MCE Clerk <clerk@mcecleanenergy.org>

Clean Coalition Comments Letter for September 18, 2025 MCE Board Meeting

1 message

Ben Schwartz <ben@clean-coalition.org> Wed, Sep 17, 2025 at 4:42 PM
To: board@mcecleanenergy.org
Cc: info@mcecleanenergy.org, Sam Andre <sam@clean-coalition.org>, Craig Lewis <craig@clean-coalition.org>, Isabel Stice <isabel@clean-coalition.org>, Greg Thomson <gregothomson@mac.com>

Hi MCE Board,

Attached is the Clean Coalition's comment letter to the board in regards to the minutes from the July 17, 2025 meeting and final numbers from the end of the fiscal year. We urge the Board to consider keeping green rates stable, or ideally, to reduce them. Green energy should not necessitate paying a large premium.

Best regards,

Ben Schwartz

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Clean Coalition Letter to MCE Board (02_bs, 17 Sep 2025).pdf
332K

September 17, 2025

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

RE: Item 7 of Meeting Minutes from Thursday July 27th, 2025, meeting - Clean Coalition comparative analysis of CCA rates and the need to keep green rates stable

Dear MCE Board of Directors,

The Clean Coalition strongly recommends that the MCE board strive to keep rates with a high percentage renewable energy content as stable as possible to incentivize unbundled ratepayers to transition away from rates with a higher fossil fuel makeup and to ensure that current bundled PG&E ratepayers view MCE as a cost competitive alternative. As is demonstrated below, ideally, MCE should initiate a rate decrease. **Moving forward, "going green," shouldn't require paying a large premium.** If any rates should rise, it should be rates with a low renewable energy content, to persuade customers to seek out MCE's greener alternatives.

While MCE's role as the first CCA necessitated a conservative business model and a risk-averse decision-making framework to demonstrate to legislators, regulators, Californians, and naysayers the potential of the CCA model, CCAs are now well-entrenched in California's landscape, and the financial/policy benefits are readily apparent. MCE's role today, and going forward, is different than it was in 2010. To remain a leader among CCAs, MCE must adjust its decision-making framework—moving beyond risk avoidance toward strategies that maximize community benefit and affordability. Evolving doesn't necessarily mean moving away from signing cost-competitive long-term contracts, but it does mean going to greater lengths to innovate, designing new programs to reinvest in ratepayers and local communities, acknowledging and retooling existing programs that have not met the mark, and prioritizing electrification over continuing to grow a reserve to record sizes. <u>**With abundant rainy-day funds in hand, MCE's rates should be going down, or kept stable at worst, not increasing.**</u>

The next decade is going to make or break California's chances at achieving its renewable energy and electrification goals in a timely manner. <u>The more that rates rise, the more of a challenge it will become for MCE ratepayers to electrify affordably.</u> Therefore, MCE has a pivotal role to play for its member municipalities; ensuring stable and low rates for green energy and increasing investment in local energy programs will ensure that **all** MCE ratepayers can make the transition. While raising rates may seem immediately prudent, doing so will slow the pace of progress precisely when acceleration is most needed.

Who is the Clean Coalition?

The Clean Coalition is a technical nonprofit whose mission is to accelerate the transition to renewable energy and a modern grid through policy and programs expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of DER—such as local renewables, demand response, and energy storage—and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. We also collaborate with utilities, CCAs, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables & other DER. The Clean Coalition strongly supports MCE and all CCAs in advancing low-cost clean energy generation.

Comparison of CCA Rates

The Clean Coalition has conducted an analysis of the rates of all of California's CCAs and would like to bring to the MCE Board of Directors attention that MCE's price differentials, relative to PG&E, are outliers among California CCAs that demonstrate the need for price adjustments.

- The Light Green plan has the second worst pricing differential amongst the major CCAs.
- The Deep Green plan shows the third-worst pricing differential.
- Raising rates will only serve to exacerbate the existing price differential, making MCE's green rates even less competitive.

The charts below compare the rate difference of each major CCA and the local IOU.

