MCE Executive Committee Meeting
Monday, January 5, 2026
12:00 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://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 Avenue, 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.

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 12.1.25 Meeting Minutes

   C.2 Corrections to the Marin Independent Journal and Misinformation

   C.3. Review Updated Draft 1.15.26 Board Agenda
6. Update on Power Charge Indifference Adjustment and CPUC Engagement (Discussion)

7. Potential Scope of Finance Committee (Discussion/Action)
8. Committee & Staff Matters (Discussion)
9. 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.

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MCE EXECUTIVE COMMITTEE MEETING MINUTES
Monday, December 1, 2025
12:00 P.M.

Present:	Stephanie Andre, City of Larkspur Barbara Coler, Town of Fairfax Cindy Darling, City of Walnut Creek Maika Llorens Gulati, City of San Rafael, left at 1:58 p.m. Devin Murphy, City of Pinole Laura Nakamura, City of Concord Max Perrey, City of Mill Valley, Chair Gabriel Quinto, City of El Cerrito Shanelle Scales-Preston, County of Contra Costa Sally Wilkinson, City of Belvedere, left at 2:36 p.m.
Absent:	Eli Beckman, Town of Corte Madera
Staff & Others:	Jared Blanton, VP of Public Affairs Jesica Brooks, Lead Board Clerk and Executive Assistant Sebastian Conn, Senior Community Development Manager Kiara Donato, Community Development Manager Vicken Kasarjian, Chief Operations Officer Tanya Lomas, Board Clerk Associate Linda Lye, Senior Legal Counsel Catalina Murphy, General Counsel Ashley Muth, Internal Operations Associate Justine Parmelee, VP of Internal Operations Zae Perrin, VP of Customer Operations Mike Rodriguez-Vargas, Internal Operations Assistant Dan Settlemyer, Internal Operations Associate Enyonam Senyo-Mensah, Internal Operations Manager Jamie Tuckey, Chief Customer Officer

1. **Roll Call**
   Chair Perrey called the regular Executive Committee meeting to order at 12:00 p.m. with quorum established by roll call.

2. **Board Announcements (Discussion)**
   Chair Perrey opened the floor for board announcements and comments were made by Director Andre.

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3. <u>Public Open Time (Discussion)</u>

Chair Perrey opened the public comment period and comments were made by members of the public, Ken Strong, Alicia Minyen, Dan Segedin, Mimi Willard, Marc Joffe, Jody Timms, and Robert Miller.

4. <u>Report from Chief Executive Officer (Discussion)</u>

Jamie Tuckey, Chief Customer Officer, introduced this item and addressed questions from Committee members.

5. <u>Consent Calendar (Discussion/Action)</u>

C.1 Approval of 11.3.25 Meeting Minutes
C.2 Proposed First Amendment to Fifth Agreement with Strategic Energy Innovations
C.3 Proposed Schedule A.5 to Master Services Agreement with Association for Energy Affordability, Inc.
C.4 Proposed Schedule A.6 to Master Services Agreement with Association for Energy Affordability, Inc.
C.5 Review Draft 1.15.26 Board Agenda

Director Wilkinson requested that Item C.5 be pulled from the consent calendar for discussion. The Chair accepted the request and opened the floor for questions and comments from committee members.

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

Action 1: It was M/S/C (Coler/Llorens Gulati) **to approve Consent Calendar items C.1-C.4.** Motion carried by unanimous roll call vote. (Absent: Beckman).

Action 2: It was M/S/C (Wilkinson/Scales-Preston) **to approve Consent Calendar item C.5.** Motion carried by unanimous roll call vote. (Absent: Beckman).

6. <u>Charles F. McGlashan Advocacy Award Nomination (Discussion/Action)</u>

Kiara Donato, Community Development Manager, presented this item and addressed questions from Committee members.

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

Action 1: It was M/S/C (Coler/Llorens Gulati) **to approve**

- **Kevin Bailey, Constance Slider Pierre, Adria Tinnin - The Utility Reform Network (TURN)**
- **Maria Albuja-Pavon, Climate Action Coordinator – North Marin Community Services**

as the 2025 recipients of the Charles F. McGlashan Award to be presented at a future meeting of the MCE Board of Directors.

Motion carried by unanimous roll call vote. (Absent: Beckman)

Action 2: It was M/S/C (Coler/Perrey) **to approve**

- **Habitat for Humanity East Bay/Silicon Valley**
- **Richard Fleming – Benicia Community and Sustainability Commission**

as the 2025 recipients of the Charles F. McGlashan Award to be presented at a future meeting of the MCE Board of Directors.

Motion carried by unanimous roll call vote. (Absent: Beckman)

7. <u>Revisiting Alternating Locations (Discussion/Action)</u>

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

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

Action: It was M/S/C (Coler/Wilkinson) **to Remove "Primary Location" requirement for Executive Committee meetings.** Motion carried by unanimous roll call vote. (Absent: Beckman).

8. <u>Potential Scope of Finance Committee (Discussion)</u>

There was no staff Introduction or presentation of this item.

Chair Perrey opened the public comment period and there were comments made by members of the public, Alicia Minyen, Dan Segedin, Ken Strong, and Mimi Willard.

Chair Perrey opened the floor for comments and questions from Committee members. After all Committee members gave their input, Chair Perrey forwarded the discussion to the next scheduled meeting of the Executive Committee, scheduled for January 5, 2026.

Action: No action required.

9. **<u>Committee & Staff Matters (Discussion)</u>**
Comments were made by Director Quinto, Justine Parmelee, and Catalina Murphy.

10. **<u>Adjournment</u>**
Chair Perrey adjourned the meeting at 2:45 p.m. to the next scheduled Executive Committee Meeting on January 5, 2026.

Max Perrey, Chair

Attest:

Dawn Weisz, Secretary

January 5, 2026

TO:	MCE Executive Committee
FROM:	Jared Blanton, Vice President of Public Affairs
RE:	Corrections to the Marin Independent Journal and Misinformation (Agenda Item #05 C.2)
ATTACHMENTS:	A. Corrections to the Marin Independent Journal B. MCE: Fact or Fiction

Dear Executive Committee Members:

Summary:
On October 25, 2025, the Marin Independent Journal began publishing a series of articles and opinion pieces that consistently contained factual inaccuracies, a lack of context, and misinformation about MCE, its operations, financial performance, staff, and governance. Despite repeated attempts to correct the record, including with the managing editor and the publisher, the false and misleading information contained in this series remains in the public sphere.

The dissemination of false or misleading information in the news media has the potential for adverse impacts on the communities that MCE serves including customer confusion, and reputational risk that, if left unaddressed, could complicate MCE's external relationships, including with financial and regulatory stakeholders.

To ensure the Board, public, and interested parties have accurate information, MCE staff has compiled corrections and clarifications to the many incorrect statements contained in the Marin Independent Journal (Attachment A). Additionally, as many of the points levied against the agency in this series are variations of recurring themes that periodically surface in public discourse about CCAs, an "MCE: Fact or Fiction" document is also included (Attachment B). This document addresses common talking points used by critics of MCE, and the broader CCA movement, going back to the agency's founding in 2010.

