



MCE Technical Committee Meeting
Friday, February 6, 2026
10:00 a.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/QzAmo>

Phone: Dial (669) 900-9128, Meeting ID: 828 5103 7385, Passcode: 142534

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.

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1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Information/Action)
 - C. 1. Approval of 10.3.26 Meeting Minutes (Action)
 - C.2. First Amendment to Cormorant Energy Storage, LLC Energy Storage Service Agreement (Action)
6. Consider Adjustments to Term Limit for Chair (Discussion/Action)

7. Integrated Resource Plan Process Overview (Discussion)
8. MCE Rate Reduction Proposals (Discussion/Action)
9. Resolution 2020-04: Review Consultation and Execution of Certain Contracts (Discussion)
10. Committee & Staff Matters (Discussion)
11. Adjourn

The Technical 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 TECHNICAL COMMITTEE MEETING MINUTES
Friday, October 3, 2025
10:00 A.M.

Present: Stephanie Andre, City of Larkspur
Devin Murphy, City of Pinole, Chair
Charles Palmares, City of Vallejo, joined at 10:17 a.m.
Gabe Quinto, City of El Cerrito
Amanda Szakats, City of Pleasant Hill
Cesar Zepeda, City of Richmond

Absent: Dion Bailey, City of Hercules
John McCormick, City of Lafayette

Staff & Others: Jesica Brooks, Lead Board Clerk and Executive Assistant
Vidhi Chawla, VP of Power Resources
Vicken Kasarjian, Chief Operating Officer
Paul Krebs, Senior Power Procurement Manager
Caroline Lavenue, Legal Counsel II
Tanya Lomas, Board Clerk Associate
Stephen Mariani, Senior Power Procurement Manager
Catalina Murphy, General Counsel
Ashley Muth, Internal Operations Associate
Justine Parmelee, VP of Internal Operations
Mike Rodriguez-Vargas, Internal Operations Assistant
Dan Settlemeyer, Internal Operations Associate
Dawn Weisz, Chief Executive Officer
Michael Wong, Senior Power Procurement Manager

1. Roll Call

Chair Murphy called the regular Technical Committee meeting to order at 10:03 a.m. with quorum established by roll call.

2. Board Announcements (Discussion)

There were no comments.

3. Public Open Time (Discussion)

Chair Murphy opened the public comment period and comments were made by member of the public, Ken Strong.

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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 9.5.25 Meeting Minutes

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

Action: It was M/S/C (Szakats/Zepeda) to **approve consent calendar item**

C.1. Motion carried by unanimous roll call vote. (Absent: Bailey, McCormick, Palmares).

6. Energy Storage Service Agreement with Roccasecca BESS, LLC (Discussion/Action)

Stephen Mariani, Senior Power Procurement Manager, presented this item and addressed questions from Committee members.

Chair Murphy opened the public comment period, and comments were made by member of the public, Dan Segedin.

Action: It was M/S/C (Andre/Szakats) to **authorize execution of the Energy Storage Service Agreement between MCE and Roccasecca BESS, LLC.** Motion carried by unanimous roll call vote. (Absent: Bailey, McCormick).

7. Renewable Power Purchase Agreement with Buena Vista Energy, LLC (Discussion/Action)

Paul Krebs, Senior Power Procurement Manager, presented this item and addressed questions from Committee members.

Chair Murphy opened the public comment period, and comments were made by member of the public, Dan Segedin.

Action: It was M/S/C (Quinto/Palmares) to **authorize execution of the Renewable Power Purchase Agreement with Buena Vista Energy, LLC.** Motion carried by unanimous roll call vote. (Absent: Bailey, McCormick).

8. Committee & Staff Matters (Discussion)

There were comments made by Directors Andre, Catalina Murphy and Director Palmares.

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9. Adjournment

Chair Murphy adjourned the meeting at 10:55 a.m. to the next scheduled Technical Committee Meeting on November 7, 2025.

Devin Murphy, Chair

Attest:

Dawn Weisz, Secretary



February 6, 2025

TO: MCE Technical Committee

FROM: Paul Krebs, Senior Power Procurement Manager

RE: First Amendment to Amended and Restated Energy Storage Service Agreement with Cormorant Energy Storage, LLC (Agenda Item #05 C.2)

ATTACHMENT: First Amendment to Amended and Restated Energy Storage Service Agreement with Cormorant Energy Storage, LLC Amendment

Dear Technical Committee Members:

Summary:

MCE ("Buyer") and Cormorant Energy Storage, LLC ("Seller") (owner: Arevon Energy) are parties to the Amended and Restated Energy Storage Service Agreement, effective March 8, 2024, for 188 MW x 4 hour. (752 MWh) of battery storage capacity, energy and ancillary services under a 15-year delivery term (the "A&R ESSA"). The Cormorant battery storage project is being built in Daly City and will interconnect to PG&E's Martin substation.

In early 2025, Arevon Energy notified MCE that PG&E was experiencing delays in its interconnection schedule that would put its ability to meet the A&R ESSA Commercial Operation Date (COD) of June 1, 2026, in jeopardy. Arevon Energy cited that PG&E was delayed procuring breakers, confirming the location of a point of change of ownership pole and completing interconnection facility design work.

Arevon Energy subsequently engaged with the CPUC, Governor's office, and PG&E senior management and received a preliminary schedule from PG&E in June 2025.

This preliminary schedule was forwarded to MCE in June 2025 and served as Arevon Energy's first communication to MCE that the ESSA COD would be delayed from June 1, 2026, to August 1, 2027.

During the summer of 2025, Arevon Energy closely monitored progress by PG&E on the interconnection facilities design and continued meetings with PG&E management to ensure items were on track. After achieving a critical design milestone, PG&E then provided an updated schedule confirming the preliminary schedule dates.

In October 2025, Arevon Energy sent MCE a request to amend the A&R ESSA to i) modify the milestone dates and ii) waive construction delay damages.

MCE and Arevon Energy then began negotiating amendment terms.

Proposed Amendment: Key Provisions:

- Storage capacity increased from 188 MW to 250 MW
- Expected COD extended from 6/1/2026 to 8/1/2027
- Price reduction resulting in additional value to MCE
- Change to development security (beneficial to MCE)
- Change to development cure period (beneficial to MCE)
- Change to termination rights (beneficial to MCE)
- One-time cash payment to MCE

Proposed Amendment: Justifications

Financial Benefit

- Additional value associated with price reduction + one-time cash payment

Portfolio and Compliance Benefit

- Preserves MCE's rights to 188 MW and adds an additional 62 MW
- This 250 MW total of stand-alone storage will complement MCE's existing solar-heavy portfolio and help MCE meet its mid-term reliability (MTR) procurement obligations

Viable Interconnection Schedule

- PG&E schedule delays resolved and project has been significantly derisked
- Full site control, signed interconnection agreement and all major equipment agreements signed
- Strong incentives for Arevon Energy to adhere to the project schedule

Local Benefits

- Arevon Energy will continue to focus on community relations and investment, including \$1.5 million to be dispersed over the next year to strategic partner organizations representing Daly City's diverse community.

Fiscal Impacts:

Incremental costs and benefits associated with the price and volume of the contract would be accounted for starting in FY 2027/28. However, the incremental benefit of the one-time cash payment would be accounted for starting in FY 2026/27.

Recommendation:

Approve the First Amendment to the Amended and Restated Energy Storage Service Agreement with Cormorant Energy Storage, LLC.

**FIRST AMENDMENT TO
AMENDED AND RESTATED ENERGY STORAGE SERVICE AGREEMENT**

This First Amendment to Amended and Restated Energy Storage Service Agreement (“Amendment”) is made by and between Marin Clean Energy, a California joint powers authority (“Buyer”) and Cormorant Energy Storage, LLC, a Delaware limited liability company (“Seller”) effective as of the last dated signature on the signature page hereto (the “Amendment Effective Date”). Buyer and Seller are referred to herein individually as a “Party” and together as the “Parties”. Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Agreement (defined below).

RECITALS

WHEREAS, Buyer and Seller are parties to that certain Amended and Restated Energy Storage Service Agreement, effective as of March 8, 2024 (the “Agreement”); and

WHEREAS, the Parties wish to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Amendments to the Agreement. The Agreement is amended as follows:

- (a) The Cover Sheet of the Agreement is hereby deleted in its entirety and replaced with the Cover Sheet attached as Appendix I hereto.
- (b) The defined terms “Baseline Tax Credit Percentage,” “Financed Tax Credit Percentage,” and “Seller Termination Payment” are hereby deleted from Section 1.1.
- (c) Section 11.9 is hereby deleted in its entirety.
- (d) Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the Exhibit A attached as Appendix II hereto.
- (e) In Section 4 of Exhibit B, “[REDACTED] on a cumulative basis” is hereby deleted and replaced with “[REDACTED] on a cumulative basis”.
- (f) Paragraph (e) of Exhibit C is hereby deleted in its entirety
- (g) Exhibit Q of the Agreement is hereby deleted in its entirety and replaced with the Exhibit Q attached as Appendix III hereto.

2. Development Security. In accordance with the amended Development Security amount set forth on the Cover Sheet attached as Appendix A hereto, and notwithstanding the timing requirements of Section 8.7 of the Agreement, Seller shall deliver additional Development

Security to Buyer in the amount of [REDACTED] within Fifteen (15) Business Days from the Amendment Effective Date for a total posted amount of [REDACTED] of Development Security.

3. Condition Precedent. This Amendment is expressly subject to [REDACTED] no later than ninety (90) days from the Amendment Effective Date (the “Condition Precedent”). Notwithstanding any provision herein to the contrary, if Seller does not timely satisfy the Condition Precedent, this Amendment shall become void *ab initio*.

4. Miscellaneous.

(a) Agreement Otherwise Not Affected. Except for the amendments pursuant hereto, the Agreement remains unchanged and in full force and effect and is hereby ratified and confirmed in all respects. The execution and delivery of, or acceptance of, this Amendment and any other documents and instruments in connection herewith by either Party shall not be deemed to create a course of dealing or otherwise create any express or implied duty by it to provide any other or further amendments, consents, or waivers in the future.

(b) Entire Agreement; Integration. This Amendment constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communication or prior writings related thereto. The headings used herein are for convenience and reference purposes only. This Amendment shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other Party as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

(c) Binding Effect. This Amendment shall be binding upon, inure to the benefit of and be enforceable by the Parties hereto and their respective successors and assigns.

(d) No Reliance. Each Party hereby acknowledges and confirms that it is executing this Amendment on the basis of its own investigation and for its own reasons without reliance upon any agreement, representation, understanding or communication by or with the other Party or its agents, representatives or attorneys not set forth within the Agreement or this Amendment.

(e) Costs and Expenses. Each Party shall be responsible for any costs and expenses incurred by such Party in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith.

(f) Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, CONSTRUED, AND ENFORCED UNDER THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER STATE.

(g) Amendments. This Amendment may not be modified, amended or otherwise altered except by written instrument executed by the Parties’ duly authorized representatives;

provided, that, for the avoidance of doubt, this Amendment may not be amended by electronic mail communications.

(h) Interpretation. This Amendment is the result of negotiations between and has been reviewed by counsel to each of the Parties and is the product of all Parties hereto. Accordingly, this Amendment shall not be construed against either Party merely because of such Party's involvement in the preparation hereof.

(i) Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original. The Parties may rely on electronic and scanned signatures as originals. Delivery of an executed signature page of this Agreement by a PDF attachment to an email shall be the same as delivery of an original executed signature page.

[Signatures appear on the following page.]

AE DRAFT
12 JANUARY 2026

IN WITNESS WHEREOF, the Parties have caused this Amendment to the Agreement to be duly executed as of the Amendment Effective Date.

MARIN CLEAN ENERGY,
a California joint powers authority

By: _____
Name: _____
Title: _____
Date: _____

CORMORANT ENERGY STORAGE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Appendix I

AMENDED AND RESTATED
ENERGY STORAGE SERVICE AGREEMENT
COVER SHEET

Seller: Cormorant Energy Storage, LLC (“**Seller**”)

Buyer: Marin Clean Energy, a California joint powers authority (“**Buyer**”)

Description of Facility: A 250 MW/1000 MWh battery energy storage facility located in San Mateo County, in the State of California, as further described in Exhibit A (the “**Facility**”), and subject to reduction in capacity pursuant to Paragraph 5 in Exhibit B.

Milestones:

Milestone	Date for Completion
Evidence of Site Control	Completed
Executed Interconnection Agreement	Completed
Obtain Federal and State Discretionary Permits	Completed
Network Upgrades Completed	Completed
Procure Major Equipment	Completed
Expected Construction Start Date	12/31/2026
Initial Synchronization	3/15/2027
Expected Commercial Operation Date	8/1/2027
Full Capacity Deliverability Status Obtained	Completed

Delivery Term: The period for Product delivery will be for fifteen (15) Contract Years.

