Empowering Our Clean Energy Future

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FAIRFIELD | HERCULES | LAFAYETTE | MARTINEZ | MORAGA | OAKLEY | PINOLE
PITTSBURG | PLEASANT HILL | RICHMOND | SAN PABLO | SAN RAMON | WALNUT CREEK

MCE Board of Directors Meeting
Thursday, February 19, 2026
6:30 p.m.

1125 Tamalpais Avenue, San Rafael, CA 94901
2300 Clayton Road, Suite 1500, Concord, CA 94520
955 School Street, Napa, CA 94559, City Hall Committee Room **(City of Napa)**
675 Texas Street, Fairfield, CA 94533, First Floor Hearing Room **(County of Solano)**

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

Video Conference: https://t.ly/mlv5w
Phone: Dial (669) 900-9128, Meeting ID: 890 0487 7785, Passcode: 525690

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) 632-3674 or ada-coordinator@mceCleanEnergy.org at least 72 hours before the meeting start time to ensure arrangements are made.

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 1.15.26 Meeting Minutes
   - C.2. Addition of Board Members to Committees

6. Proposed MCE Rate Reduction, Effective April 1, 2026 (Discussion/Action)
7. Proposed FY 2026/27 Budget Elements (Discussion/Action)
8. Establish Ending Time for Board Meetings (Discussion/Action)
9. Board & Staff Matters (Discussion)
10. 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.

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MCE BOARD MEETING MINUTES[1]
Thursday, January 15, 2026
6:30 P.M.

Present:

Liz Alessio, County of Napa and Four Napa Cities/Town (American Canyon, Calistoga, St. Helena, and Yountville)
Stephanie Andre, City of Larkspur
Dion Bailey, City of Hercules, left at 10:30pm
Mark Belotz, Town of Danville
Kari Birdseye, City of Benicia
Monica Brown, County of Solano
Barbara Coler, Town of Fairfax
Cindy Darling, City of Walnut Creek
Jill Hoffman, City of Sausalito, arrived at 6:45pm
Kevin Jacobs, City of Novato
Arlene Kobata, City of Pittsburg
Maika Llorens Gulati, City of San Rafael, joined at 7:11pm
John McCormick, City of Lafayette
Aaron Meadows, City of Oakley, arrived at 6:37pm
Devin Murphy, City of Pinole, left at 8:22pm
Laura Nakamura, City of Concord
Beth Painter, City of Napa, left at 9:43pm
Charles Palmares, City of Vallejo
Max Perrey, City of Mill Valley
Mary Sackett, County of Marin
Manveer Sandhu, City of Fairfield
Shanelle Scales-Preston, County of Contra Costa, Chair
Amanda Szakats, City of Pleasant Hill
Graham Thiel, Town of Moraga
Sally Wilkinson, City of Belvedere
Carolyn Wysinger, City of El Cerrito, left at 10:21pm
Cesar Zepeda, City of Richmond
Brianne Zorn, City of Martinez

Absent:

Eli Beckman, Town of Corte Madera
C. William Kircher, Jr., Town of Ross
Tarrell Kullaway, Town of San Anselmo
Elizabeth Pabon-Alvarado, City of San Pablo
Holli Thier, Town of Tiburon
Sridhar Verose, City of San Ramon

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[1] Approval of the minutes is a general administrative matter. Action requires a majority vote of board members present for a motion to carry.

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Staff & Others:

Jared Blanton, VP of Public Affairs
Jesica Brooks, Lead Board Clerk and Executive Assistant
Alice Havenar-Daughton, VP of Customer Programs
Vicken Kasarjian, Chief Operating Officer
Tanya Lomas, Board Clerk
Linda Lye, Senior Legal Counsel
Nathaniel Malcolm, Senior Commercial Counsel
Catalina Murphy, General Counsel
Ashley Muth, Internal Operations Associate
Justine Parmelee, VP of Internal Operations
Mike Rodriguez-Vargas, Internal Operations Assistant
Enyonam Senyo-Mensah, Manager of Internal Operations
Jamie Tuckey, Chief Customer Officer
Dawn Weisz, Chief Executive Officer

1. **Roll Call**
   Chair Scales-Preston called the regular meeting to order at 6:31 p.m. with quorum established by roll call.

2. **Board Announcements (Discussion)**
   There were no announcements.

3. **Public Open Time (Discussion)**
   Chair Scales-Preston opened the public comment period and there were comments made by members of the public, Alicia Minyen, Ron Arlas, Jody Timms, Shawn Marshall, and Alison Madden.

4. **Report from Chief Executive Officer (Discussion)**
   CEO Weisz introduced this item and addressed questions from Board members.

   Chair Scales-Preston opened the public comment period and there were comments made by member of the public, Lewis Derfuss.

5. **Consent Calendar (Discussion/Action)**
   C.1 Approval of 11.20.25 Meeting Minutes
   C.2 Approved Contracts for Energy Update
   C.3 Addition of Board Members to Committees

C.4 Ensuring Accuracy in Local Information
C.5 Policy Update of Legislative and Regulatory Items

Director Andre requested that item C.4 be pulled from the consent calendar for discussion. The Chair accepted the request and opened the floor for questions and comments from Board members.

Chair Scales-Preston opened the public comment period and there were comments made by members of the public, Alicia Minyen, Lewis Derfuss, Dan Segedin and Nick Pappas.

Action 1: It was M/S/C (Darling/Coler) **to approve Consent Calendar items C.1, C.2, C.3, and C.5.** Motion carried by unanimous roll call vote. Directors Beckman and Quinto rotated off the Executive Committee. Directors Birdseye and Painter were added to the Executive Committee. Directors Andre, McCormick, and Wilkinson were added to the Finance Committee. Directors Coler and Murphy were added to the 2026 Ad Hoc Contracts Committee. (Absent: Beckman, Kircher, Jr., Kullaway, Llorens-Gulati, Pabon-Alvarado, Thier, and Verose). [2]

Action 2: It was M/S/C (Hoffman/Brown) **for staff to bring C.4 back to the full Board as an informational item after further analysis by staff and further review by the Technical Committee.** Motion carried by unanimous roll call vote. (Absent: Beckman, Kircher, Jr., Kullaway, Pabon-Alvarado, Thier, and Verose). [3]

Begin Closed Session Chair Scales-Preston opened the closed session at 8:20 p.m.

6. Return to Open Session – Roll Call

Chair Scales-Preston returned to open session at 9:21 p.m. and quorum was established by roll call.

10. Corby Battery Energy Storage (Discussion)

Chair Scales-Preston adjusted the order of items and opened up the discussion on item 10.

Vicken Kasarjian, Chief Operating Officer, introduced this item and addressed questions from Board members.

[2] This item is a general administrative matter. Action requires a majority vote of board members present for a motion to carry.
[3] This item is a general administrative matter. Action requires a majority vote of board members present for a motion to carry.

Chair Scales-Preston opened the public comment period and there were comments made by members of the public, Alicia Minyen, Chris Heise, Cheryl Whitfield, Sarah Dunn, Lewis Derfuss, Deanna Cole, Robin Jackel, Wendy Breckon, Alison Harris, and Pam Barringer.

Action: No action required.

7. **Election of Chair and Vice Chair (Discussion/Action)**
Catalina Murphy, General Counsel, introduced this item.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: It was M/S/C (Szakats/McCormick) **to approve Shanelle Scales-Preston (County of Contra Costa) as Chair and Cindy Darling (City of Walnut Creek) as Vice Chair.** Motion carried by unanimous roll call vote. (Absent: Beckman, Kircher Jr., Kullaway, Murphy, Pabon-Alvarado, Painter, Thier, and Verose).[4]

8. **MCE Government Assessment (Discussion)**
Chair Scales-Preston, Director Alessio, and Director Sackett, introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were comments made by members of the public, Jody Timms and Robert Miller.

Action: It was M/S/C (Szakats/Llorens-Gulati) **to approve the creation of an Ad Hoc Governance Assessment Committee to consist** of Shanelle Scales-Preston, Liz Alessio, Mary Sackett and Kari Birdseye. Motion carried by unanimous roll call vote. Motion carried by roll call vote. 27-Yays 1-No (No: Zorn. Absent: Bailey, Beckman, Kircher Jr., Kullaway, Murphy, Pabon-Alvarado, Painter, Their, Verose, and Wysinger).[5]

9. **Finance Committee Scope (Discussion/Action)**
Justine Parmelee, VP of Internal Operations, introduced this item. Director Perrey provided a summary of the Finance Committee scope.

[4] This item is a general administrative matter. Action requires a majority vote of board members present for a motion to carry.
[5] This item is a general administrative matter. Action requires a majority vote of board members present for a motion to carry.

Chair Scales-Preston opened the public comment period and there was a comment by member of the public, Dan Segedin.

Action 1: It was M/S/C (Perrey/Scales-Preston) **to approve the Draft Finance Committee Overview.** Motion carried by unanimous roll call vote. (Absent: Bailey, Beckman, Kircher Jr., Kullaway, Murphy, Pabon-Alvarado, Painter, Their, Verose, and Wysinger).[6]

Action 2: It was M/S/C (Perrey/Darling) **to add Directors Alessio (County of Napa) and Palmares (City of Vallejo) to the Finance Committee.** Motion carried by unanimous roll call vote. (Absent: Bailey, Beckman, Kircher Jr., Kullaway, Murphy, Pabon-Alvarado, Painter, Their, Verose, and Wysinger).

11. Customer Programs Update (Discussion)

Chair Scales-Preston deferred this item to a future meeting.

Action: No action required.

12. Voting Process (Discussion)

Catalina Murphy, General Counsel, introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there was a comment made by member of the public, Alicia Minyen.

Action: No action required.

13. Board & Staff Matters (Discussion)

There were comments made by Directors Szakats, Alessio, McCormick, Sandhu, Llorens-Gulati, Andre, Hoffman, Nakamura, Zepeda, and Perrey.

Chair Scales-Preston opened for public comment and comments were made by members of the public, Alicia Minyen and MCE Board member, Tarrell Kullaway.

Action: It was M/S/C (Llorens-Gulati/Hoffman) **to end discussion and adjourn.** Motion carried by roll call vote. Abstain-3. (Abstain: Belotz, Darling, and Zorn. Absent: Bailey, Beckman, Brown, Kircher Jr., Kullaway, Meadows, Murphy, Pabon-Alvarado, Painter, Their, Verose, and Wysinger).[7]

[6] This item relates to the CCA program. Action requires voting share method.

[7] This item is a general administrative matter. Action requires a majority vote of board members present for a motion to carry.

14. <u>Adjournment</u>

Chair Scales-Preston adjourned the meeting at 11:53 p.m. to the next scheduled Board Meeting on February 19, 2026.

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Shanelle Scales-Preston, Chair

Attest:

_____

Dawn Weisz, Secretary

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February 19, 2026

TO:	MCE Board of Directors
FROM:	Jesica Brooks, Executive Assistant and Lead Board Clerk
RE:	Addition of Board Members to Committees (Agenda Item #05 C.2)[1]
ATTACHMENTS:	A. MCE Board Offices and Committee Rosters B. Ad Hoc Contracts Committee Overview

Dear MCE Board Members:

Summary:
MCE Board Director and City of Walnut Creek Councilmember, Cindy Darling, is interested in joining the Ad Hoc Contracts Committee.

Fiscal Impacts:
None.

Recommendation:
Approve the:

- Addition of Director Cindy Darling to the Ad Hoc Contracts Committee.

[1] This item is a general administrative matter. Action requires a majority vote of board members present for a motion to carry.

2026 MCE Board Offices and Committee Rosters

BOARD OFFICES

Chair:	Shanelle Scales-Preston, County of Contra Costa
Vice Chair:	Cindy Darling, Walnut Creek
Treasurer:	Maira Strauss, MCE Chief Financial Officer
Secretary:	Dawn Weisz, MCE Chief Executive Officer

BOARD OFFICES SELECTION PROCESS

The Chair and Vice Chair offices are held for 1 year and there are no limits on the number of terms held by either Chair or Vice Chair.[1] The selection of these offices shall take place in or near December of each year.[2] The office of Treasurer is appointed by the Board via an approved resolution and may be a non-board member. The Treasurer appointment, along with the delegated authority, is held for 1 year and there are no limits on the number of terms held.[3] Deputy Treasurers are appointed directly by the Treasurer each year. Once appointed by the Board, the Secretary shall continue to hold the office each year until the Secretary chooses to resign from the role or the Board decides to remove the individual from the Secretary position.[4] The Secretary does not need to be a member of the Board. All officer appointments/selections by the Board require a majority vote of the full membership of the Board.[5]

EXECUTIVE COMMITTEE *(Updated 2.2.26)*

1. Barbara Coler, Chair	Town of Fairfax
2. Stephanie Andre	City of Larkspur
3. Kari Birdseye	City of Benicia
4. Cindy Darling	City of Walnut Creek
5. Maika Llorens Gulati	City of San Rafael
6. Devin Murphy	City of Pinole
7. Laura Nakamura	City of Concord
8. Beth Painter	City of Napa
9. Max Perrey	City of Mill Valley
10. Shanelle Scales-Preston	County of Contra Costa
11. Sally Wilkinson	City of Belvedere

[1] Section 4.13.1 of MCE Joint Powers Agreement.

[2] Article V, Section 1 of MCE's Operating Rules and Regulations.

[3] Article V, Section 1 of MCE's Operating Rules and Regulations; California Government Code § 53607.

[4] Article IV, Section 1(c) of MCE's Operating Rules and Regulations.

[5] Article VI, Section 2 of MCE's Operating Rules and Regulations. At MCE's current membership of 38 communities with appointed Directors, the vote needed is 20.

FINANCE COMMITTEE *(Updated 2.9.26)*

1. Liz Alessio, Chair	Napa County[6]
2. Stephanie Andre	City of Larkspur
3. John McCormick	City of Lafayette
4. Charles Palmares	City of Vallejo
5. Sally Wilkinson	City of Belvedere

TECHNICAL COMMITTEE *(Updated 1.15.26)*

1. Devin Murphy, Chair	City of Pinole
2. Stephanie Andre, Vice Chair	City of Larkspur
3. Dion Bailey	City of Hercules
4. John McCormick	City of Lafayette
5. Charles Palmares	City of Vallejo
6. Amanda Szakats	City of Pleasant Hill
7. Cesar Zepeda	City of Richmond

2026 AD HOC CONTRACTS COMMITTEE *(Updated 1.15.26)*

1. Barbara Coler	Town of Fairfax
2. Cindy Darling, *interested*	City of Walnut Creek
3. Devin Murphy	City of Pinole

2026 AD HOC GOVERNANCE COMMITTEE *(Updated 1.15.26)*

1. Liz Alessio	Napa County and Four Napa Cities
2. Kari Birdseye	City of Benicia
3. Mary Sackett	County of Marin
4. Shanelle Scales-Preston	Contra Costa County

[6] The Board approved a Finance Committee consisting of 5 to 7 Board representatives. If Director Alessio were to participate in her capacity as the delegate for four Napa Cities, the Finance Committee would effectively have 9 Board representatives, more than the 7 approved by the Board, and Director Alessio would constitute a quorum by herself, raising Brown Act compliance challenges. Given the current size of the Finance Committee, we construe the Board to have appointed Director Alessio to the Committee solely in her capacity as the MCE Board representative for Napa County.

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MCE Ad Hoc Contracts Committee Overview

Scope

The Ad Hoc Contracts Committee may be asked to review and provide input on the following:

- Short term (one- to five-year) power supply product transactions
- Open Season offers for power supply products
- Ad hoc request for offer (RFO) results for power supply products, including hydropower, renewable energy, conventional energy, resource adequacy and shaped delivery products

Authority

Review Open Season offers and potential long-term Power Purchase supply transactions, and recommend approval to MCE Technical Committee

- Engage in and provide input and recommendations to staff as requested regarding:
- Resource preferences (e.g., solar vs. wind; PCC1, PCC2, carbon free, etc.)
- Counterparty exposure, credit considerations
- Appropriate power supply hedge percentages
- Confidential discussions regarding price of power supply products
- Local vs. in-state vs. out-of-state options
- Contract delivery term options
- Proposed contract language changes from pro forma for any long-term agreements

Committee Member Selection Process

MCE strives to assemble an Ad Hoc Contracts Committee comprised of at least one county representative and one city/town representative from each county in the MCE service area. Available seats on the Ad Hoc Contracts Committee are therefore first offered to any interested and applicable Board member whose county is not yet represented by one county and one city/town member. Interested members can be added at a meeting of the Board of Directors when it is included in the agenda.

Meeting Frequency

Typically, two to four times per year, but can be as much as ten times per year depending upon contracting volume and expansion activity.

Current Meeting Schedule

Third Thursday of each month at 9:00am, if needed

Scope Updated 11.24.20

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February 19, 2026

TO: MCE Board of Directors

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

RE: Proposed MCE Rate Reduction Proposals, Effective April 1, 2026
(Agenda Item #06)

ATTACHMENT: A: Presentation FY 2026/27 MCE Rate Reduction Proposals
B: 2024 CCA Programs Power Content Labels & Overview
C. MCE Customer Participation Dashboard

Dear MCE Board 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	**2.05¢/kWh** (14%)	**$17M**	Partial ORF (Rate Stabilization Fund)	**$0**	**$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.

			FY 2026/27		FY 2027/28	
Scenario #	**RPS/CF %**	**Renewable Content**	**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 2.05¢/kWh (14%)

- Results in a $17M under-recovery of projected costs.
- Under-recovery addressed through the operating reserve fund.
- **Generation Rate:** MCE 12.57¢/kWh vs. Bundled 12.57¢/kWh (at parity).
- **Gen + PCIA:** MCE 16.23¢/kWh vs. Bundled 11.56¢/kWh (4.67¢/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.

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.

Input from MCE Board Budget Workshops

Your Board held two budget workshops in preparation for board action. On January 28, 2026, a "Rates Overview" was presented and discussed. On February 11, 2026 "MCE Rates Reduction Proposals" were presented and discussed. No formal action was taken at either meeting. Feedback received included the following themes:

- Maintain MCE's clean energy targets to support the value of our product and customer trust
- Avoid any options that would have a negative impact on MCE's credit rating

- Maintain MCE's existing customer programs
- A general preference was expressed for rate reduction option 2
- Some interest also expressed in supplementing rate reduction option 2 with a temporary rate reduction adder, landing between option 2 and 3 that would expire after one year
- Building in flexibility with procurement
- Refunding and possibly adding to the MCE Cares Credit to support our most vulnerable customers

Also, interest was expressed in more information in these areas:

- Comparison of power content labels between MCE and similar agencies such as CCAs (see Attachment B)
- A cost breakdown of each program (see Agenda Item #07, Proposed Fiscal Year 2026/27 Budget Elements)
- Breakdown between commercial/residential customers (see Attachment A)
- Regular reporting on opt out levels, particularly in the next six months (see Attachment C)

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

Recommendation:
Select a preferred generation rate reduction option to support FY 2026/27 budget planning.[2]

[2] This item is a general administrative matter and requires a majority vote of the full MCE Board for a motion to carry. The Operating Rules and Regulations specify that adoption of the budget is a general administrative matter that requires a majority vote of the full membership of the Board (Article VI, Section 2). Rate revenue is a core assumption built into the budget, and MCE has historically included rates as part of a larger vote on the budget. Board action on rate setting is therefore being treated as Board action on the budget.

Proposed Fiscal Year 2026/27 MCE Rate Reduction Proposals

MCE Board of Directors

February 19, 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.

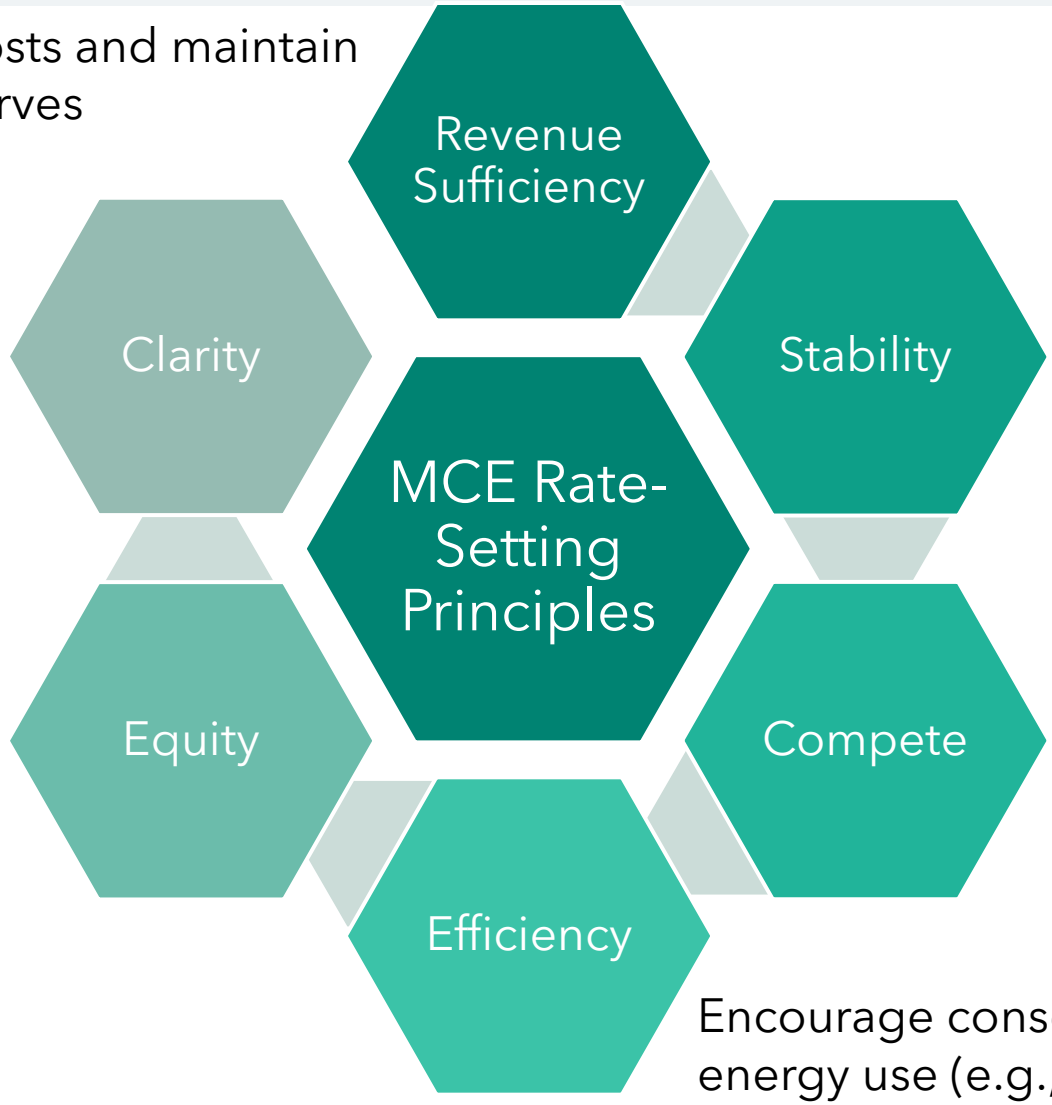
Kal holds a Bachelor of Engineering in Electronics and Communications Engineering from OUCE and an MBA from UCLA.

MCE Rate-Setting Principles

Recover all costs and maintain required reserves

Simple, transparent, and easy for customers to understand

Rate differences should reflect cost-of-service differences



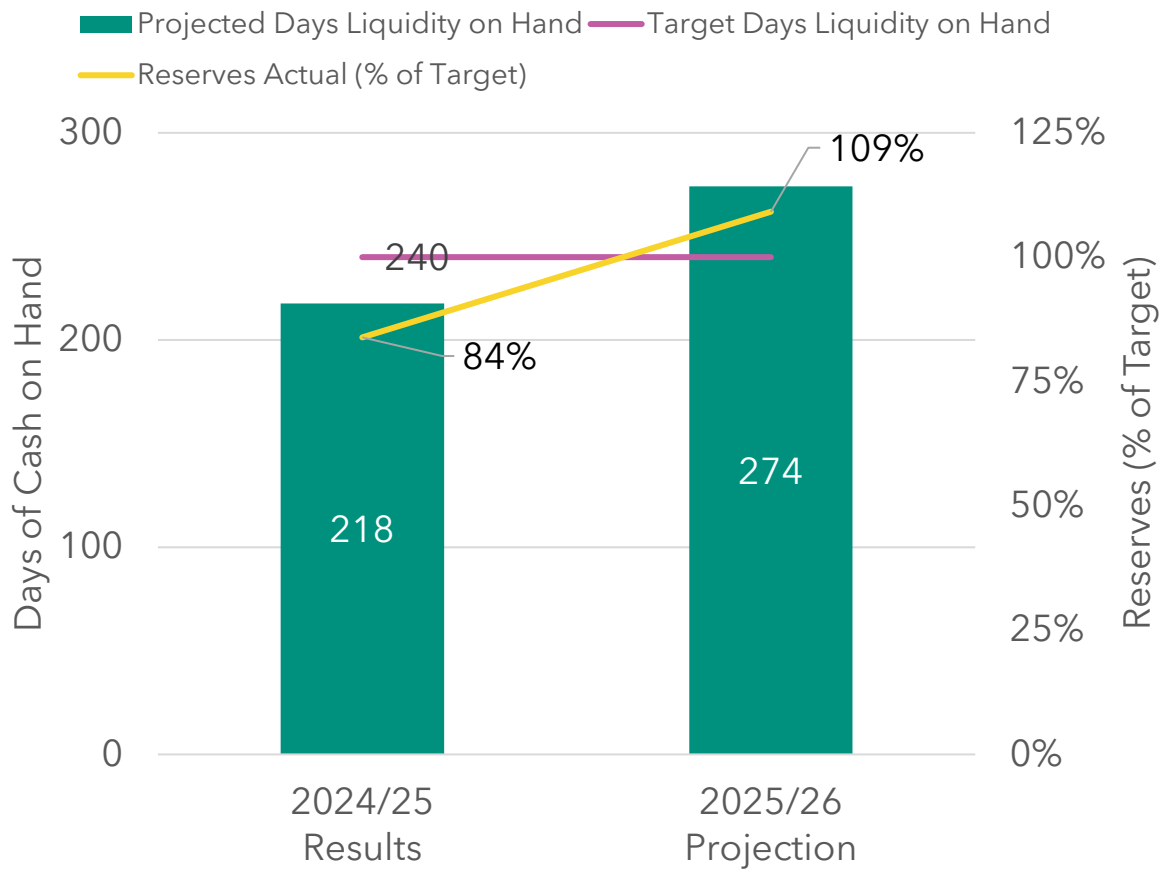
Minimize large or frequent rate changes

Support MCE's ability to retain and attract customers

Encourage conservation and smart energy use (e.g., off-peak charging)

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

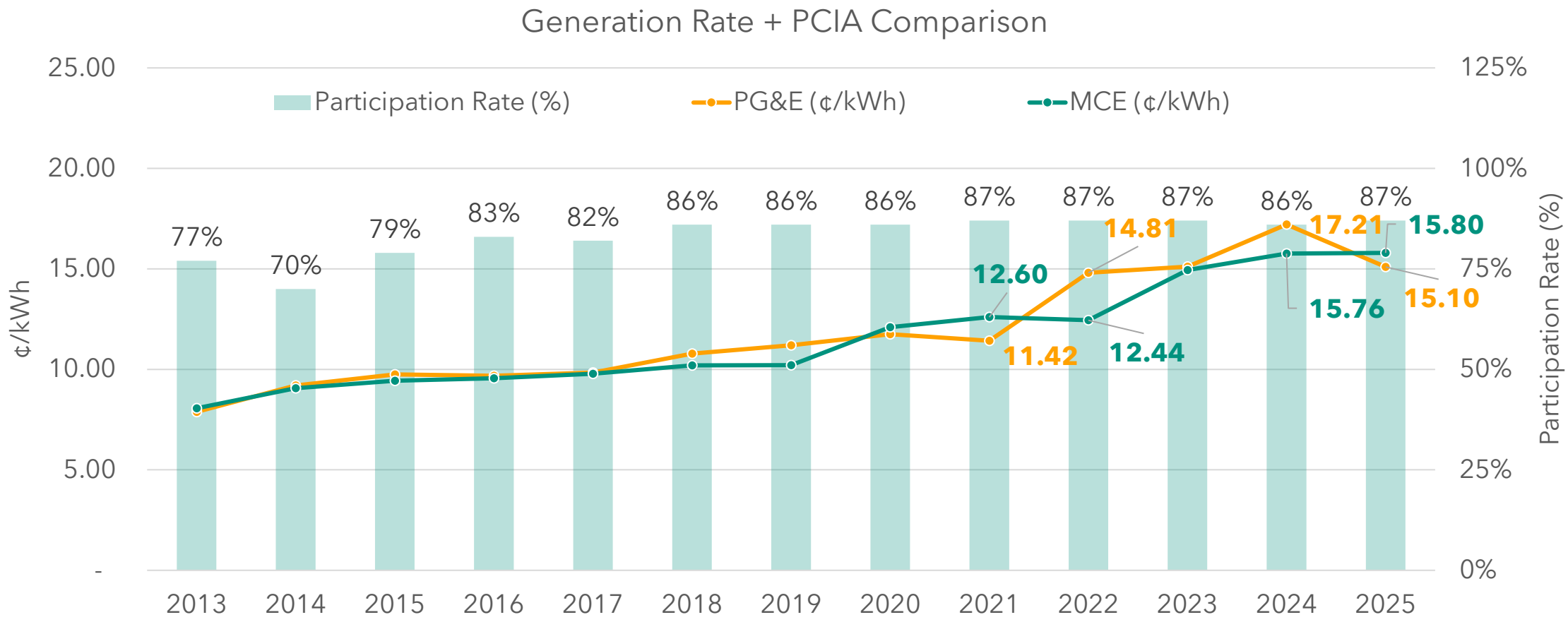
MCE Value Proposition

Cleaner energy, local control, and community benefits – with competitive, stable rates.

