



Tanya Lomas <tlomas@mcecleanenergy.org>

Fwd: Letter to MCE Concerning Executive Committee Discussion Concerning Standing Finance Committee on 10.9

Jesica Brooks <jbrooks@mcecleanenergy.org>
To: Tanya Lomas <tlomas@mcecleanenergy.org>

Fri, Oct 3, 2025 at 4:56 PM



Jesica Brooks (she/her)

Executive Assistant and Lead Board Clerk
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----- Forwarded message -----

From: **Ken Strong** <kennethfstrong@gmail.com>
Date: Fri, Oct 3, 2025 at 4:36 PM
Subject: Letter to MCE Concerning Executive Committee Discussion Concerning Standing Finance Committee on 10.9
To: Jesica Brooks <jbrooks@mcecleanenergy.org>
CC: Robert Miller <robertmiller454@gmail.com>

Jesica I am sending the attached letter from Marin Conservation League to you as Board Clerk for distribution concerning an issue on the agenda for Monday's Executive Committee meeting. We intend to send a copy of this letter directly to members of the Executive Committee and management but wanted to make sure we provided our public comment letter to MCE this afternoon.

Please let us know if you have any questions.

Ken Strong
Robert Miller



MCL recommendation to establish a standing MCE Finance Committee.10.03.25.docx
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October 3, 2025

MCE Community Choice Energy
1125 Tamalpais Avenue
San Rafael, CA 94901

Subject: Recommendation to establish a standing MCE Finance Committee

Dear MCE Board of Directors,

Established over 90 years ago, the mission of Marin Conservation League (MCL) is to preserve, protect and enhance the natural assets of Marin in a changing environment. To help accomplish its mission, MCL is committed to slowing climate change and addressing its most serious environmental impacts. With over 3,000 members and supporters throughout the region, we have followed and supported MCE since its inception, frequently attending Board, Executive Committee, Technical Committee, and community meetings, and regularly engaging with staff. We also monitor other Community Choice Aggregators (CCAs) to stay informed on best practices.

MCL remains a strong supporter of MCE's mission to reduce greenhouse gas emissions, offer residents competitive electricity rates, and provide community benefits. Our observations and recommendations are offered in the spirit of partnership and with the shared goal of ensuring MCE's long-term strength and credibility.

With this background, **MCL respectfully submits these comments recommending that MCE establish a standing Finance Committee.**

MCL has become increasingly concerned about MCE's **insufficient financial transparency and Board oversight**, stemming in part from **limited comprehensive and timely** financial information and analysis.

Recent negative financial surprises have heightened our concerns, especially the troubling 34.5% increase in energy procurement costs in FY 24-25 that was an outlier when compared to MCE's CCA peers. This contributed to a **\$12.2 million operating loss in FY 24-25**, including a **\$48.8 million operating loss in Q4 FY 24-25** alone. These losses were not adequately flagged and explained in Executive Committee or Board meetings. **A \$26.9 million operating loss in Q1 of FY 2025-26** followed, raising more concerns.

Crucially, **these losses have real-world consequences: eliminating funds to purchase cleaner energy, reduce rates, and expand community energy programs.**

Greater **financial transparency will enable MCE Board members to fulfill their responsibility to constituents to conduct financial oversight** and help community members to understand and comment on financial performance as well as consider that performance in advocating for community programs, increased procurement of renewable or carbon free energy, or customer rate changes.

To help restore trust and improve oversight, we respectfully recommend the following:

1. **Establish a standing Finance Committee**: MCL strongly supports the creation of a standing Finance Committee. MCE is an outlier among comparable CCAs in not having a standing Finance Committee: **of the top six CCAs in California by load, MCE is the only one without one**. While most of those CCAs also have Executive Committees, they rely on standing Finance Committees to rigorously vet rate proposals, budgets, medium-term financial projections, financial policies, and risk assessments. The Finance Committee also receives regular financial updates and summarizes key insights for the Executive Committee and/or Board. In our experience, these meetings are content-rich and lead to more substantive and effective Board discussions and oversight.

A standing Finance Committee composed primarily of MCE Board members with some financial expertise or relevant financial experience also has the capacity to more deeply analyze any key financial issues that arise. The Finance Committee can also provide feedback and insights to MCE management and help explain financial issues and results to other Board members and constituents. Greater Board and community visibility into MCE's finances will mean better MCE decisions and fewer negative financial surprises, like those recently. A standing Finance Committee will be open to the public and its recorded meetings available to other Board members and the public.