Fiscal Impacts:
None.

Recommendation:
Information only.

The articles and opinion pieces about MCE published in the Marin Independent Journal starting Oct. 25, 2025, contain factual inaccuracies and misinformation. Here are some corrections and clarifications.

MCE's Track Record:

- Fifteen years of reliable service and 100% fossil-free power.
- $80 million in customer rate savings since inception in 2010 to June 2025.
- More than 1,000 MW of renewable energy built or contracted across California.
- Dozens of local community programs — from school battery storage to small-business EV charging.
- Stable rates for customers despite statewide volatility in energy markets.
- Investment-grade credit rating and strong reserves to protect ratepayers.

Rates/Costs:

- MCE has not had a general rate increase since January 1, 2023. However, there have been two small rate segments, impacting 6.95% of MCE customers, that have changed since that time:
    - For a small subset of approximately 3,000 large commercial customers, demand charges increased by 4.4% in early 2025 to align with actual cost of service.
    - After 15 years, the 1 cent premium that had been charged to Deep Green 100% renewable customers since 2010 increased for the first time to 1.25 cents in mid-2025 to account for the increased cost of service and to avoid having Light Green customers subsidize Deep Green customers.
- Since its launch in 2010 through 2025, MCE's generation rates have been lower than PG&E's.
- As of December 2025, compared to all CCAs, PG&E, SDG&E, and SCE, (27 other electricity providers state-wide), MCE's rates fall squarely in the middle, though customer's total costs are skewed higher due to PG&E fees and delivery charges.
- As of December 2025, MCE's costs average 4% above the average of other service providers in California. Much of this variance from other service providers comes from the PCIA (Power Charge Indifference Adjustment), a fee that PG&E charges to customers that receive electricity generation service from CCA's.
- MCE experiences some of the highest delivery charges and PCIA fees in the state, which are the major drivers of our total bill costs to customers. The high delivery charges are due in part to the geography and topography of MCE's service area.

- While PG&E customers' total bill costs are currently less expensive than MCE's, PG&E is projecting rate increases in 2027, 2028, 2029, and 2030.
- PG&E has executed over 10 rate changes over the last 3 years while MCE has had three, two of which only impacted small subsets of customers as described above.

Power Procurement & Content

- Unbundled RECs (i.e. RECs purchased separately from the corresponding renewable energy electrons) do not factor into the power mix or greenhouse gas intensity reported in the California Energy Commission's annual Power Content Label.
- MCE's power supply practices are in accordance with state regulations and focus on high-quality, in-state bundled renewable energy.
- The Board has adopted a resolution (Resolution 2020-04) delegating authority for certain energy contracts. The resolution creates a tiered approach with three categories of contracts.
- The Board has designated the authority to sign contracts less than one year in length to the CEO.
- Contracts 12 months+ to 5 years in length, the Board delegated authority to the CEO and the chair of the Technical Committee, with prior consultation to the Technical Committee. Historically, staff has approached consultation that considers MCE's transparency obligations as a public entity subject to the Brown Act while also protecting its ratepayers by limiting disclosure of market-sensitive information that could adversely affect MCE's negotiating position in the market. Consultation has occurred as follows:
    - At the beginning of each year, the CEO reports to the Technical Committee what is to come for the year regarding power supply needs. The CEO shares the types of products MCE will be soliciting for and securing, including the need for hedges, Resource Adequacy, and short-term renewable energy to fill any needed shortfall in planned or delivered volumes. These specific contracts are not provided to the Technical Committee in advance of signature for two important reasons both related to protecting MCE's position in the market. First, the short turnaround needs of the market from when the product is available and when it needs to be executed are generally not compatible with Brown Act meeting notice requirements. Additionally, disclosing MCE's real-time open position, as would be necessary if the full contract terms are disclosed to the Technical Committee, can adversely affect MCE's ratepayers, signaling to the market what type of product MCE needs and what it will pay, potentially increasing the per volume cost.
    - The other mechanism for consultation with the Technical Committee is through MCE's Operational Integrated Resources Plan, which is posted on MCE's website and has a planning period of 2022 through 2031, which was approved

  unanimously by the Technical Committee on November 4, 2021. MCE's Integrated Resource Plan is approved by Technical Committee and/or Board according to cycle set by the California Public Utilities Commission and outlines the resource needs of the agency based on Board-set targets.
  - MCE has had some instances where the Technical Committee Chair has been unavailable to execute agreements that have been previously consulted with Technical Committee as outlined above, and MCE has had the Board Chair step in to prevent MCE from losing the deal in the market.
  - The Board receives a report of all contracts approved under this delegated authority typically at the next meeting after execution occurs.
- Finally, MCE's long-term contracts (more than five years in length) are reviewed in depth and approved by the Technical Committee and/or Board.
  - Price and other market-sensitive terms are redacted from the contracts, however, to preserve MCE's market position.
- In short, the Board has taken a tiered approach to the delegations for energy contracts. MCE is in a somewhat unique position as a market participant in a highly competitive market. Unlike our private counterparts, MCE is a public entity, subject to the Brown Act and is therefore required to make public all information presented to its Board and Standing Committees. Unlike our private competitors, we are not able to conduct private meetings with the Board or its Standing Committees to discuss market-sensitive information. MCE has historically balanced the goals of transparency, Board oversight, and protecting ratepayers by consulting with the Board and Standing Committees on broad policy goals and objectives while delegating to staff authority to implement broad Board direction through negotiation and execution of specific contract terms.
- In addition to providing MCE staff with oversight and policy direction through the mechanisms described above, MCE's Board has established Policy 015: Energy Risk Management Policy that has been updated over time, and was last approved in 2019. This Policy 015 addresses diversifying exposure to market conditions and reducing the risk of concentrating purchases in any one year for long-term power purchase agreements, 12months+ to 5-year power agreements, and 1 year or less power agreements.
- MCE's short-term PCC1 contracts are sourced from 100% bundled renewable energy and are purchased as available from a variety of entities, typically for a term of 1-5 years. When MCE contracts for these resources, the renewable energy they produce is 'retired' and removed from the market, creating more demand for renewable supply.
- MCE's long-term contracts (typically 10- to 20-year terms) are sourced from new 100% renewable energy resources that typically create jobs along with new statewide renewable capacity.
- MCE's power is not 'mostly produced' by PG&E, as claimed in the Marin IJ. MCE procures power from more than two dozen project developers, along with some energy deliveries from PG&E generating assets.