- **Cleaner energy:** MCE provides significantly more renewable electricity than PG&E (69% vs. 23%, per the California Energy Commission 2024 Power Content Label).
- **Community-first, not-for-profit:** Revenues are reinvested locally in bill discounts, customer rebates, clean energy projects, and workforce development, not shareholder profit. Governed by locally elected officials with transparent public meetings and Board oversight.
- **Competitive, stable rates:** Historically stable rates, with income-qualified discounts, bill assistance, and customer programs.

Historical Generation Rate + PCIA 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)

Customer Participation & Cost Sensitivity

Despite periods of higher rates, customer participation remains strong

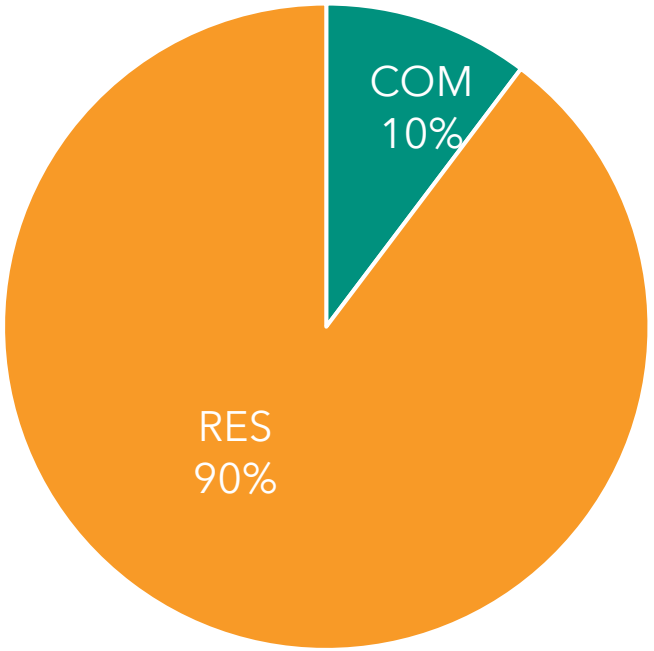
- Since June 2025, MCE generation + PCIA has been higher than PG&E
- Participation at an all-time high: 87.3% (Dec 2025)
- Record customers: 603,478 accounts (Dec 2025)
- Opt-outs remain historically low
- Customers who opt out must decide to stay with MCE for 6 months or take PG&E's inflated transitional bundled service rate (often 2-3x standard rate)

Key takeaway:
Customers appear to value **long-term stability**, **sustainability**, and **program benefits**; not just short-term price differences

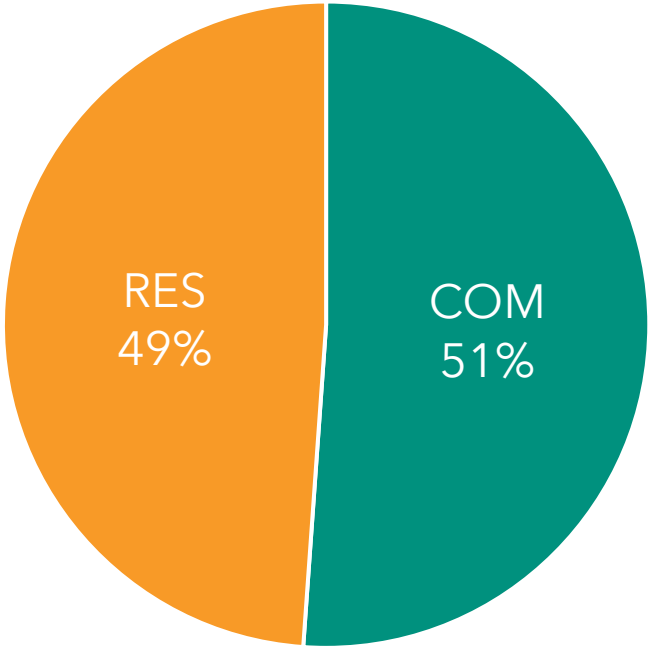
Affordability remains a core priority, also supported by several bill discount and customer programs for financially vulnerable customers

MCE Customer Overview

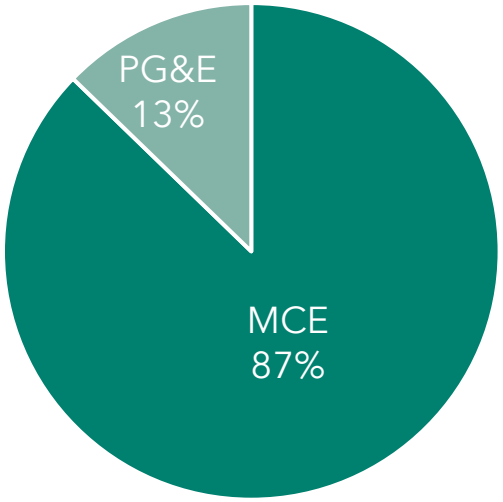
MCE Customer Count by Class



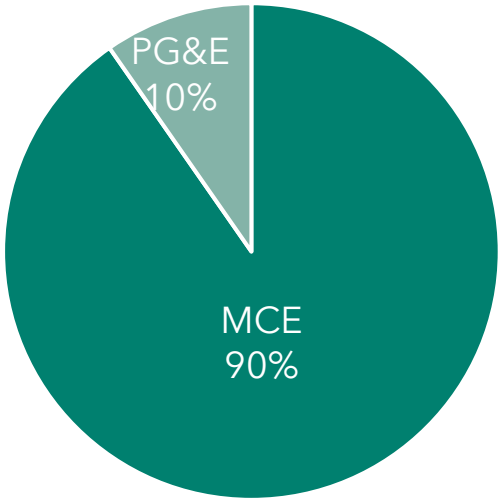
MCE Load by Class



Participation Rate - RES



Participation Rate - COM



PG&E Switching Limits: Transitional Bundled Service (TBS)

- Customers opting out of CCA have 2 choices:
  - Give 6 month's notice and stay with CCA service for that period, or
  - Return to PG&E immediately
- Opting out of a CCA without 6-month notice triggers PG&E's **Transitional Bundled Service (TBS)** for 6 months
- Under TBS, Transitional Bundled Commodity Cost (TBCC) rates apply
- TBCC is highly volatile and costly, often **2–3× standard rates**, fluctuating weekly with CAISO market prices (~ 14 – 30¢/kWh in recent years)
- Original PCIA vintage applies during the TBS period
- After 6 months, customers move to bundled generation + PCIA, followed by a 12-month IOU lock-in

FY 2026/27 MCE Rates Strategy

Balance Cost with Competitiveness and Long-Term Customer Retention

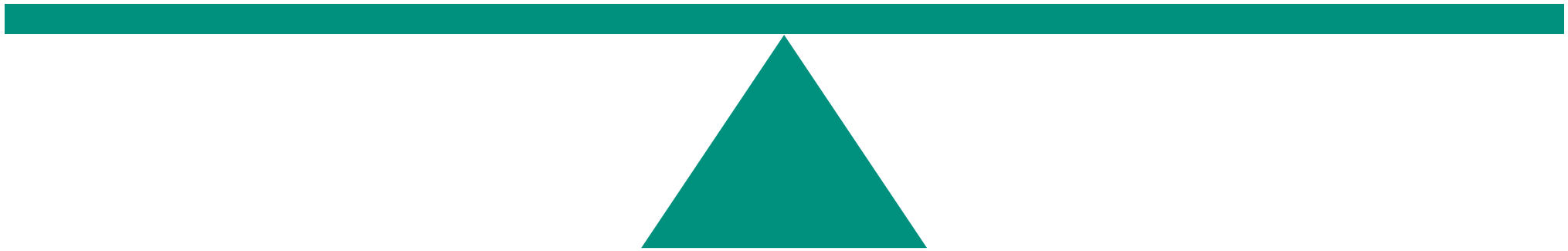
Reflect True Cost

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

Competitiveness & Retention

Retention is influenced by more than price

- Cleaner, greener power; programs
- 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**, **programs** 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

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	**2.05¢** (14%)	$17M	Partial ORF	**$0**	**$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**

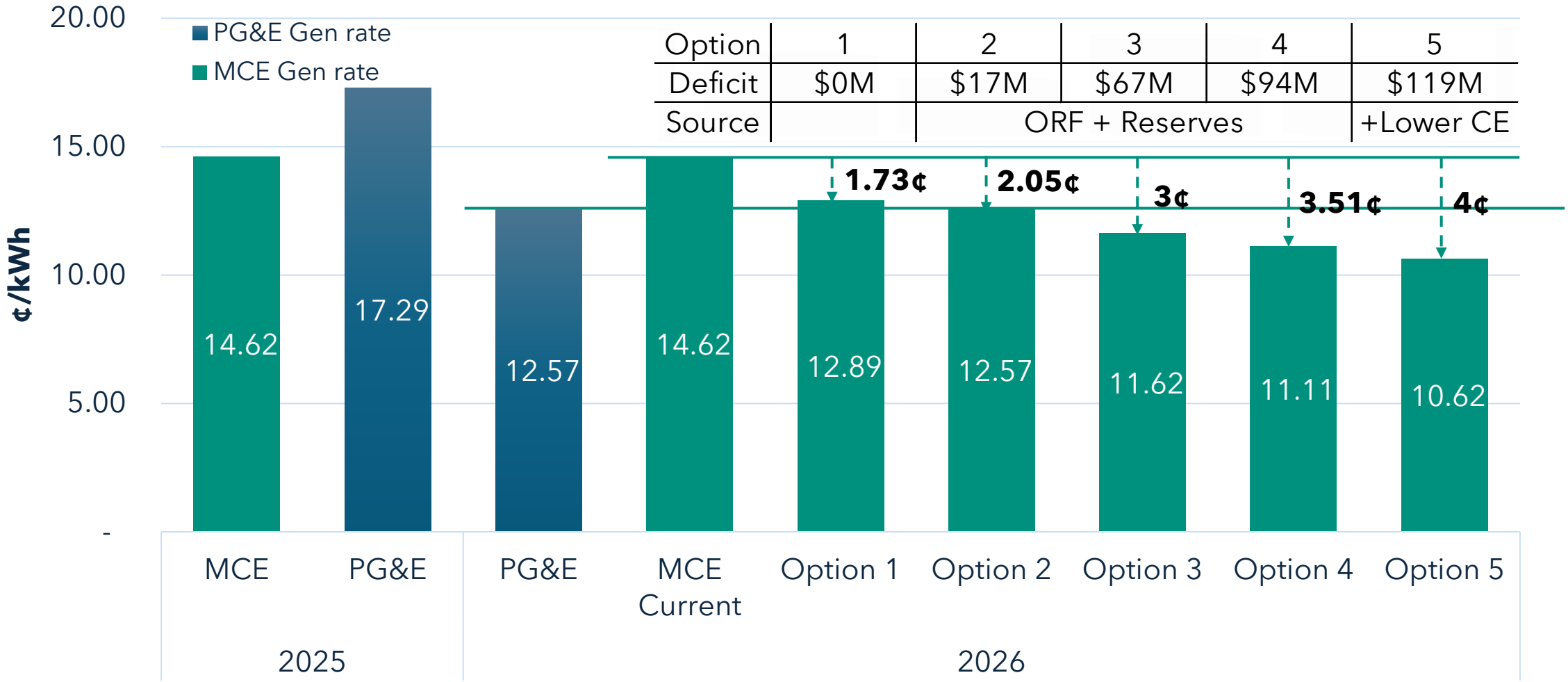
- Rate comparisons use Residential E-TOU-C plan and MCE's 2017 PCIA vintage, based on a weighted average rate of customer usage across seasons (summer/winter) and time-of-use (on-peak/off-peak) periods.
- Residential rates are shown for illustration; similar reductions apply across all customer classes
- 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.

Reduced Clean Energy Procurement Scenarios

Scenario #	RPS/Carbon-Free (CF) %	RPS	CF	FY 2026/27 Cost of Energy ($M)	FY 2026/27 Cost Reduction ($M)	FY 2027/28 Cost of Energy ($M)	FY 2027/28 Cost Reduction ($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 CO_2e/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

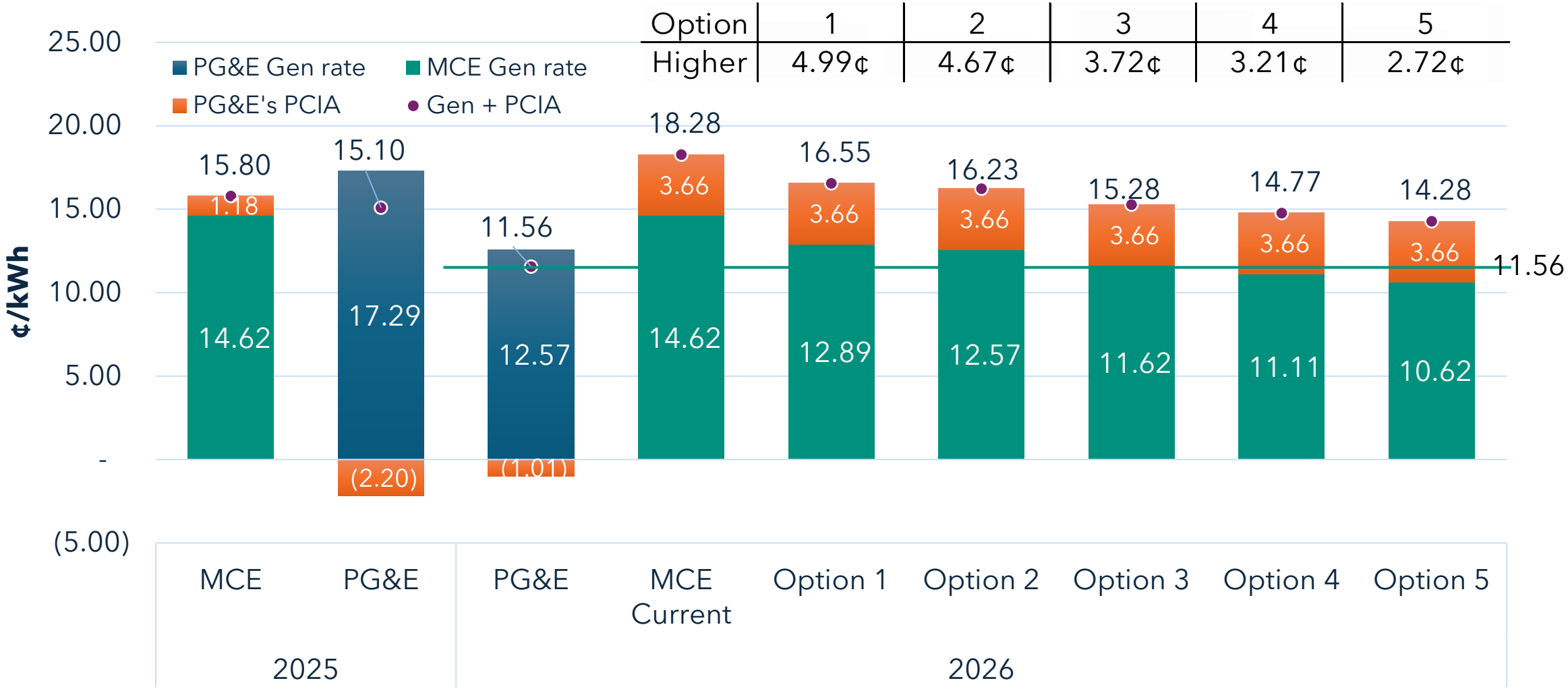
FY 2026/27 Proposed Generation Rate Options



- 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

Option	1	2	3	4	5
Higher	4.99¢	4.67¢	3.72¢	3.21¢	2.72¢



- 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

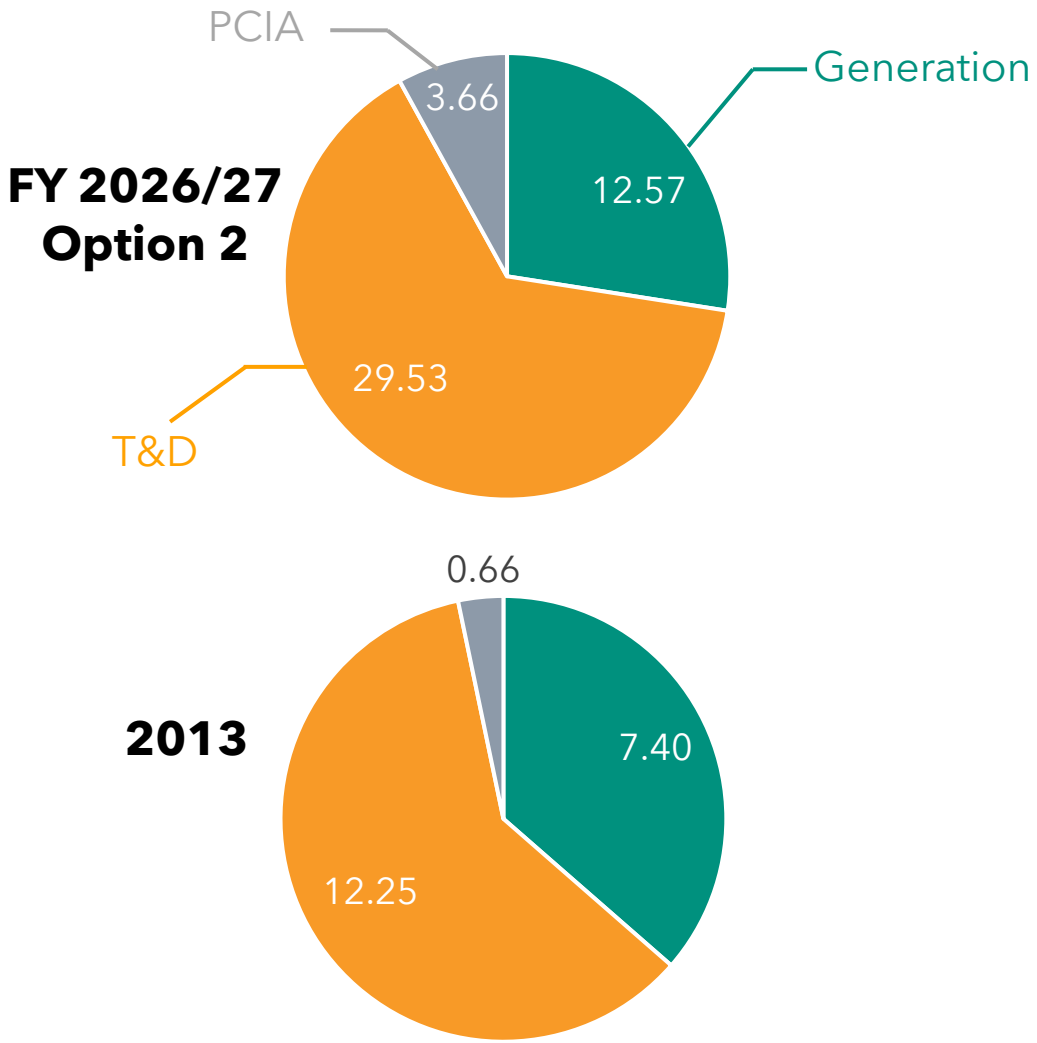
Bill Comparison: MCE and PG&E

	PG&E	MCE Light Green					
Residential: E-TOU C	**2026**	**2025**	**Current**	**Option 1**	**Option 2**	**Option 3**	**Option 4**	**Option 5**
Generation Rate ($/kWh)	*$0.1257*	*$0.1462*	*$0.1462*	*$0.1289*	*$0.1257*	*$0.1162*	*$0.1111*	*$0.1062*
PG&E Delivery Rate ($/kWh)	0.295	0.280	0.295	0.295	0.295	0.295	0.295	0.295
PG&E PCIA/FF ($/kWh)	(0.010)	0.012	0.037	0.037	0.037	0.037	0.037	0.037
Total Electricity Cost ($/kWh)	*0.411*	*0.438*	*0.478*	*0.461*	*0.458*	*0.448*	*0.443*	*0.438*
Average Monthly Bill ($)	**$180**	**$192**	**$209**	**$202**	**$200**	**$196**	**$194**	**$192**
Difference (MCE - PG&E)		**$12**	**$29**	**$22**	**$20**	**$16**	**$14**	**$12**
% Higher than PG&E		**7%**	**16%**	**12%**	**11%**	**9%**	**8%**	**7%**

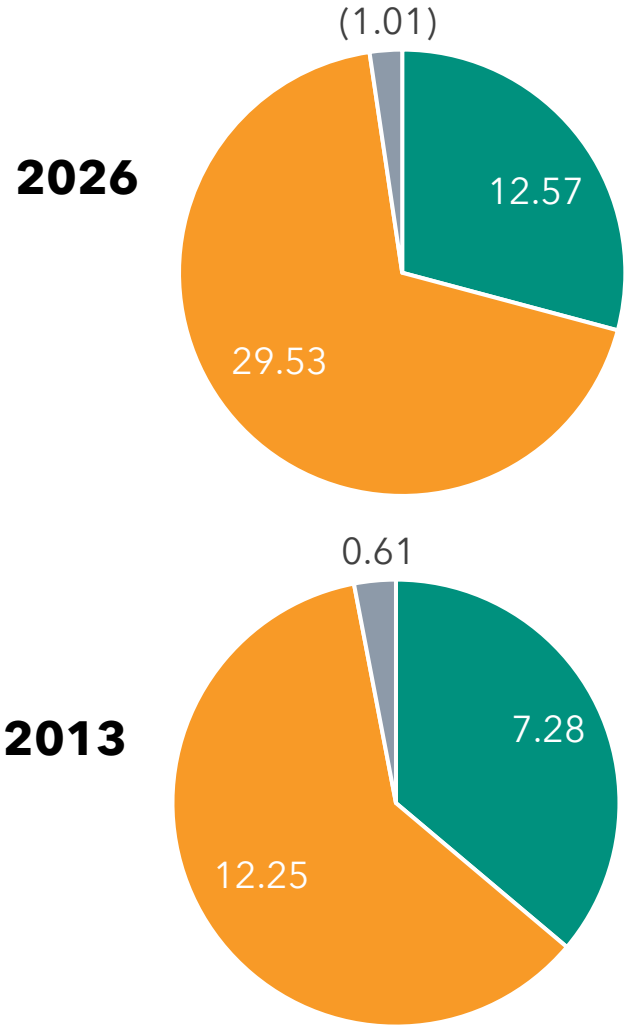
- Rate comparisons use E-TOU-C plan and MCE's 2017 PCIA vintage, based on a weighted average rate of customer usage across seasons (summer/winter) and time-of-use (on-peak/off-peak) periods
- Average bills in recent years under **TBCC** range from ~**$180–$250** per month; about **16% to 50% higher** than PG&E's standard bundled rates

Rate Comparison: MCE and PG&E (¢/kWh)

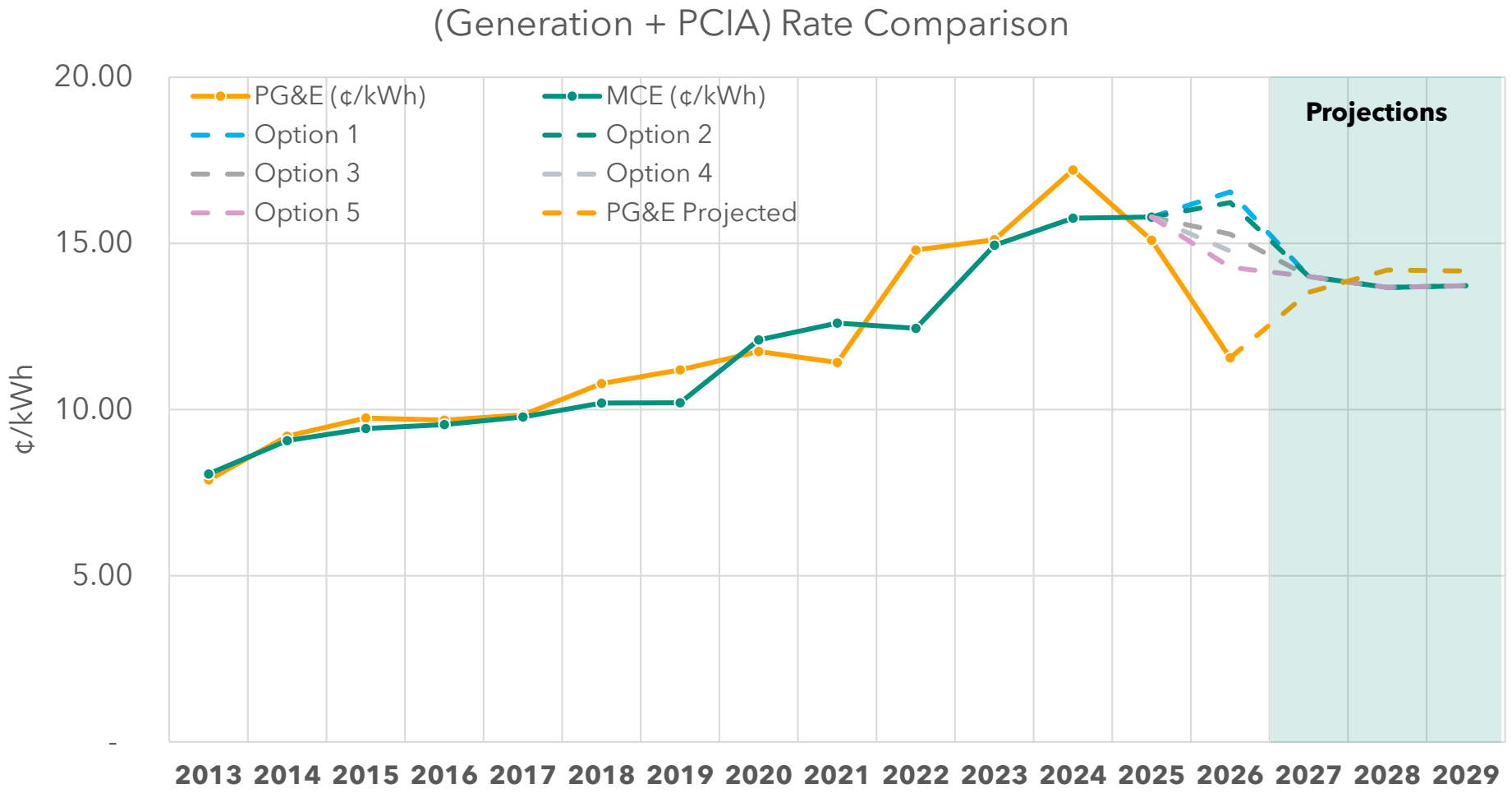
MCE



PG&E



Generation Rate + PCIA Projections



- 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 (NewGen Strategies & Solutions) projections

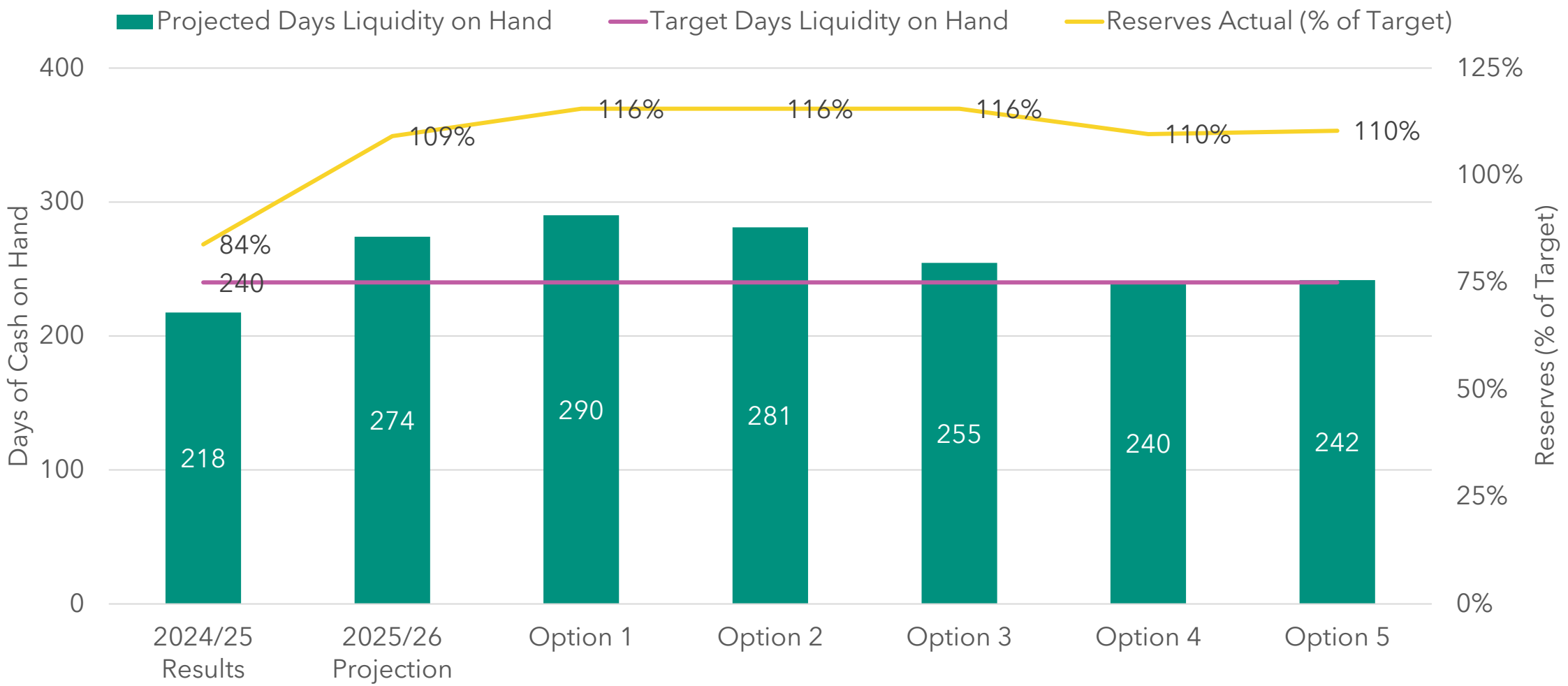
Projections

2027+: PCIA convergence across all vintages

Cost-based rates keep MCE's Generation + PCIA below PG&E's forecast:

- **Options 1–2:** Generation Rate remains stable and sustainable with no increases
- **Options 3–5:** Use reserves in the near term, then raise the Generation Rate later to at least the Option 1–2 level, with future increases offset by declining PCIA beginning in 2027

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

Recommendation

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

Option	Gen Rate Reduction	Impacts
1	**1.73¢/kWh** (12%)	Full cost recovery and sustainable into FY 2027/28; No use of reserves
2	**2.05¢** (14%)	Sustained rates likely into FY 2027/28; Some use of reserves
3	**3¢** (21%)	Rate increase likely needed for FY 2027/28; Heavy use of reserves
4	**3.51¢** (24%)	Maintains liquidity targets; Utilizes all available reserves
5	**4¢** (27%)	Requires reduced clean energy targets & associated changes to customer messaging

Thank you!

mceCleanEnergy.org
info@mceCleanEnergy.org

2024 CCA Programs Power Content Label (PCL) Overview[1]

CCA program	lbs CO2e/MWh	Renewable content
Clean Power Alliance of Southern California - 100% Green	0	100%
Peninsula Clean Energy Authority - ECOplus	0	50%
Ava Community Energy - Renewable 100	0	100%
Orange County Power Authority - 100% Renewable Choice	0	100%
San Diego Community Power - Power100	0	100%
Marin Clean Energy ("MCE") - Deep Green	0	100%
CleanPowerSF - SuperGreen	0	100%
Marin Clean Energy ("MCE") - LightGreen	1	69%
CleanPowerSF - Green	3	89%
Valley Clean Energy Alliance - Standard Green	32	85%
Sonoma Clean Power Authority - CleanStart	91	51%
Clean Energy Alliance - CleanImpactPlus	139	49%
San José Clean Energy - Green Source	152	65%
SILICON VALLEY CLEAN ENERGY - Green Start	202	43%
Ava Community Energy - Bright Choice	221	62%
Clean Power Alliance of Southern California - Clean	397	50%
Redwood Coast Energy Authority - REpower	404	46%
Central Coast Community Energy - 3Cchoice	417	0%
Lancaster Choice Energy - Clear Choice	432	52%
San Diego Community Power - PowerOn	441	53%
Clean Power Alliance of Southern California - Lean	566	23%
Pioneer Community Energy - Base Plan	573	42%
Orange County Power Authority - Basic Choice	942	25%

[1] The table shows CCA programs with at least 500,000 MWh in retails sales

2024 POWER CONTENT LABEL

Ava Community Energy

	Bright Choice	Renewable 100	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	**221**	**0**	**359**
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power			
RPS Eligible Renewables	**62%**	**100%**	**45%**
Biomass & Biogas	10%	0%	2%
Geothermal	1%	0%	5%
Eligible Hydroelectric	2%	0%	2%
Solar	18%	77%	23%
Wind	31%	23%	14%
Large Hydroelectric	**34%**	**0%**	**10%**
Nuclear	**0%**	**0%**	**11%**
Emerging Technologies	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**
Natural Gas	**0%**	**0%**	**10%**
Coal & Petroleum	**0%**	**0%**	**2%**
Unspecified Power (primarily fossil fuels)	**4%**	**0%**	**22%**
Total	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	0%	0%	

■ This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance periods. RECs that are purchased separately from the renewable energy ("Unbundled RECs") can be used for RPS compliance, but they do not factor into the power mixes or GHG emissions intensities above.