Storage Contract Capacity: 250 MW for four (4) hour discharge

Storage Contract Output: 1000 MWh

Guaranteed Efficiency Rate:

Contract Year	Guaranteed Efficiency Rate
1	
2	
3	
4	
5	
6	

7			
8			
9			
10			
11			
12			
13			
14			
15			

Minimum Efficiency Rate: [REDACTED]

Contract Price

The Storage Rate shall be:

Contract Year	Storage Rate
1 – 15	[REDACTED]

Delivery Point: the PNode assigned to the Facility by the CAISO, which shall be located at the PG&E Martin 115 kV Substation

Product:

- Discharging Energy
- Storage Capacity
- Capacity Attributes (select options below as applicable)
 - Energy Only Status
 - Full Capacity Deliverability Status
 - Ancillary Services

Scheduling Coordinator: Buyer or Buyer's agent

Development Security and Performance Security

Development Security: [REDACTED]

Performance Security: [REDACTED]

Appendix II

EXHIBIT A

FACILITY DESCRIPTION

Site Name: Cormorant Battery Energy Storage Facility

Site includes all or some of the following APNs: 005-050-020

County: San Mateo County

Type of Facility: Battery Energy Storage

Energy Management Software: The Facility shall include communication systems and automatic generation control (AGC) interface to operate the Facility as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, directed by Buyer in accordance with the Agreement and/or the CAISO, including through ADS. Seller must provide remotely operable, 2-4 second timestamps, data historian (6 months of on-site storage and 24 months of cloud storage), SCADA/AGC communication and operability with the Facility controller and offtaker, and include the following applications/modes:

- Dynamic Voltage Support
- Shifting
- Regulation
- Flexible Ramp
- Spinning Reserve

To the extent not already provided above, Seller must be able to provide telemetry and other data to Buyer and Buyer's SC in an electronic format compatible with bid optimization software used by Buyer and Buyer's SC for input into bid optimization software.

Operating Characteristics of Facility:

Maximum Stored Energy Level at COD (MWh): 1000 MWh

Minimum Stored Energy Level at COD (MWh): 0 MWh

Maximum Charging Capacity at COD: 250 MW

Maximum Discharging Capacity at COD: 250 MW

Operating Restrictions of Facility: See Exhibit Q

Storage Contract Capacity: See definition in Section 1.1

Maximum Output: 1000 MWh

Delivery Point: Facility PNode

Facility Meter Locations: See Exhibit R

Metering Arrangement: CAISO Metered Entity

Facility Interconnection Point: The Facility shall interconnect to the PG&E Martin 115 kV Substation

Facility PNode: the PNode assigned to the Facility by the CAISO, which shall be located at the PG&E Martin 115 kV Substation.

Participating Transmission Owner: Pacific Gas and Electric Company (“PG&E”)

Appendix III

EXHIBIT Q

OPERATING RESTRICTIONS

The Parties will develop and finalize the Operating Restrictions prior to the Commercial Operation Date, provided that the Operating Restrictions (i) may not be materially more restrictive of the operation of the Facility than as set forth below, unless agreed to by Buyer in writing, (ii) will, at a minimum, include the rules, requirements and procedures set forth in this Exhibit Q, (iii) will include protocols and parameters for Seller's operation of the Facility in the absence of Charging Notices, Discharging Notices or other similar instructions from Buyer relating to the use of the Facility, and (iv) may include Facility Scheduling, Operating Restrictions and communications protocols.

Maximum Stored Energy Level:	1000 MWh at COD; Storage Contract Output thereafter
Minimum Stored Energy Level:	0 MWh
Maximum Charging Capacity:	250 MW
Minimum Charging Capacity:	1 MW
Maximum Discharging Capacity:	250 MW
Minimum Discharging Capacity:	1 MW
Maximum State of Charge (SOC):	100%
Minimum State of Charge (SOC):	0%
Ramp Rate Range:	Discharging: 0 MW/minute to 999 MW/minute Charging: 0 MW/minute to -999 MW/minute
Annual Cycles:	Equal to the Storage Contract Capacity for such Contract Year multiplied by the product of (i) four (4) hours and (ii) three hundred sixty-five (365)
Daily Dispatch Limits:	Equal to the Storage Contract Capacity for such day multiplied by four (4) hours
Maximum Time at Minimum Stored Energy Level:	No limit on Maximum Time at Minimum Stored Energy Level when grid power is available to the Facility
Grid Charging of Facility:	Yes
Other Operating Limits:	Seller is obligated to provide voltage support under the Interconnection Agreement.
Temperature Derates:	Maximum Charging Capacity and Maximum Discharging Capacity set forth above are based on

	operating temperature range of -30°C to 50°C (-22F to 122F). The Facility cannot operate outside of the operating temperature range.
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February 6, 2026

TO: MCE Technical Committee
FROM: Justine Parmelee, VP of Internal Operations
RE: Consider Adjustments to Term Limit for Chair (Agenda Item #06)
ATTACHMENTS: A. December 4, 2024, Executive Committee Meeting Minutes
B. April 17, 2025, Board of Directors Meeting Minutes

Dear Technical Committee Members:

Summary:

The Executive Committee met on December 2, 2024, and voted to recommend that the Board of Directors adopt chair term limits for all standing committees at MCE (Attachment A). This recommendation, which recommended limiting the term of committee chairs to two one-year terms, was presented to the Board of Directors on April 17, 2025, where it was unanimously approved on the consent calendar (Attachment B).

The Technical Committee did not separately consider the application of chair term limits to its own membership at that time. Some members of the Technical Committee have requested an opportunity to revisit this topic.

Fiscal Impacts:

None.

Options for Consideration:

- A. No change.
- B. Recommend to the Board of Directors no term limits for the Technical Committee.
- C. Recommend to the Board of Directors alternate term limits for the Technical Committee.

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 Pittsburg

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 Settemeyer, 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
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).

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 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.

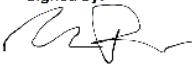
9. Committee & Staff Matters (Discussion)

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.

Signed by:

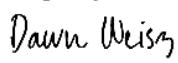


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Cindy Darling, Acting Chair

Attest:

Signed by:



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Dawn Weisz, Secretary

MCE BOARD MEETING MINUTES
Thursday, April 17, 2025
6:30 P.M.

Present: Liz Alessio, The County of Napa and Four Napa Cities/Town (American Canyon, Calistoga, St. Helena, and Yountville)
Stephanie Andre, City of Larkspur
Eli Beckman, Town of Corte Madera
Mark Belotz, Town of Danville
Monica Brown, County of Solano
Barbara Coler, Town of Fairfax
Cindy Darling, City of Walnut Creek
Kevin Jacobs, City of Novato
Arlene Kobata, City of Pittsburg
Maika Llorens-Gulati, City of San Rafael
Satinder Malhi, Alternate, City of Martinez
Aaron Meadows, City of Oakley
Devin Murphy, City of Pinole
Laura Nakamura, City of Concord
Charles Palmares, City of Vallejo, joined at 6:55pm
Max Perrey, City of Mill Valley
Gabe Quinto, City of El Cerrito, Acting Chair
Mary Sackett, County of Marin
Mathew Salter, Town of Ross
Shanelle Scales-Preston, County of Contra Costa, joined at 7:35pm
Amanda Szakats, City of Pleasant Hill
Graham Thiel, Town of Moraga
Holli Thier, Town of Tiburon
Sridhar Verose, City of San Ramon
Sally Wilkinson, City of Belvedere, joined at 6:43pm
Cesar Zepeda, City of Richmond
Brianne Zorn, City of Martinez

Absent: Dion Bailey, City of Hercules
Kari Birdseye, City of Benicia
Melissa Blaustein, City of Sausalito
Gina Dawson, City of Lafayette
Tarrell Kullaway, Town of San Anselmo
Elizabeth Pabon-Alvarado, City of San Pablo
Beth Painter, City of Napa
Manveer Sandhu, City of Fairfield

Staff

& Others: Jared Blanton, VP of Public Affairs
Jesica Brooks, Lead Board Clerk and Executive Assistant
Vidhi Chawla, VP of Power Resources
Shyna Deepak, Communications Manager
Vicken Kasarjian, Chief Operating Officer
Caroline Lavenue, Legal Counsel II
Tanya Lomas, Board Clerk Associate
Catalina Murphy, General Counsel
Ashley Muth, Internal Operations Coordinator
Tyler Noble, Municipal Capital Markets Group, Inc.
Efren Oxlaj, Finance Manager
Justine Parmelee, VP of Internal Operations
Mike Rodriguez-Vargas, Internal Operations Assistant
Enyonam Senyo-Mensah, Internal Operations Manager
Dan Settemyer, Internal operations Associate
Maíra Strauss, VP of Finance and Treasurer
Lisa Strong, Internal Operations Intern

1. Roll Call

Acting Chair Quinto called the regular meeting to order at 6:32 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

Acting Chair Quinto opened the floor for board announcements, and there were no comments.

3. Public Open Time (Discussion)

Acting Chair Quinto opened the public comment period and there were comments made by Rebekah Collins and Isabelle Winstead.

4. Report from Chief Executive Officer (Discussion)

Vicken Kasarjian, COO introduced this item and addressed questions from Board members.

Acting Chair Quinto opened the public comment period and comments were made by Dion Bailey.

5. Consent Calendar (Discussion/Action)

- C.1 Approval of 3.20.25 Meeting Minutes
- C.2 Approved Contracts for Energy update
- C.3 Board of Directors Voting Shares Update
- C.4 Proposed Committee Governance Recommendations from the Executive Committee
- C.5 Addition of Board Members to Committees

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

Action: It was M/S/C (Perrey/Alessio) to **approve Consent Calendar items**

C.1, C.2, C.3, C.4 and C.5. Motion carried by unanimous roll call (Absent: Bailey, Birdseye, Blaustein, Dawson, Kullaway, Pabon-Alvarado, Painter, Palmares, Salter, Sandhu, Scales-Preston, Thier).

6. 2024 Charles F. McGlashan Advocacy Award Presentation (Discussion)

Jared Blanton, VP of Public Affairs, presented the McGlashan Advocacy Award to The Greater Concord Chamber of Commerce, RCF Connects, and Andrew Bradley, Program Manager, City of St. Helena.

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

Action: No action required.

7. Proposed Resolution 2025-02: Authorizing the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of the California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Costs of Renewable Energy Therewith (Discussion/Action)

Vicken Kasarjian, COO and several MCE staff addressed questions from Board members.

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

Action: It was M/S/C (Nakamura/Darling) to **approve Resolution 2025-02: Authorizing the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of the California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Costs of Renewable Energy Therewith.**

Motion carried by roll call vote. Yays-28; No-1; Abstain-1 (No: Wilkinson; Abstain: Their; Absent: Bailey, Birdseye, Blaustein, Dawson, Kullaway, Pabon-Alvarado, Painter, Sandhu).

8. Board & Staff Matters (Discussion)

There were comments made by Scales-Preston, Salter and Beckman.

9. Adjournment

Acting Chair Quinto adjourned the meeting at 7:45 p.m. to the next scheduled Board Meeting on May 15, 2025.

DocuSigned by:

Shanelle Scales-Preston

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Shanelle Scales-Preston, Chair

Attest:

Signed by:

Dawn Weisz

A598784110EBC4F8...

Dawn Weisz, Secretary



Integrated Resource Plan Process Overview

MCE Technical
Committee



What is the IRP?

- IRP = Integrated Resource Plan
- Key Goal: Identify a diverse portfolio of resources to meet grid reliability needs & support CA's Greenhouse Gas (GHG) emissions reductions goals.
- The IRP is overseen by the California Public Utilities Commission (CPUC) and is the process by which the CPUC sets resource planning targets for Load Serving Entities (LSEs) within its jurisdiction.

How Does the IRP Work?

The IRP has two tracks which impact MCE procurement, budget, and ratepayers:

1. Planning

- Builds Preferred System Plan (PSP) based on forecasts, policy goals, and statewide emissions targets.
- Load Serving Entities (LSEs) prepare individual plans that are aggregated and evaluated against PSP.

2. Procurement

- CPUC evaluates and determines if there is a need for additional procurement to fill identified shortfalls.
- This can (and has) lead to mandatory procurement orders.

IRP Process Explained

1. Load Forecasting:

- CPUC utilizes demand and reliability forecasts from California Energy Commission and CAISO to create long-term (10-20 years) forecast

2. Portfolio Modeling and System Needs

- CPUC models multiple resource portfolios based on requirements (reliability, emissions targets, cost) to identify system needs (capacity, resource types, transmission, etc.)

3. Preferred System Plan

- Utilizes modeling to create long-term procurement blueprint (resource mix, timing, etc.) that meets reliability and emissions targets

4. LSEs Develop Individual Conforming Portfolios

- LSEs allocated share of system plan and required to develop conforming portfolio demonstrating ability to meet state targets

How Does MCE Participate in the IRP

- MCE regularly engages in advocacy in CPUC-related proceedings to advocate for reasonable forecast and planning assumptions as well as fair procurement obligations
- Submit IRP plans to the CPUC every two years:
 - After development of the PSP, the CPUC allocates portion of the PSP to individual LSEs like MCE
 - MCE is required to create and submit a “conforming portfolio” for submission to the CPUC
 - Conforming Portfolio outlines MCE’s model demonstrating that it can meet share of statewide reliability need and GHG targets.