Finance:

- MCE takes financial transparency seriously and regularly provides financial, operational, and governance updates in public meetings and through monthly reports. The agency has consistently complied with all requests for financial information within the scope of board policy and state law. Regular monthly and quarterly financial reports are on our website: https://mcecleanenergy.org/key- documents/
- MCE produced a net gain of $13 million in Fiscal Year 2025, not a net loss.
    - Reference to a financial loss in the Marin IJ article is not accurate.
    - MCE's 2024 results were a gain of $159 million.
    - MCE's 2023 results were a gain of $41 million.
- MCE's annual financial results undergo a professional third-party audit each year. These audited results have never been altered by management, and they are available for review at any time on MCE's website.
- Comparisons between MCE's audited financial results and other CCAs' unaudited financial results are inaccurate, as many other agencies audited fiscal year results have not yet been released. Unaudited results contain historical assumptions and data lags which yield unreliable results.
- MCE's 2025 positive financial results demonstrate strong fiscal oversight as there were significant market increases in renewable energy costs in 2024 as well as lower revenue due to unanticipated mild weather (yielding lower energy usage).
- Like all load-serving entities in California, MCE operates in a highly volatile energy market. Annual cost fluctuations reflect statewide conditions, not management decisions, and are consistent with industry-wide trends.

Staffing:

- MCE's CFO was promoted into her position following the same steps as her predecessor who started as Director of Finance before he earned the CFO title.
- As is standard practice with most public agencies delegating to the Managing Director, MCE's Board has directed the CEO to oversee agency operations, hiring, and employment decisions.
- Dawn's base salary is the highest of all 25 CCAs, while her total compensation ranks third. At 17 years, Dawn is the longest tenured CCA CEO by several years.

Board & Finance Committee:

- Staff did not provide a recommendation for or against the formation of a Finance Committee in any of the October, November or December meetings. The December 1st Executive Committee draft document that outlined a potential structure for the

newly created Finance Committee was provided by Dawn Weisz at the request of members of the Executive Committee seeking a discussion starting point for what the Finance Committee's scope might include. It was not drafted as, nor intended to be, a complete proposal for the Finance Committee's scope.
- The Ad Hoc Audit Committee was not 'shut down'. Instead, it concluded its work after the completion of the fiscal year 2024 audit. In response to requests from the Board for more transparency, its functions were integrated into the Executive Committee to streamline oversight and transparency, ensure meetings were held in public, and to avoid duplication of responsibilities.
- A letter to Executive Committee written by MCE's Chair and Vice Chair was referenced as being drafted by MCE's VP of Internal Operations, Justine Parmelee. Justine did not write the letter referred to in the article.

General Background:

- MCE staff are obligated to follow guidance and policy set by the full board, rather than spending agency resources following requests from a minority of or individual board member requests.
- MCE's structure as a Joint Powers Authority ensures that all policy direction comes from its 34-member Board of Directors, representing 38 communities. Management implements board-approved policy and does not create or alter it.
- MCE's board has set strong policies to build new renewable energy under long-term contracts with over 48 MW of new renewables built in MCE's service area, and over 1,000 MW of new renewables built statewide to serve MCE's customer needs.
- While the energy industry is extremely volatile with large swings in annual costs, MCE's board has not wavered in renewable supply purchases and has established a rate stabilization fund to protect our budget and customers.
- The MCE board has approved $400 million in community reinvestment including $70 million in direct customer cost savings. Over $233 million in grant funding has been awarded to MCE for programs including energy efficiency for affordable housing, EV chargers for small businesses, battery storage for schools and medical centers, and electrification for water heaters and AC.
- MCE's board members are not selected by MCE to serve on the board; they are appointed by their jurisdictions. There is no prerequisite for experience, and there is frequent turnover.
- MCE's board of 34 members representing 38 communities had 14 new members join in 2025, replacing board members who rotated off the board in 2024.

FACT OR fiction

CATEGORY	STATEMENT	FACT OR FICTION	EXPLANATION
Financial	MCE is an additional cost.	Fiction	MCE is not an additional cost. MCE's cost replaces PG&E's generation costs.
Financial	CCAs are for-profit entities.	Fiction	CCAs are not-for-profit public agencies.
Financial	MCE changes its rates every few months to ensure the prices are consistent with the cost of energy.	Fiction	MCE typically changes rates once per year or less. MCE can only change rates through Board approval which is typically considered once a year at the end of the fiscal year or budget setting time. MCE has not changed its Light Green rates since 2023. For a small subset of commercial customers, demand charges increased 4.4% in early 2025 to align with cost of service. The Board approved a $0.25 increase to the Deep Green premium in mid-2025, from $.01/kWh to $.0125/kWh, the first rate increase for Deep Green in MCE's 15 years of service.
Financial	MCE is funded through tax dollars.	Fiction	MCE is financed by the revenues received from our customers based on the electricity they consume. As a self-funded, not-for-profit public agency that does not use any tax dollars, we also ensure that any financial benefits directly serve the community.
Financial	Unaudited quarterly financials and audited annual financials are essentially the same thing.	Fiction	Unaudited quarterly financial statements are interim updates which rely on the best available data including preliminary estimates and accruals pending invoices. They offer an indicative, but incomplete picture of MCE's finances. Audited annual financial statements go through a comprehensive external review process by professional independent auditors. This ensures that all figures are verified and fully reconciled. While unaudited quarterly statements can be useful for monitoring recent trends, the audited annual financial statements provide the definitive financial results.
Financial	MCE is able to post financial results immediately after a quarter closes.	Fiction	Three months are needed to provide accurate data due to time lags inherent in the electricity sector. Settlement data from the California Independent System Operator (CAISO) is for load, and generation is typically finalized and billed approximately 70 business days after the trade date. This delay, combined with the complexity of the multitude of customer programs MCE has and lags with certain energy supplier invoices, creates the need for roughly a three-month window before unaudited financials can be finalized.
Financial	MCE can just buy less power if demand goes down.	Fiction	MCE purchases most of its power in advance under fixed-price agreements and must pay for the power regardless of customer usage. Therefore, lower sales do not translate to lower energy costs. If MCE were to reduce power supply hedging, short-term savings could occur when sales or spot prices are low. However, if market prices exceed projections due to extreme weather events or unusual market dynamics, MCE would be exposed to extremely high real-time market prices for all unhedged loads.
Financial	MCE can provide all cost and sales information publicly.	Fiction	Disclosing specific prices and quantities for power purchases could create a new "floor" in the market, reducing MCE's negotiating leverage in future contracts with power suppliers or buyers.
Financial	MCE's Board of Directors does not receive any salary, payment, or benefits for being on the Board.	Fact	MCE does not pay Directors. The Board of Directors is composed of elected city, town, and county officials who represent each of the communities that MCE serves.
Financial	MCE experiences some of the highest delivery charges and PCIA fees in the state, which are the major drivers of total bill costs to customers.	Fact	MCE's generation rates fall squarely in the middle across all 24 CCAs and the three investor-owned utilities. The largest factors impacting MCE customer bills are PG&E charges, such as PCIA fees, which are higher for MCE than most other providers.