■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC webpage at the link below.

■ Unspecified power is electricity purchased from a genericized pool on the open market.

https://avaenergy.org/about-ava/key-documents/	**Want to learn more? Visit https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program**

2024 POWER CONTENT LABEL

CleanPowerSF

	Green	SuperGreen	SuperGreen Saver	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	**3**	**0**	**0**	**359**
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power				
RPS Eligible Renewables	**89%**	**100%**	**100%**	**45%**
Biomass & Biogas	2%	0%	0%	2%
Geothermal	13%	0%	0%	5%
Eligible Hydroelectric	1%	0%	0%	2%
Solar	50%	50%	100%	23%
Wind	22%	50%	0%	14%
Large Hydroelectric	**11%**	**0%**	**0%**	**10%**
Nuclear	**0%**	**0%**	**0%**	**11%**
Emerging Technologies	**0%**	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**
Natural Gas	**0%**	**0%**	**0%**	**10%**
Coal & Petroleum	**0%**	**0%**	**0%**	**2%**
Unspecified Power (primarily fossil fuels)	**0%**	**0%**	**0%**	**22%**
Total	**100%**	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	0%	0%	0%	

■ This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance periods. RECs that are purchased separately from the renewable energy ("Unbundled RECs") can be used for RPS compliance, but they do not factor into the power mixes or GHG emissions intensities above.

■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC webpage at the link below.

■ Unspecified power is electricity purchased from a genericized pool on the open market.

cleanpowersf.org	**Want to learn more? Visit energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program**

2024 POWER CONTENT LABEL

Marin Clean Energy ("MCE")

	Deep Green	LocalSol	LightGreen	GreenAccess	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	**0**	**0**	**1**	**0**	**359**
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power					
RPS Eligible Renewables	**100%**	**100%**	**69%**	**100%**	**45%**
Biomass & Biogas	0%	0%	2%	0%	2%
Geothermal	0%	0%	2%	0%	5%
Eligible Hydroelectric	0%	0%	4%	0%	2%
Solar	50%	100%	44%	100%	23%
Wind	50%	0%	17%	0%	14%
Large Hydroelectric	**0%**	**0%**	**31%**	**0%**	**10%**
Nuclear	**0%**	**0%**	**0%**	**0%**	**11%**
Emerging Technologies	**0%**	**0%**	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**	**0%**
Natural Gas	**0%**	**0%**	**0%**	**0%**	**10%**
Coal & Petroleum	**0%**	**0%**	**0%**	**0%**	**2%**
Unspecified Power (primarily fossil fuels)	**0%**	**0%**	**0%**	**0%**	**22%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	0%	0%	2%	0%	

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■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC webpage at the link below.

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https://www.mcecleanenergy.org/	**Want to learn more? Visit https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program**

2024 POWER CONTENT LABEL

Peninsula Clean Energy Authority

	ECOplus	ECO100	Green Transit	Green Access	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	**0**	**0**	**0**	**0**	**359**
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power					
RPS Eligible Renewables	**50%**	**100%**	**100%**	**100%**	**45%**
Biomass & Biogas	0%	0%	0%	0%	2%
Geothermal	12%	0%	0%	0%	5%
Eligible Hydroelectric	2%	0%	0%	0%	2%
Solar	18%	50%	100%	100%	23%
Wind	18%	50%	0%	0%	14%
Large Hydroelectric	**50%**	**0%**	**0%**	**0%**	**10%**
Nuclear	**0%**	**0%**	**0%**	**0%**	**11%**
Emerging Technologies	**0%**	**0%**	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**	**0%**
Natural Gas	**0%**	**0%**	**0%**	**0%**	**10%**
Coal & Petroleum	**0%**	**0%**	**0%**	**0%**	**2%**
Unspecified Power (primarily fossil fuels)	**0%**	**0%**	**0%**	**0%**	**22%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	0%	0%	0%	0%	

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■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC webpage at the link below.

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www.peninsulacleanenergy.com	**Want to learn more? Visit https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program**

2024 POWER CONTENT LABEL

San José Clean Energy

	Green Source	Total Green	Solar Access DAC GT	Green Transportation	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	**152**	**0**	**0**	**0**	**359**
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power					
RPS Eligible Renewables	**65%**	**100%**	**100%**	**100%**	**45%**
Biomass & Biogas	2%	0%	0%	0%	2%
Geothermal	0%	0%	0%	0%	5%
Eligible Hydroelectric	1%	0%	0%	0%	2%
Solar	32%	100%	100%	100%	23%
Wind	30%	0%	0%	0%	14%
Large Hydroelectric	**18%**	**0%**	**0%**	**0%**	**10%**
Nuclear	**1%**	**0%**	**0%**	**0%**	**11%**
Emerging Technologies	**0%**	**0%**	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**	**0%**
Natural Gas	**0%**	**0%**	**0%**	**0%**	**10%**
Coal & Petroleum	**0%**	**0%**	**0%**	**0%**	**2%**
Unspecified Power (primarily fossil fuels)	**16%**	**0%**	**0%**	**0%**	**22%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	0%	0%	0%	0%	

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■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC webpage at the link below.

■ Unspecified power is electricity purchased from a genericized pool on the open market.

https://sanjosecleanenergy.org/resources/mandated-noticing/	**Want to learn more? Visit https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program**

2024 POWER CONTENT LABEL
SILICON VALLEY CLEAN ENERGY

	Green Start	Green Prime	Green Prime Direct	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	**202**	**0**	**189**	**359**
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power				
RPS Eligible Renewables	**43%**	**100%**	**48%**	**45%**
Biomass & Biogas	3%	0%	0%	2%
Geothermal	11%	0%	0%	5%
Eligible Hydroelectric	0%	0%	0%	2%
Solar	21%	50%	0%	23%
Wind	8%	50%	48%	14%
Large Hydroelectric	**36%**	**0%**	**32%**	**10%**
Nuclear	**0%**	**0%**	**0%**	**11%**
Emerging Technologies	**0%**	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**
Natural Gas	**0%**	**0%**	**0%**	**10%**
Coal & Petroleum	**0%**	**0%**	**0%**	**2%**
Unspecified Power (primarily fossil fuels)	**21%**	**0%**	**20%**	**22%**
Total	**100%**	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	0%	0%	0%	

■ This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance periods. RECs that are purchased separately from the renewable energy ("Unbundled RECs") can be used for RPS compliance, but they do not factor into the power mixes or GHG emissions intensities above.

■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC webpage at the link below.

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https://svcleanenergy.org/	**Want to learn more? Visit https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program**

2024 POWER CONTENT LABEL

Sonoma Clean Power Authority

	CleanStart	EverGreen	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs of CO_2e emitted per megawatt hour)	**91**	**0**	**359**
Electricity Sources ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power			
RPS Eligible Renewables	**51%**	**100%**	**45%**
Biomass & Biogas	8%	0%	2%
Geothermal	15%	90%	5%
Eligible Hydroelectric	3%	0%	2%
Solar	14%	10%	23%
Wind	11%	0%	14%
Large Hydroelectric	**40%**	**0%**	**10%**
Nuclear	**1%**	**0%**	**11%**
Emerging Technologies	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**
Natural Gas	**0%**	**0%**	**10%**
Coal & Petroleum	**0%**	**0%**	**2%**
Unspecified Power (primarily fossil fuels)	**9%**	**0%**	**22%**
Total	**100%**	**100%**	**100%**
Retail sales covered by retired unbundled RECs	0%	0%	

■ This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance periods. RECs that are purchased separately from the renewable energy ("Unbundled RECs") can be used for RPS compliance, but they do not factor into the power mixes or GHG emissions intensities above.

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www.sonomacleanpower.org	**Want to learn more? Visit https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program**

MCE Customer Participation Dashboard 2025

- MCE has reached another all-time high in participation rate (87.3%) and customer accounts (603,478)
- Increase in customer accounts due to positive new customer growth as well as the enrollment of the 2nd to last Hercules NEM group
- AMP participation has risen to an all-time high of nearly 70%
- CARE participation has leveled out after a high in fall, while FERA enrollments have increased 7% this quarter
- Solar Billing Plan customers have surpassed the 10,000 mark, or nearly 10% of all solar customers

Metric	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Change This Quarter ▲	%	
Account Summary															
MCE Participation Rate (% of all active SAs[1])	**87.0%**	**87.0%**	**87.1%**	**86.9%**	**87.0%**	**87.1%**	**87.1%**	**87.1%**	**87.2%**	**87.2%**	**87.3%**	**87.3%**	**0.1%**	**0.1%**	↑
Residential MCE Service Agreements	527,551	527,872	528,727	536,515	536,652	537,658	538,024	537,736	538,913	539,816	540,137	541,367	2,454	0.5%	↑
Non-Residential MCE Service Agreements	61,459	61,510	61,580	62,175	62,215	62,261	62,297	62,219	62,250	62,294	62,278	62,111	(139)	-0.2%	↓
Number of MCE Service Agreements	**589,010**	**589,382**	**590,307**	**598,690**	**598,867**	**599,919**	**600,321**	**599,955**	**601,163**	**602,110**	**602,415**	**603,478**	**1,244**	**0.2%**	↑
Move ins / New Community enrollments	7,913	7,944	8,797	17,002	9,366	9,152	9,593	10,292	8,855	9,189	7,642	7,282			
Move outs	7,531	7,754	8,800	8,659	8,762	8,714	9,276	9,562	8,779	7,433	7,434	7,435			
Net Move-in / Move-out	382	190	(3)	8,343	604	438	317	730	76	1,756	208	(153)	688	61.3%	↑
Residential Opt-Outs	201	384	575	385	219	162	194	213	209	221	149	156	(90)	-14.6%	↓
Non-Residential Opt-Outs	4	13	11	7	6	4	14	13	10	10	4	179	156	421.6%	↑
Total Opt-outs	205	397	586	392	225	166	208	226	219	231	153	335	66	10.1%	↑
Net Customers Gained/ (Lossed)	65	372	925	8,383	177	1,052	402	(366)	1,208	947	305	1,063	1,071	86.1%	↑
Customers Retained	217	134	149	100	93	85	123	134	116	116	72	79	(106)	-28.4%	↓
Customer Retention Rate*	**51.4%**	**25.2%**	**20.3%**	**20.3%**	**29.2%**	**33.9%**	**37.2%**	**37.2%**	**34.6%**	**33.4%**	**32.0%**	**19.1%**	(0)	**-22.5%**	↓
Products															
Light Green Service Agreements	**541,654**	**540,907**	**540,796**	**549,706**	**550,409**	**551,988**	**552,807**	**552,858**	**554,483**	**557,486**	**560,489**	**563,492**	**9,009**	**1.6%**	↑
Deep Green Service Agreements	**43,733**	**43,536**	**43,338**	**42,811**	**42,285**	**41,758**	**41,341**	**40,924**	**40,507**	**40,221**	**39,934**	**39,648**	**(859)**	**-2.1%**	↓
Residential Deep Green SAs	37,255	36,900	36,544	36,544	36,544	35,023	34,633	34,242	33,852	33,575	33,297	33,020	**(832)**	**-2.5%**	↓
Non-Residential Deep Green SAs	6,478	6,636	6,794	6,267	5,741	6,735	6,708	6,682	6,655	6,646	6,637	6,628	**(27)**	**-0.4%**	↓
Deep Green Opt-ups	**36**	**26**	**62**	**60**	**115**	**59**	**34**	**36**	**44**	**27**	**30**	**66**	**22**	**50.0%**	↑
Local Sol Service Agreements	**338**	**338**	**338**	**338**	**338**	**338**	**338**	**338**	**338**	**338**	**338**	**338**	-	-	↔
Green Access Service Agreements	**3,285**	**4,601**	**5,835**	**5,835**	**5,835**	**5,835**	**5,835**	**5,835**	**5,835**	**5,835**	**5,835**	**5,835**	-	-	↔
Solar															
MCE NEM Service Agreements	**85,912**	**85,963**	**85,806**	**86,818**	**86,534**	**86,981**	**87,049**	**87,278**	**87,389**	**87,705**	**87,954**	**89,077**	**1,688**	**1.9%**	↑
MCE SBP Service Agreements	**4,737**	**5,184**	**6,648**	**7,181**	**7,619**	**8,238**	**8,715**	**9,131**	**9,855**	**10,311**	**10,787**	**10,782**	**927**	**9.4%**	↑
Financial Assistance Programs															
CARE Service Agreements	**98,610**	**99,272**	**99,780**	**101,911**	**101,357**	**101,583**	**102,397**	**103,158**	**103,693**	**102,402**	**100,680**	**101,499**	**(2,194)**	**-2.1%**	↓
FERA Service Agreements[4]	**3,794**	**3,809**	**3,838**	**3,903**	**3,848**	**4,016**	**4,221**	**4,343**	**4,484**	**4,581**	**4,610**	**4,799**	**315**	**7.0%**	↑
Medical Baseline[5]	**21,057**	**21,278**	**21,476**	**21,827**	**21,060**	**20,100**	**20,198**	**20,310**	**20,550**	**20,697**	**20,834**	**21,116**	**566**	**2.8%**	↑
Payment Plans	**31,933**	**32,836**	**32,973**	**34,245**	**33,354**	**31,711**	**31,052**	**30,404**	**30,141**	**29,646**	**29,508**	**30,038**	**(103)**	**-0.3%**	↓
AMP - Enrolled	**5,544**	**5,899**	**6,339**	**6,503**	**6,603**	**7,620**	**8,040**	**8,329**	**8,268**	**8,116**	**8,200**	**8,025**	**(243)**	**-2.9%**	↓
AMP - Eligible	**11,593**	**11,836**	**12,151**	**11,584**	**12,297**	**12,894**	**13,179**	**13,141**	**12,754**	**11,950**	**11,911**	**11,961**	**(793)**	**-6.2%**	↓
AMP - % Enrolled	**47.8%**	**49.8%**	**52.2%**	**56.3%**	**53.7%**	**59.1%**	**61.0%**	**64.0%**	**64.8%**	**67.9%**	**68.8%**	**67.1%**	**2.3%**	**3.5%**	↑
Arrearage Management Program ($)	**$3,225,262**	**$3,434,176**	**$3,731,200**	**$3,763,932**	**$3,838,352**	**$4,360,687**	**$4,555,770**	**$4,661,568**	**$4,580,412**	**$4,484,927**	**$4,564,388**	**$4,557,170**	**($23,241.79)**	**-0.5%**	↓

**Retention rate is calculated as # of customers retained / # of opt-outs

Shaded area denotes months where data was not being tracked

Location: Z:\Office\Customer Operations\2 - Dashboards

Future Dashboards will be updated to show load by customer class and impact of opt-outs
(to be delivered on the third Monday of each month)

Empowering Our Clean Energy Future
CONTRA COSTA | MARIN | NAPA | SOLANO

February 19, 2026

TO:	MCE Board of Directors
FROM:	Maira Strauss, Chief Financial Officer and Treasurer Efren Oxlaj, Manager of Finance
RE:	Proposed Fiscal Year 2026/27 Budget Elements (Agenda Item #07)
ATTACHMENT:	A. Presentation Proposed FY 2026/27 Budget Elements B. Quarterly Customer Programs Update – January 15, 2026 staff report C. Customer Program Slides Presented at Budget Workshop 1- January 28, 2026

Dear MCE Board Members:

Summary:
This report provides a preliminary overview of the Proposed Budget elements of MCE's Operating Fund, Program Development, Resiliency Virtual Power Plant, and Energy Efficiency Fund for Fiscal Year (FY) 2026/27. The figures provided include initial estimates for energy revenue, cost of energy, operating expenses, and non-operating revenues and expenses. Projected program expenses are also shown. These figures are intended to support early Board discussion. Projections shown should be viewed as high-level directional estimates only. Refinement is expected as updated procurement forecasts, rate modeling, and departmental budgets are finalized.

Background:
MCE's fiscal year runs from April 1st through March 31st. Before the beginning of every fiscal year, staff present budgets to the Executive Committee and Board of Directors for consideration. MCE currently has four funds. The Operating Fund Budget captures activities related to MCE's core functions including sales of electricity, cost of energy, operating expenses, non-operating revenues and expenses, and capital outlay. Staff work with internal subject matter experts and external technical consultants to prepare forecasts for energy revenue and cost of energy. Staff also work with department heads to forecast operating expenses. The Program Development Fund is funded by 50% of the Deep Green premium, grants, and additional transfers from the Operating Fund, subject to your Board's approval. This fund allows MCE to run several transportation electrification programs that help customers adopt electric vehicles (EVs) and install charging stations at workplaces and multifamily residences. Other electrification programs are also supported by this fund. The Resiliency Virtual Power Plant Fund focuses on scaling MCE's virtual power plant efforts

and customer energy storage. This fund may also include grants and Board approved transfers from the Operating Fund. Lastly, the Energy Efficiency Budget is entirely funded by the California Public Utilities Commission for energy efficiency programs.

A key decision for FY 2026/27 will involve selecting among five rate options, each with implications for energy revenue, cost of energy, and withdrawals from MCE's Operating Reserve Fund (ORF) which currently holds $70 million in deferred income. Under the options being presented, the projected budget for operating, non-operating revenues, and program expenses remains the same. However, the change in net position for the fiscal year will depend on which scenario your Board selects, as each reflects different revenue assumptions and energy cost projections. For further analysis and impact on customer bills for the options being presented, please see the staff report for Agenda Item #06.

Energy Revenue, Net

Energy revenue captures income generated from sales of electricity to customers. Electricity consumption is forecasted based on MCE's customer accounts, incorporating historical usage, weather patterns and applicable rates. Actual revenue may vary depending on future weather conditions, customer behavior, and broader economic trends. For FY 2026/27, load forecasts have been adjusted downward to incorporate the mild summer weather observed during the last two summers in MCE's service area.

For FY 2026/27, energy revenue will vary based on the rate scenario selected by your Board. All figures presented are net of uncollectible amounts, which are forecasted at 1.2% of sales based on customer payment data, and assume stable customer participation.

> **Status Quo: $772,440,000** (5.1% decrease from FY 2025/26 Approved Budget[1])
> Under the status quo, MCE would maintain its current rate structure for the coming fiscal year. Energy revenue would decline by $41.2 million year over year compared with the current Approved Budget. The decline reflects the downward adjustment to load forecasts mentioned above. This would generate sufficient energy revenue to pay for the cost of energy and other expenses. No withdrawals from the Operating Reserve Fund (ORF) would be required and MCE would show a positive change in net position.
>
> **Rate Option 1: $683,373,000** (16.0% decrease from FY 2025/26 Approved Budget)
> Under Option 1, MCE would reduce its generation rate by 1.73¢/kWh or 12%. Energy revenue would decline by $130.3 million year over year compared with the current Approved Budget. Revenue would be set close to MCE's projected total expenses to achieve a modest positive change in net position. No withdrawal from the ORF would be needed.

[1] The FY 2025/26 Approved Budget includes a $13 million ORF withdrawal. The year over year percent change is calculated on the amount before the ORF withdrawal to highlight the revenue shortfalls tied to the rate options.

Rate Option 2: $666,297,000 (18.1% decrease from FY 2025/26 Approved Budget)
Under Option 2, MCE would reduce its generation rate by 2.05¢/kWh or 14%. Energy revenue would decline by $147.4 million year over year compared with the current Approved Budget. A withdrawal of $17 million from the ORF would be required to bridge the revenue gap and MCE would show a modest positive change in net position. Absent the ORF withdrawal, MCE's net position would show a loss of about $16.3 million.

Rate Option 3: $616,464,000 (24.2% decrease from FY 2025/26 Approved Budget)
Under Option 3, MCE would reduce its generation rate by 3¢/kWh or 21%. Energy revenue would decline by $197.2 million year over year compared with the current Approved Budget. A withdrawal of $66.9 million from the ORF would be required to bridge the revenue gap and MCE would show a modest positive change in net position. Absent the ORF withdrawal, MCE's net position would show a loss of about $66.2 million.

Rate Option 4: $588,957,000 (27.6% decrease from FY 2025/26 Approved Budget)
Under Option 4, MCE would reduce its generation rate by 3.51¢/kWh or 24%. Energy revenue would decline by $224.7 million year over year compared with the current Approved Budget. A withdrawal of $70 million from the ORF would be required. Despite the withdrawal, the change in net position would show a loss of $23.7 million as the transfer would be insufficient to cover all the costs.

Rate Option 5: $564,009,000 (30.7% decrease from FY 2025/26 Approved Budget)
Under option 5, MCE would reduce its generation rate by 4¢/kWh or 27%. Energy revenue would decline by $249.7 million year over year compared with the current Approved Budget. A withdrawal of $70 million from the ORF would be required. Despite the withdrawal, the change in net position would show a loss of $31.6 million as the transfer would be insufficient to cover all the costs.

Table 1: Summary of Proposed Energy Revenue and year over year change.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Status Quo	$ 813,689,500	$ 772,440,000	$ (41,249,500)	(5.1%)
Option 1	813,689,500	683,373,000	(130,316,500)	(16.0%)
Option 2	813,689,500	666,297,000	(147,392,500)	(18.1%)
Option 3	813,689,500	616,464,000	(197,225,500)	(24.2%)
Option 4	813,689,500	588,927,000	(224,762,500)	(27.6%)
Option 5	813,689,500	564,009,000	(249,680,500)	(30.7%)

Operating Reserve Fund
Options 2 through 5 would require withdrawals from the ORF, also known as the Rate Stabilization Fund. Your Board approved contributions of deferred revenue into the fund in

previous years in accordance with Policy 16. The ORF currently holds $70 million of deferred income[2]. This is income that MCE did not recognize in previous fiscal years and can recognize in future fiscal years where net revenues are projected to be negative. By drawing on deferred revenue in years with lower energy margins, such as the upcoming fiscal year, MCE can maintain rate stability and mitigate abrupt changes in relative cost competitiveness resulting from PG&E rate changes.

Table 2: Summary of Proposed Energy Revenue with ORF withdrawals.

	Energy Revenue, net	ORF Withdrawal	Total
FY 2025/26	$ 813,689,500	$ 13,000,000	$ 826,689,500
Status Quo	772,440,000	-	772,440,000
Option 1	683,373,000	-	683,373,000
Option 2	666,297,000	17,076,000	683,373,000
Option 3	616,464,000	66,909,000	683,373,000
Option 4	588,927,000	70,000,000	658,927,000
Option 5	564,009,000	70,000,000	634,009,000

As noted above, MCE would show a loss for the fiscal year under Option 4 and 5, despite withdrawing the maximum amount from the ORF. Depleting the ORF balance would lower bills in the upcoming fiscal year, but it would also limit MCE's flexibility to absorb unexpected financial challenges.

Cost of Energy

The cost of energy represents the largest expense for MCE. This category includes costs for portfolio content category 1 (PCC1) renewable energy, market hedges, and carbon-free energy from large hydroelectric or asset-controlling suppliers. Resource adequacy and net CAISO costs are also included. Energy costs fluctuate based on market conditions, including CAISO electricity prices, hydro availability, renewable generation output, and congestion in CAISO markets. These factors can materially increase or decrease MCE's procurement costs from year to year.

The cost of energy will vary depending on whether your Board selects Rate Option 5. As shown on the Staff Report for Agenda Item #06, your Board has options that could be utilized to reduce the cost of energy by up to $17 million.

Status Quo: $631,944,000 (17.5% decrease from FY 2025/26 Approved Budget)
The cost of energy is projected to decline year over year. This decrease is driven primarily by lower forward prices for renewable energy, resource adequacy, and hedge contracts. MCE

[2] Although the ORF balance is recorded as deferred income on MCE's financial statements, this is strictly an accounting treatment. The underlying $70 million is actual cash that MCE already collected in prior years. These funds remain available for liquidity needs and can be invested in accordance with MCE's investment policy.

procures a decreasing share of its energy needs through forward contracts over time, which means that as older, higher-priced contracts expire, new procurement is occurring at more favorable market prices. As a result, the average cost of energy is trending downward. This reflects a reversal of the conditions experienced in the current fiscal year when rising market prices contributed to increase in MCE's cost of energy.

Table 3: Cost of energy breakdown.

Cost of Energy	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Hedge Contracts	$ 267,050,000	$ 225,028,000	$ (42,022,000)	(15.7%)
Renewable - Long Term PPAs	122,588,000	158,798,000	36,210,000	29.5%
Renewable - Short Term	131,035,000	33,235,000	(97,800,000)	(74.6%)
Resource Adequacy	145,713,000	105,565,000	(40,148,000)	(27.6%)
Net CAISO Costs	85,084,000	88,104,000	3,020,000	3.5%
Carbon Free - Large Hydro/ACS	14,072,000	21,214,000	7,142,000	50.8%
Total	**765,542,000**	**631,944,000**	**(133,598,000)**	**(17.5%)**

Options 1 through 4 would see no change to the cost of energy.

Rate Option 5: $614,944,000 (19.7% decrease from FY 2025/26 Approved Budget)
Under Option 5, MCE would reduce the cost of energy by $17 million to mitigate the impact of the revenue drop caused by the 4¢/kWh generation rate reduction. The reduction would be achieved by lowering MCE's renewable and carbon free procurement targets. Additional customer communication would be necessary as MCE's power mix would show a lower percentage of renewable energy and higher associated carbon emissions. However, even after cost reductions and withdrawal from the ORF, MCE's change in net position would show a loss of $31.6 million.

Operating Expenses: $54,831,000 (9.1% increase from FY 2025/26 Approved Budget)
Operating expenses encompass a broad set of activities that support MCE's core operations. This includes:

- Data manager costs for billing and customer data management.
- Technical and Scheduling consultants for CAISO market participation and load forecasting.
- PG&E service fees for customer data processing and billing coordination.
- Legal and policy services from external providers.
- Communication services, including marketing and community engagement.
- Other professional services ranging from accounting to consultants developing MCE's CRM and data analytics infrastructure.
- General and Administrative including software costs, recruitment, and industry memberships.
- Occupancy costs for MCE's offices.
- Personnel costs such as wages, taxes, and benefits.
- A contingency allocation to address unforeseen expenses across these categories.

The proposed budget for operating expenses is rising in several key areas.

- Data management costs for billing are increasing due to higher than anticipated accounts served following the enrollment of the City of Hercules and high general customer retention rates.
- Technical and scheduling consultant costs are rising as MCE evaluates potential modifications to the services it currently relies on, resulting in temporary vendor overlap and one-time transition expenses.
- PG&E service fees are increasing as the per-account charge has risen from 35 to 42 cents, and FY 2026/27 will reflect the first full year of this higher rate.
- General and administrative expenses are also increasing, driven by higher software and data platform costs. Membership dues from CalCCA (California Community Choice Association) are also increasing. The proposed increase also brings the budget for recruitment-related expenses in line with actual costs being incurred.
- Personnel costs are increasing due to the full year impact of vacant positions that were filled in the current fiscal year. Similarly, the coming fiscal year will see the full year impact of the cost of living and health benefit adjustments made in this fiscal year. Five new positions are also needed to balance the increased workload being experienced by staff[3].
    - The proposed budget assumes no merit increases or promotions. Beginning in the subsequent fiscal year (FY 2027/28), these adjustments would occur at the start of the year to better align with Board-approved budgets.