MCE's 2022 IRP (example)

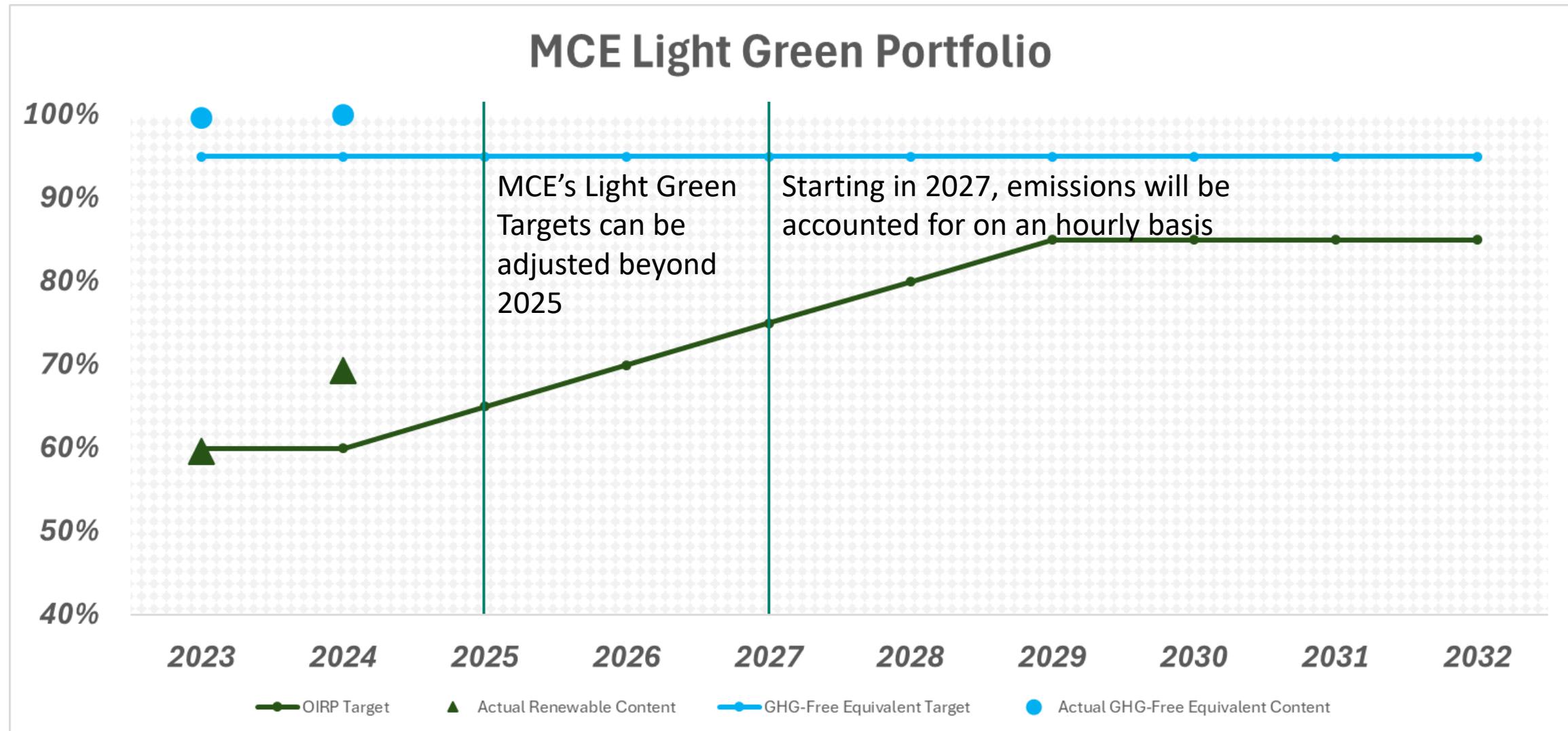
For the 2022 IRP Cycle, MCE developed one Conforming Portfolio that:

- Included plans for:
 - 1091 MW of new capacity by 2035
 - 85% renewable energy content by 2029
 - 12% large hydroelectric energy by 2029
- Was consistent with MCE operational and policy guidelines (Operational IRP)
- Satisfied all CPUC assigned emissions limitations, energy, and reliability requirements

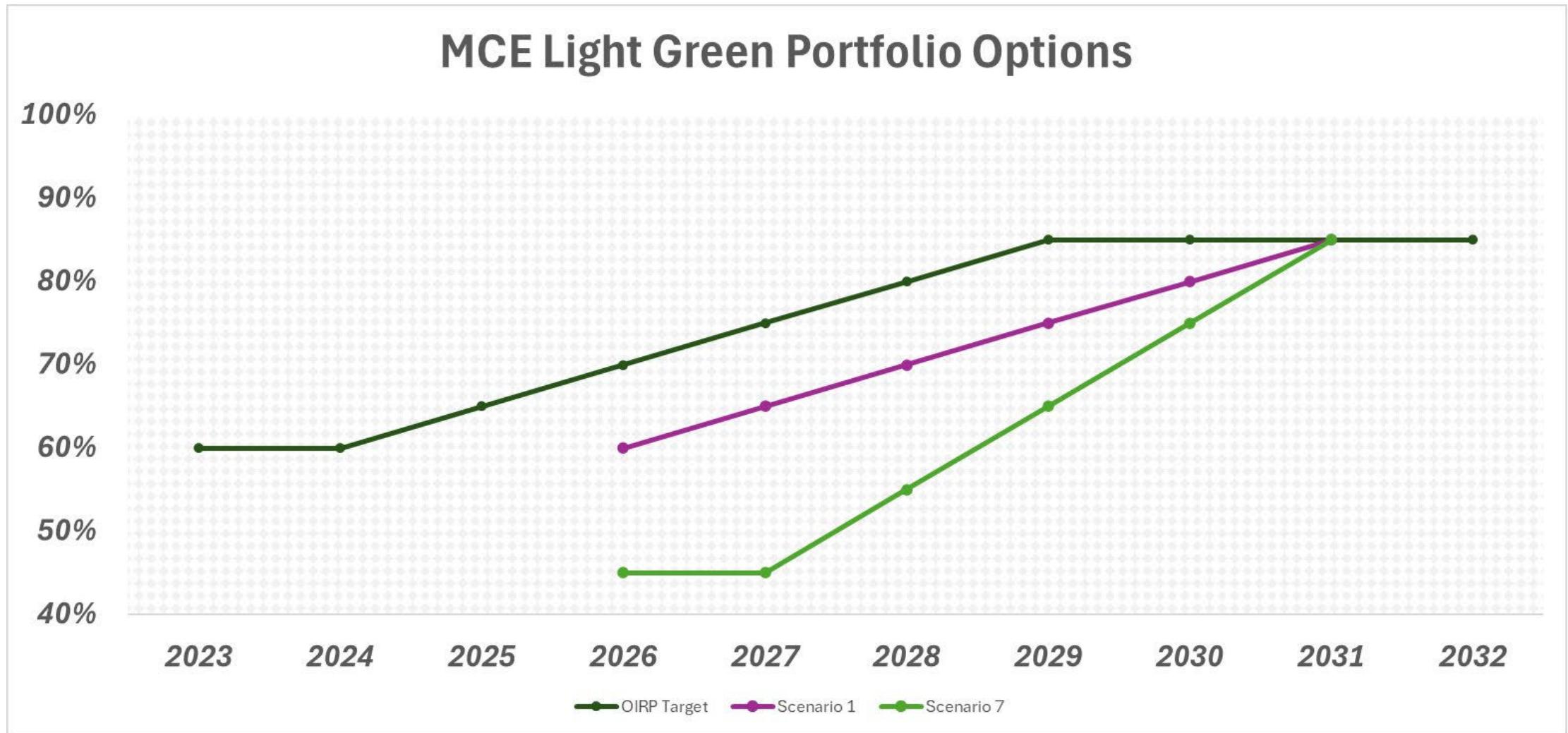
MCE's Procurement Update

2022 IRP Conforming Portfolio	Projected by 2035	Contracted Capacity**
Wind	265 MW	151 MW
Solar+Storage	212 MW Solar/ 153 MW Storage	312 MW Solar/ 263 MW Storage
Storage	400 MW	415 MW
Geothermal	109 MW	127 MW
Long Duration Storage	90 MW	35 MW
Demand Response	15 MW	15 MW*
<i>* RA only</i>		
<i>**Contracted capacity may include new or existing projects</i>		

MCE's Portfolio Update



Light Green Portfolio Discussion



Impacts of IRP on MCE

- The IRP process is used to demonstrate that MCE can, and plans to, meet reliability and GHG targets as set by the state.
- Directly impacts MCE's operation strategy and budget:
 - Influences and **constraints (but does not dictate)** MCE's future procurement efforts
 - **Can result in procurement mandates** if the PUC determines that the state requires new capacity to meet reliability and emissions requirements
 - Has a direct (but not 1:1) **impact on MCE's procurement costs → budget and rate impacts for MCE and its customers**

IRP Impacts - Past Procurement Orders

- **2019 - IRP Procurement Order (D.19-11-016)**
 - Ordered 3,300 MW of new capacity by 2023 in tranches
 - MCE share: 87.5 MW of Qualifying Capacity*
- **2021 - Mid Term Reliability (MTR) Order (D.21-06-035)**
 - Ordered 11,500 MW of new capacity by 2026 in tranches between 2023 & 2026 and with certain requirements (i.e. Long Lead Time (LLT) Resources, Diablo Canyon Replacement, etc.)
 - MCE share: 332 MW of Qualifying Capacity
- **2023 - Supplemental MTR Order (D.23-02-040)**
 - Ordered an additional 4000 MW to come online between 2026-2027 and extended LLT deadline to June 1, 2028
 - MCE share: 122 MW of Qualifying Capacity

* Technology Specific discount factors are applied to Contracted Capacity by the CPUC to calculate Qualifying Capacity.

IRP Impacts - New Procurement Order

- In mid-January, the CPUC issued a Proposed Decision based on prior analysis identifying a need for new capacity to meet state reliability needs.
 - **Orders 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.
 - **Drivers:** Data center load growth and transportation electrification.

For MCE,
~60 MW in 2030 &
~120 MW in 2032



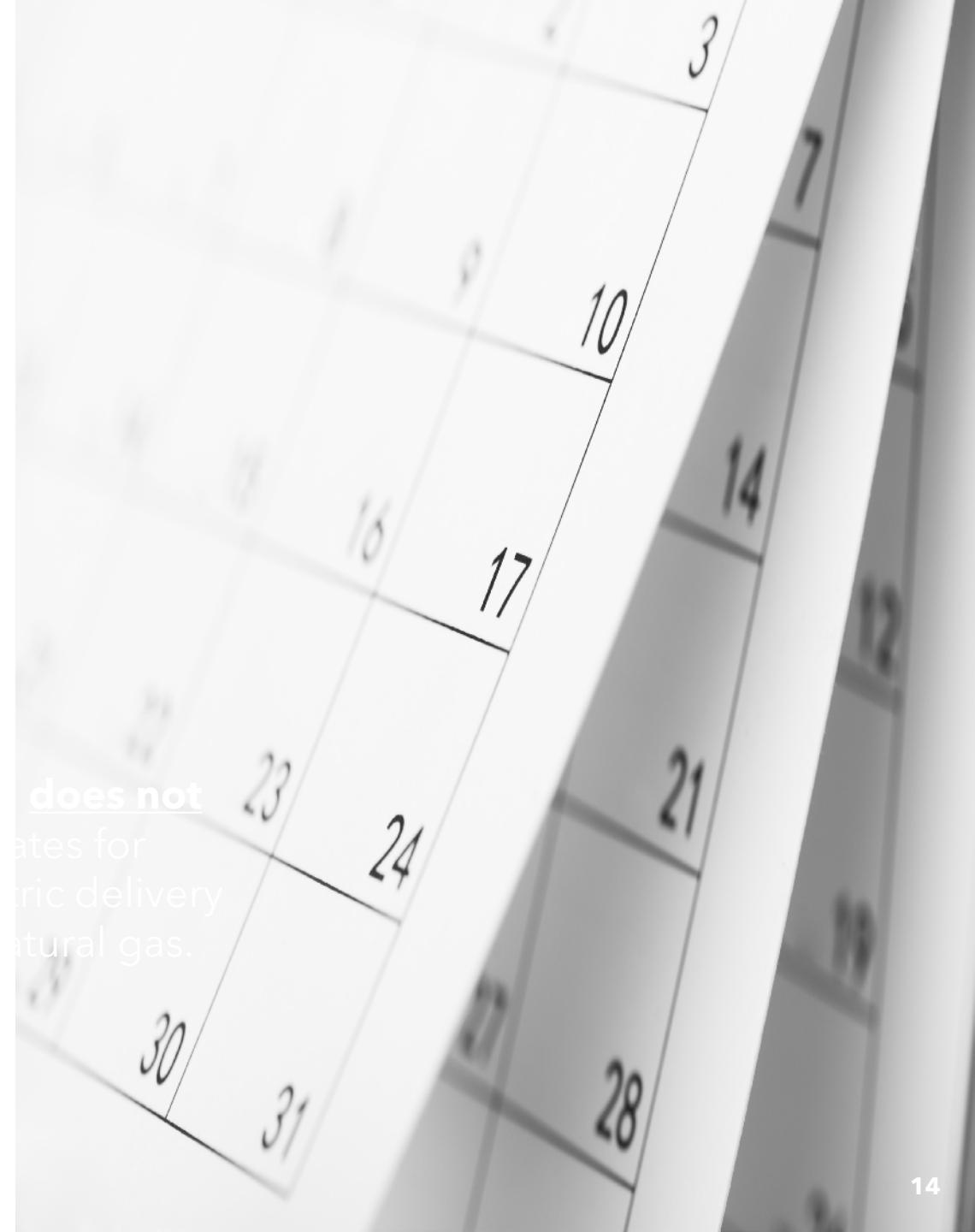
What IRP Does NOT Do

The IRP does NOT:

- Select individual projects or contracts that MCE must procure
 - **MCE's procurement authority resides with this Board, and however the Board delegates such authority.**
 - **All future contracts for resources will continue to follow that approval process.**
- Determine specific or exact cost impacts for MCE
- Account for MCE or individual LSEs internal goals and constraints
- Align perfectly with market timing or contract availability to ensure least cost, optimal portfolios for individual LSEs

Next Steps

- MCE is beginning to engage in 2026 IRP Cycle
 - Just received final templates and requirements from CPUC
 - Currently scheduled to be due June 1, 2026
- MCE plans to bring IRP to Technical Committee and Board for approval in Q2 2026 before submitting to CPUC



A scenic sunset over rolling hills and a valley, with a city skyline visible in the distance.