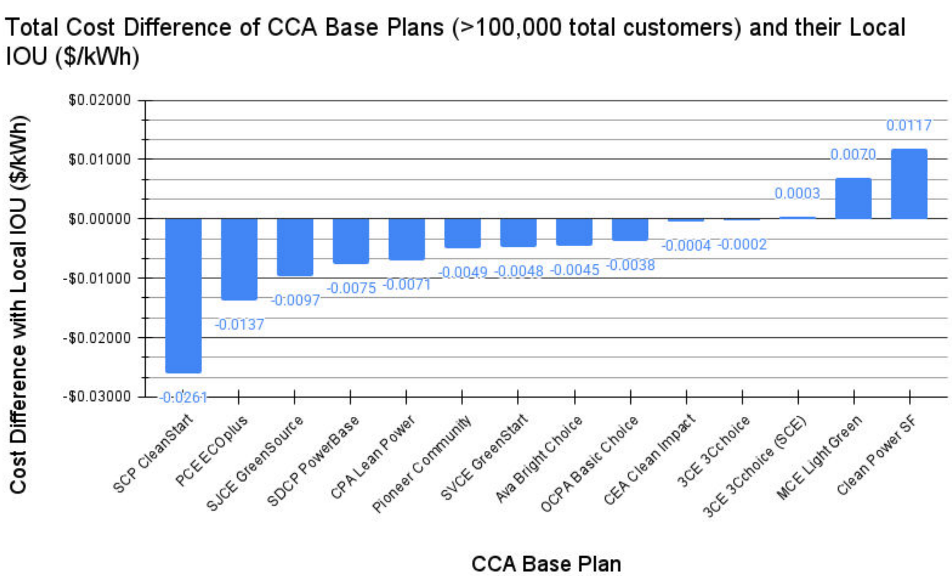

Figure 1: MCE is one of only two CCAs with at least 100,000 customers whose base plan pricing fails to beat their respective IOU, as of 15 August 2025.

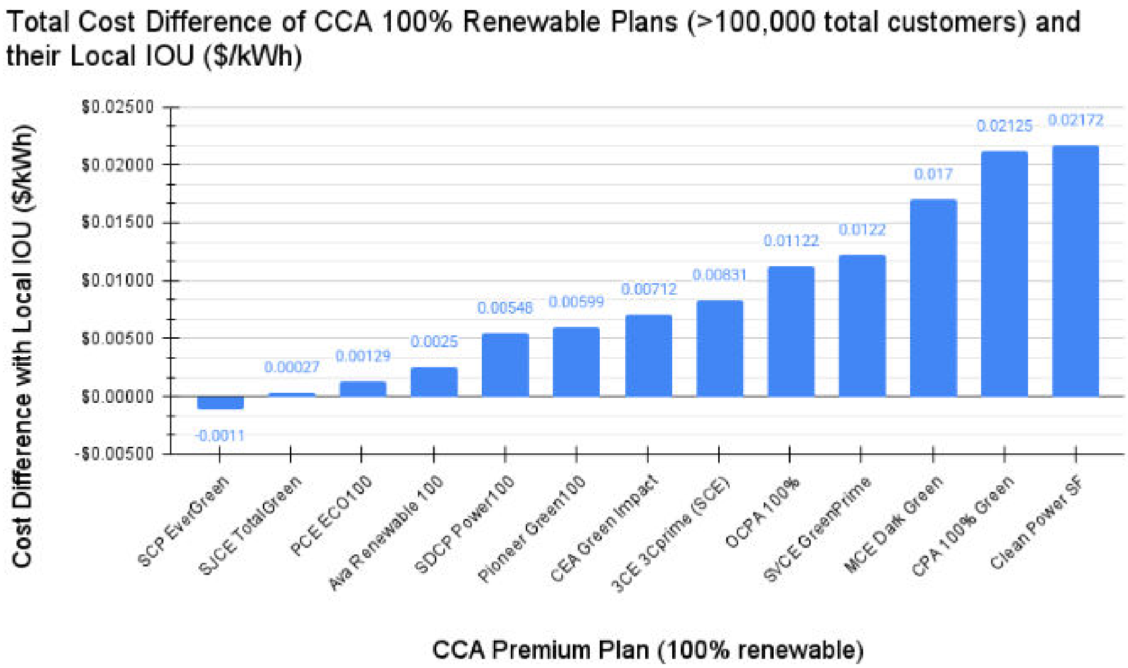

Figure 2: The cost to customers of MCE's 100% renewable energy plan is the third worst compared to other California CCAs with at least 100,000 customers, as of 15 August 2025.

Uncompetitive pricing relative to the IOU carries real risk: customers may opt out of MCE and return to PG&E. As PG&E claims to make rate decreases, MCE must reevaluate its own position to preserve and even strengthen its edge. Maintaining competitive rates is essential both to MCE's customer retention and to fulfilling its mission of providing clean, affordable energy at a better price than PG&E.

As the first CCA in California, MCE continues to have the unique opportunity to lead by example as circumstances on the grid change and the needs of the ratepayers evolve. To do so, MCE must be nimble in its decision making and flexible in rate and program design in order to steadfastly meet its goals. The transition to clean energy is not homogeneous; it is occurring in phases, and MCE's adaptability will determine its success in each stage. Delivering on the promise of affordable clean energy will strengthen MCE's leadership and help bolster the impact of the CCA movement as a whole.

Sincerely,

/s/ BEN SCHWARTZ
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Dated: September 17, 2025