Non-Operating Revenues Net: $13,457,000 (8.9% decrease from FY 20225/26 Approved Budget)
Non-operating revenues, net is the difference between non-operating revenues and non-operating expenses. Nonoperating revenues include interest and investment income from MCE's cash and fixed income portfolio. Staff is assuming an average annual yield of 2.5% on the beginning balance of MCE's holdings. Nonoperating expenses include bank fees associated with MCE's credit facility.

Program Development Fund: $6,926,000 (10.8% increase from FY 2025/26 Approved Budget)
The Program Development Fund Budget focuses on transportation electrification programs and other electrification efforts. It is financed by a transfer from the Operating Budget equal to 50% of the 1.25¢/kWh Deep Green premium plus additional amounts approved by your Board. In addition to the transfer, the fund may contain grant funding from external grantors.

The proposed spend for FY 2026/27 is $6.9 million, of which $5.9 million would be allocated to EV-related programs. This allocation would allow MCE to increase the rebate amount for Level 1 charging outlets and increase implementer budgets to provide greater customer project support. The proposed budget would also allow MCE to provide over 870 rebates for purchasing an EV to income qualified customers.

[3] Figures shown capture the expected expenses MCE would incur in FY 2026/27 and not the full annualized costs of proposed new staff as MCE's budget is shown on an accrual basis to comply with GASB accounting standards.

Resiliency Virtual Power Plant (VPP) Fund: $2,374,000 (18.9% decrease from FY 2025/26 Approved Budget)
Your Board approved the creation of the Resiliency VPP Fund in 2019 in response to power outages which significantly impact the safety, health, and welfare of MCE's customers, especially our vulnerable populations. Since then, the fund has expanded its scope to help scale MCE's virtual power plants efforts. Like the Program Development Fund, this fund is financed by a transfer from the Operating Fund. Your Board has approved and transferred $9 million from the Operating Fund since its inception. In addition to the transfer, the fund may contain grant funding from external grantors. The budget would also support incentives for installing heat pump water heaters and other electrification efforts.

The proposed budget would allow MCE to meet the $1 million match requirement under the VPP Flex grant from the California Energy Commission (CEC). It would also allow MCE to allocate $927 thousand to the MCE Sync program which helps customers shift their EV charging from peak hours and encourages charging during solar daytime hours through MCE's proprietary app. The budget would also support MCE's energy storage program, VPP pilot, and other grant match requirements.

Change in Net Position
The change in net position is the bottom line and reflects all revenues minus all expenses. The change in net position will vary subject to the rate option your Board selects.

Under the status quo MCE's change in net position would show a gain of $89.8 million.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Energy Revenue, Net	$ 813,689,500	$ 772,440,000	$ (41,249,500)	(5.1%)
ORF Withdrawal	13,000,000	-	(13,000,000)	(100.0%)
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,831,000)	(4,582,000)	9.1%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,300,000)	(119,000)	1.3%
Consolidated Change in Net Position	**16,492,500**	**89,822,000**	**73,329,500**	**444.6%**
Assumptions:				
ORF Withdrawals	13,000,000	0		
Cost of Energy Reduction	0	0		

Under Option 1, MCE's change in net position would be $755,000. No ORF withdrawal would be required.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Energy Revenue, Net	$ 813,689,500	$ 683,373,000	$ (130,316,500)	(16.0%)
ORF Withdrawal	13,000,000	-	(13,000,000)	(100.0%)
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,831,000)	(4,582,000)	9.1%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,300,000)	(119,000)	1.3%
Consolidated Change in Net Position	**16,492,500**	**755,000**	**(15,737,500)**	**(95.4%)**
Assumptions:				
ORF Withdrawals	13,000,000	0		
Cost of Energy Reduction	0	0		

Under Option 2, MCE's change in net position would be $755,000. A withdrawal of $17 million from the ORF would be required.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Energy Revenue, Net	$ 813,689,500	$ 666,297,000	$ (147,392,500)	(18.1%)
ORF Withdrawal	13,000,000	17,076,000	4,076,000	31.4%
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,831,000)	(4,582,000)	9.1%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,300,000)	(119,000)	1.3%
Consolidated Change in Net Position	**16,492,500**	**755,000**	**(15,737,500)**	**(95.4%)**
Assumptions:				
ORF Withdrawals	13,000,000	17,076,000		
Cost of Energy Reduction	0	0		

Under Option 3, MCE's change in net position would be $755,000. A withdrawal of $67 million from the ORF would be required.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Energy Revenue, Net	$ 813,689,500	$ 616,464,000	$ (197,225,500)	(24.2%)
ORF Withdrawal	13,000,000	66,909,000	53,909,000	414.7%
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,831,000)	(4,582,000)	9.1%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,300,000)	(119,000)	1.3%
Consolidated Change in Net Position	**16,492,500**	**755,000**	**(15,737,500)**	**(95.4%)**
Assumptions:				
ORF Withdrawals	13,000,000	66,909,000		
Cost of Energy Reduction	0	0		

Under Option 4, MCE's change in net position would show a loss of $23.7 million even after withdrawing the maximum $70 million from the ORF.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Energy Revenue, Net	$ 813,689,500	$ 588,927,000	$ (224,762,500)	(27.6%)
ORF Withdrawal	13,000,000	70,000,000	57,000,000	438.5%
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,831,000)	(4,582,000)	9.1%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,300,000)	(119,000)	1.3%
Consolidated Change in Net Position	**16,492,500**	**(23,691,000)**	**(40,183,500)**	**(243.6%)**
Assumptions:				
ORF Withdrawals	13,000,000	70,000,000		
Cost of Energy Reduction	0	0		

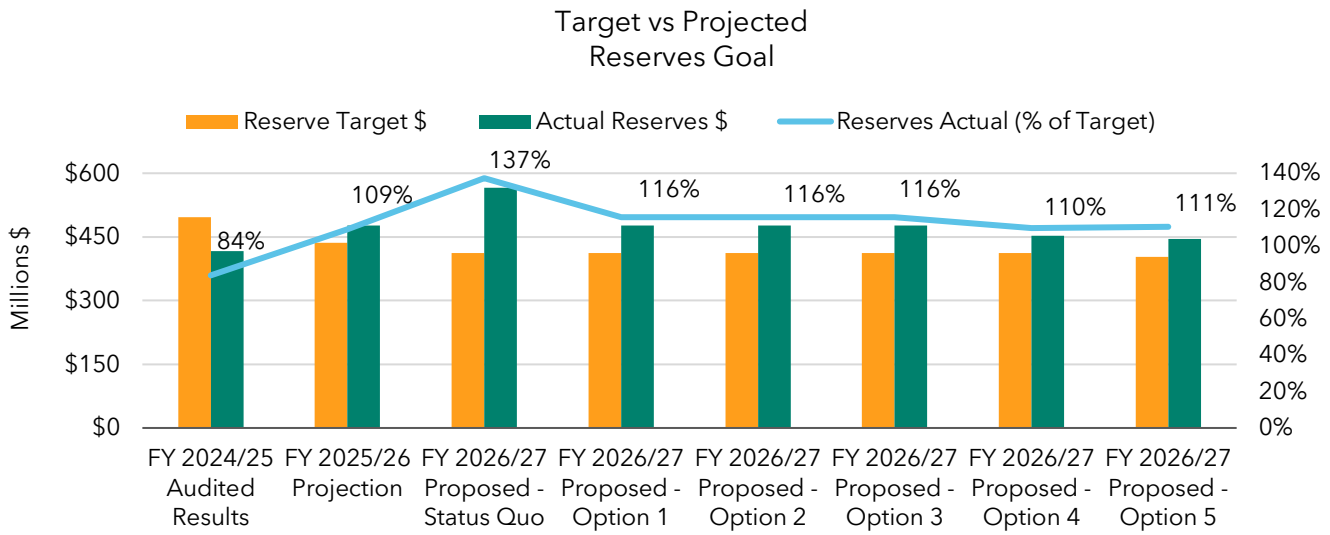
Under Option 5, MCE's change in net position would show a loss of $31.6 million even after withdrawing the maximum $70 million from the ORF and reducing cost of energy by $17 million.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Energy Revenue, Net	$ 813,689,500	$ 564,009,000	$ (249,680,500)	(30.7%)
Cost of Energy	(765,542,000)	(614,944,000)	150,598,000	(19.7%)
ORF Withdrawal	13,000,000	70,000,000	57,000,000	438.5%
Operating Expenses	(50,249,000)	(54,831,000)	(4,582,000)	9.1%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,300,000)	(119,000)	1.3%
Consolidated Change in Net Position	**16,492,500**	**(31,609,000)**	**(48,101,500)**	**(291.7%)**
Assumptions:				
ORF Withdrawals	13,000,000	70,000,000		
Cost of Energy Reduction	0	17,000,000		

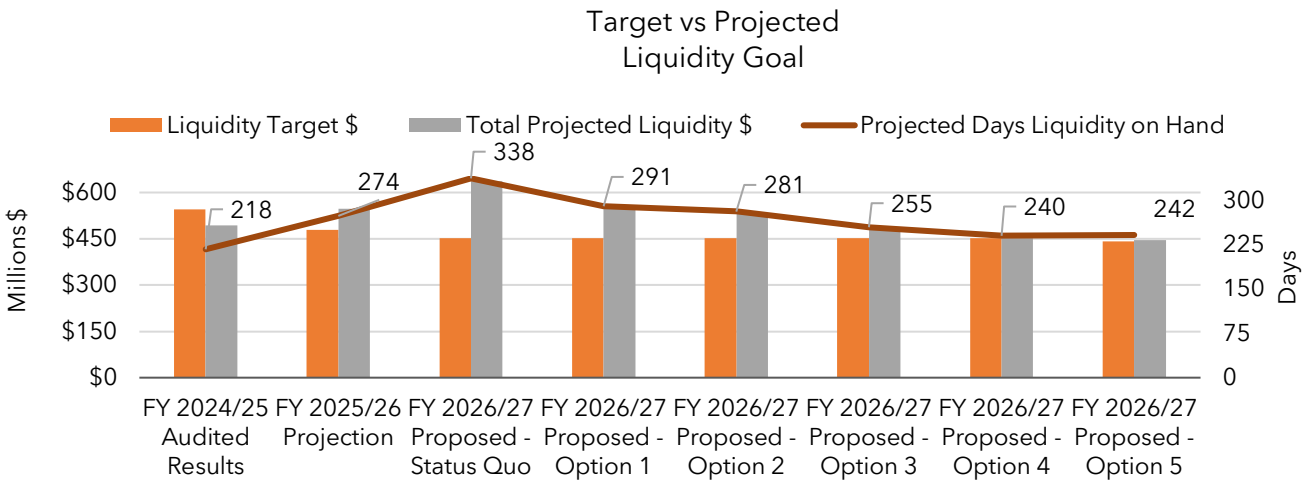
Although MCE would experience a negative change in net position in Option 4 and 5, the agency would still meet its reserve and liquidity targets as shown below.

Reserves and Liquidity

MCE's reserve target is to have 60% of expected cost of energy and operating expenses. Reserves are accounted for as the Net Position in MCE's financial statements. The reserve goals are satisfied under each of the proposed options outlined above.



From a liquidity[4] perspective, MCE would have sufficient cash to run the operations and no external funding sources would be required even under Options 4 and 5, which would generate a negative change in net position. Reserves were intentionally built to provide financial stability during periods of volatility and timing related impacts.



Like reserve goals, MCE would meet its liquidity target of 240 days on hand under each of the proposed options outlined above.

Fiscal Impacts:
None at this time.

Recommendation:
Provide guidance on proposed transfer from Operating Fund and Deep Green Premium for customer programs.

[4] Days cash on hand is based on unrestricted cash and investments x 365/ (operating expenses + cost of energy, each for the current fiscal year). Projections are based on the forecasted net position.

Proposed Fiscal Year 2026/27 Budget Elements

MCE Board of Directors

February 19, 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

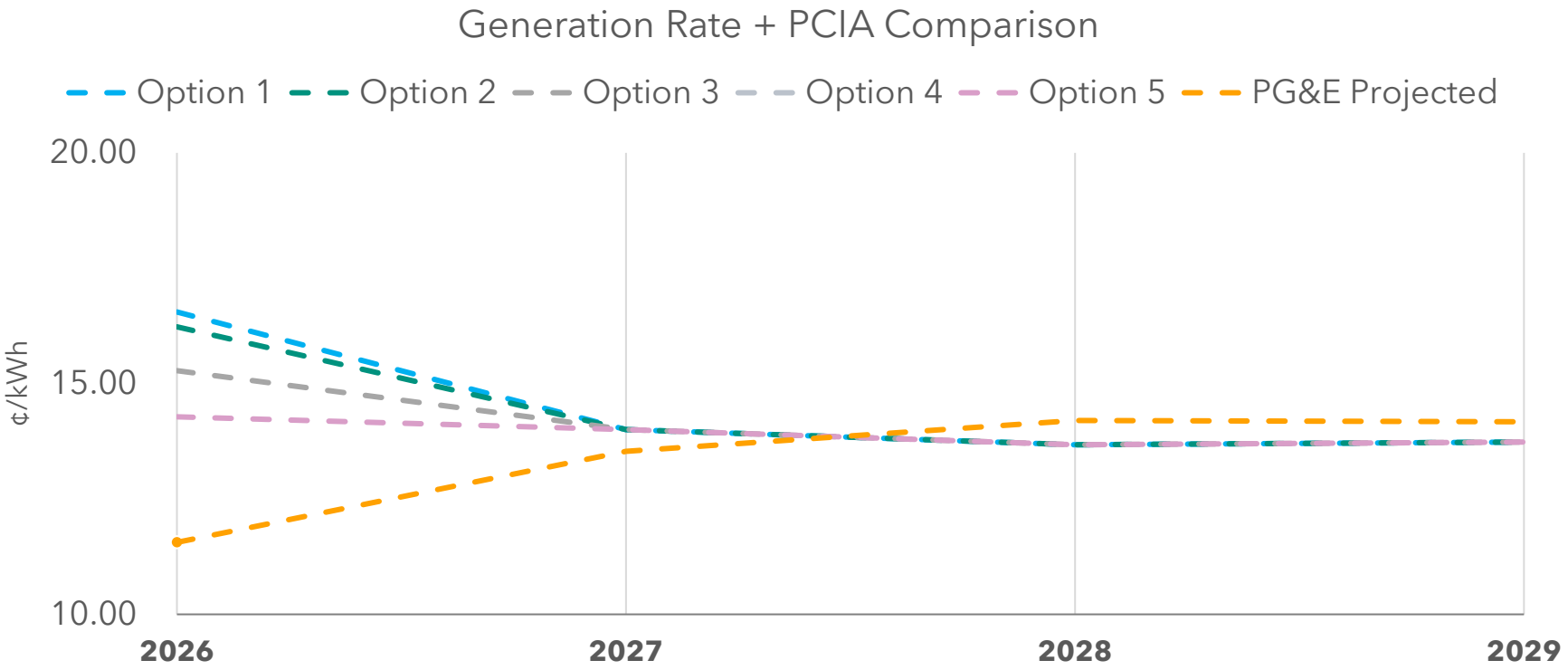
Efren Oxlaj

Manager of Finance

Efren has been with MCE since 2019. He is responsible for financial planning, modeling, reporting and general financial operations. He played a key role in the issuance of more than $2.5 billion in prepay bonds and currently represents MCE on the California Community Choice Financing Authority Working Group.

Efren holds a BS in Economics from Santa Clara University and is currently enrolled in its MS in Finance & Analytics program.

Context for FY 2026/27 Budget Setting



Based on Residential E-TOU-C 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

Looking Ahead (2027+)

- PCIA values expected to converge, eliminating the temporary distortion
- MCE's cost-of-service-based rates are projected to be below PG&E's

Context for FY 2026/27 Budget Setting

Current Situation (2026)

Bundled Gen + PCIA temporarily < MCE Gen Rate + PCIA

- Increase driven by PCIA reforms and improper retroactive ratemaking; CalCCA has filed an appeal
- This is an anomaly, not a true cost trend

MCE Position

- Lower current power costs → rate-reduction headroom
- Staff has developed rate-reduction options

Context for FY 2026/27 Budget Setting

- The budget for FY 2026/27 will be shaped by the rate reduction option your Board selects
  - Option 1 - reduce rates by **1.73¢/kWh** or **12%**
  - Option 2 – reduce rates by **2.05¢/kWh** or **14%**

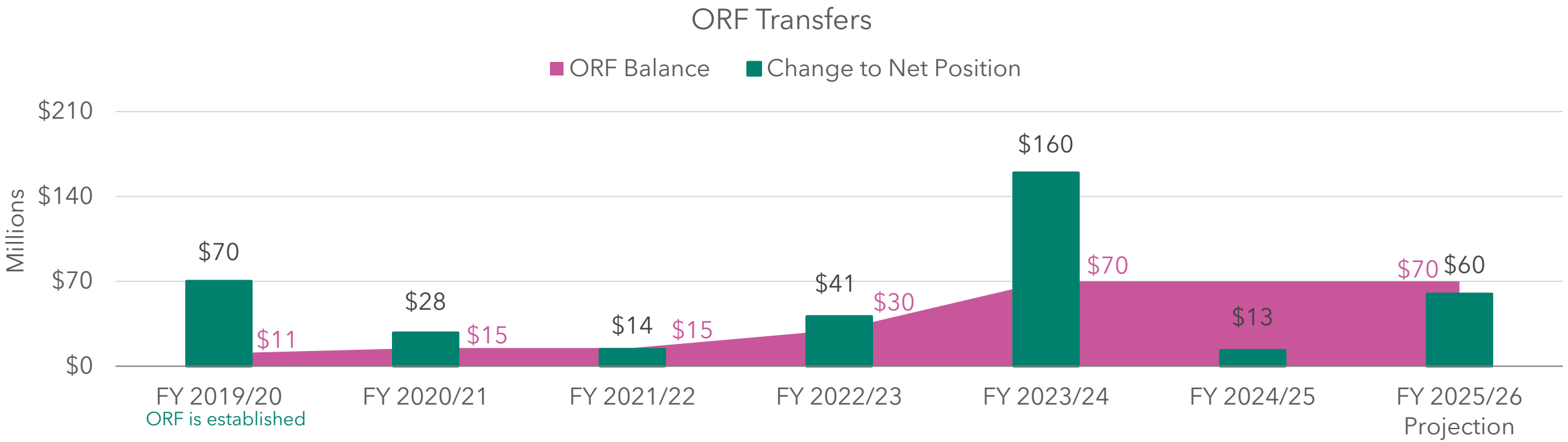
  } Endurable (cost-based)

  - Option 3 – reduce rates by **3¢/kWh** or **21%**
  - Option 4 – reduce rates by **3.51¢/kWh** or **24%**
  - Option 5 – reduce rates by **4¢/kWh** or **27%**

  } Rate increase likely for FY 2027/28

- Options 2 and 3 would create a deficit, which could be covered by withdrawing from the Operating Reserve Fund (ORF)
- Options 4 and 5 would create a deficit **despite** ORF withdrawals and reductions in the cost of energy
- The ORF has **$70 million** in deferred income
- Reserve and Liquidity goals are **met** across all options
- Numbers presented are preliminary estimates and subject to change

Operating Reserve Fund (Rate Stabilization Fund)



- **Deposits**: When change in net position exceeds 5% of revenues, or after reserve targets are met and obligations paid
- **Withdrawals**: To cover projected revenue shortfalls, legal or contractual obligations, or to maintain credit ratings
- **Current Limit**: 10% of operating and non-operating revenues

Consider a policy amendment for a possible future deposit from current FY 2025/26

MCE Cares Credit

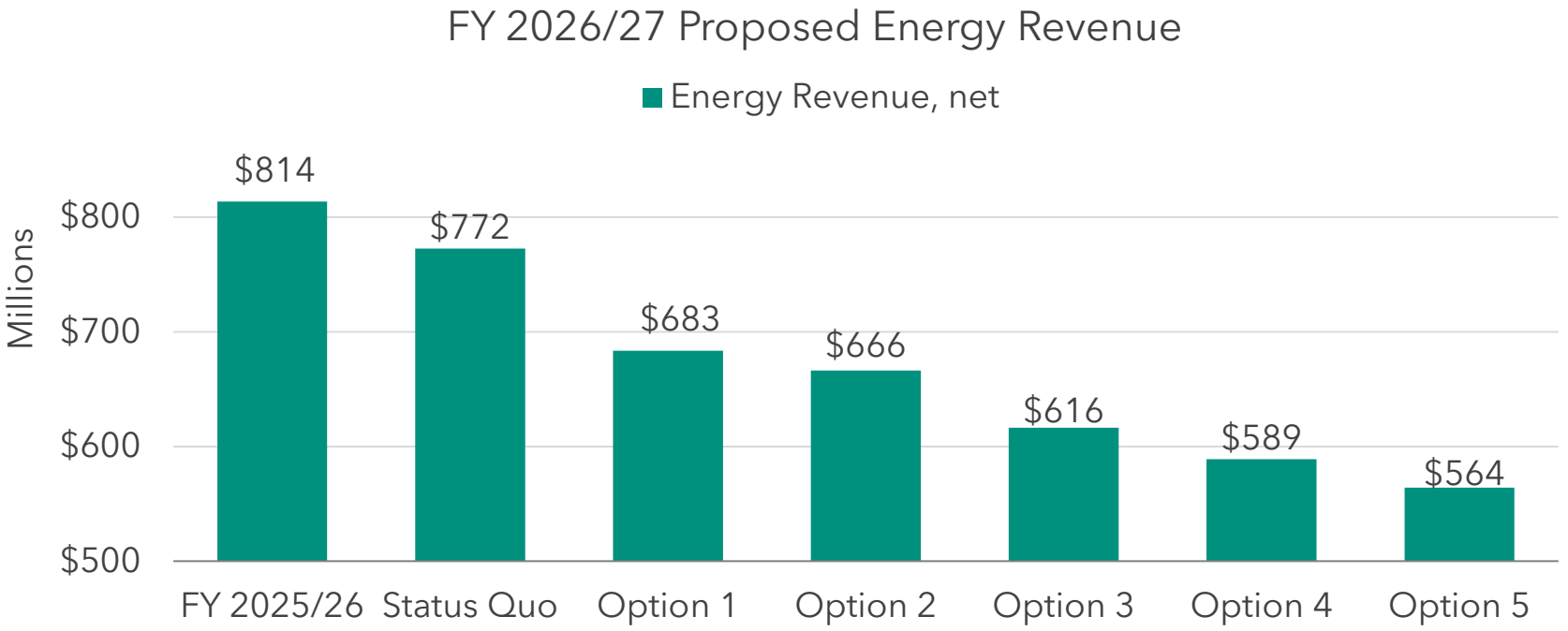
The budget for the current FY 2025/26 included **$5 million** towards MCE Cares Program

- The MCE Cares credit provides:
  - $20 monthly bill credits for residential customers enrolled in CARE or FERA
  - $25 monthly bill credits for small commercial customers enrolled in the A-1 or B-1 electric rates
- MCE expects to **fully** utilize the amount allocated

Staff will propose to **renew** the program for the upcoming FY 2026/27

- Amount could be maintained at $5 million or increased, subject to your Board's feedback

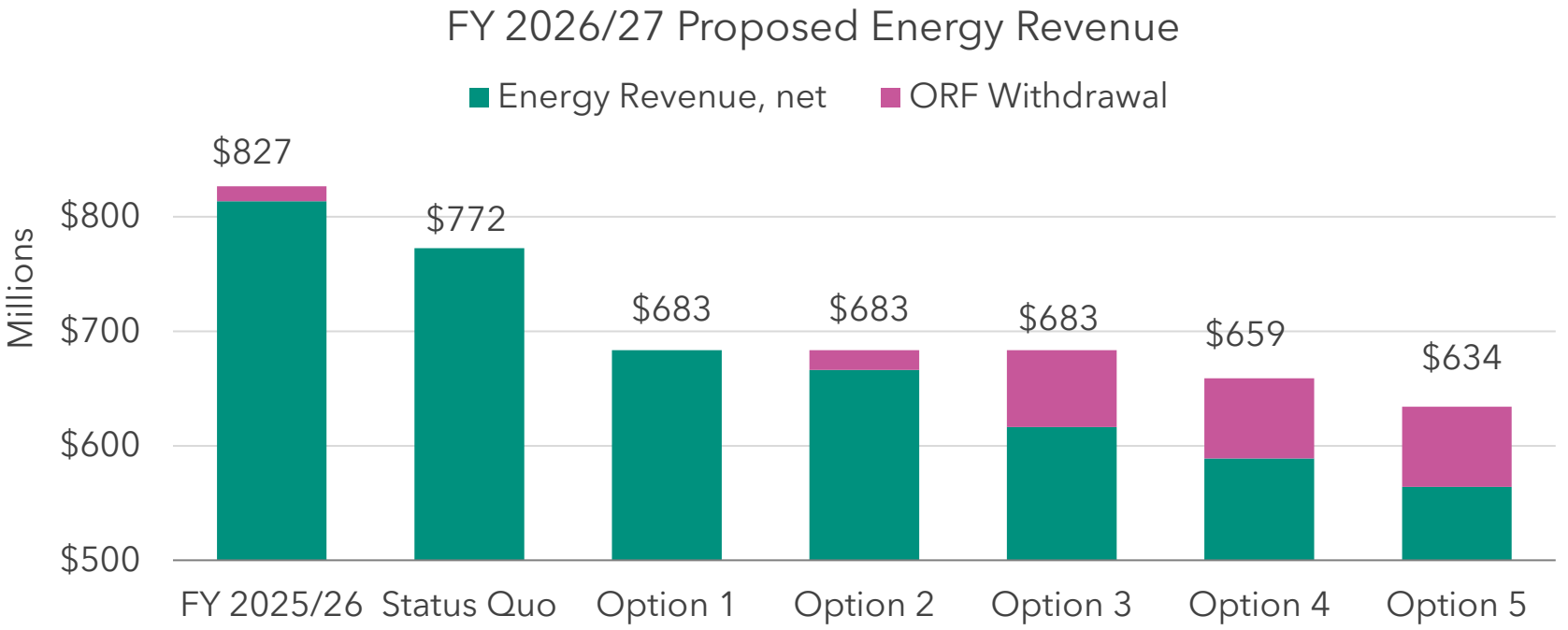
Energy Revenue



	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Status Quo	$ 813,689,500	$ 772,440,000	$ (41,249,500)	(5.1%)
Option 1	813,689,500	683,373,000	(130,316,500)	(16.0%)
Option 2	813,689,500	666,297,000	(147,392,500)	(18.1%)
Option 3	813,689,500	616,464,000	(197,225,500)	(24.2%)
Option 4	813,689,500	588,927,000	(224,762,500)	(27.6%)
Option 5	813,689,500	564,009,000	(249,680,500)	(30.7%)

- Load forecasts have been adjusted downward to align with the mild summer weather observed over the last two years
- Energy revenue would decrease substantially under each Option
- Transfers from the Operating Reserve Fund (ORF) would be needed for Options 2-5
- Figures are shown net of uncollectibles

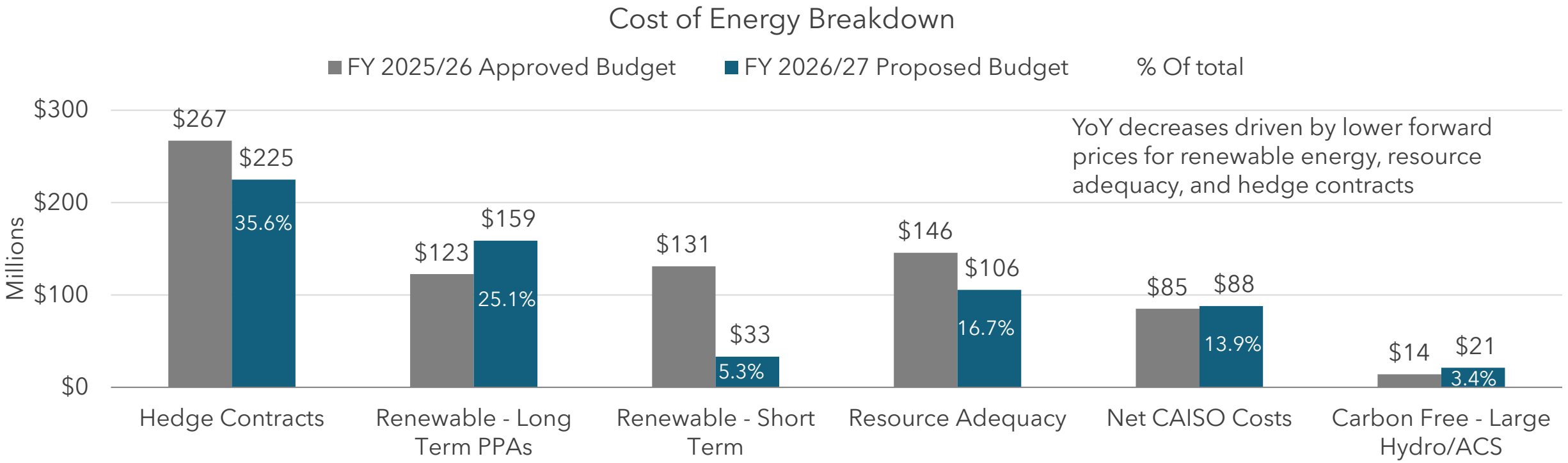
Energy Revenue and ORF Withdrawals



	Energy Revenue, net	ORF Withdrawal	Total Revenue
FY 2025/26	$ 813,689,500	$ 13,000,000	$ 826,689,500
Status Quo	772,440,000	-	772,440,000
Option 1	683,373,000	-	683,373,000
Option 2	666,297,000	17,076,000	683,373,000
Option 3	616,464,000	66,909,000	683,373,000
Option 4	588,927,000	70,000,000	658,927,000
Option 5	564,009,000	70,000,000	634,009,000