Thank you!



mceCleanEnergy.org
info@mceCleanEnergy.org



February 6, 2026

TO: MCE Technical Committee

FROM: Maira Strauss, Chief Financial Officer and Treasurer
Kaladhar R. Bollampalli, Director of Power Systems & Analytics
Jonnie Kipyator, Principal Manager, Power Analytics

RE: MCE Rate Reduction Proposals (Agenda Item #08)

ATTACHMENT: Presentation FY 2026/27 MCE Rate Reduction Proposals

Dear Technical Committee Members:

Summary:

MCE is conducting its annual rate-setting assessment for FY 2026/27. Rates are assessed using six criteria: revenue sufficiency, rate competitiveness, rate stability, customer understanding, equity among customers, and efficiency and conservation.

Power supply costs in the market have dropped in recent months, creating a declining trend in cost of service. This trend is creating headroom in MCE's generation rates that could allow for a reduction for customers, while still meeting MCE's revenue requirements in the next fiscal year.

PG&E implemented new generation rates effective January 1, 2026, which are lower than MCE's current generation rates. At the same time, the Power Charge Indifference Adjustment (PCIA) charged by PG&E to MCE customers ("unbundled customers") has increased dramatically due to a large PCIA true-up recovering 2025 PG&E under-collections, while bundled customers (customers who take generation service from PG&E) are receiving PCIA credits. This gap stems from a 2025 CPUC decision that retroactively recalculated market price benchmarks, creating an alleged PG&E revenue shortfall that is now being recovered primarily from unbundled customers in 2026.

To better align with MCE's declining cost of service and to deepen opportunities for customer savings, staff evaluated multiple rate options, reserve-supported rate relief tools, and potential cost-savings from reduction in clean procurement targets.

Staff evaluated five **Generation Rate Reduction** options for FY 2026/27. Please note:

- Rate comparisons are based on Residential E-TOU-C plan and MCE's 2017 PCIA vintage.
- Residential rates are used for comparison and illustration purposes only; similar rate reductions apply across all customer groups, including commercial, industrial, and other non-residential classes.
- Proposed rate reductions are approximate; actual impacts vary by rate class and time-of-use period.
- Monthly bill impacts assume 438 kWh of typical residential usage.
- All figures are estimates and subject to change.

Table 1. Summary of FY 2026/27 Generation Rate Reduction Options.

MCE's current residential generation rate is 14.62¢/kWh.

Option	Generation Rate Reduction	Under-Recovery of Cost	How the Gap Is Addressed	Residential Bill Impact (w/o PCIA)	Residential Bill Impact (w/ PCIA)
1	1.73¢/kWh (12%)	\$0M	N/A	\$1 above bundled customers	\$22 above bundled customers
2	2¢/kWh (14%)	\$14M	Partial ORF (Rate Stabilization Fund)	\$0 below bundled customers	\$21 above bundled customers
3	3¢/kWh (21%)	\$67M	Almost full ORF	\$4 below bundled customers	\$17 above bundled customers
4	3.51¢/kWh (24%)	\$94M	Full ORF + Reserve-backed funding	\$7 below bundled customers	\$14 above bundled customers
5	4¢/kWh (27%)	\$119M	Full ORF + All available reserve-backed funding + Clean energy procurement reduction	\$9 below bundled customers	\$12 above bundled customers

All options would allow MCE to maintain compliance with MCE's reserve and liquidity policies. The resulting revenue reduction or under-recovery of costs would be addressed through a combination of the Operating Reserve Fund (ORF, also referred to as the "Rate Stabilization Fund"), and other reserve-backed funding, and potentially a reduction in clean energy procurement.

Background:

MCE reviews potential rate adjustments each year in alignment with its fiscal year (April 1–March 31). Although this review is conducted annually, rate changes are implemented only when needed. Aligning the review with the fiscal year helps maintain consistency between the agency's budget and its revenue requirements. Off-cycle adjustments may be made when necessary to ensure full cost recovery.

MCE's rate design is guided by the following objectives:

- **Revenue sufficiency:** rates should recover all expenses, debt service and other expenditure requirements, and build prudent reserves, i.e., the "revenue requirement".
- **Rate competitiveness:** rates should allow MCE to successfully compete in the marketplace to retain and attract customers.
- **Rate stability:** rate changes should be minimized to reduce customer bill impacts.
- **Customer understanding:** rates should be simple, transparent, and easily understood by customers.
- **Equity among customers:** rate differences among customers should be justified by differences in usage characteristics and/or cost of service.
- **Efficiency and conservation:** rates should encourage conservation and efficient use of electricity (e.g., off-peak vehicle charging or time-of-use load shifting).

These objectives can be in tension with one another. Revenue sufficiency cannot be compromised, but the Board has discretion in balancing the remaining objectives.

MCE maintains strong financial stability through:

- **Reserves equal to 60%** of annual energy and operating expenses.
- **Liquidity of 240 days** cash on hand.

FY 2025/26 projections show MCE exceeding both targets, with reserves expected at **109%** and liquidity at **274 days**.

The PG&E PCIA charges remain volatile. CCA customers face higher PCIA charges, while bundled PG&E customers receive credits. According to industry forecasts, PCIA costs are expected to converge across vintages beginning in 2027 and beyond.

Rate-Setting Process

The FY 2026/27 rate analysis incorporates updated load forecasts, customer participation assumptions, and projected procurement costs. Projected revenue at current rates is compared to the revenue requirement to determine whether adjustments are needed. Rates are then designed to recover each customer class's allocated costs while balancing competitiveness and stability.

Rate Relief Tools

The following table summarizes the tools available to support rate competitiveness in FY 2026/27. All amounts are estimates and subject to change as forecasts are updated.

Table 2. Potential Resources to Support Rate Competitiveness (FY 2026/27).

Tool	Amount	Description
Rate Reduction Headroom	\$89M	Ability to reduce rates to align projected FY 2026/27 revenues with cost levels without creating a deficit
Operating Reserve Fund	\$70M	Funds available currently for targeted rate relief
Reserve-Backed Funding	\$24 to 36M	Up to \$36M available from reserves for rate relief with no impact on MCE's reserve or liquidity targets
Reduced Clean Energy Procurement	\$0 to 17M	Potential savings from lowering Renewable Portfolio Standards (RPS)/Carbon-Free (CF) procurement targets
Total Potential Rate Relief	\$183 to 212M	Sum of all available tools for FY 2026/27

Clean Procurement Reduction Measures

California's Renewables Portfolio Standard (RPS) requires:

- 60% renewable energy by 2030.
- 100% zero-carbon electricity by 2045.

Compliance is tracked through Renewable Energy Credits (RECs), which certify that one megawatt-hour of electricity was generated from a renewable resource, and these certificates are issued and managed in the Western Renewable Energy Generation Information System (WREGIS). Compliance is enforced by the CPUC and the California Energy Commission (CEC), and annual procurement obligations are set within multi-year compliance periods (Compliance Period CP5: 2025-2027; CP6: 2028-2030).

MCE's Current Clean Energy Goals

MCE's Light Green service provides:

- 60% renewable energy (minimum achieved since 2017).
- 95% GHG-free energy (achieved since 2022).¹

¹ MCE uses the CEC Power Content Label reported emissions factor (lbs of CO2e emitted per megawatt-hour) to calculate its carbon-free percentage equivalent. GHG intensity figures exclude biogenic CO2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed

MCE's customer messaging for the Light Green product would need to be adjusted if the renewable and GHG-free content is reduced. MCE's anticipated progress to increase renewable content to **85% by 2031** is shown in Table 3 below.

Table 3. State and MCE Light Green Targets. Summary of California State and MCE RPS and Carbon-Free (CF) Targets.

	2025	2026	2027	2028	2029	2030
State RPS targets	47%	49%	52%	55%	57%	60%
MCE RPS Goals	60%	60%	65%	70%	75%	80%
State Carbon Free target	100% Carbon Free by 2045					
MCE Carbon Free goals	95%	95%	95%	95%	95%	95%

Deep Green remains unaffected by any cost-saving adjustments.

Procurement Options Evaluated

Table 4. Cost Summary. Summary of the procurement options and the associated net changes to the cost of energy relative to current estimates. Scenario #1 represents no change to current targets. Scenario #2 would delay increasing RPS content from 60% to 65% by one year. Scenarios #3-7 represent a departure from MCE's Board policy towards an incrementally cleaner portfolio over time and would require changes to customer messaging, product descriptions, and materials. Reductions would likely create customer and community partner concern and confusion, and affect trust in MCE's clean energy commitments.

Scenario #	RPS/CF %	Renewable Content	FY 2026/27		FY 2027/28	
			Cost of Energy (M)	Savings (M)	Cost of Energy (M)	Savings (M)
1	60-65/95	60%	\$643	\$0	\$636	\$0
2	60/95	60%	\$642	\$0	\$634	\$2
3	60/70	60%	\$630	\$13	\$618	\$18
4	RPS Compliance/95	49-52% (RPS Compliance)	\$640	\$3	\$632	\$4

information about all GHG emissions from California's retail electricity suppliers, visit the CEC [webpage](#). Resource Adequacy (RA) is not reflected in the CEC Power Content Label, which reports only delivered retail energy and does not account for individual load serving entity RA contracts. RA is procured to meet CAISO reliability requirements and is not attributed to MCE's retail energy portfolio for emissions reporting purposes.

5	RPS Compliance/85	49-52% (RPS Compliance)	\$634	\$9	\$625	\$11
6	RPS Compliance/70	49-52% (RPS Compliance)	\$627	\$16	\$617	\$19
7	RPS Banking/70	45% (RPS Banking)	\$626	\$17	\$615	\$21

RPS Compliance: Meet the state RPS requirements without banking any RECs.

RPS Banking: Bank excess 2025 RECs for use in 2026 and 2027 under CP5, which lowers the effective RPS to 45% for those years.

These measures could provide up to **\$17 million** in cost savings in FY 2026/27 and **\$21 million** in FY 2027/28.

FY 2026/27 Proposed Rate Options

MCE's current residential E-TOU C generation rate is 14.62¢/kWh. This represents a weighted average rate that accounts for customer usage patterns as well as seasonal (summer/winter) and time-of-use (on-peak/off-peak) pricing.

Option 1: Generation Rate Reduction of 1.73¢/kWh (12%) – Full Cost Recovery

- Achieves break-even and fully recovers projected costs.
- **Generation Rate:** MCE 12.89¢/kWh vs. Bundled 12.57¢/kWh (0.32¢/kWh higher).
- **Gen + PCIA:** MCE 16.55¢/kWh vs. Bundled 11.56¢/kWh (4.99¢/kWh higher).
- **Monthly Residential Bill Impact:**
 - Without PCIA: **\$1 below** bundled.
 - With PCIA: **\$22 above** bundled.

Option 2: Generation Rate Reduction of 2¢/kWh (14%)

- Results in a \$14M under-recovery of projected costs.
- Under-recovery addressed through the operating reserve fund.
- **Generation Rate:** MCE 12.62¢/kWh vs. Bundled 12.57¢/kWh (0.05¢/kWh higher).
- **Gen + PCIA:** MCE 16.28¢/kWh vs. Bundled 11.56¢/kWh (4.72¢/kWh higher).

- **Monthly Residential Bill Impact:**

- Without PCIA: **Equal** to bundled.
- With PCIA: **\$21 above** bundled.

Option 3: Generation Rate Reduction of 3¢/kWh (21%)

- Results in a \$67M under-recovery of projected costs.
- Under-recovery addressed through the Operating Reserve Fund (ORF or "Rate Stabilization Fund").
- **Generation Rate:** MCE 11.62¢/kWh vs. Bundled 12.57¢/kWh (0.95¢/kWh lower).
- **Gen + PCIA:** MCE 15.28¢/kWh vs. Bundled 11.56¢/kWh (3.72¢/kWh higher).
- **Monthly Residential Bill Impact:**
- Without PCIA: **\$4 below** bundled.
- With PCIA: **\$17 above** bundled.

Option 4: Generation Rate Reduction of 3.51¢/kWh (24%) – Uses All Available Reserves Without Falling Below Liquidity Targets

- Results in a \$97M under-recovery of projected costs.
- Under-recovery addressed through the ORF; this option fully exhausts ORF and reserve-backed funding while maintaining liquidity targets.
- **Generation Rate:** MCE 11.11¢/kWh vs. Bundled 12.57¢/kWh (1.46¢/kWh lower).
- **Gen + PCIA:** MCE 14.77¢/kWh vs. Bundled 11.56¢/kWh (3.21¢/kWh higher).
- **Monthly Residential Bill Impact:**
- Without PCIA: **\$7 below** bundled.
- With PCIA: **\$14 above** bundled.