A critical function of the standing Finance Committee is to work with management to explain the monthly or quarterly financial results in a straightforward and understandable format to the Board and the public. This requires management to **consistently provide standardized graphs or charts that show the key drivers of financial performance over time**. Standardization and consistency make them easier to produce, establishes a common framework and language to understand the results, and facilitates deeper understanding by all parties who view the same information over time. This regular standardized reporting of (for example) the six major components of energy costs can quickly identify issues and facilitate informed discussion of trends, changes, risks, opportunities and potential actions, and gives management and the Board more time to react and improve MCE's performance.

An alternative option to establishing a standing Finance Committee--adding its responsibilities to the Executive Committee--would be unfair to some Executive Committee members without financial expertise and exclude some of the 34 MCE Board Directors (and 34 Alternates) that could benefit the Committee's work. As for its potential burden on staff, if other CCAs can fund sufficient staff time to provide their Boards with enough financial information and analysis to conduct sound oversight, so can MCE. That said, standardized

reporting minimizes management preparation time and saves explanation time because the recipients are accustomed to seeing the most critical information presented consistently.

2. **Hire a Chief Financial Officer:** MCE has been without a Chief Financial Officer (CFO) since spring 2024. Yet here too, **MCE is an outlier: it remains the only top 10 CCA operating without a CFO.**

Here is a summary of our Finance Committee and CFO comparisons with other CCAs.

Top-10 CCAs in California¹

	2024 Load²	ExCom	FC	CFO
Clean Power Alliance (LA)	11,453	Yes	Yes	Yes
San Diego Community Power	7,604	No	Yes	Yes
Ava Community Energy (East Bay)	6,976	Yes	Yes	Yes
MCE Clean Energy	5,710	Yes	No	No
Central Coast Community Energy	5,367	Yes	Yes	Yes
Silicon Valley Clean Energy	3,815	Yes	Yes	Yes
Orange County Power Authority	3,806	No	No	Yes
Peninsula Clean Energy	3,319	Yes	Yes	Yes
Sonoma Clean Power	2,142	No	No	Yes
Clean Energy Alliance	2,107	No	No	Yes

¹Excludes CCAs managed by single city government.

²<https://greeninnovationindex.org/2024-edition/renewable-energy/figure-35/>

Conclusion

At stake is the ability of the MCE Board to effectively govern and conduct oversight of MCE. In the past management has downplayed the Board’s role. Starting with the October 2024 MCE Board Retreat, management asserted that “The MCE Board Assignment is to” “Share”, “Inform”, “Advise,” and “Advocate”. The big omission is the “Govern” assignment, the most important Board role of all—without which MCE Board members cannot carry out their responsibilities to constituents, and management is unaccountable.

We were relieved to see “Govern” added to the Board’s assignments in the most recent packet for the October 6 MCE Executive Committee meeting. But action must follow words: management can and should do far more to support the Board in conducting oversight, including by establishing a standing Finance Committee, providing consistent, standardized financial reporting at least quarterly, and hiring a CFO that works in partnership with the Board.

MCE has reached a **critical juncture**. With consecutive operating losses, and similar or higher all-in customer rates than PG&E, it is essential for the Board to assert its authority and actively engage in financial oversight. Such oversight requires active engagement, not just routine endorsement of staff proposals. This requires sufficient financial information and analysis, and opportunity for discussion and decision-making. This is not about micromanaging staff—it is about fulfilling Board members’ responsibilities to ratepayers and the communities they serve,

and improving MCE. Transparency, accountability, and sound governance are vital at all times, but especially in times of significant operating losses.

In the absence of Board action to correct the situation, this issue will continue to come up in public forums. Community members are increasingly concerned about the lack of financial transparency and apparent disregard for commonly used best practices. We hope the Board acts now to improve MCE and be seen as pro-actively addressing this issue.

We urge the Board to **establish a standing Finance Committee and hire a qualified CFO.**

These are necessary steps to rebuild trust, improve governance, and safeguard MCE's future.

Respectfully,



Mike Swezy
President, Marin Conservation League



Robert Miller & Ken Strong
Co-Chairs, MCL Climate Action Working Group



Dan Segedin
Member, MCL Climate Action Working Group