- Option 2 would require a $17 million ORF withdrawal
- Option 3 would require a $67 million ORF withdrawal
- Option 4 and 5 would require a $70 million ORF withdrawal
  - This would bring the ORF balance to $0

Cost of Energy



Cost of Energy	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Hedge Contracts	$ 267,050,000	$ 225,028,000	$(42,022,000)	(15.7%)
Renewable - Long Term PPAs	122,588,000	158,798,000	36,210,000	29.5%
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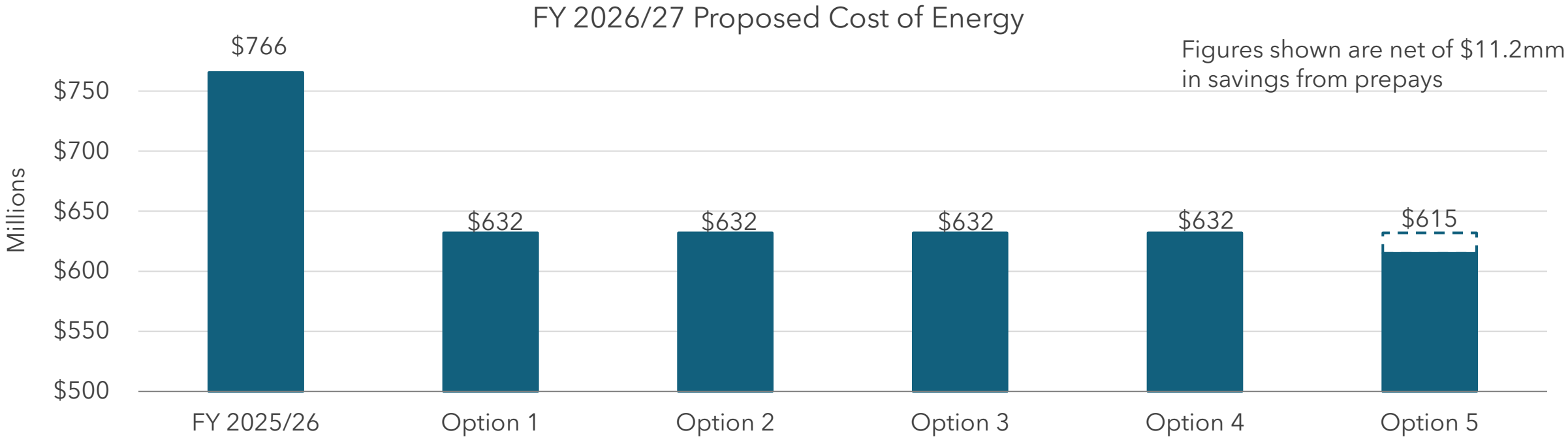
Resource Adequacy	145,713,000	105,565,000	(40,148,000)	(27.6%)
Net CAISO Costs	85,084,000	88,104,000	3,020,000	3.5%
Carbon Free - Large Hydro/ACS	14,072,000	21,214,000	7,142,000	50.8%
Total	**765,542,000**	**631,944,000**	**(133,598,000)**	**(17.5%)**

Cost of Energy



Cost of Energy	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Option 1	765,542,000	631,944,000	(133,598,000)	(17.5%)
Option 2	765,542,000	631,944,000	(133,598,000)	(17.5%)
Option 3	765,542,000	631,944,000	(133,598,000)	(17.5%)
Option 4	765,542,000	631,944,000	(133,598,000)	(17.5%)
Option 5	765,542,000	614,944,000	(150,598,000)	(19.7%)

- Options 1 through 4 would see no change to projected energy costs
- Option 5 would require a reduction of $17 million through a combination of reducing renewables and carbon free procurement targets

Operating Expenses

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
TOTAL OPERATING EXPENSES	50,249,000	54,831,000	4,582,000	9.1%

- Captures overhead expenses MCE incurs to run the operations
- Some expenses are tied to number of customer accounts or load

Operating Expenses - Increases

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
OPERATING EXPENSES				
Personnel	25,405,000	29,143,000	3,738,000	14.7%
Data Manager	5,276,000	5,434,000	158,000	3.0%
Technical and Scheduling Consultants	1,400,000	1,588,000	188,000	13.4%
Service Fees - PG&E	2,738,000	3,200,000	462,000	16.9%
Legal and Policy Services	1,534,000	1,427,000	(107,000)	(7.0%)
Communication Services	2,223,000	1,876,000	(347,000)	(15.6%)
Other Professional Services	4,754,000	4,754,000	0	0.0%
General and Administrative	4,966,000	5,492,000	526,000	10.6%
Occupancy	453,000	417,000	(36,000)	(7.9%)
Contingency	1,500,000	1,500,000	0	0.0%
TOTAL OPERATING EXPENSES	**50,249,000**	**54,831,000**	**4,582,000**	**9.1%**

Data Management:

- Increased billing activity after City of Hercules enrollment

Technical & Scheduling Consultants:

- Potential changes to the services MCE relies on
- Temporary vendor overlap + one-time transition costs

PG&E Service Fees:

- Per-account charge rising from $0.35 to $0.42
- FY 2026/27 reflects first full year at new rate

General & Administrative:

- Higher software and data platform costs driven by the growth of AI
- Increased membership dues for CalCCA

Operating Expenses - Decreases

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
OPERATING EXPENSES				
Personnel	25,405,000	29,143,000	3,738,000	14.7%
Data Manager	5,276,000	5,434,000	158,000	3.0%
Technical and Scheduling Consultants	1,400,000	1,588,000	188,000	13.4%
Service Fees - PG&E	2,738,000	3,200,000	462,000	16.9%
Legal and Policy Services	1,534,000	1,427,000	(107,000)	(7.0%)
Communication Services	2,223,000	1,876,000	(347,000)	(15.6%)
Other Professional Services	4,754,000	4,754,000	0	0.0%
General and Administrative	4,966,000	5,492,000	526,000	10.6%
Occupancy	453,000	417,000	(36,000)	(7.9%)
Contingency	1,500,000	1,500,000	0	0.0%
TOTAL OPERATING EXPENSES	**50,249,000**	**54,831,000**	**4,582,000**	**9.1%**

Legal and Policy Services:

- Downward adjustment to better align with actual spend

Communication Services:

- Downward adjustments in marketing and sponsorship budgets in response to the budgetary environment

Occupancy:

- No major maintenance projects expected and reduced rent resulting from our move to a smaller office in Concord

Personnel – before grant reimbursements

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Salaries	$ 18,800,000	$ 22,006,000	$ 3,206,000	17.1%
Benefits	10,717,000	11,193,000	476,000	4.4%
Total Personnel Costs	**29,517,000**	**33,199,000**	**3,682,000**	**12.5%**

Key factors contributing to year-over-year increase:

- Full-year impact of the 13 new positions added in FY 2025/26
- Full-year impact of COLA and merit adjustments made in January 2026
- Addition of 5 new full-time roles to meet operational needs
- Increase in benefit premiums

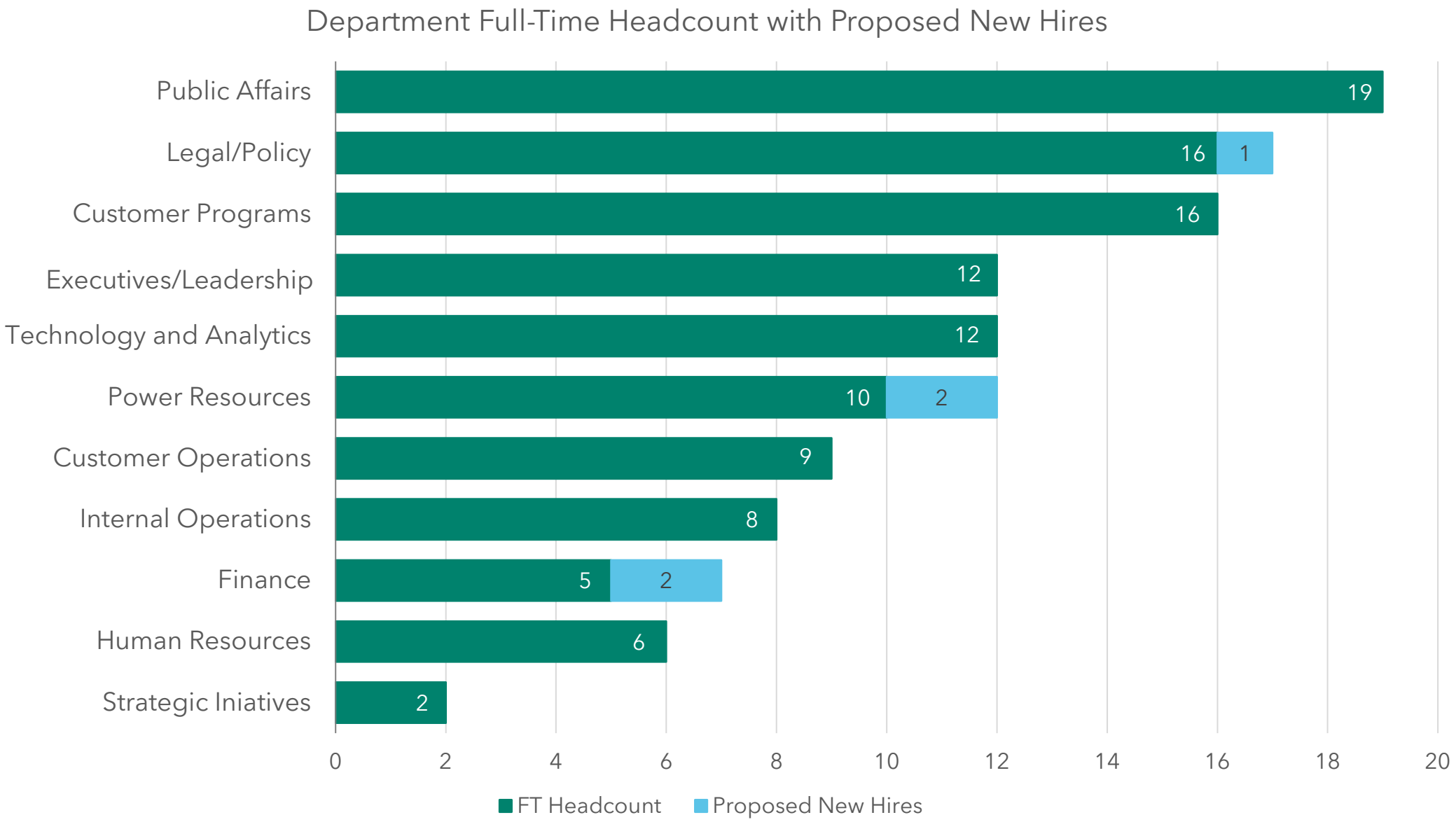
Personnel – after Grant Reimbursement

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
Total Staffing Costs	$ 29,517,000	$ 33,199,000	$ 3,682,000	12.5%
Expected Grant Reimbursement	(4,112,000)	(4,056,000)	56,000	(1.4%)
Personnel	**25,405,000**	**29,143,000**	**3,738,000**	**14.7%**

Information regarding grant reimbursements

- Anticipated modest reduction in grant reimbursements relative to the FY 2025/26 budget
- Number in the budget is the cost after grant reimbursements

Department Headcount



Impact of Proposed New Positions

5 new proposed head counts across Power Resources, Finance, and Legal

01

Growth in Scale and Complexity of MCE's Operations

Expansion of grants, procurement contract management, and power resource portfolios requires coordinated oversight

02

Evolving External, Federal, and Regulatory Requirements

New federal funding and increasing regulatory oversight driving more complex compliance and reporting

03

Strengthening In-House Technical and Subject Matter Expertise

Building internal expertise to support complex compliance, financial analysis, and power resource work

04

Positioning MCE for Sustainable and Compliant Growth

Ensuring MCE can absorb new federal earmarks while maintaining operational excellence and accountability

05

Growth of Strategic Finance Function

Establishing dedicated capacity for strategic financial analysis, governance support, Finance Committee support, and long-range planning

Non-operating Revenue and Expenses

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
NONOPERATING REVENUES				
Grant Income	3,278,000	5,018,000	1,740,000	53.1%
Other Income	0	0	0	0
Investment Income	15,000,000	13,707,000	(1,293,000)	(8.6%)
TOTAL NONOPERATING REVENUES	**18,278,000**	**18,725,000**	**447,000**	**2.4%**
NONOPERATING EXPENSES				
Banking Fees and Financing Costs	225,000	250,000	25,000	11.1%
Grant Expenses	3,278,000	5,018,000	1,740,000	53.1%
TOTAL NONOPERATING EXPENSES	**3,503,000**	**5,268,000**	**1,765,000**	**50.4%**

- Non-operating revenues come from interest and investment earnings on MCE's cash and fixed-income portfolio
- Budget assumes **2.5%** annual yield on MCE's holdings

Program Development Fund

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
REVENUE AND OTHER SOURCES				
Transfer from Operating Fund and Deep Green Premium	$2,392,000	$8,077,000	$5,685,000	238%
Marin Community Foundation Grant	260,000	131,000	(129,000)	(50%)
Community Benefits Funds	100,000	0	(100,000)	(100%)
TOTAL REVENUE AND OTHER SOURCES	**2,752,000**	**$8,208,000**	**$5,456,000**	**198%**
EXPENDITURES				
Transportation Electrification Programs	5,310,000	5,984,000	674,000	13%
Heat Pump Water Heater Incentives	540,000	682,000	142,000	26%
Emergency Water Heater Loaner Program	142,000	0	(142,000)	(100%)
MCF - EV Charging at Affordable Housing	260,000	131,000	(129,000)	(50%)
Community Housing Support	260,000	260,000	0	0
TOTAL EXPENDITURES	**6,512,000**	**7,057,000**	**545,000**	**8%**
Net Increase (Decrease) in Fund Balance	3,760,000	1,151,000	-	-
Fund Balance at Beginning of Period	3,760,000	(1,151,000)	-	-
Fund Balance at End of Period	0	0	-	-

Customer Program Funding Options

	Option	Budget Impact	Program Impact
1	Close or scale back EV Instant Rebate Program	Savings of up to $3,594,500	Up to 876 income-qualified customers do not receive a rebate for the purchase of an EV. 85% of participants have indicated via survey that they wouldn't have purchased an EV without MCE's rebate.
2	Close the EV Charging Program to new applicants	Savings of around $800,000	Projects with existing reservations will still need to close out. Larger budget implications in the coming FYs if we stop taking in new project reservations.
3	Eliminate Electrification Incentives (Heat Pump Water Heater Incentives & Community Housing Support)	Savings of $942,000	685 electrification measures not installed in customer homes. Will also impact MCE's ability to spend down CPUC EE funds.

Total Potential Savings (all options): Up to $5,336,500

Program Impacts and Expenditures

	Program	FY 2026/27 Proposed	MCE Cumulative Expenditures	Program Impacts (inception to date)
1	EV Instant Rebate Program	$3,594,500	$9,264,000 (Mar. 2023-Dec. 2025)	• 2,381 low-income customers purchased or leased an EV with an MCE rebate • GHG emissions reductions: 7,286 MT CO2e
2	EV Charging Program	$2,289,137	$7,884,000 (Mar. 2019-Dec. 2025)	• 1,400 new charging ports at 142 locations • GHG emissions reductions not tracked
3	Electrification Incentives	$942,000	$1,177,000 (Apr. 2021-Dec. 2025)	• 700 electrification and electrification readiness measures (heat pump HVAC, water heater, heat pump dryers, induction cooktops) installations completed • GHG emissions reductions: 623 MT CO2e

Resiliency Virtual Power Plant (VPP) Fund

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
REVENUE AND OTHER SOURCES				
CEC VPP Flex Grant	$1,200,000	$1,200,000	$ 0	0.0%
Federal Earkmark Funding	200,000	100,000	(100,000)	(50.0%)
Marin Community Foundation Grant	72,000	270,000	198,000	275.0%
Transfer from Operating Fund	0	0	0	0.0%
TOTAL REVENUE AND OTHER SOURCES	**1,472,000**	**1,570,000**	**98,000**	**7%**
EXPENDITURES				
CEC VPP Flex Grant Expenses	1,200,000	1,200,000	0	0.0%
Energy Storage Program	306,000	137,000	(169,000)	(55.2%)
CEC VPP Flex Grant Match	1,000,000	1,000,000	0	0.0%
MCE Sync	952,000	927,000	(25,000)	(2.6%)
PeakFLEX	100,000	0	(100,000)	(100.0%)
Federal Earmark - Energy Storage	200,000	100,000	(100,000)	(50.0%)
MCF - Resiliency at Critical Facilities	72,000	270,000	198,000	275.0%
Federal Earmark Match Expense	200,000	100,000	(100,000)	(50.0%)
San Rafael Office Resiliency Buildout	200,000	0	(200,000)	(100.0%)
Virtual Power Plant	171,000	210,000	39,000	22.8%
TOTAL EXPENDITURES	**4,401,000**	**3,944,000**	**457,000**	**10.4%**
Net Increase (Decrease) in Fund Balance	(3,721,000)	(2,374,000)	-	-
Fund Balance at Beginning of Period	4,361,000	2,792,000	-	-
Fund Balance at End of Period	640,000	418,000	-	-

Program Budgets

Program	FY 2026/27 Proposed
EV Instant Rebate Program	$3,594,500
EV Charging Program	$2,289,137
Electrification Incentives	$942,000
Energy Storage Program	$136,800
MCE Sync	$926,692
Heat Pump Water Heater Incentives	$682,000
Community Housing Support	$260,000
Virtual Power Plant	$210,000
Matching Funds:	
DOE Storage Grant Match Funds	$100,000
VPP Flex Match Funds	$1,000,000

Energy Efficiency Fund

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance $	Variance %
REVENUE AND OTHER SOURCES				
Public Purpose Energy Efficiency Program	$ 18,761,000	$ 14,380,000	$ (4,381,000)	(23.4%)
Public Purpose Low Income Families and Tenants Pilot Program	800,000	0	(800,000)	(100.0%)
TOTAL REVENUE AND OTHER SOURCES	**19,561,000**	**14,380,000**	**(5,181,000)**	**(26.5%)**
EXPENDITURE				
Public Purpose Energy Efficiency Program	18,761,000	14,380,000	(4,381,000)	(23.4%)
Public Purpose Low Income Families and Tenants Pilot Program	800,000	0	(800,000)	(100.0%)
TOTAL EXPENDITURES	**19,561,000**	**14,380,000**	**(5,181,000)**	**(26.5%)**
BALANCE	0	0		

Change in Net Position

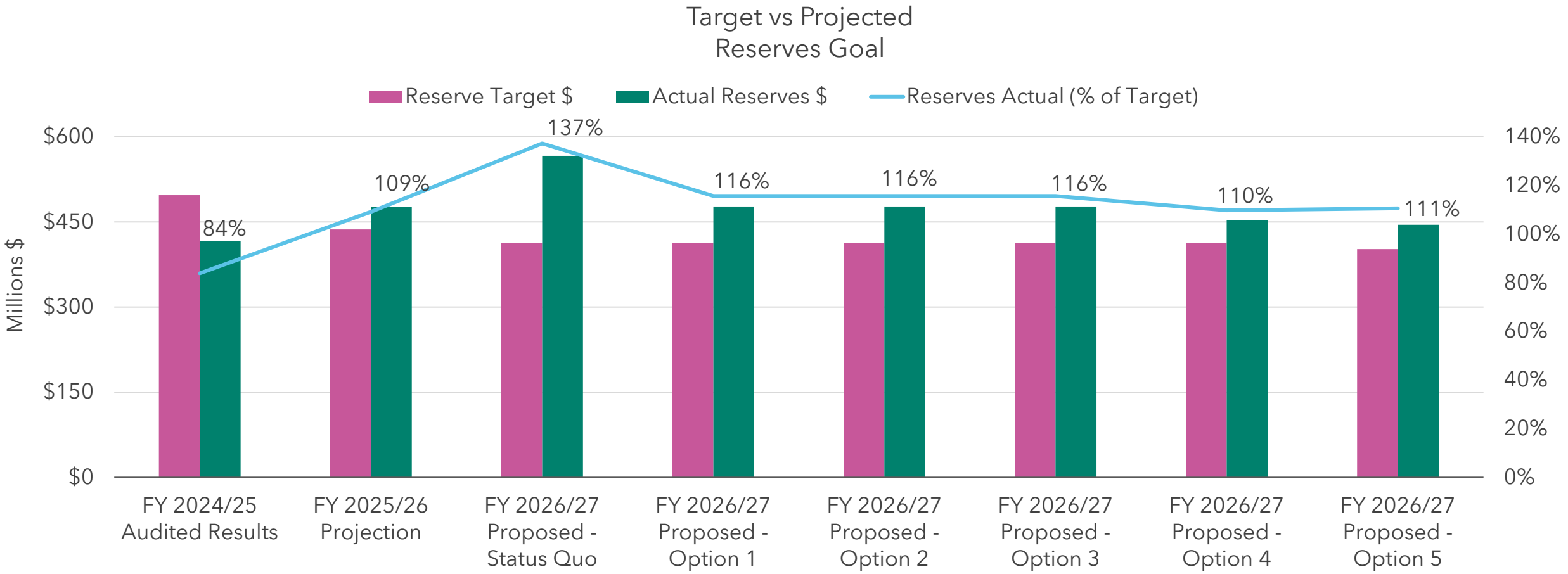
	Status Quo	Option 1	Option 2	Option 3	Option 4	Option 5
Energy Revenue, Net	$ 772,440,000	$ 683,373,000	$ 666,297,000	$ 616,464,000	$ 588,927,000	$ 564,009,000
ORF Withdrawal	0	0	17,076,000	66,909,000	70,000,000	70,000,000
Cost of Energy	(631,944,000)	(631,944,000)	(631,944,000)	(631,944,000)	(631,944,000)	(614,944,000)
Operating Expenses	(54,831,000)	(54,831,000)	(54,831,000)	(54,831,000)	(54,831,000)	(54,831,000)
Non-Operating Revenues, Net	13,457,000	13,457,000	13,457,000	13,457,000	13,457,000	13,457,000
Program Expenses	(9,300,000)	(9,300,000)	(9,300,000)	(9,300,000)	(9,300,000)	(9,300,000)
Consolidated Change in Net Position	**89,822,000**	**755,000**	**755,000**	**755,000**	**(23,691,000)**	**(31,609,000)**

Assumptions:						
ORF Withdrawals	0	0	17,076,000	66,909,000	70,000,000	70,000,000
Cost of Energy Reduction	0	0	0	0	0	17,000,000

The agency has sufficient cash to run the operations and no external funding sources would be required, even under options 4 and 5.

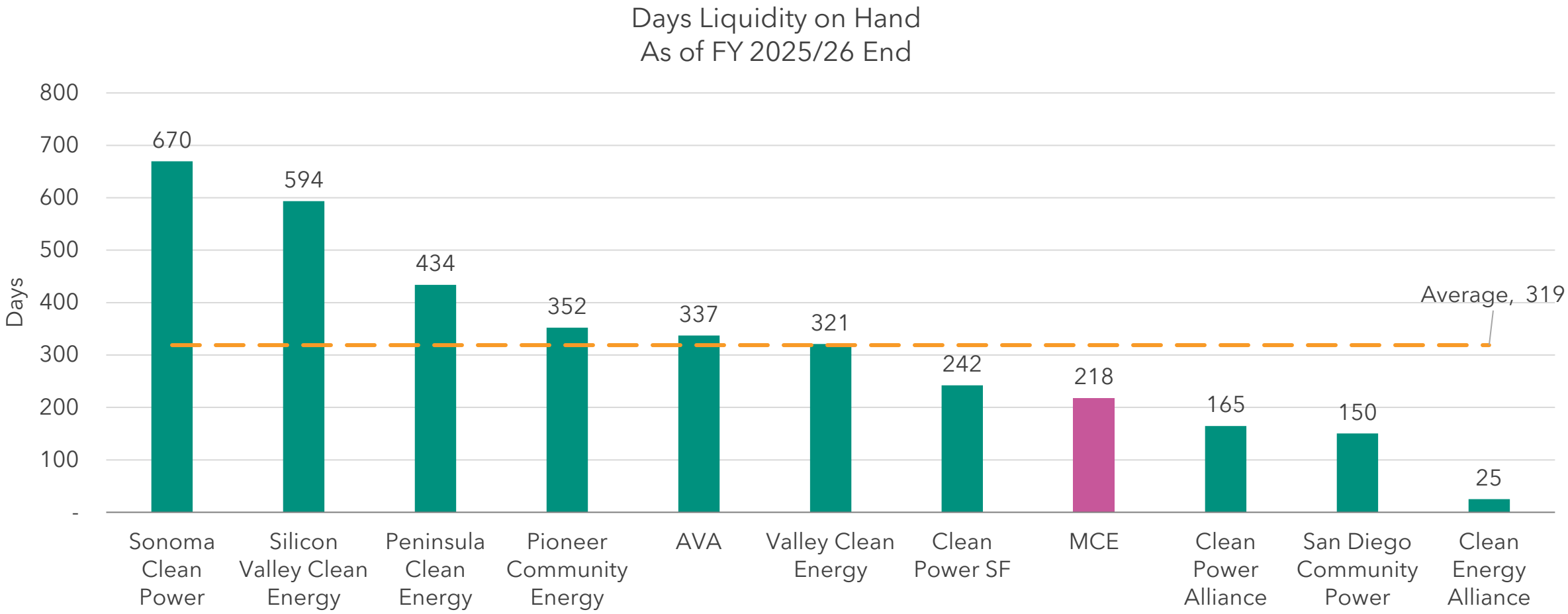
Progress towards Reserves and Liquidity Goals

Reserves



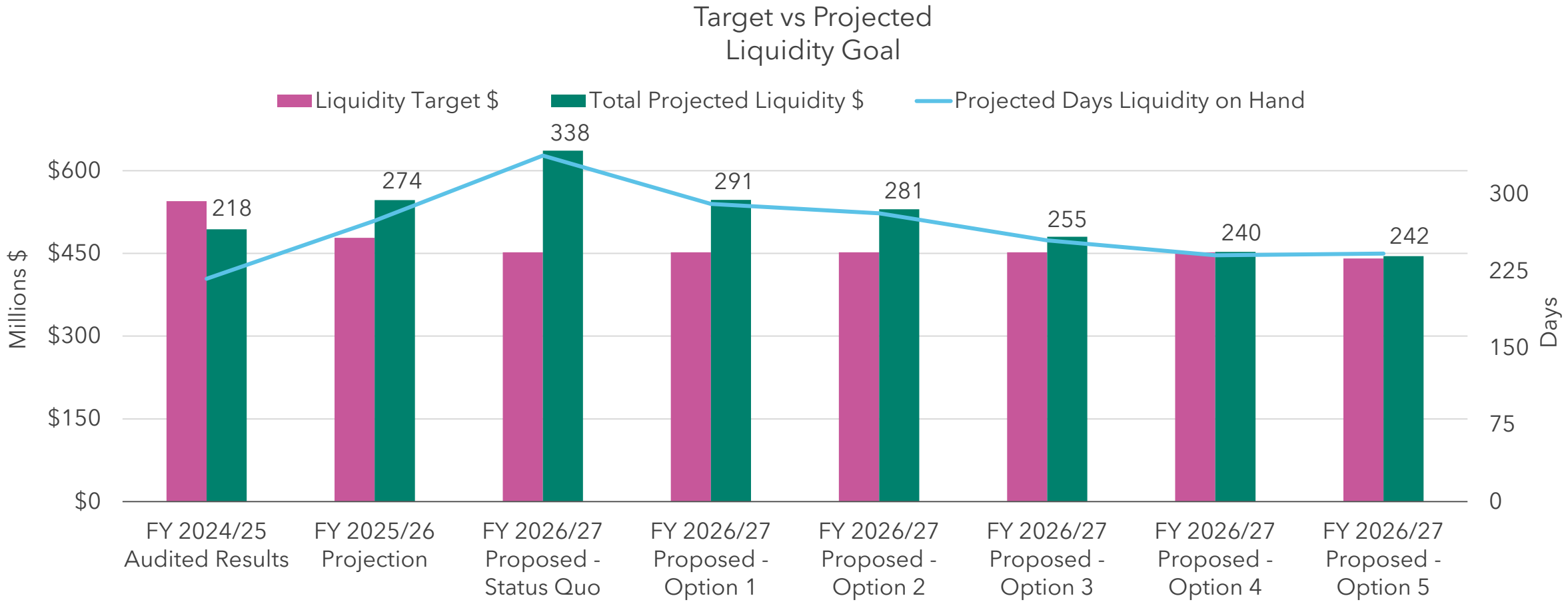
- Reserves target is **met** across all options
- Numbers are inclusive of cost of energy reductions and withdrawals from the ORF

CCA Industry Days Liquidity on Hand



Metrics for peer CCAs based on ending net position and amounts in their rate stabilization fund, when applicable.

Liquidity



- Liquidity target is **met** across all options
- Numbers are inclusive of cost of energy reductions and withdrawals from the ORF

Recommendation

Provide guidance on proposed transfer from Operating Fund to the Program Development Fund for customer programs.

	Options	Savings	FY 2026/27 Proposed Transfer
1	Fully fund proposed Program Development Fund	NA	$8,077,000
2	Reduce funding for EV Instant Rebate Program	$1,797,000	$6,280,000
3	Eliminate funding for EV Instant Rebate Program	$3,595,000	$4,483,000
4	Close the EV Charging Program to new applicants	$800,000	$7,277,000
5	Eliminate Electrification Incentives, Heat Pump Water Heater Incentives & Community Housing Support	$942,000	$7,135,000

Thank you!

MCE

mceCleanEnergy.org
info@mceCleanEnergy.org

Empowering Our Clean Energy Future
CONTRA COSTA | MARIN | NAPA | SOLANO

January 15, 2026

TO:	MCE Board of Directors
FROM:	Alice Havenar-Daughton, VP of Customer Programs
RE:	Customer Programs Update (Agenda Item #11)

Dear MCE Board Members:

Summary:
The following tables provide key metrics on current MCE Customer Programs. CPUC-funded energy efficiency programs operate on a calendar year basis, whereas MCE-funded programs operate on a fiscal year basis. Accordingly, program results are presented in alignment with each funding cycle. Detailed information on each program is provided below the tables.