Option 5: Generation Rate Reduction of 4¢/kWh (27%)

- Results in a \$119M under-recovery of projected costs.
- Under-recovery addressed through ORF, reserve-backed funding, and reduced clean energy procurement.
- **Generation Rate:** MCE 10.62¢/kWh vs. Bundled 12.57¢/kWh (1.95¢/kWh lower).
- **Gen + PCIA:** MCE 14.28¢/kWh vs. Bundled 11.56¢/kWh (2.72¢/kWh higher).
- **Monthly Residential Bill Impact:**

- Without PCIA: **\$9 below** bundled.
- With PCIA: **\$12 above** bundled.

Reserve & Liquidity Outlook

- All options maintain compliance with MCE's reserve and liquidity policies.
- Option 4 represents the break-even point for reserve sufficiency.
- Projections assume stable customer participation and do not yet incorporate potential cost-saving measures.

Sustainability of Proposed Generation Rate Options

When evaluating the FY 2026/27 rate options, it is important to distinguish between the size of the rate reduction and the resulting generation rate level. Sustainability is determined by the **generation rate level** in each option, not by how large the reduction is.

Based on current forecasts, projected FY 2027/28 costs are slightly below the **generation rate associated with Option 2**. This means:

- **Options 1 and 2**
Both options set **generation rate levels that are at or above** projected FY 2027/28 costs, allowing them to be sustained next year without the need for a rate increase.
- **Options 3, 4, and 5**
These options reduce the **generation rate** to levels that fall **below** what is needed to recover projected FY 2027/28 costs.
 - Each option relies heavily on the ORF in FY 2026/27, leaving insufficient reserves to continue supporting these lower generation rates.
 - As a result, the generation rate levels in Options 3-5 **cannot be sustained** into FY 2027/28.
 - Under any of these options, the generation rate would need to increase next year to a level at or **slightly below the Option 2 generation rate** to achieve cost recovery.

In summary, while deeper reductions (Options 3-5) produce lower generation rates in the near term, those generation rate levels are not financially sustainable beyond FY 2026/27. Options 1 and 2 provide the only generation rate levels that can be maintained without requiring an upward adjustment next fiscal year.

Fiscal Impact:

None at this time. Fiscal impacts to be determined by future board action.

Recommendation:

Consider recommending a preferred rate reduction option to the full Board to assist with FY 2026/27 budget planning and finalization.



FY 2026/27 MCE Rate Reduction Proposals

MCE Technical Committee
February 6, 2026



Meet the Presenter



Maíra Strauss

Chief Financial Officer and Treasurer

Maíra leads all of MCE's financial operations and strategies which include FP&A, Strategic Finance, Accounting and Risk Management.

Maíra brings over 15 years of experience in financial management and strategic planning to her role. Prior to joining MCE, she consulted on strategic business practices for various international foundations and startups and worked in the energy industry in Brazil. Maíra holds a bachelor's degree in business administration from SFSU and a post-baccalaureate certificate in business strategies from ESPM- RJ in Rio de Janeiro, Brazil.

Meet the Presenter



Kaladhar R. Bollampalli (Kal)

Director, Power Systems & Analytics

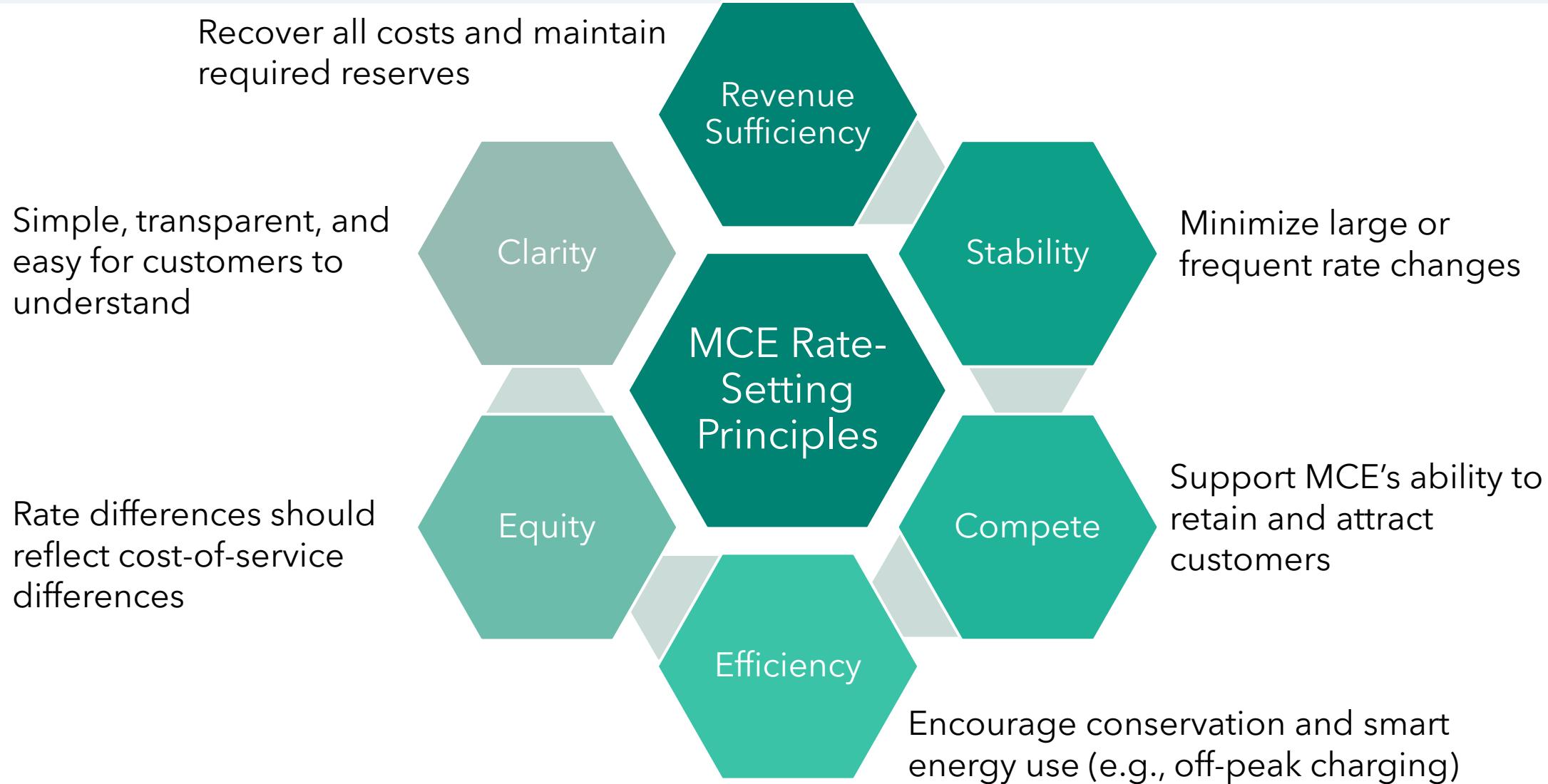
Kal joined MCE in June 2025 and leads the organization's rates design, portfolio planning and analytics, and CAISO market operations.

Before joining MCE, Kal spent 16 years at Southern California Edison (SCE), where he managed energy portfolios valued at up to \$2 billion and advanced market strategy, clean energy procurement, and portfolio optimization - efforts that delivered more than \$150 million in customer savings over his tenure.

Prior to his work at SCE, Kal spent over 6 years as a software engineer, successfully implementing technology solutions in the energy and supply chain management sectors.

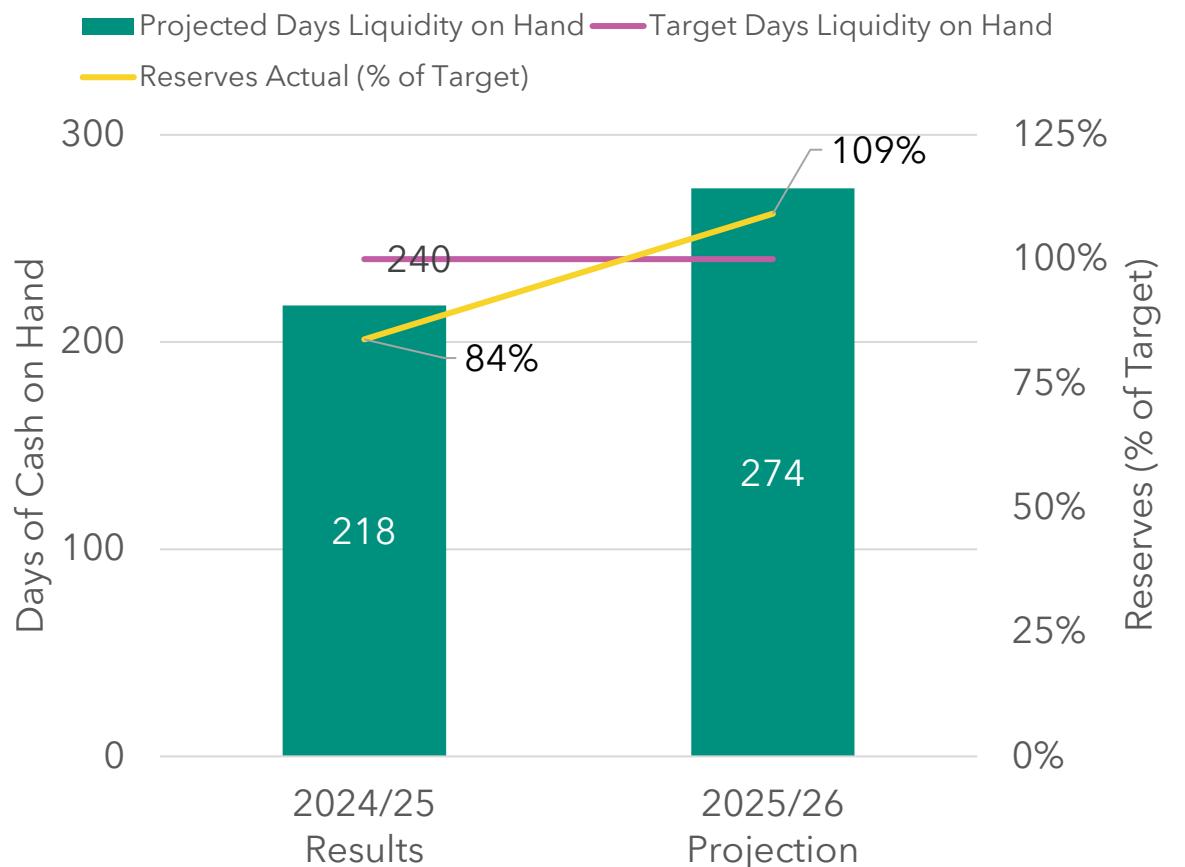
Kal holds a Bachelor of Engineering in Electronics and Communications Engineering from OUCE and an MBA from UCLA.

MCE Rate-Setting Principles



MCE's Reserve & Liquidity Policy

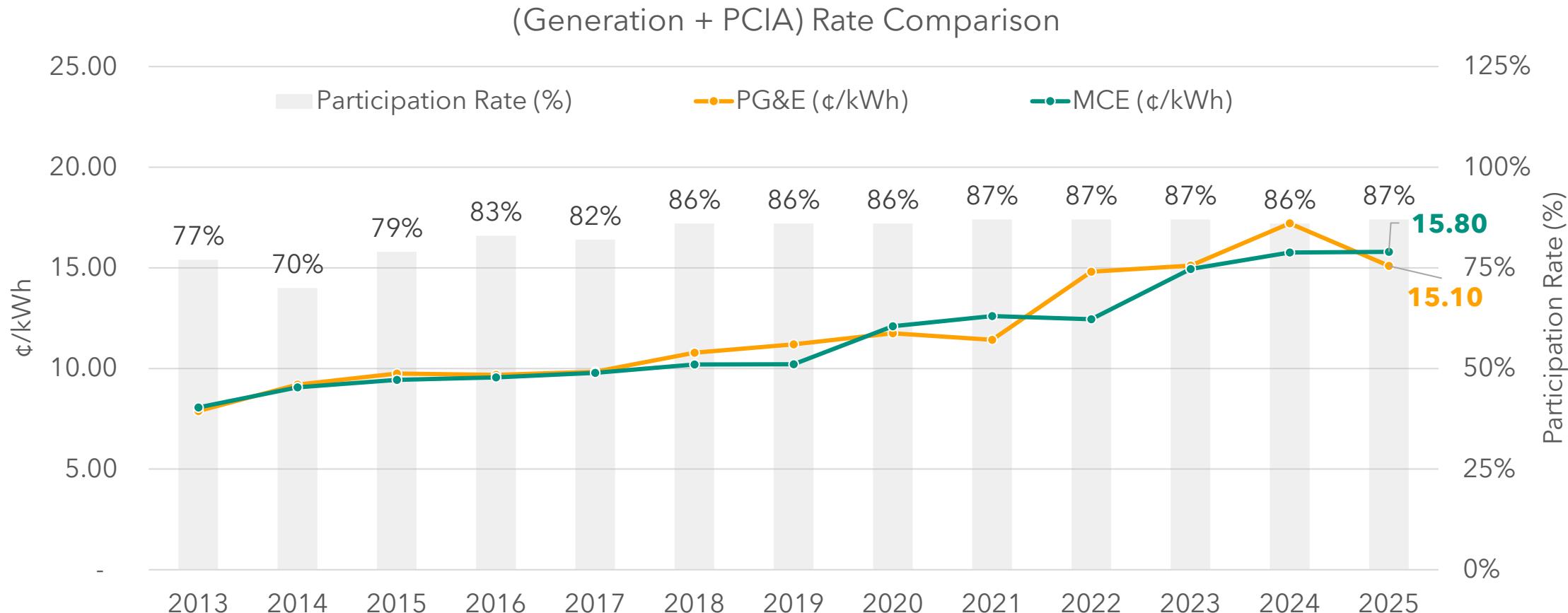
- Maintain MCE's Reserves = **60% of annual energy + operating expenses**
- Liquidity goal of **240 days cash on hand** (unrestricted cash & investments / annual expenses)
- Ensure financial stability, rate stability and strong credit rating