CATEGORY	STATEMENT	FACT OR FICTION	EXPLANATION
Financial	MCE's budget reports, audited financials, and unaudited financial statements will not always match.	Fact	MCE's budget reports divide MCE's finances into four separate budgets while the financial statements show consolidated activity across all of them. MCE has four budgets including: the Operating Fund, the Energy Efficiency Fund, the Program Development Fund, and the Resiliency Virtual Power Plant Fund.
Financial	MCE does not provide all contract terms publicly.	Fact	Revealing the terms of MCE's prior or existing contracts would allow counterparties to see what MCE has agreed to, limiting flexibility and negotiating power in future supply agreements. Contract terms remain confidential until at least three years after contract execution.
Financial	MCE publishes all unaudited quarterly financial statements, audited annual financial statements, and annual budgets on its website under "Key Documents".	Fact	All of MCE's financial statements can be found online at mceCleanEnergy.org/key-documents.
Board and Governance	MCE Board members are appointed by MCE's CEO.	Fiction	The Board of Directors is composed of elected city, town, and county officials who represent each of the communities that MCE serves and are appointed by each jurisdiction to represent them on MCE's Board.
Board and Governance	MCE's Board of Directors are responsible for policy decisions that impact MCE's rates, power purchasing, and governance.	Fact	MCE staff operate under the purview of MCE's Board of Directors, which determines policies, provides guidance on long-term agency priorities, and sets rates. MCE staff implement policy, make recommendations to the Board based on their expertise and industry standards, and support customer engagement.
Board and Governance	MCE's Board of 34 members had 14 new members join in 2025, replacing Board members who rotated off the Board.	Fact	MCE's Board members are not selected by MCE to serve on the Board; they are appointed by their city or town councils or county Board of supervisors. There is no prerequisite for experience, and there is frequent turnover.
Power Supply	MCE is not as green as it claims; it purchases unbundled RECs as a cheap way to reduce the carbon intensity of its portfolio.	Fiction	Unbundled RECs (i.e. RECs purchased separately from the corresponding renewable energy electrons) do not factor into the power mix or greenhouse gas intensity reported in the California Energy Commission's annual Power Content Label.
Power Supply	MCE's greenhouse gas accounting methodology misrepresents the carbon intensity of its resources.	Fiction	MCE accounts for greenhouse gas emissions in compliance with state regulations. When the state transitions to 24x7 renewable energy accounting MCE will also transition.
Power Supply	MCE replaces PG&E for your entire energy service.	Fiction	MCE replaces PG&E for your energy generation service only. All MCE customers are also PG&E customers, because PG&E is responsible for transmission, delivery, and billing of electricity.
Power Supply	Monopoly markets are more capable of delivering reliable energy supply.	Fiction	Competition drives prices down, creates more choice for customers and decreases risk of blackouts.
Power Supply	MCE energy does not go directly to customers' homes or businesses.	Fact	MCE buys electricity that goes into the grid. MCE customers receive their electricity from the distribution system. The flow of individual electrons cannot be controlled or tracked on the grid. That is why energy providers within the CAISO forecast customer usage and schedule how much electricity is put on the grid.
Power Supply	MCE provides 60% renewable energy while PG&E provides 23% renewable energy.	Fact	MCE has more than double the amount of renewable energy sources in its energy compared to PG&E.

DRAFT

MCE Board of Directors Meeting
Thursday, January 15, 2026
6:30 p.m.

2300 Clayton Road, Suite 1500, Concord, CA 94520
14 Ace Court, Fairfax CA 94930 **(Town of Fairfax)**
955 School Street, Napa, CA 94559, City Hall Committee Room **(City of Napa)**

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

Video Conference: https://t.ly/wI8WB
Phone: Dial (669) 900-9128, Meeting ID: 843 8350 8058, Passcode: 207246

Materials related to this agenda are available for physical inspection at MCE's offices in San Rafael at 1125 Tamalpais Avenue, San Rafael, CA 94901 and in Concord at 2300 Clayton Road, Suite 1500, Concord, CA 94520.

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Agenda Page 1 of 2

Approximate times are shown for planning purposes only.
Actual discussion durations will vary.

1. Roll Call/Quorum

2. Board Announcements (Discussion)

3. Public Open Time (Discussion)

4. Report from Chief Executive Officer (Discussion) - 10 minutes

5. Consent Calendar (Discussion/Action) - 5 minutes

   C.1. Approval of 11.20.25 Meeting Minutes

C.2. Approved Contracts for Energy Update

C.3 Finance Committee Scope

C.4 Appointments of New Members to MCE Board Committees

C.5 Corrections to the Marin Independent Journal and Misinformation

C.6 Legislative and Regulatory Update

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2).
One Case.

6. Roll Call/Quorum

7. Election of Chair and Vice Chair (Discussion/Action) - 10 minutes

8. Governance Assessment (Discussion/Action) - 30 minutes

9. Corby Battery Energy Storage System (Discussion) - 20 minutes

10. Customer Programs Update (Discussion) - 20 minutes

11. Voting Process (Discussion) - 20 minutes

12. Board & Staff Matters (Discussion)

13. 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.

Update on PCIA and CPUC Engagement

MCE Executive Committee Meeting
January 5, 2026

What is the Power Charge Indifference Adjustment (PCIA)?