1. ENERGY EFFICIENCY

Home Energy Savings

2025 (Q1-Q3):

- 293 low- or moderate-income homes upgraded
- 64 no-cost heat pumps installed
- Program expenditures Q1-Q3 2025: $2,636,968
- Value of no-cost projects delivered to customers: $1,396,804
- Lifecycle Gross GHG Emissions Reductions: 3,308 MT/CO2e

Results from prior years (2019-2024):

- 1,700 single family homes upgraded
- Saved participants over 500,000 kWh and over 7,000 therms
- Program expenditures 2019-2024: $9,800,000
- Customers save an average of $143 per year on energy bills

Results from Richmond Rising Grant (2023-present):

- 36 homes received solar installs
- 41 homes received energy efficiency upgrades
- 30 homes received electrification upgrades

Funding	CPUC ($2,8000,000 annually), California Strategic Growth Council grant ($3,000,000), Chevron grant ($35,000)

Multifamily Energy Savings	
2025 (Q1-Q3): • 147 units at 5 properties upgraded • Lifecycle Gross GHG Emissions Reductions: 109 MT/CO2e **Results from prior years (2013-2024):** • 4,700+ multifamily units upgraded • Saved participants more than 1.4 million kWh and 108,000 therms (approximately $666,240 in annual energy bill savings) • Distributed nearly $1.2 million in incentive payments to customers	
Funding	CPUC ($1,706,03 annually)

Flex Market Commercial Efficiency	
2025 (Q1-Q3): • 49 projects approved for installation • Forecasted to save 1,618,000 kWh annually (approximately $485,400 in annual energy bill savings) • Lifecycle Gross GHG Emissions Reductions: 475 MT/CO2e **Results from prior years (2021-2024):** • Installed 103 projects that are forecasted to save over 8,650,000 kWh annually (approximately $2,595,000 in annual energy bill savings)	
Funding	CPUC ($6,733,937 annually)

Flex Market Residential Efficiency	
2025 (Q1-Q3): • Launched in mid-2025, focusing on heat pump water heaters • 54 projects approved for installation • GHG Emissions Reductions will be reported once installations have been completed	
Funding	CPUC ($809,783 annually)

Small Business Energy Advantage
2025 (Q1-Q3): • 136 businesses upgraded

- Over $397,000 in incentives
- GHG Emissions Reduction methodology is still being developed for this program and will be reported in future reports

Results from prior years (2024):

- Provided 40 small businesses with over $135,000 in incentives to install efficient equipment

Funding	CPUC ($973,276 annually)

Strategic Energy Management

- **2025 (Q1-Q3):** 7 participating multifamily properties forecasted to save 166,448 kWh and 5,000 therms annually (approximately $55,000 in annual energy bill savings)
- 21 participating non-residential customers forecasted to save 1,166,000 kWh and 96,000 therms annually (approximately $568,680 in annual energy bill savings)
- Lifecycle Gross GHG Emissions Reductions: 827 MT/CO2e

Results from prior years (2020-2024):

- Distributed over $240,000 in incentives to 12 participants
- Saved over 3.7 million kWh of electricity and over 315,000 therms annually (approximately $1,828,200 in annual energy bill savings)

Funding	CPUC ($1,775,805 annually)

Green Workforce Pathways

2025 (Q1-Q3):

- Placed 12 jobseekers with local electrification contractors in MCE's service area
- 16 contractors provided with stipends to attend manufacturer training
- Launched the Contractor Finder Tool on MCE's website
- Hosted the E-Contractor Academy at MCE's Concord Offices and at the UA Local 342 JATC in Concord
    - 16 participants representing 13 small, minority, women-owned construction businesses, ranging across different trades from general, electrical, plumbing to HVAC, solar and seismic engineering
- GHG emissions reductions are not tracked for this program because it is a workforce program and does not directly influence the installation of equipment

Marin Community Foundation Grant:

- Launched the LIME Foundation's Next Gen Trades Academy in San Rafael
- ABC7 aired a broadcast segment in January 2026

Results from prior years (2021-2024):

- Placed 48 job seekers with local electrification contractors in MCE's service area
- Supported 139 job seekers in career readiness workshops

Funding	CPUC ($1,055,940 annually), Marin Community Foundation Grant ($380,000)

2. TRANSPORTATION ELECTRIFICATION

MCE Sync

- 3,022 vehicles with Smart Charging enabled

Current Fiscal Year (April 1- Dec. 16, 2025):

- Off peak charging: 4,797,114 kWh
- Shifted out of peak: 728,434 kWh
- Annual GHG Emissions Reductions: 78 MT/CO2e
- Customer savings (avg): $61/EV
- Customer incentives (avg): $67.42
- Customer incentives (total): $296,656

Chargewise Pilot:

- 522 vehicles on a Dynamic Rate with Smart Charging enabled
- 98% of charging shifted out of peak periods
- 30% of charging occurred during the day (9am-3pm)
- Participants earned an average of $19/month in dynamic rate credits in addition to the average monthly savings of $11/month on their electricity bill
- Participating customers have earned approximately $120,000 in dynamic rate credits

Funding	MCE Resiliency Fund FY 2025/26 ($926,692)

EV Rebates

Current Fiscal Year:

Instant Rebates:

- 1,031 rebates issued for EV purchase or lease using $2,718,500 in MCE rebates
  - 443 new vehicles ($1,550,500 in MCE rebates)
  - 588 used vehicles ($1,168,000 in MCE rebates)
- Lifecycle Gross GHG Emissions Reductions: 3,155 MT/CO2e

Results from prior years (2022-2024):

EV Instant Rebates:

- 1,367 rebates for EV purchase or lease using $4,170,000 in MCE rebates
  - 1,007 new vehicles ($3,498,000 in MCE rebates)
  - 360 used vehicles ($672,000 in MCE rebates)

EV Rebate Program (2019-2022):

- 347 rebates issued for EV purchase or lease using $1,211,000 in MCE rebates

Funding	MCE Local Programs Fund FY25/26 ($4,566,480)

EV Charging Program

Current Fiscal Year:

- 152 new charging ports installed, 749 under reservation
- $621,000 in MCE incentives provided
- GHG Emissions Reductions are not tracked for this program because of the administrative burden of tracking charging station usage data

Results from prior years (2018-2024):

- 1,232 new charging ports installed using $2,390,000 in MCE incentives

Charge up Contra Costa (2022-present):

- 92 ports installed in low-income communities in Contra Costa using $545,000 in grant funding
- 128 additional ports under construction

Funding	MCE Local Programs Fund FY 2025/26 ($1,710,745), CEC Grant – Charge Up Contra Costa ($1,200,000), Marin Community Foundation Grant ($180,000)

Charged by Public Power

- Launched in 2024
- Collected over 600 survey responses
- Reached 131 focus group participants
- Starting project host site identification
- GHG Emissions Reductions are not tracked for this program because of the administrative burden of tracking charging station usage data

Funding	DOE Grant ($1,000,000)

3. BUILDING ELECTRIFICATION

Heat Pump Water Heater Incentives	
Current Fiscal Year: • 216 heat pumps installed • $463,570 in MCE incentives • Lifecycle Gross GHG Emissions Reductions: 192 MT/CO2e **Results from prior Years (2022-2024):** • 600 heat pumps installed using $854,000 in MCE incentives	
Funding	MCE Local Programs Fund FY 2025/26 ($800,000)

Emergency Water Heater Loaner Program	
• Launched in 2024 • 10 heat pump water heaters installed using emergency loaners since the program • Lifecycle Gross GHG Emissions Reductions: 9 MT/CO2e	
Funding	MCE Local Programs Fund FY 2025/26 ($142,000)

4. ENERGY STORAGE PROGRAM

Energy Storage for Residents and Critical Facilities	
• Program closed to new applicants **Results from prior Years (2020-2024):** • 1.25 MWh of non-residential storage installed at 13 sites • 1.24 MWh of residential storage installed at 76 homes • Annual Gross GHG Emissions Reductions: 482 MT/CO2e	
Funding	MCE Resiliency Fund FY 2025/26 ($306,000), Marin Community Foundation Grant ($750,000), Self Generation Incentive Program Funding (>$1,000,000)

Department of Energy Storage Grant	
Current program status: • 12 applications received • 2 sites selected for federal funding	
Funding	DOE Grant ($500,000), MCE Match Funding ($500,000)

Solar Storage Credit Program	
• 1,469 active customers	
Funding	MCE Operational Funds FY 2025/26 ($250,000)

Program Participation by Community

The following tables summarize community participation by county across MCE's customer programs.

Contra Costa County									
Community	Home Energy Savings	Multi-Family Energy Savings	Flex Market Commercial Efficiency	Small Business Energy Advantage	Strategic Energy Management	MCE Sync	EV Rebate	EV Charging	Energy Storage
Concord	✓	✓	✓	✓		✓	✓	✓	
Danville	✓	✓	✓			✓	✓	✓	✓
El Cerrito	✓		✓	✓		✓	✓	✓	✓
Hercules						✓	✓		
Lafayette	✓					✓	✓		✓
Martinez	✓	✓	✓	✓	✓	✓	✓	✓	✓
Moraga	✓		✓			✓	✓	✓	✓
Oakley	✓	✓		✓		✓	✓	✓	
Pinole	✓		✓	✓		✓	✓		✓
Pittsburg	✓	✓		✓	✓	✓	✓	✓	✓
Pleasant Hill	✓			✓		✓	✓		
Richmond	✓	✓			✓	✓	✓	✓	✓
San Pablo	✓	✓	✓	✓		✓	✓	✓	✓
San Ramon	✓	✓		✓		✓	✓	✓	✓
Walnut Creek	✓	✓	✓		✓	✓	✓	✓	✓
Uninc. Contra Costa County	✓			✓		✓	✓		

Marin County									
Community	Home Energy Savings	Multi-Family Energy Savings	Flex Market Commercial Efficiency	Small Business Energy Advantage	Strategic Energy Management	MCE Sync	EV Rebate	EV Charging	Energy Storage
Belvedere		✓				✓	✓	✓	
Corte Madera	✓	✓				✓	✓	✓	
Fairfax		✓		✓		✓	✓	✓	✓
Larkspur	✓	✓				✓	✓	✓	
Mill Valley	✓	✓	✓			✓	✓	✓	✓
Novato	✓	✓	✓	✓		✓	✓	✓	✓
Ross						✓		✓	
San Anselmo	✓					✓	✓	✓	✓
San Rafael	✓	✓		✓	✓	✓	✓	✓	✓
Sausalito	✓					✓	✓	✓	✓
Tiburon		✓				✓	✓	✓	
Uninc. Marin County	✓	✓				✓	✓	✓	✓

Napa County									
Community	Home Energy Savings	Multi-Family Energy Savings	Flex Market Commercial Efficiency	Small Business Energy Advantage	Strategic Energy Management	MCE Sync	EV Rebate	EV Charging	Energy Storage
American Canyon	✓					✓	✓	✓	✓
Calistoga	✓					✓		✓	
City of Napa	✓	✓	✓	✓	✓	✓	✓	✓	✓
St. Helena	✓					✓	✓	✓	
Yountville						✓	✓	✓	
Uninc. Napa County	✓					✓	✓	✓	✓

Solano County									
Community	Home Energy Savings	Multi-Family Energy Savings	Flex Market Commercial Efficiency	Small Business Energy Advantage	Strategic Energy Management	MCE Sync	EV Rebate	EV Charging	Energy Storage
Benicia	✓	✓				✓		✓	✓
Fairfield	✓	✓	✓	✓	✓	✓			
Vallejo	✓	✓	✓	✓		✓		✓	
Uninc. Solano County	✓					✓			✓

<u>Detailed Program Information</u>

1. **Home Energy Savings**

Description: MCE's Home Energy Savings program aims to improve the comfort, efficiency and indoor air quality of low- and moderate-income households living in single family homes. The program offers free energy assessments and education with single point-of-contact customer service and free energy-efficient and electrification measures.

The program serves homeowners and renters whose household income is 200%-400% of the Federal Poverty Guidelines. This typically exceeds the income limit for services provided by programs like PG&E's Energy Savings Assistance program. However, income constraints often prevent this group from participating in market-rate programs.

Richmond Rising is an initiative funded by a $35M grant awarded to the City of Richmond by the Strategic Growth Council. MCE was a sub awardee for this grant to expand Home Energy Savings and the installation of rooftop solar in Richmond.

2. **Multifamily Energy Savings Program**

Description: MCE's Multifamily Energy Savings program helps transform multifamily homes into healthier, more energy efficient, all-electric spaces. The program is designed to make electrification and energy upgrades easier by breaking down common barriers like high upfront costs, complex decision-making, and the technical expertise needed to get started. The program offers free energy assessments for common areas and units, support with contractor selection and project planning and rebates for in-unit and common area measure upgrades such as ENERGY STAR® appliances, efficient lighting, insulation, windows, and water fixtures, electrification upgrades including heat pumps, induction stoves, electric dryers, and panel upgrades.

3. **Efficiency Flex Market**

Description: MCE's Commercial Flex Market programs provide energy efficiency incentives directly to project developers or contractors known as aggregators. The incentives are based on metered energy savings, instead of traditional energy efficiency programs that utilize deemed or custom models. These programs do not limit the technology or energy saving strategies implemented, resulting in the opportunity to maximize energy efficiency and load-shifting projects. Because the incentive is paid directly to the aggregator, the value is passed along to the customer in the way that best drives the success of the project, either by reducing upfront costs or getting paid based on energy savings performance.

MCE's Residential Flex Market was relaunched in 2025 after contractors shared that the previous incentive process made it hard to manage cash flow between project completion and the later measurement period used to calculate payments. The updated program now provides an upfront rebate at installation based on estimated savings, plus a performance bonus a year later based on the project's actual energy savings.

4. **Small Business Energy Advantage**

Description: MCE's Small Business Energy Advantage program helps small businesses in underserved communities become more resilient by providing equitable access to bill-reducing energy efficient upgrades that improve health, comfort, and safety. Unlike traditional programs, MCE's Small Business Energy Advantage program focuses on businesses that have historically been overlooked, ensuring real-world impacts and lasting community benefits.

The program offers free energy assessments and tailored education for all enrolled businesses, no-cost and low-cost energy efficiency upgrades, ongoing support, including project planning, installation, and post-installation follow-up to ensure satisfaction and connect businesses to additional resources.

5. **Strategic Energy Management**

Description: The Strategic Energy Management program offers a long-term approach to help multifamily properties and businesses save money, earn financial incentives, and better manage their energy usage. Participants can access free onsite assessments, cohort-style training, individual

coaching, and peer-to-peer learning to build a stronger energy culture within their organization. The program offers customized opportunities to change how existing equipment is used (rather than installing new equipment) so the customer can see significant bill savings with little to no-upfront cost.

6. **Green Workforce Pathways**

Description: MCE's Green Workforce Pathways program supports both residential service contractors and job seekers. For contractors, the program provides no-cost training on cutting-edge clean technologies and connections to vetted job seekers to help grow their business. For job seekers, the program offers individualized career support services and opportunities for paid positions with local energy contractors.

7. **MCE Sync**

Description: MCE Sync is a load-shifting app that helps EV drivers automate their EV charging at home to use the least expensive and cleanest energy on the grid. On average, 80% of EV charging happens at home, with every EV adding around 50% to a resident's overall electricity usage. As the EV market continues to grow, the importance of smart EV charging will be even more significant. Shifting electricity load toward lower-cost energy hours when more renewables are available bolsters grid resiliency from outages during critical periods.

In late 2024, MCE partnered with EV.Energy to launch ChargeWise, a CEC grant funded pilot. The ChargeWise Pilot deploys dynamic rates that align charging to wholesale electricity prices. Customers who opt into this pilot can take advantage of very low daytime pricing to earn EV charging credits. The customers are provided a credit for the difference between their based electricity rate and the dynamic rate offered by the pilot.

8. **EV Charging**

Description: MCE's EV Charging program provides multifamily properties and businesses with EV charging rebates, along with free technical assistance. The program offers:

- Up to $4,500 per networked Level 2 charging port plus $500 per L2 charging port for projects located in state-designated priority population areas and up to $875 per networked Level 1 charging port
- Stackable rebates with other regional EV charging programs
- Technical assistance including a customized EV Charging Planning Report, which includes a site assessment, load study, available incentives, recommended vendors, and user pricing

9. **Charged by Public Power**

Description: MCE's Charged by Public Power program supports the planning and deployment of EV chargers and clean mobility options – such as bikeshare and carshare – in nine historically underserved communities across MCE's service area. Priority communities include Concord,

Fairfield, Napa, Pittsburg, Richmond, San Pablo, San Rafael, Unincorporated Contra Costa County, and Vallejo.

To ensure community-driven decision-making, the program established the Community Electric Transportation Council (CETC), which includes representatives from local governments, transit agencies, and community-based organizations. The CETC plays a key role in shaping inclusive engagement strategies, assessing transportation needs through surveys and focus groups, and informing the design and placement of EV chargers based on direct community input.

10. **Heat Pump Water Heater Incentives**

Description: To help increase adoption, MCE offers rebates to contractors for each energy-efficient heat pump water heater unit they install in the home of an MCE market-rate customer and slightly higher incentives for equipment installed in low- and moderate-income homes or multifamily properties. This can be combined with other energy efficiency rebates to further reduce costs.

11. **Emergency Water Heater Loaner Program**

Description: Approximately 90% of water heater replacements are emergency replacements. The urgency of restoring hot water to a home compresses a customer's timeframe in deciding whether to switch to a heat pump water heater or continue burning fossil fuels. Customers are often unwilling to go without hot water during the time it takes to complete the retrofit requirements. The ability to provide an emergency replacement heat pump water heater solution that doesn't inconvenience the customer is essential to moving California toward its carbon-neutral goals.

MCE's Emergency Water Heater Incentive provides contractors $1,500 to help cover the cost of installing and maintaining a temporary loaner water heater (gas or electric) as part of the customer's permanent heat pump water heater installation.

12. **Energy Storage for Residents and Critical Facilities**

Description: MCE's Energy Storage Program provided rebates, monthly bill credits and for battery energy storage systems paired with solar, in exchange for allowing MCE to discharge the battery daily from 4-9pm to manage peak loads and mitigate high energy costs. The program is currently closed to new customers, but staff are continuing to support some customers through the installation process which includes PG&E project approval (Permission to Operate) and to provide performance payments to non-residential batteries for 7 years post installation.

13. **Department Of Energy (DOE) Energy Storage Grant**

Description: In 2025, MCE offered a grant to our municipal customers to support the installation of storage on municipal sites funded by a DOE Energy Storage Grant that was awarded to MCE. The batteries will be used to provide resiliency and to offset peak demand.

14. **Solar Storage Credit Program**

Description: MCE offers customers with solar and storage at their home a monthly bill credit ($10-$20) in exchange for automating their battery to discharge down to a 20% reserve margin daily from 4-9 p.m., except to prepare for or during a power outage.

Recommendation:

Discussion only.

Customer Programs:

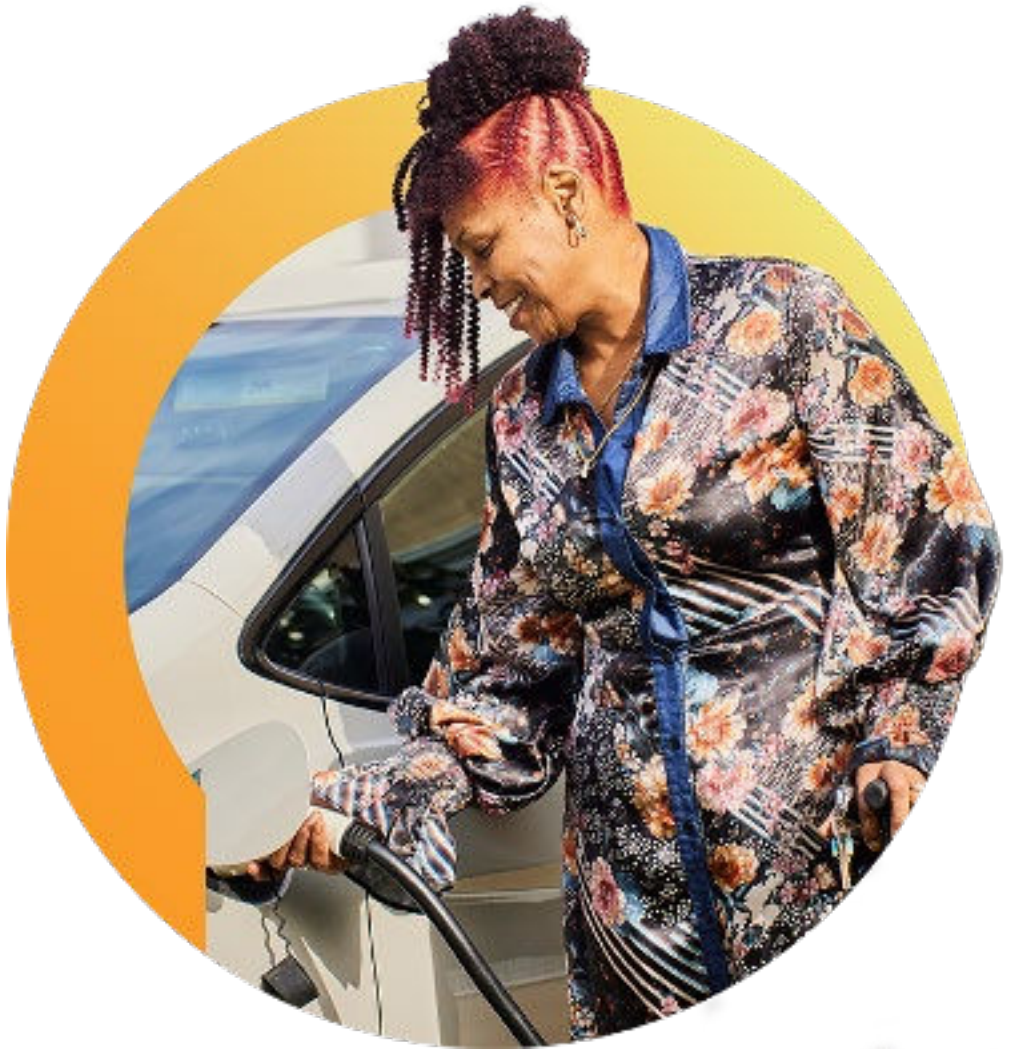
Funding, Strategy, and Impact

MCE customer and EV rebate recipient

Funding Overview

- MCE Ratepayer Funds
- California Public Utilities Commission (CPUC): **$79 million** awarded for 2024-2027
- Grants and Federal Funding: **$14.5 million** secured since 2019

Deep Green Community Reinvestment



Richmond resident and EV rebate recipient

The program development fund is supported by the **Deep Green Premium**.

Half of 1.25¢/kWh is allocated to this fund.

$9 million worth of investments to date directly from this program for EVs, community housing grants, and heat pump water and space heating.

Customer Program Pillars

1. **Virtual Power Plant Strategies**
2. **Building Electrification**
3. **Electric Vehicles**
4. **Energy Efficiency**

MCE's customer programs are organized around four core strategies to reduce GHG emissions, foster equity, promote grid reliability, and deepen customer engagement and relationships.

Home Energy Savings participants and MCE staff

Virtual Power Plant (VPP)

Energy Storage

Progress to date: 1.3 MWh of new storage in development across 7 commercial sites
DOE Grant Goal: 900 kWh in new storage at municipal sites
Funding Sources:

- MCE Resiliency Fund
- Marin Community Foundation grant
- DOE Federal Earmark Funding

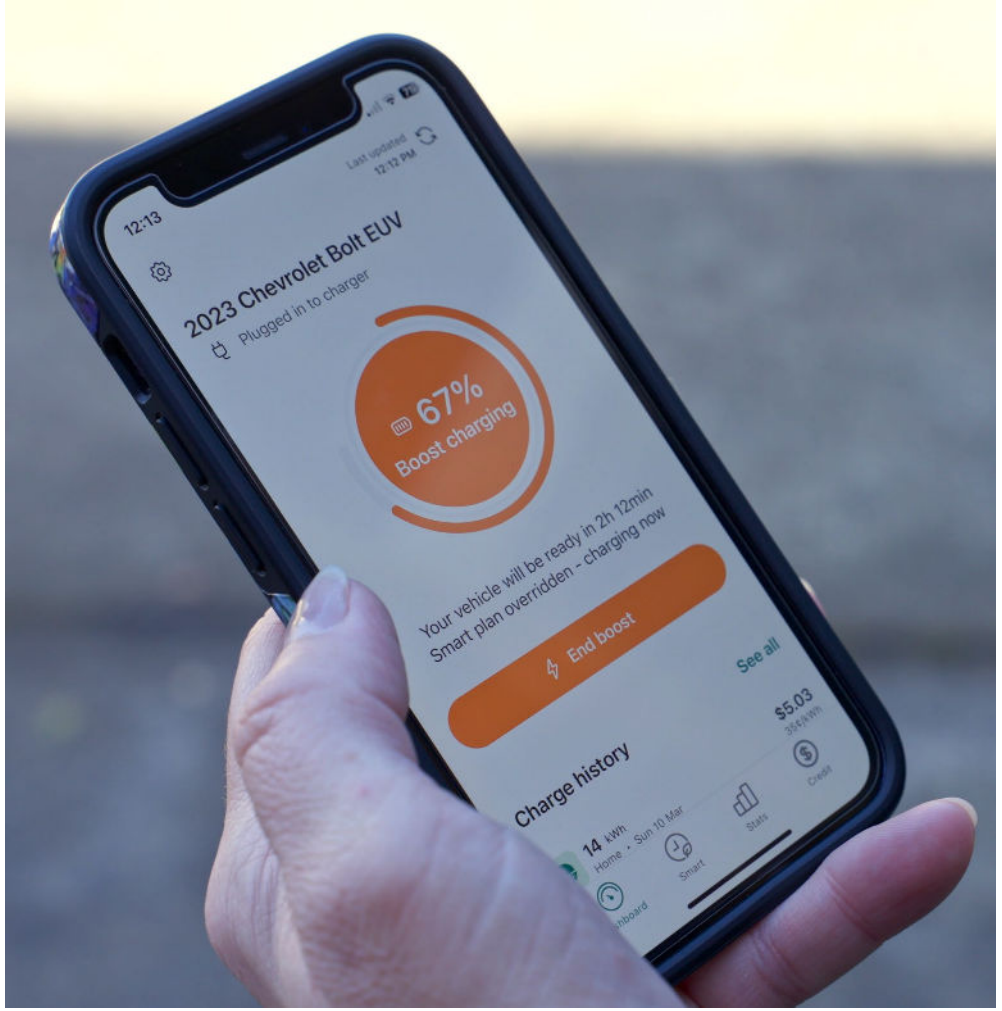
Sub-Program	Cumulative MCE Expenditures	FY 2025/26 Budget	Proposed FY 2026/27 Budget	% Change
Energy Storage Program	$4,384,000 (Apr. 2020-Dec. 2025)	$306,000	$136,800	53% decrease as we get closer to all projects closing out
DOE Grant Match Funds	$0	$200,000	$100,000	Total match obligation over the duration of the grant is $500,000

Battery installation at Pittsburg High School

MCE Sync

- **Goals by March 2027:**
  - Increase participation to 7,200 EVs (4,500 as of Dec. 2025)
  - 1,000 customers on a dynamic rate
- **Funding Sources:** MCE Local Programs Fund and California Energy Commission grant

Cumulative MCE Expenditures	FY 2025/26 Budget	Proposed FY 2026/27 Budget	% Change
$2,081,000 (Jul. 2021-Dec. 2025)	$926,692	$926,692	No change



MCE Sync app

Peak Flex

Plan Highlights: Transitioning from an event-based model to a daily dispatch model for 2026-2028

Funding Sources:

- CPUC EE Funds

Cumulative MCE Expenditures	FY 2025/26 Budget	Proposed FY 2026/27 Budget	% Change
$62,000 (Apr. 2024-Dec. 2025)	$100,000	$0	Shift program to CPUC EE Funds

Peak Flex participant, City of Fairfield water treatment plant

VPP Flex

Plan Highlights:
Goals by 2029:

- Up to 30 resource types integrated in the Distributed Energy Resource Management System (DERMS)
- 3 MW load shift
- 20% cost recovery

Funding Sources:

- MCE Resiliency Fund
- California Energy Commission grant

Cumulative MCE Expenditures	FY 2025/26 Budget	Proposed FY 2026/27 Budget	% Change
$209,000 (Apr. 2024-Dec. 2025)	$1,000,000	$1,000,000	No change

VPP home unveiling, Richmond

Building Electrification

Green Workforce Pathways

Plan Highlights:
Goals for 2026:

- Enroll up to 13 contractors to support the paid work experience participants
- 15 electrification training stipends
- 3 in-person electrification trainings for job seekers
- 14 job seekers placed in paid work experience
- 80 job seekers provided with supporting job placement services
- 2 training improvement projects that align with GWP goals

Funding Sources:

- CPUC Energy Efficiency Funds
- Marin Community Foundation grant

Green Workforce Pathways participant

Electrification Incentives

Plan Highlights:
Goal by April 2027:

- Provide incentives for 685 electrification and electrification readiness measures, such as heat pump water heaters, induction stoves, or electric repairs

Funding Sources:

- MCE's Local Programs Fund

Sub-Program	Cumulative MCE Expenditures	FY 2025/26 Budget	Proposed FY 2026/27 Budget	% Change
Electrification Incentives	$1,164,000 (Apr. 2021-Dec. 2025)	$800,000	$942,000	18% increase allowing the total number of measures to increase from 512 to 685.
Emergency Water Heater Loaner Program	$13,000 (June 2024-Dec. 2025)	$142,000	$0	Proposed closure of the Emergency Water Heater Loaner Program in FY 26/27 due to low participation and to direct funds towards other electrification programs with higher customer demand.