- FY 2025/26 Projection is based on current estimates and will be refined with updated financials

Historical (Generation + PCIA) Rate Comparison

MCE's Generation Rates + PCIA have generally been a lower-cost and stable option, with steady customer participation over time



- Rate comparisons use Residential E1/E-TOU-C plans and MCE's 2017 PCIA vintage
- PG&E generation and PCIA rates are set on a calendar year; MCE generation rates on a fiscal year (Apr-Mar)

FY 2026/27 MCE Rates Strategy

Balance Cost with Competitiveness and Long-Term Customer Retention

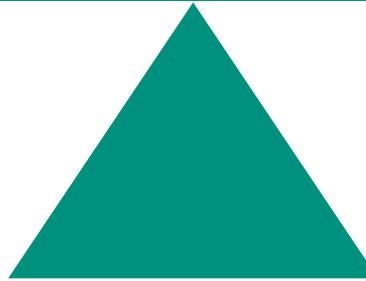
Reflect True Cost

- Align with reserve policy
- True cost = rate floor
- Supports long-term financial stability

Competitiveness & Retention

Retention is influenced by more than price

- Competitive vs. PG&E
- Cleaner, greener power
- Historically stable & often lower rates
- Long-term value proposition (future years may be lower)



Strategic implication: MCE must balance cost recovery with maintaining a compelling customer value proposition across price, sustainability, stability, and long-term certainty

FY 2026/27 Rate Relief Tools

Potential Resources to Support Rate Competitiveness (FY 2026/27)

Tool	Amount	Description
Rate Reduction Headroom	\$89M	Align FY 2026/27 revenues with costs without creating a deficit
Operating Reserve Fund (ORF)	\$70M	Funds available currently for targeted rate relief
Reserve-Backed Funding (Reserves)	\$24 to 36M	Reserves available without affecting reserve/liquidity targets
Reduced Clean Energy Procurement	\$0 to 17M	Potential savings from lowering RPS/CF procurement targets
Total Potential Rate Relief	\$183 to 212M	Sum of all available tools for FY 2026/27

- All figures are estimates and subject to change as forecasts are updated

Reduced Clean Energy Procurement Scenarios

Scenario #	RPS/Carbon-Free (CF) %	RPS	CF	FY 2026/27		FY 2027/28	
				Cost of Energy (\$M)	Cost Reduction (\$M)	Cost of Energy (\$M)	Cost Reduction (\$M)
1	Status-Quo	60-65%	95%	\$643	\$0	\$636	\$0
2	60/95	60%	95%	\$642	\$0	\$634	\$2
3	60/70	60%	70%	\$630	\$13	\$618	\$18
4	RPS Compliance/95	49-52%	95%	\$640	\$3	\$632	\$4
5	RPS Compliance/85	49-52%	85%	\$634	\$9	\$625	\$11
6	RPS Compliance/70	49-52%	70%	\$627	\$16	\$617	\$19
7	RPS Banking/70	45%	70%	\$626	\$17	\$615	\$21

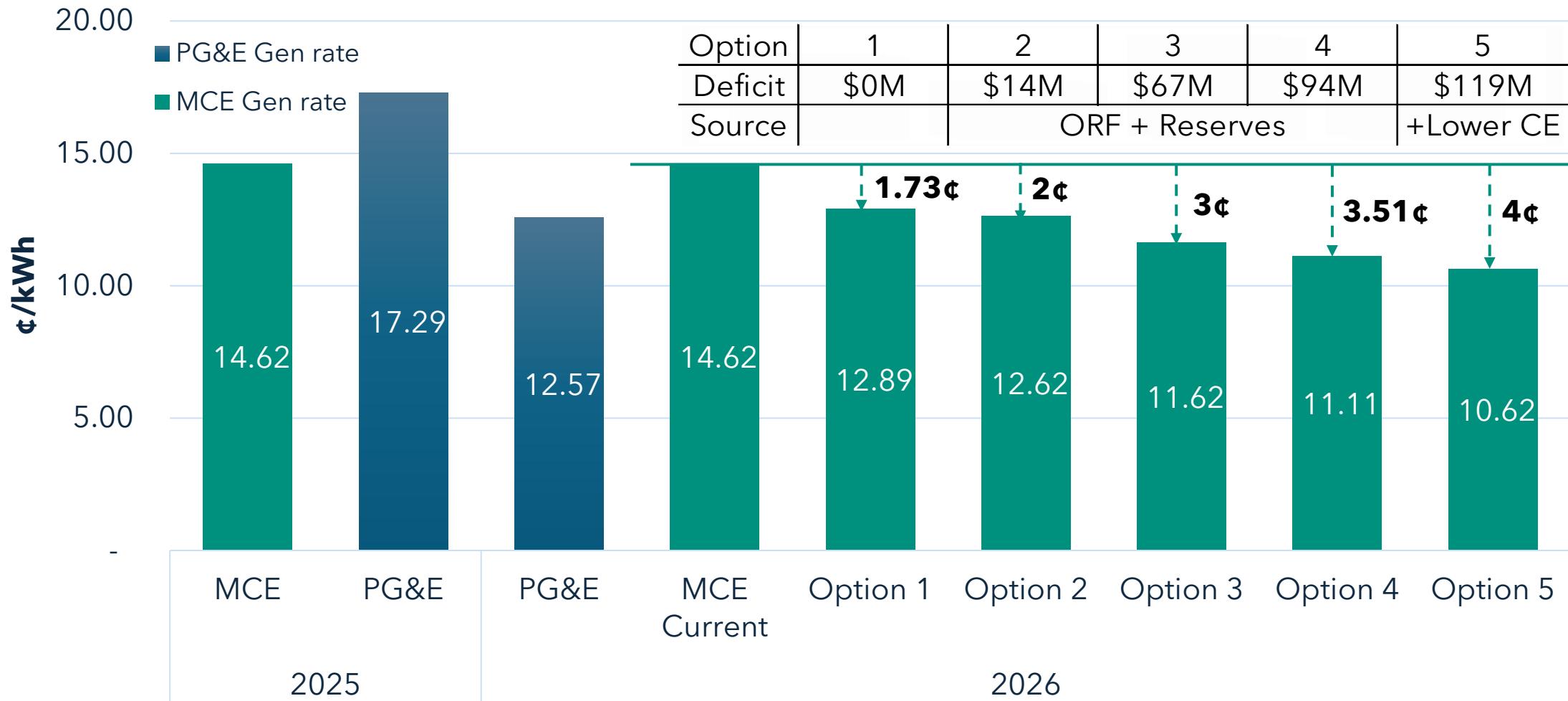
- State RPS goals ('25/'26/'27): **47% / 49% / 52%**; MCE RPS goals ('25/'26/'27): **60% / 60% / 65%**; MCE's CF goal **95%**
- MCE calculates CF percentage based on the CEC Power Content Label (PCL) reported emissions factor (lbs CO₂e/MWh). Resource Adequacy is not reflected in the PCL and is not attributed to MCE's retail energy portfolio for emissions reporting purposes.
- RPS Compliance options do **not** include REC banking
- REC banking allows excess RPS in one year to be used in later years within the same Compliance Period (CP); CP5 is from 2025-2027
- All figures are estimates and subject to change

FY 2026/27 Proposed Gen Rate Reduction Options

Option	Gen Rate Reduction	Under-Recovery	How Addressed	Bill Impact (w/o PCIA)	Bill Impact (w/ PCIA)
1	1.73¢/kWh (12%)	\$0M	N/A	\$1 above bundled customers	\$22 above bundled customers
2	2¢ (14%)	\$14M	Partial ORF	\$0 below	\$21 above
3	3¢ (21%)	\$67M	Almost full ORF	\$4 below	\$17 above
4	3.51¢ (24%)	\$94M	Full ORF + Reserve-backed funding	\$7 below	\$14 above
5	4¢ (27%)	\$119M	Full ORF + Reserve-backed funding + Lower clean energy procurement	\$9 below	\$12 above

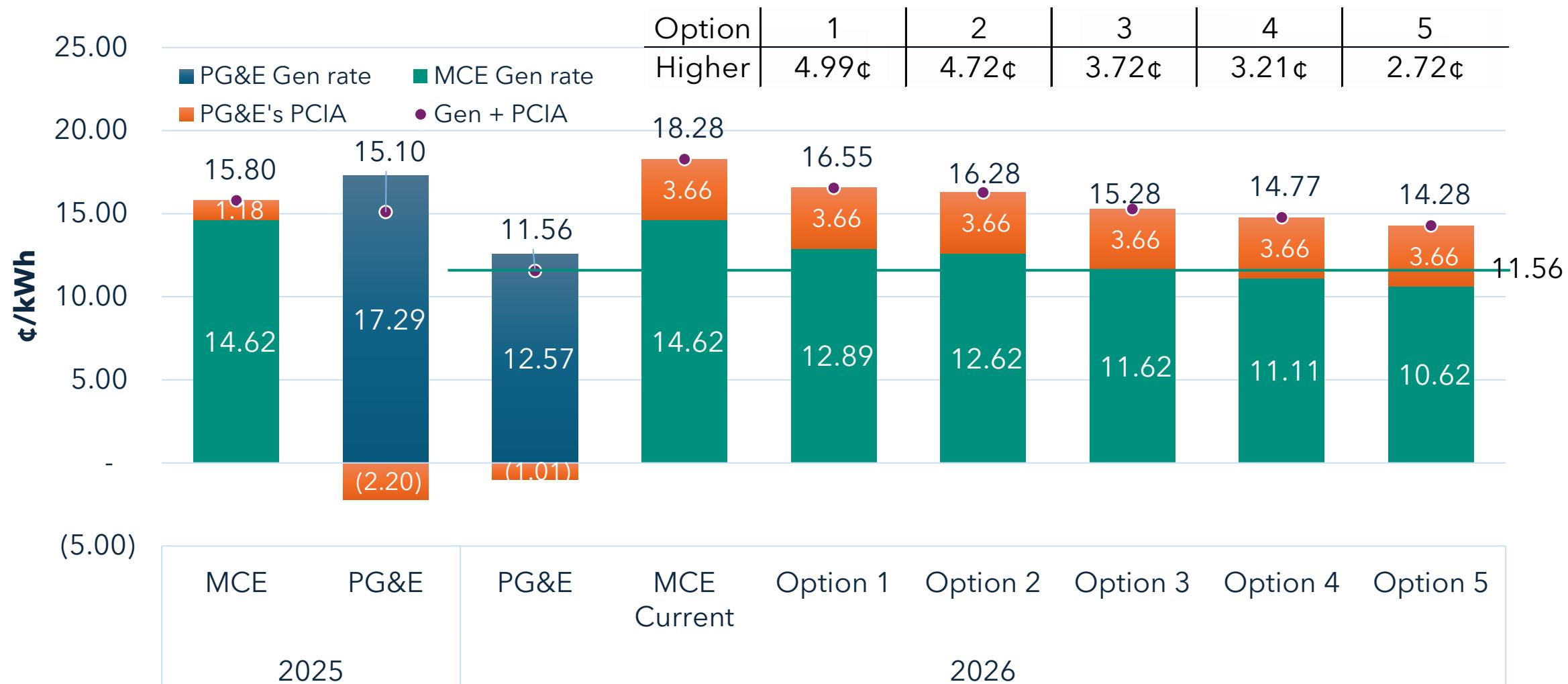
- Rate comparisons use Residential E-TOU-C plan and MCE's 2017 PCIA vintage. Residential rates are shown for illustration; similar reductions apply across all customer classes
- Proposed rate reductions are approximate; actual impacts vary by rate class and time-of-use period.
- Monthly bill impacts assume 438 kWh of typical residential usage.
- All figures are estimates and subject to change.