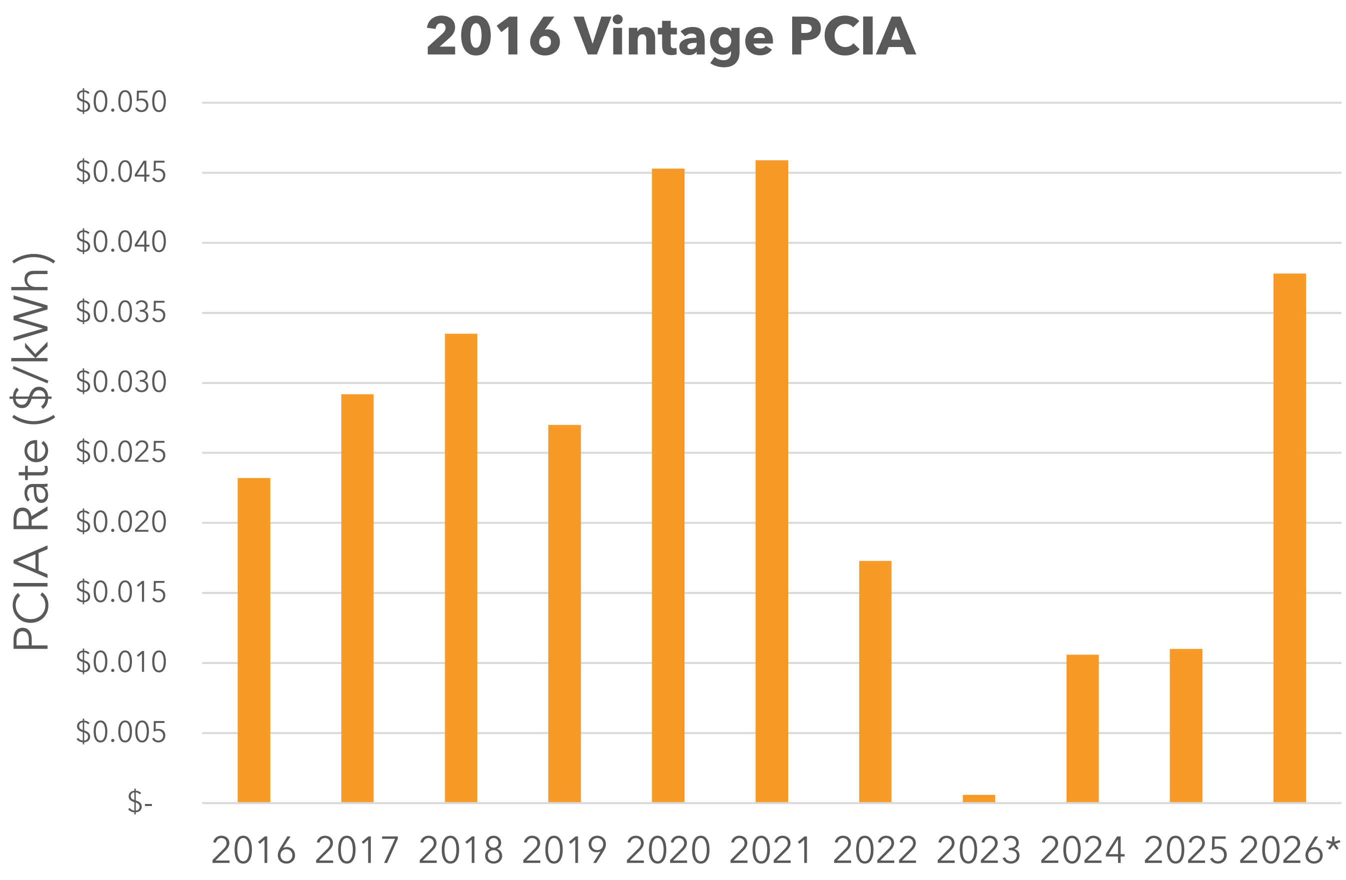
- Recovers above market costs from CCA customers that were incurred on their behalf
- Intended to leave bundled customers **"indifferent"**
- Recovered by Pacific Gas & Electric (PG&E) via volumetric fee ($/kWh) from all MCE customers on their bills
  - Includes a vintage year (MCE has several)
- Has a direct impact on MCE customer's bills but is *not* an MCE charge
  - Approximately 2–4.5% of total customer bill in 2025

How is the PCIA Calculated?

IOU Portfolio Costs − IOU Portfolio Value* = Indifference Amount (Above-market costs)

* Portfolio Value is calculated using Market Price Benchmarks (MPBs) set by the California Public Utility Commission (CPUC)

The PCIA Over Time



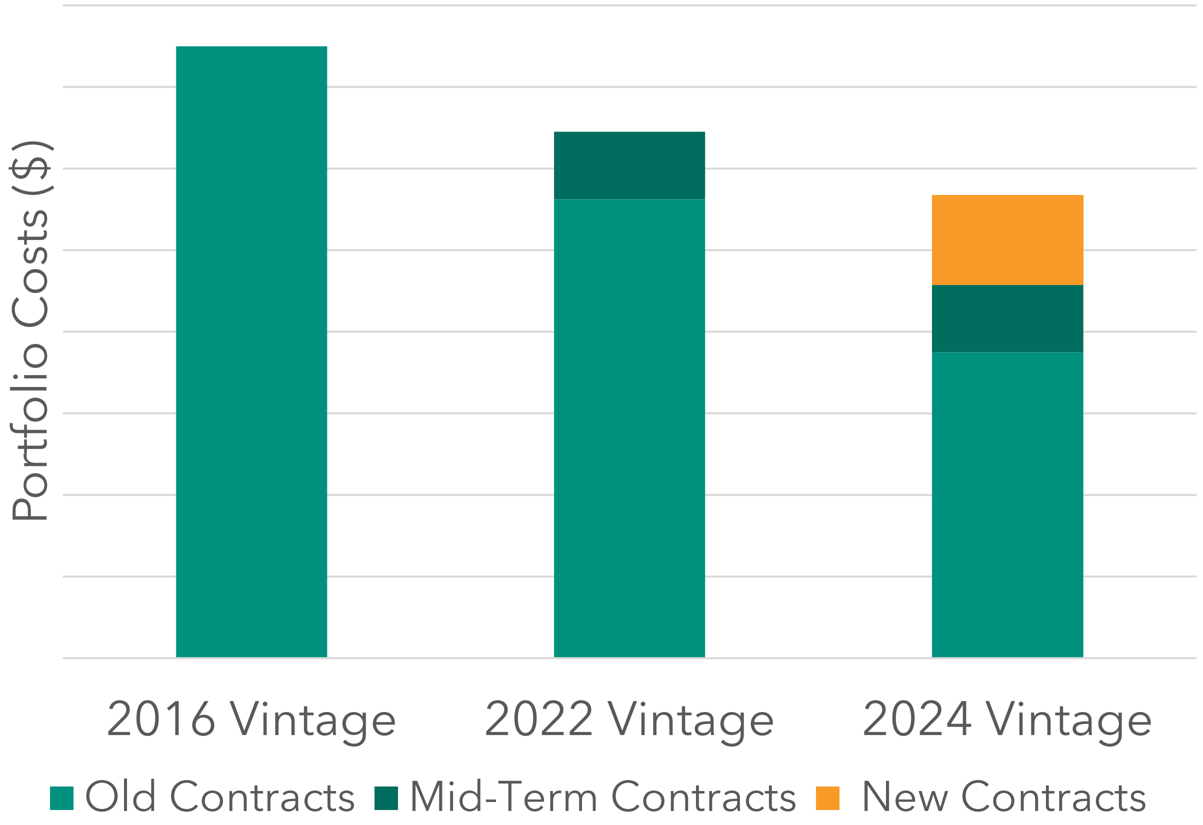
*2026 PCIA rate is an estimate at time of chart creation and subject to change in final rates

- The volatile nature of the inputs to the PCIA causes the PCIA rate to swing up and down from year-to-year
  - Large increases to Resource Adequacy (RA) costs reduced PCIA rates in recent years
  - Changes to methodology, lower market prices, and true-up's leading to higher rate in 2026

PCIA Vintaging and Cost Allocation

- Set annually by the CPUC through Energy Resource Recovery Account (ERRA) proceedings
- A CCA customer's obligation to pay the PCIA depends on their **vintage year**
  - Customer vintage = the year the community started CCA service
- PCIA vintage rates vary based on type, cost and value of resources, and can vary significantly year over year

