90
CCA 5	\$ 120.64	\$ 81.49	\$ 39.15	\$ 32.90	\$ 34.43
CCA 7	\$ 113.33	\$ 94.83	\$ 18.50	\$ 7.81	\$ 12.12
CCA 13	\$ 113.03	\$ 113.61	\$ (0.58)	\$ (7.59)	\$ (4.92)
CCA 12	\$ 106.03	\$ 105.53	\$ 0.50	\$ (2.77)	\$ (3.44)
CCA 8	\$ 101.11	\$ 80.88	\$ 20.22	\$ 8.88	\$ 13.12

Net Energy Revenue

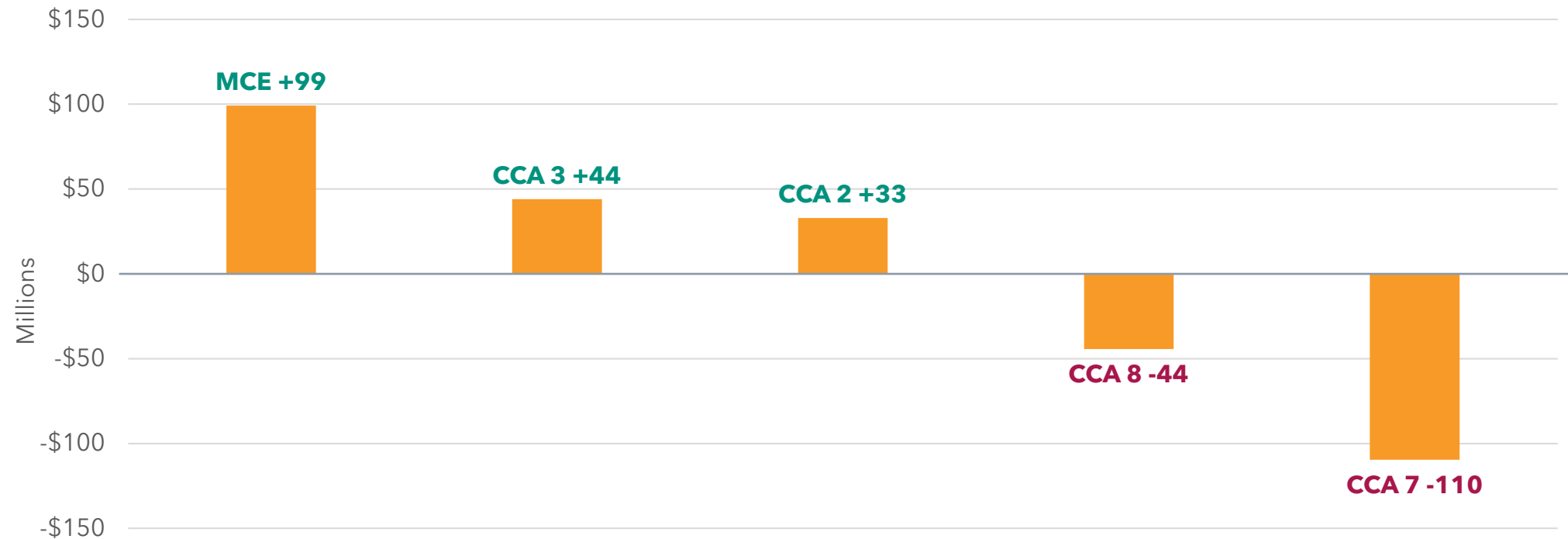
Three-year YoY Progression



Net Energy Revenue = Electricity Sales - Cost of Energy

Net Energy Revenue Change

FY 2022/23 - FY 2023/24, One-year YoY change



- MCE's net energy revenue rose by \$99 Million from FY 2022/23 to FY 2023/24. The largest increase among Bay Area CCAs.

Thank you!



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Service Area Expansion since 2020