FY 2026/27 Proposed Generation Rate Options



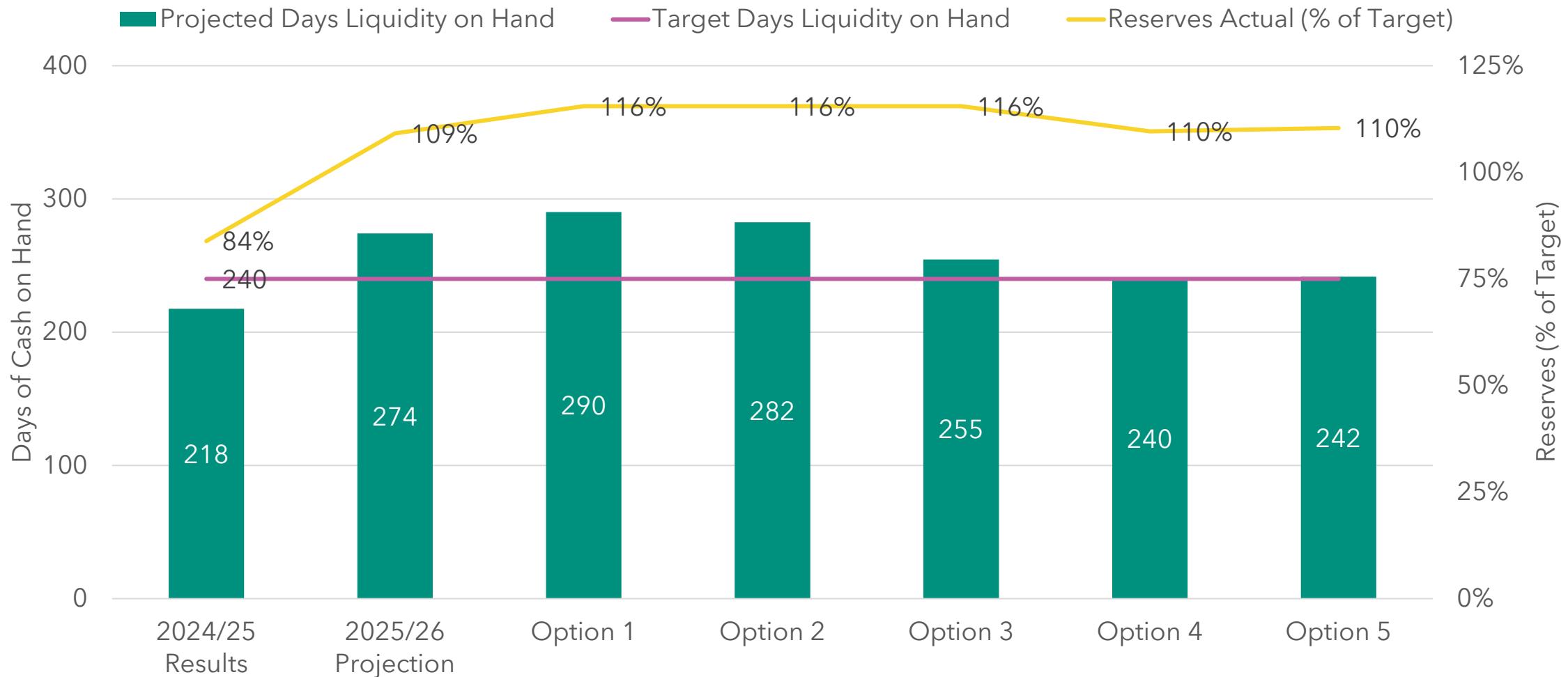
- All rate comparisons use Residential E1/E-TOU-C plans and MCE's 2017 PCIA vintage; Operating Reserve Fund (ORF); Clean Energy (CE)
- All figures are estimates and subject to change
- Proposed rate reductions are approximate; actual impacts vary by rate class and time-of-use period

FY 2026/27 Proposed Generation Rate Options + PCIA



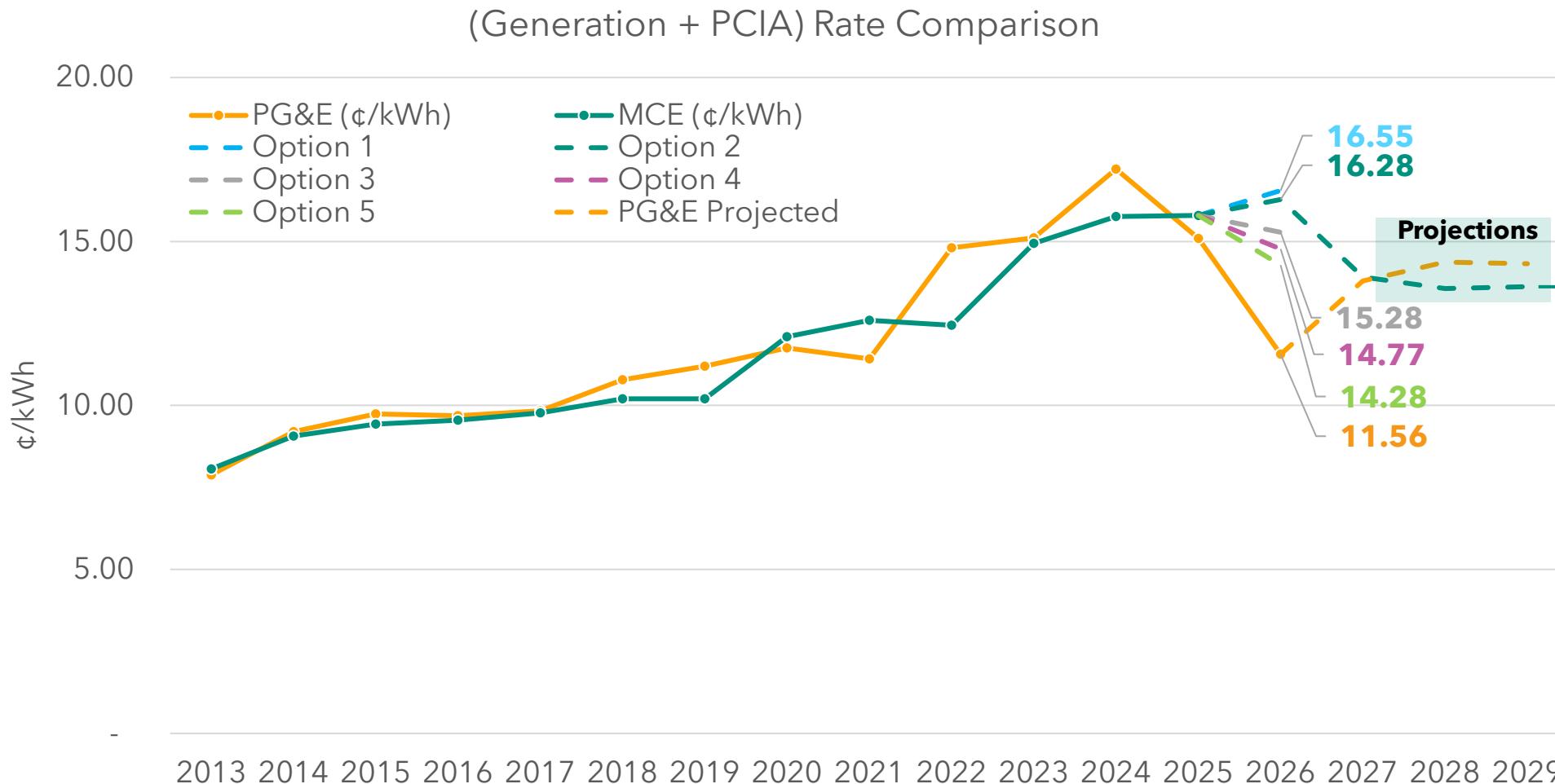
- All rate comparisons use Residential E1/E-TOU-C plans and MCE's 2017 PCIA vintage; Operating Reserve Fund (ORF); Clean Energy (CE)
- All figures are estimates and subject to change
- Proposed rate reductions are approximate; actual impacts vary by rate class and time-of-use period

MCE Reserve & Liquidity Outlook



- Outlook is based on current estimates and will be refined with updated financials
- The revenue projections are based on a stable customer participation rate

Generation + PCIA Rate Projections



Projections

2027+: PCIA convergence across all vintages

Option 2: Cost-based rates make MCE's Gen + PCIA lower than PG&E's projection

Options 1-2: Gen Rate sustainable without increases.

Options 3-5: rely on reserves now, require a Gen Rate jump later.

- Comparisons use Residential E1/E-TOU-C plans and MCE's 2017 PCIA vintage
- Future PG&E generation rates are assumed to remain at 2026 levels, while PCIA values for 2027 and beyond rely on industry projections

Recommendation

Select a preferred **generation rate reduction option** to support
FY 2026/27 budget planning

Option 1: Reduce rate by 1.73¢/kWh (12%):

Full cost recovery; Sustainable into FY 2027/28; No use of reserves.

Option 2: Reduce rate by 2¢/kWh (14%):

Sustained rates likely into FY 2027/28; Some use of reserves.

Option 3: Reduce rate by 3¢/kWh (21%)

Heavy use of reserves; Rate increase likely needed for FY 2027/28

Option 4: Reduce rate by 3.51¢/kWh (24%)

Utilizes all available reserves while maintaining liquidity targets

Option 5: Reduce rate by 4¢/kWh (27%)

Requires reduced clean energy targets & associated changes to customer messaging

Discussion



mceCleanEnergy.org
info@mceCleanEnergy.org

February 6, 2026

TO: MCE Technical Committee

FROM: Catalina Murphy, MCE General Counsel
Vidhya Prabhakaran, Partner, Davis Wright Tremaine LLP

RE: Resolution No. 2020-04: Review Consultation and Execution of Certain Contracts (Agenda Item #09)

ATTACHMENTS: A. Resolution No. 2020-04 A Resolution of Marin Clean Energy Rescinding Resolution 2018-03 and Delegating Energy Procurement Authority
B. MCE Operating Rules and Regulations

Dear Technical Committee Members:

Summary:

Pursuant to Board Resolution 2020-04, the CEO and Technical Committee Chair, jointly, are authorized after consultation with the appropriate Committee of the Board of Directors to approve and execute contracts for energy procurement for terms of less than or equal to five years. MCE has been asked to clarify the consultation and execution elements of this Board delegation. After reviewing the consultation and execution process for all active one- to five-year contracts, we conclude that MCE entered into these procurement contracts consistent with MCE's Board-approved internal delegation documents, as set forth in Resolution 2020-04 and its Operating Rules & Regulations (OR&R). If, however, the Board wishes to clarify or alter these processes going forward, it is free to do so.

Consultation

Resolution 2020-04 does not specify the manner in which consultation with the Technical Committee must occur. MCE has historically implemented the consultation requirement of Resolution 2020-04 through the CEO's annual reports to the Technical Committee regarding the upcoming year's power supply needs, including the types of products MCE will be soliciting for and securing, the need for hedges, Resource Adequacy, and short-term renewable energy to fill potential shortfall in planned or delivered volumes. MCE has also implemented the consultation requirement through the Operational Integrated Resources Plan which is periodically approved by the Technical Committee and with which all contracts are consistent. Specific contracts are not provided to the Technical Committee in advance of execution to protect MCE's position in the market. Unlike most of MCE's competitors, MCE is subject to the Brown Act and disclosure of price terms and other market sensitive information would prejudice MCE's financial position. Additionally, the Board and Technical Committee determine broad policy

goals and objectives that relate to MCE strategy for entering into these contracts for energy procurement for terms of less than or equal to five years and energy procurement generally, while delegating to staff authority to implement Board and Technical Committee direction through negotiation and execution of specific contracts.

Resolution 2020-04 does not specify a minimum level of detail to be provided to the Technical Committee during the “consultation” process. MCE’s historic practice is a reasonable approach to meet the consultation requirement within Resolution 2020-04.

The Board, however, could exercise its discretion to provide staff with direction going forward on how it would like the consultation requirement to be implemented. Memorializing any such direction in a new Resolution or other governing document would provide clarity and transparency.

Execution

Staff has undertaken a review of all active one- to five-year contracts and identified 20 active one- to five-year contracts that were executed jointly by the CEO (or her delegates, as authorized by Resolution 2018-08) and either the Chair or Vice Chair of the Board of Directors. The execution of these contracts by the Chair or Vice Chair of the Board of Directors is authorized by Resolution 2020-04 when read jointly with the OR&R. Further, in all cases, the counterparty has either delivered, or is delivering, as required under the contract and MCE has either met, is meeting, or will meet its obligations under the contract. The parties have substantially performed under the contract and have established a clear course of dealing following the requirements of the contract. Finally, any infirmity with respect to the execution process would be curable under the contract. Thus, no counterparty would have a cognizable claim of any damages associated with any alleged and incurable infirmities with the execution process for these contracts.

Through Resolution 2020-04, the Board has delegated authority to the CEO and the Technical Committee Chair to execute these one- to five-year contracts. However, despite the delegation, the Board, as described in Resolution 2020-04, is not “divested of any such authority, but shall retain and may exercise such authority at such times as it may deem necessary and proper, at its sole discretion.”

Thus, all actions taken to execute contracts for energy procurement pursuant to Resolution 2020-04 are authorized by the Board. While Resolution 2020-04 calls for such contracts to be approved and executed by the CEO and the Technical Committee Chair, jointly, the OR&R (which is a separate exercise of the Board’s authority) expressly authorize the Chair to execute contracts adopted or authorized by the Board and for the Vice-Chair to execute the Chair’s duties in the Chair’s absence. (OR&R Article IV, Section 1(a) & (b).) Thus, Resolution 2020-04 read jointly with the OR&R explains that the Chair or Vice-Chair may also approve and execute a contract that was entered into pursuant to the Resolution 2020-04 as authorized by the Board when necessary and proper. Similarly, this is a common practice by cities and towns that is often identified in their municipal codes where the mayor is given authority and another identified official may step in during the mayor’s absence. This reading is also consistent with standard corporate law requirements and typical corporate delegations that authorize

the Chair (and Vice Chair in the Chair's absence) to act on behalf of the organization and to execute contracts on its behalf.