Illustrative Example of PCIA Vintage Contract & Cost Allocation*



**Not representative of actual values – for illustration purposes only*

PCIA Impacts and Risks

Customer Impacts

- Bill Impacts; Reduced Savings
- Bill Confusion
- Volatility

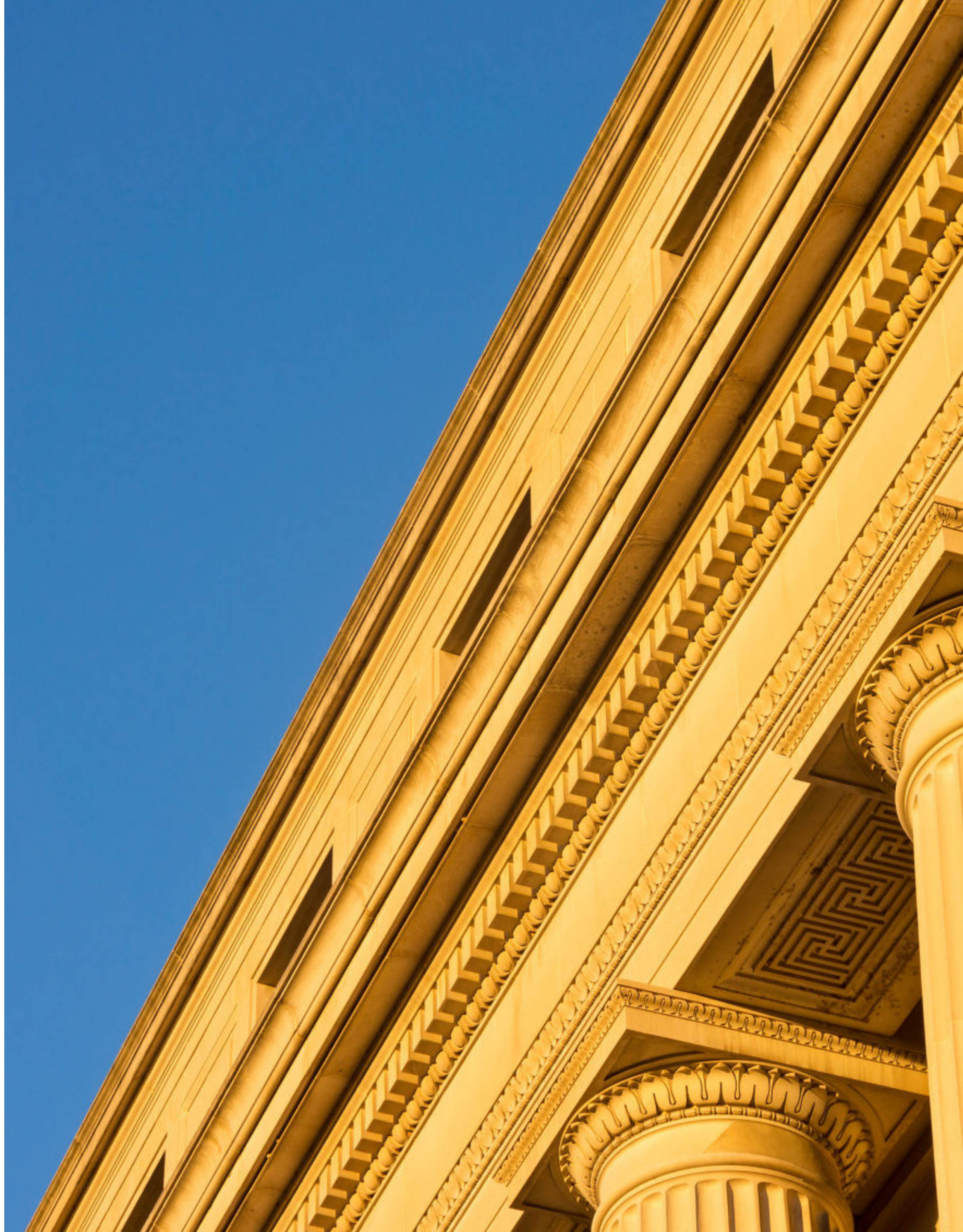
Risks to MCE

- Competitive Risk
- Customer Retention
- Planning Instability
- Revenue Instability
- Reputational & Policy Risk

PCIA Advocacy

MCE's policy advocacy on the PCIA focuses on:

- Fair access to benefits paid for by CCA customers
- Reducing volatility
- Improving transparency
- Structural reform (sunset, buyouts, re-vintaging, IOU optimization)



PCIA Advocacy in 2026 ERRA Proceeding

- PCIA and PG&E generation rates are updated annually in ERRA Forecast Proceedings before the CPUC

- The 2026 ERRA Forecast Decision by CPUC contained legal errors:
  - Application of New RA MPB Methodology - Retroactive (2025) and prospective (2026) application.
    - Impact → Increase PCIA
  - PG&E's Proposed Pre-2019 Banked Renewable Energy Credit (REC) Valuation.
    - Impact → Increase PCIA

- MCE is supporting CalCCA on potential legal options to provide relief for these legal errors

CPUC PCIA Proceeding

Track 1 (completed 2025)	• CPUC adopted RA market price benchmark methodology changes • Allows retroactive application, increasing 2016 PCIA costs • CalCCA filed application for rehearing with CPUC – denied in October • CalCCA has filed an appeal seeking reversal of decision and refund to customers
Track 2 (2026-2027)	• Evaluate widespread, long-term changes to PCIA methodology - Allocation of attributes of PCIA resources - Sunsetting the PCIA - Re-vintaging of Resources - Market Price Benchmark Revisions

IRP Proceeding Update

What is the IRP?

- IRP = Integrated Resource Plan
- CPUC uses IRPs for long-term procurement and transmission planning for the state
- Key Goal: Maintain grid reliability & support CA decarbonization goals

How Does MCE Engage in the IRP?

- Required to submit IRP plans to CPUC every two years
- Continuously engage in CPUC proceedings advocating on behalf of MCE and CCAs and IRP compliance activity

IRP Proceeding Update

- **New IRP Cycle in 2026**
  - Staff will bring IRP to Board for approval in Q1/Q2 of 2026
- **Potential Procurement Order**
  - In late September, the CPUC issued an analysis identifying a need for new capacity to meet state reliability needs
    - **Drivers**: Data center load growth and transportation electrification
  - CPUC Staff Proposal:
    - **Issue a procurement order for 6,000 MW of new capacity by 2032**.
    - Require all CPUC-jurisdictional LSEs to procure proportional shares of the 6,000 MW from 2029–2032
    - MCE position: No new procurement order now – prioritize development of orderly procurement program to avoid market and affordability shocks
  - Decision on procurement order expected by end of 2025/early Q1 2026

Thank you!