Home Energy Savings

- **Plan Highlights:**
- Goal for 2026:
- 100 no-cost electrification upgrades as part of 325 homes receiving energy efficiency upgrades

- **Funding Sources:**
- CPUC Energy Efficiency Funds
- Strategic Growth Council grant
- Chevron Grant

Home Energy Savings participant

Multifamily Energy Savings

- **Plan Highlights:**
- Goal for 2026:
- Up to 200 units with electrification upgrades as part of 50-200 units receiving energy efficiency upgrades

- **Funding Sources:**
- CPUC Energy Efficiency Funds

Marina Bay Northshore Housing, Richmond

Transportation Electrification

EV Charging

Plan Highlights:
Goal by April 2027:
- 400 new charging ports installed

Funding Sources:
- MCE Local Programs Fund
- California Energy Commission grant
- Marin Community Foundation grant
- U.S. Department of Energy grant

Cumulative MCE Expenditures	FY 2025/26 Budget	Proposed FY 2026/27 Budget	% Change
$7,884,000 (Mar. 2019-Dec. 2025)	$1,710,745	$2,289,137	34% increase

MCE EV Charging Rebate Recipient, The Meadows of Napa Valley

Electric Vehicle Charging Program

	FY25/26		FY26/27	
	#	Per unit incentive	#	Per unit incentive
L2	343	Old: $3,000 (+$500 DG) New: $4,000 (+$500 DG, +$500 DAC)	312	$4,000 (+$500 DG, +$500 DAC)
L1 Outlet	16	$750 (+$150 DG)	46	$2,000 (+$500 DG)
Technical Assistance reports	72	$3,435 Standard $5,366 Complex $6,976 Complex with Data Logging	75	$3,641 Standard $5,688 Complex $7,396 Complex with Data Logging
Implementation (includes TA report cost)	$622,245		$672,997	
	- Overall program management - project verification and rebate processing -rebate reservation		Higher budget adds: -project completion support for some projects -more customer education	

EV Instant Rebate

Plan Highlights:
Goal by April 2027:
- 876 new rebates

Funding Sources:
- MCE Local Programs Fund

Cumulative MCE Expenditures	FY 2025/26 Budget	Proposed FY 2026/27 Budget	% Change
$9,264,000 (Mar. 2023-Dec. 2025)	$4,566,480	$3,594,500	21% decrease reflecting the cooling market for EV purchases, lower vehicle total cost limits. Total number of projected rebates dropping from 1,200 in FY 25/26 to 876 in FY 26/27

EV instant rebate recipient

Energy Efficiency 2026 Goals

- Energy Management for Large Commercial and Industrial Customers
  - 2,432,717 kWh and 416,639 Therms
- Efficiency Flex Market
  - Commercial: 18,803,422 kWh; 30,845 Therms
  - Residential: 200,387 kWh; 29,983 Therms
- Small Business Energy Advantage
  - 325 projects in Disadvantaged Communities or Low-Income Neighborhoods

Budget Impact and Options

	Option	Budget Impact	Program Impact
1	Close or scale back EV Instant Rebate Program	Savings of up to $3,594,500	Up to 876 income-qualified customers do not receive a rebate for the purchase of an EV.
2	Close the EV Charging Program to new applicants	Savings of around $800,000	Projects with existing reservations will still need to close out. Larger budget implications in the coming FYs if we stop taking in new project reservations.
3	Eliminate Electrification Incentives	Savings of $942,000	685 electrification measures not installed in customer homes. Will also impact MCE's ability to spend down CPUC EE funds.

Total Potential Savings (all options): Up to $5,336,500

Program Impacts and Expenditures

	Program	FY 2026/27 Proposed Budget	MCE Cumulative Expenditures	Program Impacts (inception to date)
1	EV Instant Rebate Program	$3,594,500	$9,264,000 (Mar. 2023-Dec. 2025)	• 2,381 low-income customers purchased or leased an EV with an MCE rebate • GHG emissions reductions: 7,286 MT CO2e
2	EV Charging Program	$2,289,137	$7,884,000 (Mar. 2019-Dec. 2025)	• 1,400 new charging ports at 142 locations • GHG emissions reductions not tracked
3	Electrification Incentives	$942,000	$1,177,000 (Apr. 2021-Dec. 2025)	• 700 electrification and electrification readiness measures (heat pump HVAC, water heater, heat pump dryers, induction cooktops) installations completed • GHG emissions reductions: 623 MT CO2e

Discussion

mceCleanEnergy.org
info@mceCleanEnergy.org

Informational Reports

1. Approved Contracts for Energy Update
2. Quarterly Marketing Update
3. Legislative and Regulatory Update

Empowering Our Clean Energy Future
CONTRA COSTA | MARIN | NAPA | SOLANO

February 19, 2026

TO:	MCE Board of Directors
FROM:	Bill Pascoe, Senior Power Procurement Manager
RE:	Approved Contracts for Energy Update

Dear MCE Board Members:

Summary:
This report summarizes contracts for energy procurement entered into by the Chief Executive Officer or her delegate and, if applicable, the Chair of the Technical Committee, since the last report was prepared for the regular Board meeting in January 2026. This summary is provided to your Board for information purposes only and no action is needed.

Review of Procurement Authorities:
In November 2020, your Board adopted Resolution 2020-04 which included the following provisions:

> *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.*
>
> *The CEO is authorized to approve and execute 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.*

The CEO is required to report all such contracts and agreements to the MCE Board of Directors on a regular basis.

Item #	Month of Execution	Purpose	Average Annual Contract Amount	Contract Term
1	October 2024	Purchase of CAISO Energy (Hedge)	$27,059,218	1-5 Years
2	December 2025	Purchase of Carbon Free Energy	$1,250,000	1 Year or less
3	December 2025	Sale of Renewable Energy	-$1,279,013 to -2,654,905	1 Year or less

4	January 2026	Purchase of CAISO Energy (Hedge)	$25,951,362.00	1-5 Years
5	January 2026	Sale of Resource Adequacy	$21,000	1 Year or less

Contract Approval Process:
Energy procurement is governed by MCE's Energy Risk Management Policy as well as Board Resolutions 2020-04 and 2018-08. The Energy Risk Management Policy (Policy) has been developed to help ensure that MCE achieves its mission and adheres to its procurement policies established by the MCE Board of Directors (Board), power supply and related contract commitments, good utility practice, and all applicable laws and regulations. The Board Resolutions direct the CEO to sign energy contracts up to and including 12 months in length.

The evaluation of every new energy contract is based upon an assessment of how to best fill MCE's open position. Factors such as volume, notional value, type of product, price, term, collateral threshold and posting, and payment are all considered before execution of the agreement.

After evaluation and prior to finalizing any energy contract for execution, an approval matrix is implemented whereby the draft contract is routed to key support staff and consultants for review, input, and approval. Typically, contracts are routed for commercial, technical, legal, and financial approval, and are then typically routed through the Chief Operating Officer for approval prior to execution. The table below is an example of MCE staff and consultants who may be assigned to review and consider approval prior to the execution of a new energy contract or agreement.

Review Owner	**Review Category**
Vidhi Chawla (MCE, Vice President of Power Resources)	Procurement/Commercial
John Dalessi (Pacific Energy Advisors)	Technical Review
Steve Hall (Hall Energy Law)	Legal
Nathaniel Malcolm (MCE, Senior Commercial Counsel)	Legal/CPUC Compliance
Maira Strauss (MCE, Chief Financial Officer)	Credit/Financial
Vicken Kasarjian (MCE, Chief Operating Officer)	Executive

Fiscal Impacts:
Expenses and revenue associated with these Contracts and Agreements that are expected to occur during FY 2025/26 are within the FY 2025/26 Operating Fund Budget. Expenses and revenue associated with future years will be incorporated into budget planning as appropriate.

Recommendation:
Information only. No action required.

Q4 CY2025

Marketing & Communications

Quarterly Executive Report

October – December 2025

Marketing Summary

323,450
emails sent

29
email campaigns

3
ad campaigns

255,305
mailers sent

14
mailer campaigns

6
new flyers & webpages

Team Highlights

- Contractor Finder tool updated to include "Memberships" for unions leading to co-promotion with Local Union 104
- Contractor Finder tool won a 2025 MarCom Gold Award in the "web tool" category for its design and usability
- MCE-branded mural at the Boys & Girls Club approved by the City of Martinez; celebration event will be March 7th
- MCE's Instant EV Rebate fully enrolled
- Nicole Busto, Director of Marketing, moderated at the Behavior, Energy & Climate Change Conference

3

Service Area-wide Ad Campaign

Good Energy
Brand Awareness Ads

Messaging:

1. You've got good energy!
2. Cleaner power = healthier communities. You've got good energy.

Ad Placements:

- Out-of-Home (bus sides and backs)
- Social Media (animated, static, and User Generated Content video)
- Cable TV (30 second animated video)
- Streaming Audio (Spanish only)

New Landing page: YouHaveGoodEnergy.com

Duration: November 17, 2025 – February 9, 2026

Marketing Team: Lead: Heather Jordan; Vendor: MLT

15 Year Anniversary Brand Awareness Ads

Messaging: MCE's 15 Year Anniversary and our impact

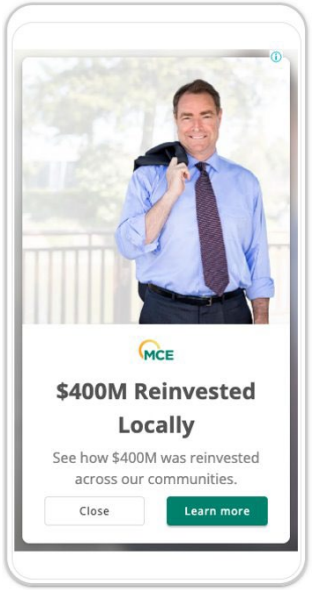
Ad Placements:
- Newsprint + digital: Daily Republic, East Bay Times, Marin Independent Journal, Napa Valley Register
- Google search and display

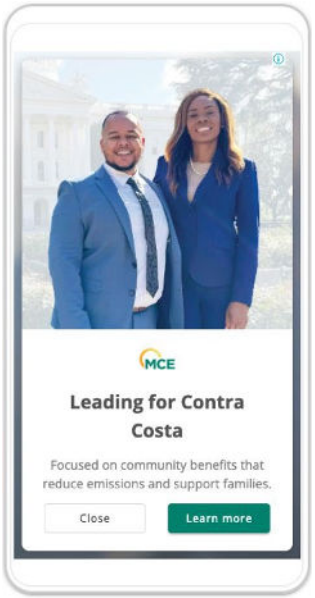
Landing page: mceCleanEnergy.org/our-impact

Duration: October 12-December 4, 2025

Outcomes:
- Over 2 million impressions
- Over 6,962% increase to the Our Impact webpage (campaign landing page)

Team: Lead: Jenna Tenney; Vendor: JSR Strategies





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Rebates, Programs, and Contractor Finder Tools Ad Campaign

Messaging: Use our Finder Tools

Ad Placements:

- Google search and display
- Meta social media search and display

New Landing Page:
mceCleanEnergy.org/power-tool

Duration: November 11, 2025-March 15, 2026

Marketing Team: Lead: Nicole Busto; Vendor: JSR

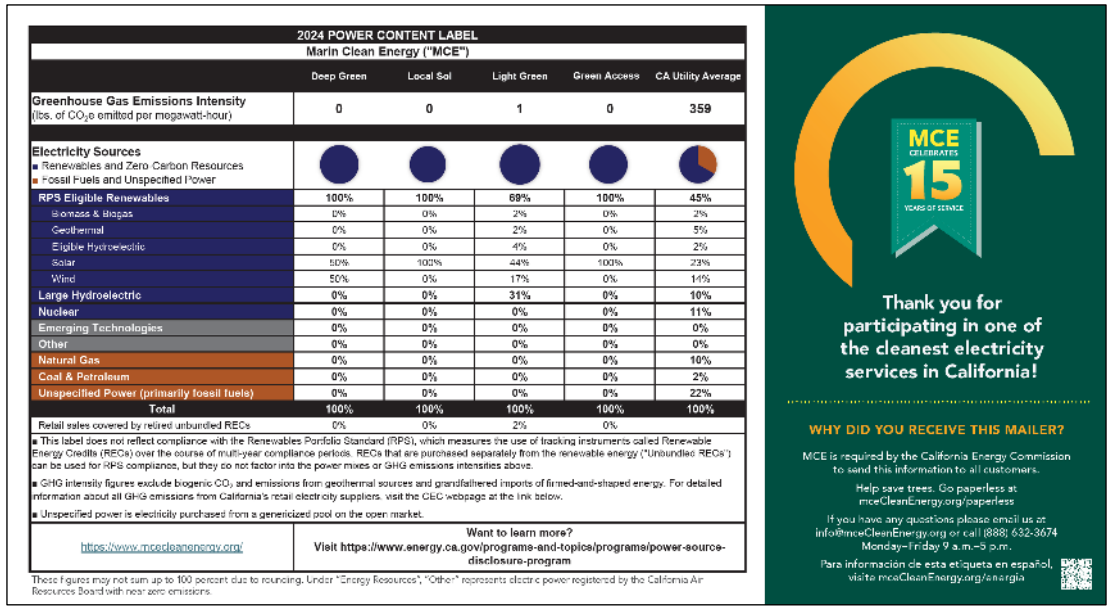
Special Projects

California Energy Commission Power Content Label Notices

Message: MCE's 2024 power mix and enroll in programs

Campaign + materials created: 258,281 English emails, 4,119 Spanish emails, and 204,436 mailers sent

Marketing Team: Leads: Spike Lomibao, Sarah Dillemuth, Madeline Sarvey



2024 POWER CONTENT LABEL
Marin Clean Energy ("MCE")

	Deep Green	Local Sol	Light Green	Green Access	CA Utility Average
Greenhouse Gas Emissions Intensity (lbs. of CO_2e emitted per megawatt-hour)	0	0	1	0	359
Electricity Sources ■ Renewables and Zero Carbon Resources ■ Fossil Fuels and Unspecified Power					
RPS Eligible Renewables	100%	100%	69%	100%	45%
Biomass & Biogas	0%	0%	2%	0%	2%
Geothermal	0%	0%	2%	0%	5%
Eligible Hydroelectric	0%	0%	4%	0%	2%
Solar	50%	100%	44%	100%	23%
Wind	50%	0%	17%	0%	14%
Large Hydroelectric	0%	0%	31%	0%	10%
Nuclear	0%	0%	0%	0%	11%
Emerging Technologies	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%
Natural Gas	0%	0%	0%	0%	10%
Coal & Petroleum	0%	0%	0%	0%	2%
Unspecified Power (primarily fossil fuels)	0%	0%	0%	0%	22%
Total	100%	100%	100%	100%	100%
Retail sales covered by retired unbundled RECs	0%	0%	2%	0%	

■ This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the use of tracking instruments called Renewable Energy Credits (RECs) over the course of multi-year compliance periods. RECs that are purchased separately from the renewable energy ("Unbundled RECs") can be used for RPS compliance, but they do not factor into the power mixes or GHG emissions intensities above.

■ GHG intensity figures exclude biogenic CO_2 and emissions from geothermal sources and grandfathered imports of firmed-and-shaped energy. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the CEC webpage at the link below.

■ Unspecified power is electricity purchased from a generalized pool on the open market.

https://www.mcecleanenergy.org/

Want to learn more?
Visit https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program

These figures may not sum up to 100 percent due to rounding. Under "Energy Resources", "Other" represents electric power registered by the California Air Resources Board with near zero emissions.

MCE CELEBRATES 15 YEARS OF SERVICE

Thank you for participating in one of the cleanest electricity services in California!

WHY DID YOU RECEIVE THIS MAILER?

MCE is required by the California Energy Commission to send this information to all customers.

Help save trees. Go paperless at mceCleanEnergy.org/paperless

If you have any questions please email us at info@mceCleanEnergy.org or call (888) 632-3674 Monday–Friday 9 a.m.–5 p.m.

Para información de esta etiqueta en español, visite mceCleanEnergy.org/energia

MCE Programs: Your Key to Unlocking Cash

As an MCE customer you have access to programs that can save you money. Join the thousands who have already taken advantage of home and workplace improvements since 2010.

$70.3M in electricity bill savings

$18.7M in EV and EV charging rebates

$54.9M in energy efficiency funding

mceCleanEnergy.org/programs

Want in? Explore your options with our Program Finder and **find out how easy it is to save money** for your home or business.

Above: Deyfi and Mike take their no cost home improvements and newly installed EV chargers for a spin.
Below: Martin helps Stuart, The City of Fairfield's Water Treatment Manager, discover cost- and energy-saving opportunities.

MCE
2300 Clayton Road, Suite 1500
Concord, CA 94520
mceCleanEnergy.org

Your local renewable electricity provider powering communities since 2010.

Stay in touch: @mceCleanEnergy

Printed on 100% post-consumer waste and responsibly forested paper

9

Photography

Events:
Community Power Symposium (top left) Winter All Staff HR meeting (top right) Board Retreat (bottom right)

Programs:
Green Workforce Pathways (bottom left)

Marketing Team:
Leads: Heather Jordan, Spike Lomibao;
Vendors: Hardy Wilson, Alexander McCoy

10

Targeted Marketing Campaigns

Nearly $310K in late payments covered through federal funding!

Arrearage Management Plan

Target customers: Residential customers in arrears

Message: Get up to $8,000 in debt forgiveness

Call to action: Enroll in Arrearage Management Plan

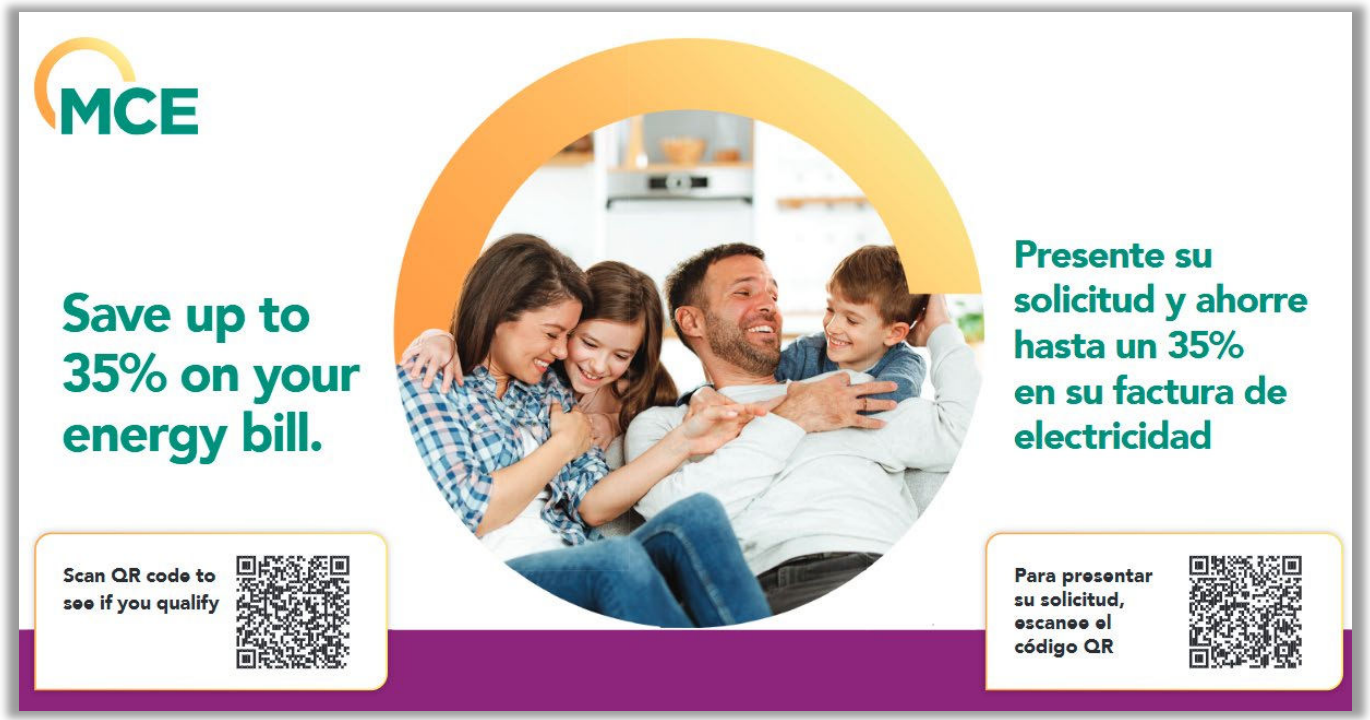
Campaign + materials created:

- 3,328 English email and Spanish email sent
- 67 bilingual postcards sent

Outcomes:

- Enrolled 439 customers into Arrearage Management Plan (13% enrollment rate, well exceeding 1-3% industry standard)
- Launched automated customer journey within Salesforce Marketing Cloud, which means that customers will receive marketing materials as soon as they're eligible

Marketing Team: Leads: Kalicia Pivirotto, Allen Chiu



Over $500K in annual savings funded by ratepayers for customers enrolled in Q4!

CARE and FERA Bill Discounts

Target customers: Residential customers in arrears

Message: Save up to 35% on your energy bills

Call to action: Apply for CARE/FERA

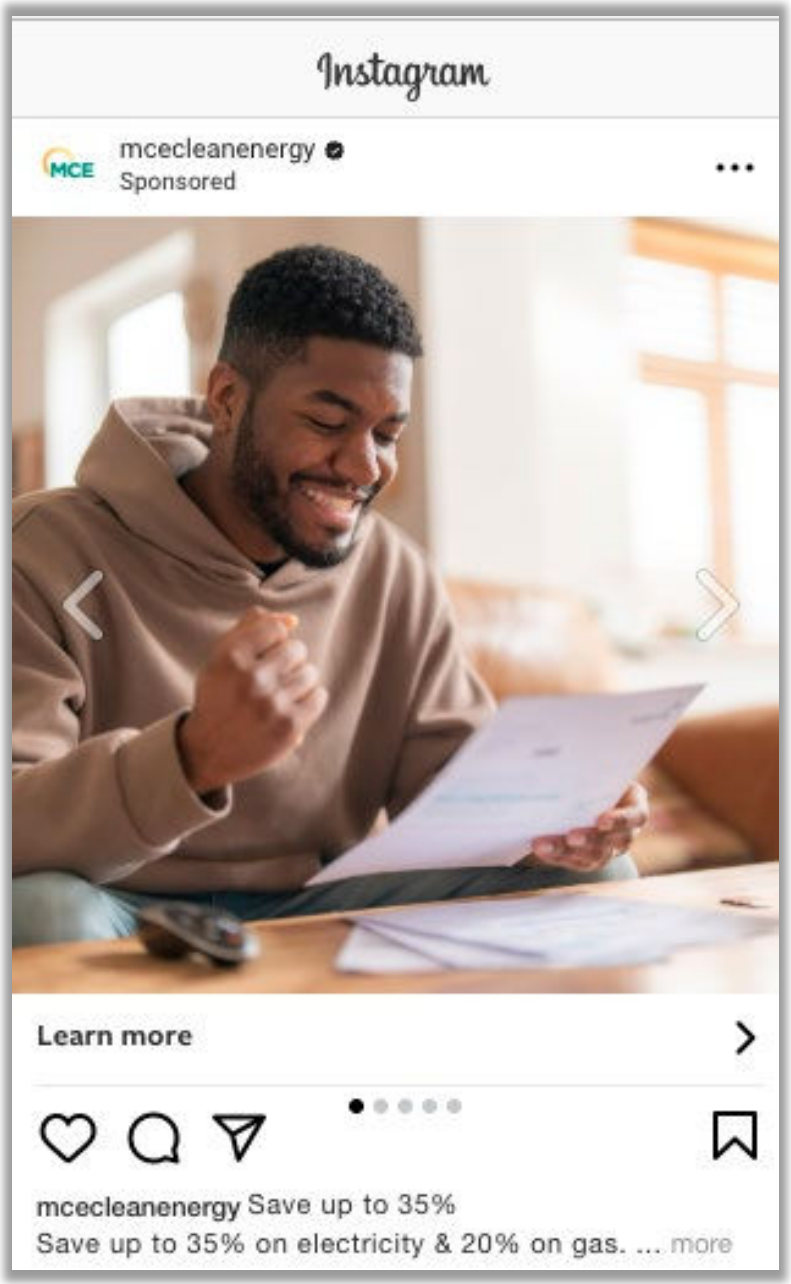
Campaign + materials created:
- 24,491 bilingual postcards sent
- Google and Meta search and display ads (Nov 11, 2025-March 31, 2026)

Outcomes:
- Enrolled 680 customers into CARE/FERA (3% enrollment rate, on the high end of industry standards)

Marketing Team: Leads: Kalicia Pivirotto, Allen Chiu

CARE and FERA Bill Discounts

Additional ad examples



Good news, Jim's Java

You're getting $25 off your electricity bill.

Vea en Español

Thank you for participating in MCE's Small Business Energy Advantage program.

Your business also qualifies for the MCE Cares Credit. You'll automatically receive $25 off your monthly energy bills. The "MCE Cares Credit" line will appear on your upcoming PG&E bill and will apply through March 2026.

Small Business Energy Advantage

Napa

Target customers: Napa small businesses

Message: Free energy assessments and upgrades for small businesses in Napa

Call to action: Submit interest form

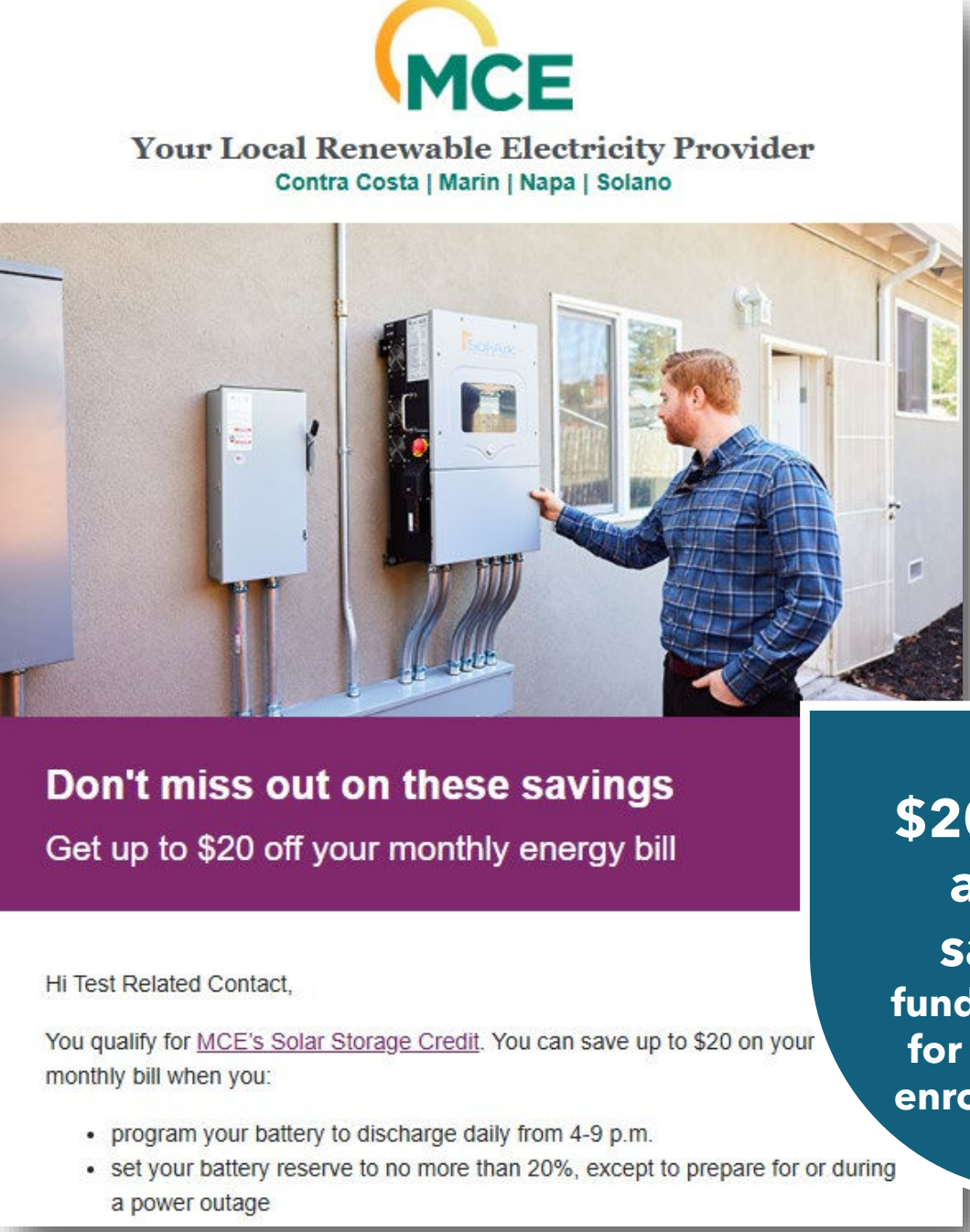
Campaign + materials created (all in English and Spanish):

- 195 enrollment emails sent and 158 direct mailers sent
- 198 follow up emails

Outcomes:

- Visited 160 businesses, 9 program enrollments

Marketing Team: Leads: Jayne Hollen, Sarah Dillemuth



Over $20,000 in annual savings funded by MCE for customers enrolled in Q4!