The current distribution of Board delegations across separate documents (Resolution 2020-04, the OR&R, and others) may cause confusion. Going forward, the Board may wish to consider expressly identifying "back-ups" who are authorized to act when individuals with delegated authority are unavailable.

Fiscal Impacts:

None.

Recommendation:

Discussion only.

RESOLUTION 2020-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY RESCINDING RESOLUTION NO. 2018-03 AND DELEGATING ENERGY PROCUREMENT AUTHORITY

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 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, Resolution No. 2018-03 set forth energy procurement authority delegated by the Board of Directors; and

WHEREAS, the Board intends that this Resolution No. 2020-04 replaces Resolution No. 2018-03; and

WHEREAS, the Board of Directors, by this delegation of energy procurement and contracting authority as described herein, shall not be divested of any such authority, but shall retain and may exercise such authority at such times as it may deem necessary and proper, at its sole discretion; and

WHEREAS, the Board of Directors shall retain contracting authority over all contracts required by law to be approved by the Board, including but not limited to any contracts to borrow money or otherwise incur debt.

NOW, THEREFORE, BE IT RESOLVED, by the MCE Board of Directors:

- A. Resolution No. 2018-03 is hereby rescinded.
- B. For purposes of this Resolution, "Energy Procurement" shall mean all contracting, purchase and sale of energy and energy-related products for MCE, including but not limited to products related to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage.
- C. The Board of Directors hereby delegates the following contracting authority consistent with an approved resource plan and/or budget, as applicable, including

contracts that are consistent with the current fiscal year's budget but extend beyond the current fiscal year:

1. Delegation to the Technical Committee

The Technical Committee is hereby authorized to approve and direct the Chief Executive Officer ("CEO") and Technical Committee Chair to execute:

- a. contracts for Energy Procurement as herein defined;
- b. contracts for functions, programs or services related to Energy Procurement; and
- c. contracts related to MCE ownership, leasing or development of energy generation projects and assets.

2. Delegation to the Chief Executive Officer and Technical Committee Chair, Jointly

The CEO and Technical Committee Chair, jointly, are hereby authorized, after consultation with the appropriate Committee of the Board of Directors, to approve and execute contracts for Energy Procurement for terms of less than or equal to five years. The CEO shall timely report to the Board of Directors all such executed contracts.

3. Delegation to the Chief Executive Officer

The CEO is hereby authorized to approve and execute:

- a. contracts for Energy Procurement for terms of less than or equal to 12 months, which the CEO shall timely report to the Board of Directors;
- b. amendments or addenda to existing Energy Procurement contracts, regardless of the existing contract's price or total amount, which improve the terms of the contract to MCE's benefit without increasing the contract's not-to-exceed maximum dollar amount; and
- c. in the event of an emergency or critical needs situation, such as exposure to volatile CAISO market conditions during extreme weather events, or a shortage in energy supply compared to load forecasted, short-term purchases, which includes transactions with existing counterparties in both written and oral format.
 - i. Oral transactions may only be executed with existing counterparties contractually enabled with MCE through an approved master agreement on a recorded telephone line where written receipts and voice recordings documenting such transactions are provided to MCE.

- ii. "Short-term purchases" for purposes hereof refers to Energy Procurement on the day-ahead energy market within the forecasted 30 days.
- iii. The CEO shall timely report any short-term purchases to the Board of Directors.
- iv. The CEO may delegate authority to engage in short-term purchases under this subdivision to staff, including the Chief Operating Officer or Manager of Power Resources.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 19th day of November, 2020, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
County of Marin	X			
Contra Costa County				X
County of Napa	X			
County of Solano				X
City of American Canyon	X			
City of Belvedere	X			
City of Benicia	X			
City of Calistoga	X			
City of Concord	X			
Town of Corte Madera	X			
Town of Danville	X			
City of El Cerrito	X			
Town of Fairfax	X			
City of Lafayette	X			
City of Larkspur	X			
City of Martinez				X
City of Mill Valley	X			
Town of Moraga				X
City of Napa	X			
City of Novato	X			
City of Oakley	X			
City of Pinole	X			
City of Pittsburg	X			
City of Pleasant Hill	X			
City of San Ramon	X			

City of Richmond	X			
Town of Ross	X			
Town of San Anselmo	X			
City of San Pablo	X			
City of San Rafael	X			
City of Sausalito	X			
City of St. Helena	X			
Town of Tiburon	X			
City of Vallejo	X			
City of Walnut Creek				X
Town of Yountville	X			

DocuSigned by:

Kathrin Sears

CE0288796CE54A6...

CHAIR, MCE

Attest:

DocuSigned by:

Dawn Weisz

A59878416EBC4F8...

SECRETARY, MCE

MARIN CLEAN ENERGY
OPERATING RULES AND REGULATIONS
(As Amended)

ARTICLE I

FORMATION

Marin Clean Energy (“MCE”), formerly known as Marin Energy Authority, was established on December 19, 2008 pursuant to the execution of the Marin Energy Authority Joint Powers Agreement (the “Agreement”) by the County of Marin, the Town of Fairfax and the Town of Tiburon. The Initial Participants in MCE who executed the Agreement within 180 days of the establishment of MCE are the following: Belvedere, Mill Valley, San Anselmo, San Rafael, and Sausalito. The members of MCE are referred to as Party or Parties in these Operating Rules and Regulations. As defined by the Agreement, these Operating Rules and Regulations consist of rules, regulations, policies, bylaws and procedures governing the operation of MCE.

ARTICLE II

PURPOSES

MCE is formed to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. These programs include but are not limited to the establishment of a Community Choice Aggregation Program in accordance with the terms of the Agreement.

ARTICLE III

BOARD OF DIRECTORS

Section 1. MCE shall be governed by a Board of Directors composed of one representative of each of the Parties. The Board may delegate specified functions or actions to the Executive Committee or other committees that may be established by the Board. The governing body of each Party shall appoint and designate in writing to MCE one regular Director who shall be authorized to act for and on behalf of the Party on all matters within the power of MCE. The governing body of each Party also shall appoint and designate in writing to MCE one alternate Director who may vote on all matters when the regular Director is absent for a Board, Executive Committee, Technical Committee, or other standing meeting. Both the Director and the Alternate Director shall be members of the governing body of the Party.

Section 2. Each Director and Alternate Director shall serve at the pleasure of the governing body of the Party that the Director represents and may be removed as Director or Alternate Director by such governing body at any time.

Section 3. A Director may be removed by the Board for cause. Cause shall be defined for the purposes of this section as follows:

- a. Unexcused absences from three consecutive Board meetings.
- b. Unauthorized disclosure of confidential information or documents from a closed session or the unauthorized disclosure of information or documents provided to the Director on a confidential basis and whose public disclosure may be harmful to the interests of MCE.

Written notice shall be provided to the Director proposed for removal and the governing body that appointed such Director at least thirty days prior to the meeting at which the proposed removal will be considered by the Board. The notice shall state the grounds for removal, a brief summary of the supporting facts, and the date of the scheduled hearing on the removal. The Director proposed for removal shall be given an opportunity to be heard at the removal hearing and to submit any supporting oral or written evidence. A Director shall not be removed for cause from the Board unless two-thirds of all Directors (excluding the Director subject to removal) vote in favor of the removal.

Section 4. If at any time a vacancy occurs on the Board, for whatever reason, a replacement shall be appointed by the governing body of the subject Party to fill the position of the previous Director within ninety days of the date that such position becomes vacant.

ARTICLE IV

OFFICERS AND TERMS OF OFFICE

Section 1. There shall be a Chairperson, a Vice-Chairperson, a Secretary and a Treasurer.

- a. Chairperson. The Chairperson shall be a Director. Duties of the Chairperson are to review the business agenda before MCE meetings, preside over MCE Board meetings, and sign all ordinances, resolutions, contracts, and correspondence adopted or authorized by the Board. The term of office of the Chairperson shall be for one year.
- b. Vice-Chairperson. The Vice-Chairperson shall be a Director. The Vice-Chairperson shall perform the duties of Chairperson in the absence of such officer. The term of office of the Vice-Chairperson shall be for one year.
- c. Secretary. The Secretary will supervise the preparation of the meeting minutes and the maintenance of the records of MCE. Once appointed by the Board, the term of the Secretary shall continue each year until the Secretary wishes to step down from the role and/or the Board decides to remove the Secretary pursuant to subsection (g) below. The Secretary does not need to be a Director.
- d. Treasurer and Auditor. The Treasurer shall have custody of all the money of MCE and shall have all of the duties and responsibilities specified in Government Code Section 6505.5. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The positions of Treasurer and Auditor may be combined into one position known as the Treasurer/Auditor of MCE. The term of the Treasurer and Auditor shall be for one

year. The Board may transfer the responsibilities of the Treasurer and Auditor to any person or entity permitted by law. Neither the Treasurer nor the Auditor needs to be a Director.

- e. Initial Terms of Office. Notwithstanding the one-year term generally established for officers above, the terms of the initial officers elected by the Board shall not expire until the annual meeting of the Board held in June 2010.
- f. No Term Limits. There are no limits on the numbers of terms that an officer of MCE may serve.
- g. Removal. An officer of the Board shall be subject to removal with or without cause at any time by a majority vote of the full Board.
- h. Committees. The Executive Committee and all other Committees of the Board shall be selected as provided by Sections 4.6 and 4.7 of the Agreement. Each duly established Committee may establish any Standing or Ad Hoc Committees determined to be appropriate or necessary. The duties and authority of all Committees shall be subject to the approval and direction of the Board.
- i. Committee of the Whole. To allow full participation by Board members at meetings of Standing Committees, each Standing Committee meeting except the Executive Committee also shall be noticed as a “Committee of the Whole” meeting. In the event that a quorum of Board members are present at a Standing Committee meeting, the Standing Committee will automatically convert into a Committee of the Whole. Likewise, if there is no longer a quorum of the Board present, then the Committee of the Whole will automatically convert back into a Standing Committee. The chair of the Standing Committee will serve as Chair of the 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.

The agenda for each Standing Committee, other than the Executive Committee, shall include the following statement:

“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.”

ARTICLE V

MEETINGS

Section 1. A meeting of the Board shall be held on or near December of each year to elect MCE Chairperson, Vice-Chairperson, and other officers of MCE. The Board by resolution shall

establish the date, time, and meeting location of all regular meetings of the Board. Special meetings may be called upon the request of a majority of the members of the Board or by the Chairperson.

Section 2. The meetings of the Board, the Executive Committee and all other committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.).

ARTICLE VI

VOTING

Section 1. Voting on MCE matters shall be held in accordance with the requirements of Sections 4.9 and 4.10 of the Agreement.

Section 2. Under Section 4.10 of the Agreement, each member of the Board shall have one vote on general administrative matters and energy programs not involving Community Choice Aggregation unless otherwise provided by the Agreement or these Operating Rules and Regulations. Unless the Agreement or these Operating Rules and Regulations require a two-thirds vote, action on these items shall be determined by a majority vote of the quorum present and voting on the item except for the following matters which shall be approved only by a majority vote of the full membership of the Board:

- a. The approval of the issuance of bonds or any other financing even if program revenues pay for such financing.
- b. The hiring of a Chief Executive Officer.
- c. The appointment or removal of an officer.
- d. The adoption of the Annual Budget.
- e. The adoption of an ordinance.
- f. The initiation of litigation where MCE will be the plaintiff, petitioner or cross complainant or cross petitioner.
- g. The adoption and amendment of the Operating Rules and Regulations.
- h. The approval of any program or other activity requiring financial contributions by individual Parties subject to the right of any Party who votes against the program or activity to opt-out of such program or activity pursuant to Section 4 of this Article.

Section 3. The approval of an Administrative Services Agreement under Section 4.14 of the Agreement for planning, implementing, operating and administering the CCA Program shall be subject to the voting requirements of Section 4.9 of the Agreement.

Section 4. The Board shall provide at least 45 days prior written notice to each Party before it considers a program or activity for adoption at a Board meeting not involving CCA that requires financial contributions by individual Parties. Such notice shall be provided to the governing body and the chief administrative officer, city manager or town manager of each Party. The Board also shall provide written notice of such program or activity adoption to the above-described officials of each Party within 5 days after the Board adopts the program or activity. Any Party voting against the approval of such program or activity may elect to opt-out of participation in the program or activity by providing written notice of this election to the Board within 30 days after the program or activity is approved by the Board. Upon timely exercising its opt-out election, a Party shall not have any financial obligation or any liability whatsoever for the conduct or operation of such program or activity.

ARTICLE VII

DEBTS, LIABILITIES AND OBLIGATIONS

As provided by Section 2.3 of the Agreement, the debts, liabilities and obligations of MCE shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of MCE. A Party who has not agreed to assume a MCE debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of MCE.

ARTICLE VIII

AMENDMENTS

These Operating Rules and Regulations may be amended by a majority vote of the full membership of the Board but only after such amendment has been proposed at a regular meeting and acted upon at the next or later regular meeting of the Board for final adoption. The proposed amendment shall not be finally acted upon unless each member of the Board has received written notice of the amendment at least 10 days prior to the date of the meeting at which final action on the amendment is to be taken. The notice shall include the full text of the proposed amendment.