MCE

mceCleanEnergy.org
info@mceCleanEnergy.org

The Power Charge Indifference Adjustment (PCIA)

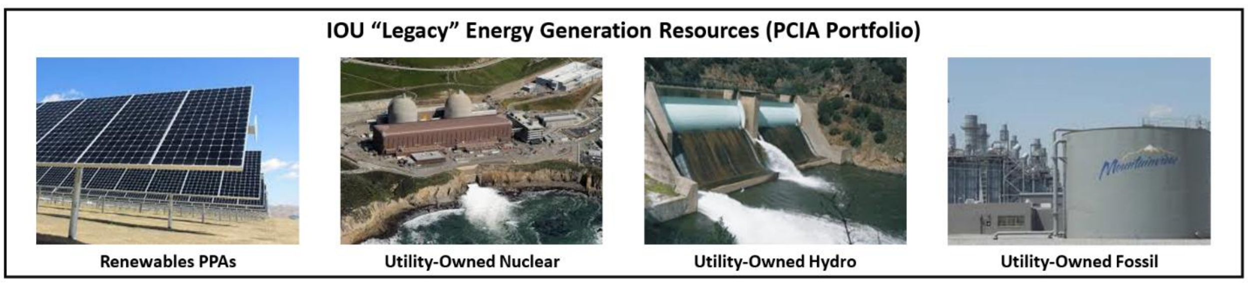
What is the PCIA?

The PCIA, or Power Charge Indifference Adjustment, is a fee charged by investor-owned utilities (IOUs) in California to all customers, including those who receive generation service from a Community Choice Aggregator (CCA) or Electric Service Provider (ESP). In the past, the PCIA has been known as an “exit fee” but this is a misnomer. The PCIA recovers the IOUs’ above-market costs for power contracts or resources that were acquired prior to a customer's departure to an alternative energy provider.

Due to the dynamics of inputs to the PCIA, the fee can vary dramatically from year to year. These variations create rate volatility for all customers. CalCCA believes structural changes are needed to decrease PCIA volatility and ensure the PCIA calculation more accurately reflects the full value of IOU energy resource portfolios so that it is properly recovered from customers equitably.

How is the PCIA Calculated?

The PCIA is set annually in the IOUs’ Energy Resource Recovery Account (ERRA) proceedings. It includes above-market costs related to power supply commitments that the IOUs made many years ago. Above-market means the cost of the resource is higher than the revenue the resource generates. These include Utility-Owned Generation (UOG) (e.g., nuclear, natural gas, hydroelectric plants) and long-term renewable energy contracts with third parties.



The PCIA is intended to leave all customers indifferent to taking up service with a CCA or other alternative. Customers are assigned “vintages” based on the year they moved to CCA service and are responsible for the above-market costs incurred on their behalf before they switched service. Bundled customers, or customers who take up both generation and transmission and distribution (T&D) services from an IOU, are always assigned the current year as their vintage.

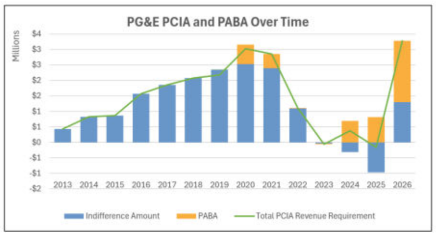
The PCIA is derived from the utility’s indifference amount, which is updated annually in each IOU’s ERRA proceeding. The indifference amount is the difference in the target year between the cost of the IOU’s supply portfolio and the market value of the portfolio.

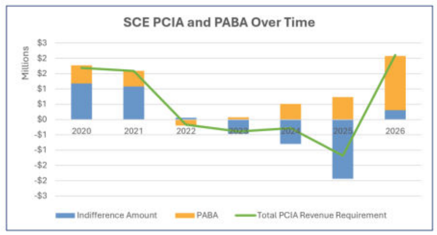
A low indifference amount and subsequent PCIA savings can result from either the cost of the portfolio going down or the value going up. The portfolio value is calculated using Market Price Benchmarks (MPBs), which have experienced extreme variability in recent years.

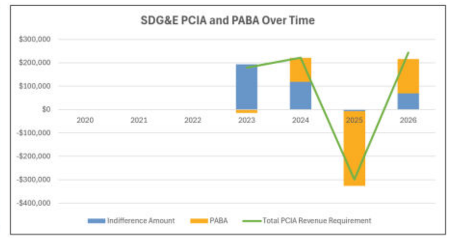
PCIA Swings

When the current market value of IOU power portfolios is *lower* than what the utility originally paid, the PCIA goes positive, and departed customers pay the difference. If the value of IOU portfolios is *higher* than what the utility originally paid, the PCIA goes negative, and bundled IOU customers pay the difference.

Over the past decade, CCA customers experienced dramatic increases in the PCIA to the tune of hundreds of millions of dollars. More recently, in 2024 and 2025, IOU portfolio values increased to overtake portfolio costs. As value surpassed costs, IOU bundled customers were hit with significant PCIA increases in order to provide the value back to departed customers who were owed.







In recent years, the indifference amount has not only varied from positive to negative but also changed significantly in total magnitude, from over $2.5 billion to tens of thousands in PG&E's case, as shown in the graph above. These dramatic swings in the PCIA have led the California Public Utilities Commission (CPUC) to reconsider the current PCIA methodology.

PCIA Changes Ahead?

In February 2025, the CPUC issued an Order Instituting Rulemaking (OIR) to evaluate potential changes to the methodology used to calculate the PCIA with the goals of improving utility ERRA cost forecasting, mitigating rate volatility, and ensuring indifference among bundled and departed customers.

The OIR separates potential changes into two tracks. Track one is currently considering modifications to MPB calculations. Beginning in 2026, track two will consider broader changes to the overall PCIA methodology.

In June 2025, the CPUC released a decision on track one which modifies the RA MPB and applies it to the 2025 and future ERRA calculations. The decision combines the RA MPB datasets in one RA MPB, expands the datasets scope in time, and reduces their risk of manipulation.

CalCCA requested rehearing of this decision on the grounds that applying the new RA MPB methodology to the 2025 revenue requirement constitutes unlawful retroactive ratemaking. The CPUC denied CalCCA's request. In December 2025, CalCCA filed a Petition for Writ of Review challenging the CPUC's decision, arguing that the CPUC's action violates the statutory prohibition against retroactive ratemaking, which protects rate stability and prevents after-the-fact changes to approved rates. The petition also asserts that the CPUC lacked adequate findings or evidence to change the existing methodology.

CalCCA's Recommendations

CalCCA is recommending a number of structural changes to the PCIA, including those listed below.

Track one recommendations:	Track two recommendations:
• Maintain consistent pricing between RPS and RA • Maximize representative transactions for MPB calculation • Mitigate risk in RA MPB manipulation • Ensure seasonality in RA prices is well reflected	• Consider sunsetting the PCIA • Allocate resources proportionally to unbundled and bundled customers • Revisit the Greenhouse Gas (GHG)-free methodology • Implement guidance for the RA slice-of-day framework

January 5, 2026

TO:	MCE Executive Committee
FROM:	Justine Parmelee, VP of Internal Operations
RE:	Potential Scope of the Finance Committee (Agenda Item #07)
ATTACHMENTS:	A. Draft Finance Committee Overview B. Summary of CCA Finance Committee Scopes and 2025 Meeting Cadence

Dear Executive Committee Members:

Summary:
Staff prepared an initial Draft Finance Committee Overview for discussion purposes for the December 1, 2025 Executive Committee meeting. Staff updated the Draft Finance Committee Overview (Attachment A) based on input provided by your committee at that meeting.