Solar Storage Credit

Enrollment

Target customers: Residential customers with solar and storage

Message: Save up to $20 a month on your bill

Call to action: Complete the application

Campaign + materials created:

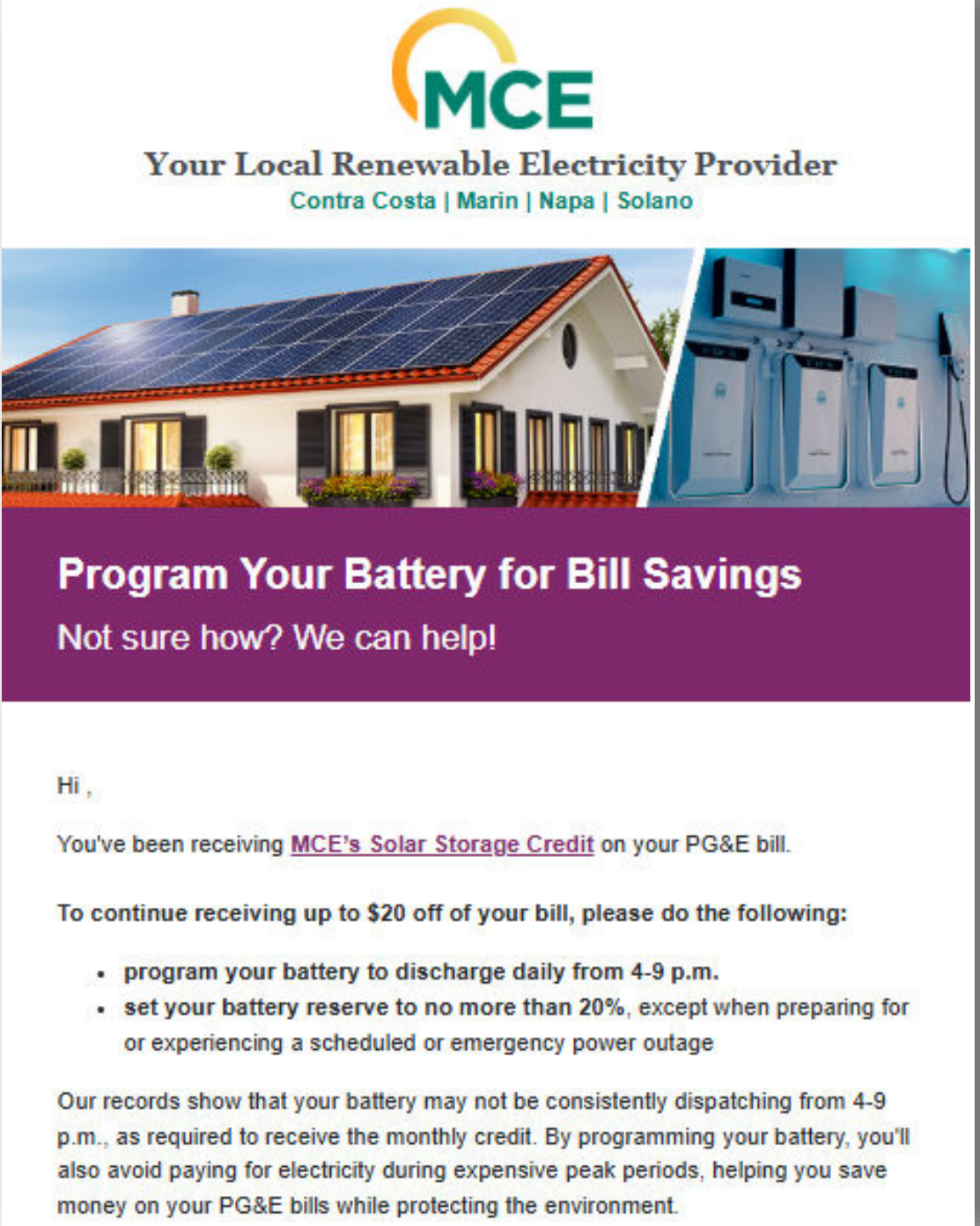
- 7,978 follow-up emails sent

Outcomes:

- 104 new program enrollments in Q4 (1.3% enrollment rate, within industry standards)

  Exceeded annual program goals (1,560 customers enrolled as of January 2026)

Marketing Team: Leads: Ayaka Emoto, Sarah Dillemuth



Solar Storage Credit

Battery Programming Compliance

Target customers: Participants who haven't programmed their batteries

Message: Remind participants that they must program their batteries to discharge daily from 4-to-9 p.m. to continue receiving the $10-$20 monthly bill credit

Call to action: Check links to instructions on how to program batteries

Campaign + materials created:

- 167 emails sent

Marketing Team: Leads: Ayaka Emoto, Sarah Dillemuth

Community Power Coalition meeting in San Rafael

Event Marketing

Community Power Coalition Symposium

Target Audience: CBOs, Municipal Staff, Policymakers

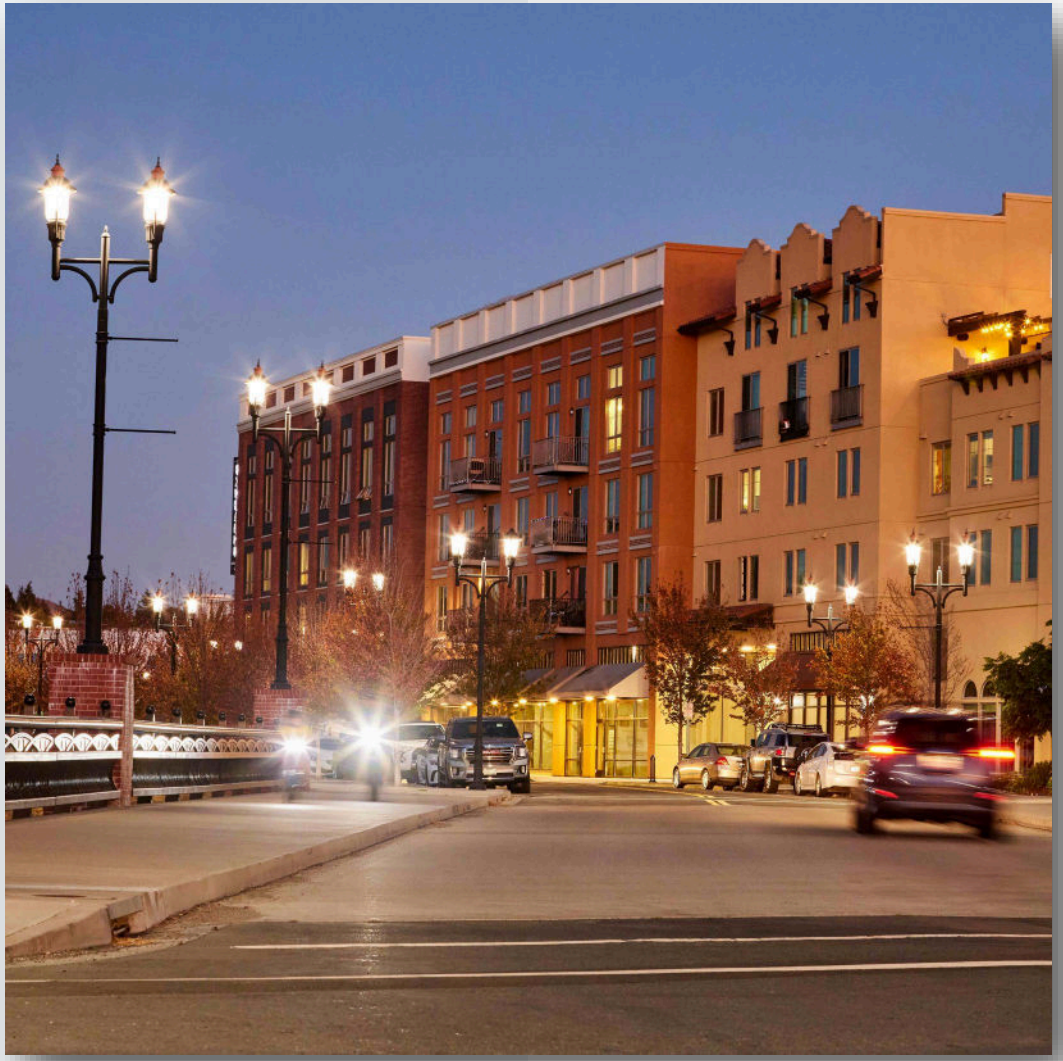
Message: Promotion and event details for MCE's 2025 Community Power Coalition Symposium.

Call to action: Register

Campaign + materials created

- Event Landing Page
- 280 invitation emails sent, two rounds of follow-up emails sent
- Pre-event emails and post-event emails delivered to 98 Symposium attendees

Marketing Team: Lead: Sarah Dillemuth



Hercules, MCE's newest member community

Additional Support

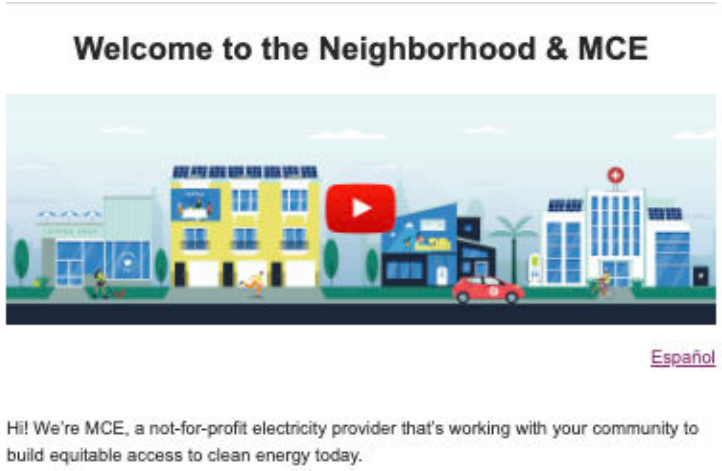
- Hercules enrollment for Net Energy Metering customers
  - Pre-enrollment notices 1+2: 795 bilingual mailers sent
  - Post-enrollment notices 3+4: 837 bilingual mailers sent
  - **Marketing Team:** Leads: Allen; Support: Nicole

- Heat Pump Water Heater Kicker Rebate Forms
  - Fund reservation form and payment request form created
  - 80 reservation confirmation emails sent
  - **Marketing Team:** Leads: Sarah Dillemuth

Ongoing Notices

Team

- Lead: Allen Chiu, Spike Lomibao (New Move-in; Deep Green Welcome)
- Support: Kalicia Pivirotto (Green Access)



Welcome to the Neighborhood & MCE

Español

Hi! We're MCE, a not-for-profit electricity provider that's working with your community to build equitable access to clean energy today.

Now that you've started a new electric account with PG&E, the electricity you purchase

New Move-In

29,983 emails + 29,312 mailers sent

20% discount, please take the appropriate action immediately:

IF YOU CLOSED YOUR ACCOUNT	IF YOUR CARE OR FERA ENROLLMENT EXPIRED	IF YOU INSTALLED SOLAR PANELS
Update your address using the form below or call us at (888) 632-3674. MCE will verify the eligibility of your new location and update you on your program status.	Renew your enrollment in PG&E's CARE or FERA program using the form below. Contact us at info@mceCleanEnergy.org or (888) 632-3674 once your CARE/FERA has been renewed.	Your account is no longer eligible and will be unenrolled from the Green Access Program. You can learn more about MCE's Net Energy Metering Program below.

Update Your Address | Re-Enroll in CARE / FERA | Learn More about NEM

/ to learn about other ways to save on your electric bill.

Green Access Move-Out

286 emails sent

THANK YOU for choosing Deep Green 100% renewable energy!

Your choice helps us confront the climate crisis by putting more clean energy onto the grid to replace fossil fuels. Plus, you can feel good that half of the premium you pay for Deep Green is invested in local projects and programs that benefit the community.

100% renewable

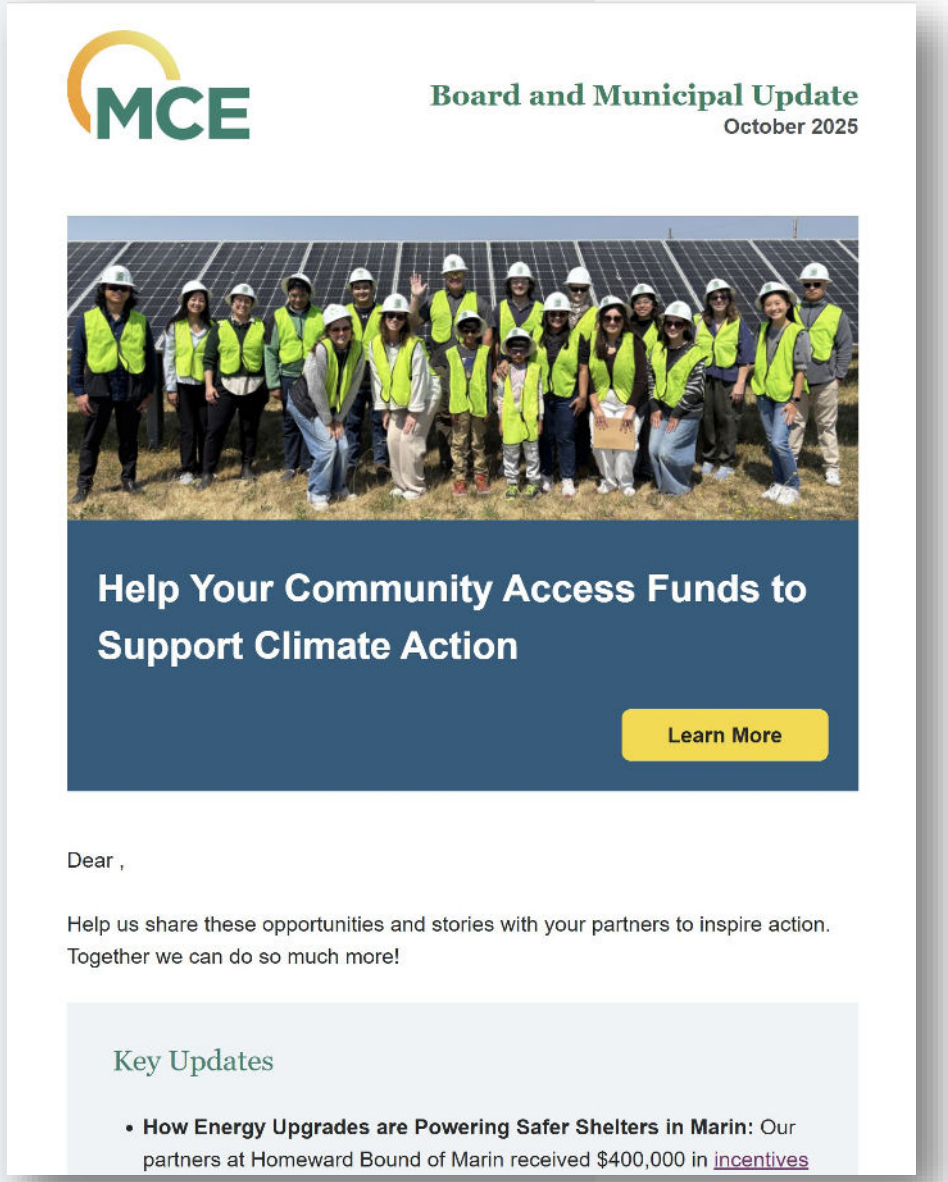
Account Name: City of Walnut Creek

Opt Up Effective Date: 7/15/2024

Deep Green Welcome

127 emails sent

Communications

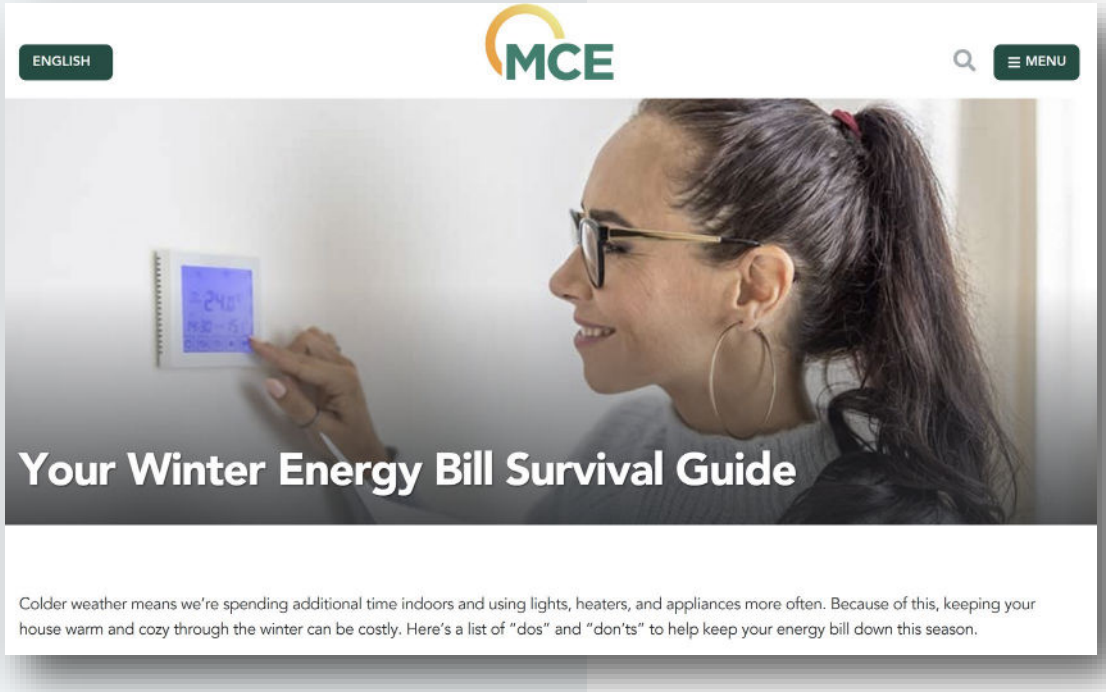


Subscriber Emails

- **Newsletters – 12,524 emails sent**
  - October – 303 page visits; top content: See if you're eligible for CARE or FERA bill discounts
  - December – 226 page visits; top content: Explore MCE's Rebate and Incentive Finder
- **Board Update – 446 email sent**
  - October – opens: 20 board members; 27 muni staff; top content: Applications for planning and Capacity Building (PCB) grant
  - November – opens: 17 board members; 22 muni staff; top content: Bay Area EVs - See how your community compares
  - December – opens: 25 board members; 24 muni staff; top content: Apply for up to $500,000 for Local Transportation Projects

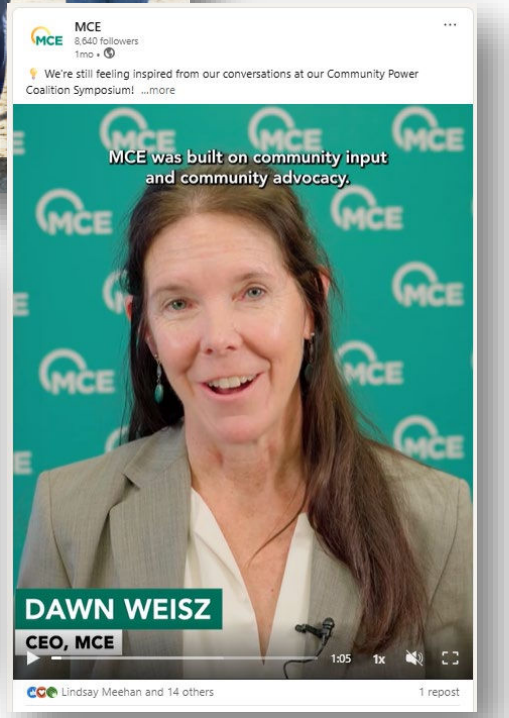
Team: Lead: Jackie Nuñez; Support: Madeline Sarvey, Sarah Dillemuth

Blog Posts



- Parks That Power You Up – October 9, 2025
- Where Refineries Once Burned, Solar Panels Now Shine – October 16, 2025
- Customers are Switching to EVs and Improving Local Air Quality – October 28, 2025
- Small Changes, Big Savings: Local Businesses Light the Way – November 13, 2025
- How MCE Keeps Your Energy Costs More Affordable – November 18, 2025
- Bay Area Contractors: Turn Clean Energy Projects Into Profit – December 4, 2025
- Your Winter Energy Bill Survival Guide – December 9, 2025

Team: Lead: Shyna Deepak; Support: Jenna Tenney, Jackie Nuñez, Madeline Sarvey



Events

November 14 Community Power Coalition Symposium at MCE's Concord Office

- Over 8 local organizations in attendance
- Communications team led "Accessibility in Climate Action" panel discussion with Ted Jackson of the Marin Center for Independent Living, Laney Davidson of LC Disability Consulting, and Nanci Andrade of the Lifelong Medical Center

November 18 Ribbon Cutting for Clearway's Rosamond 1 in Kern County

- The 117 MW energy storage and 140 MW solar complex will generate enough electricity to power over 72,000 homes every year, deploying low-cost energy during peak demand when it's needed most.
- Director Murphy, Dawn Weisz, and MCE staff in attendance

Team: Leads: Jackie Nuñez, Jenna Tenney; Support: Shyna Deepak

Campaigns

15 Faces for 15 Years

- Social media campaign
- Print ad campaign

LinkedIn Thought Leadership Articles

- Electrifying Change: How Energy Upgrades are Powering Safer Shelters in Marin
- From Brownfields to Brightfields: Showcasing MCE's Innovation at the EPA Annual Summit

Team: Leads: Jackie Nuñez, Jenna Tenney, Shyna Dillemuth


innovative
collaborative
mission driven
community centric
inclusive

Analytics

Website Analytics

118k

web users in Q4

More desktop users

1. desktop (61%)
2. mobile (37%)
3. tablet (2%)

User languages

1. English (80%)
2. Spanish (13%)
3. Chinese (3%)
4. Other (4%)

Most viewed pages

1. Homepage (18k)
2. /mce-sync (16k)
3. /good-energy (15k)
4. /careers (8.3k)
5. /our-impact (8.1k)

How users find us

1. Direct links (57k)
2. Facebook/Instagram ads (24.3k)
3. Google search (15k)
4. Google ads (8.6k)

Thank you!

mceCleanEnergy.org
marketing@mceCleanEnergy.org

Empowering Our Clean Energy Future
CONTRA COSTA | MARIN | NAPA | SOLANO

February 19, 2026

TO:	MCE Board of Directors
FROM:	Sabrinna Soldavini, Vice President of Policy
RE:	Policy Update of Legislative and Regulatory Items
ATTACHMENT:	Regulatory Packet with Filings since the January Board Meeting

Dear MCE Board Members:

Summary:
Below is a summary of the key activities at the state and federal legislatures and the California Public Utilities Commission (CPUC), California Energy Commission (CEC), and the California Independent System Operator (CAISO) impacting Community Choice Aggregation (CCA) and MCE.

I. California Legislature

a. Assembly Bill 1761 (Rogers)

This session, CalCCA is sponsoring Assembly Bill (AB) 1761, authored by Assemblymember Chris Rogers (D-Santa Rosa), that would improve access and transparency for data used to calculate the Power Charge Indifference Adjustment (PCIA) and other values derived from the PCIA calculation. Under AB 1761, the CPUC and investor-owned utilities (IOUs) like PG&E would be required to provide the data used to develop proposals, rulings, and decisions on the PCIA to ratepayer advocates, CCAs, and other load serving entities (LSEs). The bill would maintain strict protections for commercially sensitive information, while still allowing CCAs to understand better and earlier what the PCIA will be for each of our member communities.

This transparency will enable two primary benefits. First, it will allow more parties to review complex data sets and calculation methodologies, which will increase the chance of catching any mistakes that could harm customers. Second, it will allow CCAs to forecast our customers' PCIA rates earlier and more accurately, which will allow more time for a CCA to consider whether and how it can reduce the PCIA burden on our customers.

As of the drafting of this staff report, the bill has been formally introduced but has not yet been set for its first hearing. Staff will separately circulate additional information and a template letter of support for use by any member communities that would like to support the bill.

II. California Public Utilities Commission (CPUC)

a. Integrated Resource Planning (IRP)

In January, the CPUC issued a Proposed Decision (PD) ordering load serving entities (LSEs) under the CPUC's jurisdiction to procure an additional 6,000 MW of capacity to come online between 2029 and 2032 (2000 MW of net qualifying capacity (NCQ) by 2029 and an additional 4000 MW of NQC by 2032). The CPUC proposes the additional procurement for reliability purposes due in part to projected load growth from data centers and electrification – including transportation electrification. For MCE, if adopted without modification, the PD would require approximately 180 MW of incremental (above current CPUC procurement requirements) procurement between 2029 and 2032. The PD allows MCE to utilize any excess resources already under contract that are above currently mandated CPUC requirements for this procurement order but sets a 50% cap on capacity coming from storage resources.

MCE worked with CalCCA to file comments in response to the PD in early February, asking the Commission to modify the PD to 1) include a reassessment need to account for load forecast uncertainty and other potential changes to the need assessment inputs before requiring the additional 4000 MW of capacity to come online between 2029 and 2032; 2) remove the 50 percent restriction on storage procurement; 3) increase compliance pathways that provide LSEs more ways to cost-effectively comply; 4) provide necessary clarity for LSE's as it relates to resource's NQC and compliance value; and 5) clarify how the procurement order impacts the magnitude of procurement considered by the Department of Water Resources. MCE Staff will provide an update once a final Decision is adopted by the CPUC.

Fiscal Impacts: If adopted, MCE will be required to enter new procurement contracts for resources to come online between 2029 and 2032. The exact magnitude and cost of this procurement will depend on the final amount of incremental procurement required as well as future market/contract prices. MCE's procurement team will continue to provide updates as applicable.

b. Energization – Flexible Service Connections

In December, the CPUC issued a Proposed Decision establishing a standard offer for flexible service connections (FSCs). FSCs are optional agreements that allow customers to energize loads on

constrained distribution circuits prior to and until capacity upgrades are completed, by agreeing to match their import levels to what the circuit can safely handle. The PD directs PG&E and SCE to submit advice letters that include: (1) proposed standard offer language; (2) modified tariff language; and (3) the processes for determining preliminary capacity availability. The PD also directs the IOUs to report on costs and benefits. CalCCA filed comments in support of the PD and recommending that the CPUC require additional transparency by mandating that information regarding available shared capacity be readily accessible to all applicants. The PD is agendized for approval at the CPUC's February 5, 2026 Voting Meeting.

Fiscal Impacts: There is no fiscal impact to MCE at this time.

a. Energy Efficiency (EE)

i. Mid-Cycle Advice Letter

In November 2025, MCE submitted its Mid-Cycle Advice Letter to update the technical inputs, forecasts, and related information for its 2024-2027 energy efficiency ("EE") portfolio programs. MCE additionally included a request to launch its Multifamily Energy Savings Resource program. MCE submitted its Mid-Cycle Advice letter pursuant to Commission requirements and documented its progress on implementing EE programs in 2024 and 2025. MCE detailed its request to launch the Multifamily Energy Savings Resource program and the public program launch process it completed prior to submission, including a public webinar. The Multifamily Energy Savings Resource program proposal builds on the success of MCE's existing Multifamily Energy Savings Equity program and offers cost-effective energy savings benefits to more multifamily customers. The Commission accepted MCE's Mid-Cycle Advice Letter and authorized MCE's Multifamily Energy Savings Resource program launch request in January 2026.

Fiscal Impacts: There is no direct fiscal impact to MCE at this time.

ii. Viable Electric Alternative and Natural Gas Staff Report

In December 2025, the Commission released a Draft Energy Efficiency ("EE") Natural Gas Incentive Phase-Out Staff Proposal ("Staff Proposal") and invited party comments. The Staff Proposal made a variety of policy recommendations to phase-out natural gas incentives from all EE portfolios within ten years. The proposal excludes "exempt" natural gas EE measures which include measures that deliver gas energy savings, but do not burn natural gas like building insulation, sealing etc. In January 2026, MCE submitted Opening Comments on the Staff Proposal offering support for greater decarbonization of EE portfolios, detailing its existing electrification offerings within its EE

portfolio, recommendations to ensure Equity customers may continue to benefit from EE and electrification programs, and support for low-global warming potential refrigerant programs within the EE portfolios. MCE additionally recommended the Commission expand the scope of the Staff Proposal to include proactive steps to support electrification investments across EE portfolios and specifically to better incentivize electrification readiness measures. Parties submitted Reply Comments in January 2026.

Fiscal Impacts: There is no direct fiscal impact to MCE at this time.

b. Resource Adequacy (RA)

In December, the CPUC issued a Scoping Memo for the current proceeding of the RA program, the rules of which will be implemented in 2027—2028. This proceeding will focus on refining the new Slice-of-Day (SOD) program, where LSEs are required to show sufficient capacity to meet their needs in each hour of the day, for the day in every month with the highest expected electric demand. The proceeding begins with Track 1, which will deal with high-priority issues of the SOD program. Parties submitted proposals for Track 1 topics on January 23. CalCCA submitted proposals for the CPUC to: separate data center loads from the RA forecast and allocate each data center load to the respective servicing LSE; account for a wider variety of energy-only resources co-located with battery storage: outline a consistent method for how central procurement entities, which happen to be IOUs, should use data requests from the relevant LSEs when determining local RA capacity; and publishing these data requests publicly to have such information accessible to all LSEs, not the IOUs alone. MCE supports these proposals and their potential to alleviate affordability issues and increase data transparency between the IOUs and CCAs.

Fiscal Impacts: There is no direct fiscal impact on MCE at this time.

II. California Energy Commission (CEC)

a. Integrated Energy Policy Report (IEPR)

In January, the CEC issued a Notice of Availability for the California Energy Demand Forecast for 2025—2045 (aka 2025 IEPR forecast). The IEPR forecast is foundational for procurement and system planning in the state and is used in the CPUC's forecasting process for the Resource Adequacy and Integrated Resource Planning programs. The 2025 IEPR Forecast
introduced a new component known as "known loads," which represents the forecasted load from numerous energization requests and relies heavily on project data from the IOUs. The 2025 IEPR also contemplated how to incorporate potential load growth from projected data center growth in

California. MCE worked with CalCCA to advocate for the exclusion of known loads from the 2025 IEPR and to highlight the uncertainty around data center load forecasts at this time. Ultimately, the CEC ultimately recommended excluding the known loads from the 2025 IEPR Forecast, noting a lack of historical record for verification purposes and uncertainty about when such projects may actually energize to the grid.

MCE worked with CalCCA to file comments supportive of this recommendation. The 2025 IEPR Forecast was adopted by the CEC on January 21. The CEC will continue to monitor data on known loads throughout 2026 for consideration of 2027 reliability. For the purposes of Integrated Resource Planning and Transmission Bulk System planning, the CEC will opt to use last year's 2024 IEPR Planning Forecast. MCE will provide updates as applicable.

Fiscal Impacts: There is no direct fiscal impact on MCE at this time.