Attached for reference is a summary of other CCA Finance Committee Scopes and 2025 meeting cadence (Attachment B). This information was collected by direct correspondence with CCA Board clerks.

Fiscal Impacts:
None at this time.

Options for Consideration:
To move this item forward, the Executive Committee may act to:

A. Recommend the draft Finance Committee Overview for approval by the full Board of Directors with any changes suggested and approved by the Committee; or
B. Direct staff to come back with any additional information

[Draft] MCE Finance Committee Overview
Pursuant to input provided at the December 1, 2025 Executive Committee Meeting

Scope
The scope of the MCE Finance Committee is to explore, discuss and provide input to the Board of Directors on general issues related to MCE's finances.

Finance Committee will:
- Receive, review, and discuss monthly reports from the Treasurer
- Receive, review, and discuss quarterly reports from the Treasurer
- Receive, review, and discuss annual Audit
- Consider rate proposals
- Consider budget-setting proposals
- Consider high-level risk analysis and forward-looking financial forecasts
- Occasional review of contracts for financial vendors (investment advisors, auditors, banking)

The Finance Committee may also choose to make recommendations regarding:
- Recommendations to the Board of Directors regarding rate setting proposals
- Recommendations to the Board of Directors regarding annual budget and budget adjustments
- Recommendations to the Board of Directors regarding entering into debt
- Recommendations to the Board of Directors regarding MCE Policies related to finance such as Policy 013: Reserve Policy and Policy 014: Investment Policy.

Committee Size and Member Selection Process
The Finance Committee will consist of 5-7 MCE Board representatives. MCE strives to assemble a Finance Committee comprised of at least one representative from each county in the MCE service area. Available seats on the Finance Committee are therefore first offered to any interested Board member whose county is not yet represented. Interested members can be added at a meeting of the Board of Directors when it is included in the agenda. Any member interested in joining is required to be a representative on the Board for six (6) months prior to serving on the Finance Committee.

The Finance Committee selects its own chair for a term of one year. The Finance Committee Chair is limited to two one-year terms.

Meeting Schedule
First Monday of every other month (or quarterly/as needed) at 9:30am or 2:30pm. Meetings may be held in-person at MCE's San Rafael and/or Concord offices. Participation via teleconferencing can be accommodated upon request if the address is provided to MCE's Board clerk a minimum of 10 days before the meeting (for public noticing purposes) and the location and committee members follow applicable requirements for public access.

Attachment B. Summary of CCA Finance Committee Scopes and 2025 Meeting Cadence

AGENCY	SCOPE
Ava Community Energy (Ava) *5 meetings in 2025*	No official scope. Per their clerk: "The scope of the Finance, Administrative and Procurement subcommittee is defined by its name and the staff members (from our internal finance, administration and procurement teams) who participate in the meetings."
Central Coast Community Energy (3CE) *3 meetings in 2025*	The Boards' Audit and Finance Committee ("AF Committee") shall be a permanent standing committee. The AF Committee shall consist of up to five voting members made up of Directors from the Boards. (*Note: 3CE has two boards, one made up of elected officials and the other made up of City Managers.)* All members of the AF Committee shall be: (1) generally knowledgeable about governmental accounting and finance issues and (2) selected by the Chair of the Policy Board. The purpose of the AF Committee is primarily to provide financial oversight for the Authority. The AF Committee shall meet quarterly, and as needed. AF Committee members shall serve two, three-year terms. The AF Committee shall have the following duties: a. Advise and work with the Authority's staff on budgeting, audits, financial planning/reporting, internal controls, accountability policies and investments. b. Review the proposed annual budget of the Authority prior to presentation to the Policy Board. c. Provide oversight of the preparation of the annual audit of the Authority's financial statements and review the completed audit reports for clarity, soundness and potential issues prior to the Policy Board's review. d. Recommend policies and procedures on financial matters to the Policy Board. e. Be available to review the proposed budget or any financial transactions that might require an in-depth review prior to the Policy Board's approval. f. Perform other duties as assigned by the Policy Board. g. Delegate any of these duties and responsibilities as it deems appropriate.

Clean Power Alliance (CPA) *6 meetings in 2025*	The Standing Finance Committee's duties shall include but not be limited to reviewing and recommending to the Executive Director and Board: a. Fiscal year budgets; b. Financial policies and procedures including a reserve and investment policy; and c. Other measures ensuring the sound financial management of CPA or as similarly directed by the Board. The Finance Committee shall select an Independent Auditor who shall perform a financial audit of accounts of CPA on an annual basis. The Independent Auditor shall be accredited in the State of California and provide independent, accurate, and timely assessments of CPA's financial activities in compliance with generally accepted government auditing standards. The Finance Committee shall recommend to the Board an Internal Auditor. The Internal Auditor may assess compliance with CPA's financial policies and procedures; review CPA's internal processes or the adequacy of financial controls; make recommendations for improvement; and any similar duties as the Board may direct.
Peninsula Clean Energy (PCE) *4 meetings in 2025*	As a Standing Board Committee, the role of the Board Audit and Finance Committee is to consider and make recommendations on matters referred to it by the Board relating to PCE finance, budget, financial audits, and debt. The Audit and Finance Committee will consist of up to five members elected by the Board to serve one-year terms.
Pioneer Community Energy (Pioneer) *3 meetings in 2025*	1. The Committee shall annually retain or renew the appointment of an independent auditor to conduct the audit and any related management letter. 2. Review with the independent auditor the scope and planning of the audit prior to its commencement. 3. Upon completion of the audit, review and discuss the following with the independent auditor:

	a. Any material risks and weaknesses in internal controls identified by the independent auditor b. Any restrictions placed on the independent auditor's scope of the activities or access to requested information c. The adequacy of the Agency's interim and annual accounting and financial reporting process d. Any recommendations made by the independent auditor 4.Report to the Governing Board of the Committee's activities and recommend the results of audit findings for approval. Additional responsibilities include: Budgeting and Financial Reporting, Internal Controls and Accountability Policies, and Investments.
Redwood Coast Energy Authority (RCEA) *2 meetings in 2025*	The Finance Subcommittee will work with staff in an advisory capacity, and provide recommendations and advice to the Board of Directors, on matters relating to audit, finance and budget.
San Diego Community Power (SDCP) *8 meetings in 2025*	The Finance and Risk Management Committee (FRMC) is a standing committee of the Community Power Board whose purpose, as stated in section 5.10.2 of the SDCP's JPA Agreement, is to provide input and oversight on matters related to the agency's funding plan, its fiscal year budgets, financial policies and procedures, risk management policies and procedures, and other responsibilities as may be directed by the Board. The FRMC is composed of three members of the Board.