Public comments submitted to MCE are unaltered and have not been assessed for accuracy. Any opinions expressed are attributable solely to the authors.
MCE welcomes engagement and appreciates written input from the public.
All letters from the public are available on our website here.

Outlook

Written Public Comment — June 24 Special Meeting / Index+ Contracting and CAISO Load Hedging

From Leslie Austin <leslie@strongerccas.org>
Date Mon 6/22/2026 6:30 PM
To MCE Clerk <clerk@mcecleanenergy.org>
Cc Eric Veium <eric@strongerccas.org>; Tim Frank <tim-frank@msn.com>

1 attachment (4 MB)
CCA WEJ Alliance - MCE Comment Letter - June 24 Workshop.pdf;

Dear Ms. Brooks,

Thank you for distributing the attached written public comment for the June 24, 2026 MCE Special Board Meeting / Public Workshop, Agenda Item 3: Index+ Contracting and CAISO Load Hedging.

Please include this letter as part of the public record for the meeting.

With appreciation,

Leslie Austin

--

Leslie Austin

Co-Director, CCA Workforce & EJ Alliance

Leslie@StrongerCCAs.org | 831.726.6242 | StrongerCCAs.org

Schedule a Meeting | About Me | Add to Contacts

CCA WORKFORCE & EJ ALLIANCE
STRONGER TOGETHER

CCA WORKFORCE & EJ ALLIANCE

June 22, 2026

MCE Board of Directors
c/o Clerk of the Board
1125 Tamalpais Avenue, San Rafael, CA 94901
Submitted for the public record

Re: Public Comment for the June 24, 2026 Special Meeting & Public Workshop — Agenda Item 3, "Index+ Contracting and CAISO Load Hedging"

Dear Chair and Members of the Board:

About the CCA Workforce & EJ Alliance ("Alliance"). The CCA Workforce & EJ Alliance (strongerCCAs.org), which includes more than 40 organized labor, climate, and environmental justice organizations, works to strengthen California's community choice energy agencies by advancing high-road labor standards, environmental justice, and community benefits through best-practice procurement and innovative program designs. To date, we have worked collaboratively with the majority of large CCAs including SCP, AVA, SJCE, SVCE, 3CE, and CleanPowerSF resulting in these CCAs (representing 57% of CCA load) adopting high road clean energy project selection standards. As the fourth largest CCA, we hope to establish a similar working relationship with MCE.

We are supporters of community choice energy and want to see it succeed — delivering real emissions reductions, good union careers, and lasting value for the communities CCAs serve. We engage as a collaborative partner, bringing model standards and policy expertise that agencies can adapt to their own community needs. Our interest is both in supporting individual CCAs and supporting the broader health and credibility of the CCA community statewide to help accelerate the clean energy transition and community climate resilience, and we hope this letter begins an ongoing dialogue with MCE.

We recognize MCE is navigating a period of significant transition. We offer these comments to be a constructive, forward-looking partner as MCE charts its next chapter. We appreciate that this workshop puts complex procurement practices before the public, and we hope it opens a durable channel for stakeholder collaboration.

Our understanding of the core problem. Like many CCAs, MCE devotes significant resources to purchasing short-term "environmental attributes", including from both renewable and non-renewable, carbon-free resources — which allow MCE to make fossil-free product claims and to report lower emissions than would be possible strictly through its long-term portfolio. While some of these transactions truly support renewable energy resources which may not otherwise have a buyer, we understand that

a significant share of these attributes originate from resources already under long-term contract with another utility, and, through MCE's purchase, increase that utility's emissions in an equal and opposite fashion.

We recognize that there is a value-based policy decision to be made here. From our perspective, we see two problems with MCE's current approach:

1. **It is a low-value use of customer money.** Conservatively, tens of millions of dollars each year are spent to make fossil-free product claims rather than on the things that create durable value: new clean generation, innovative customer programs, high road workforce development, and bill affordability.
2. **The underlying transactions can do more harm than good.** In many cases, environmental attributes are drawn from resources already owned or under contract to a utility in other states or jurisdictions, which the selling utility backfills with fossil energy to meet its own customers' needs, commonly known as "resource shuffling". The result is a swap that delivers no net emissions reduction – and sometimes even emissions increases, if the replacement is coal — and that can actively undermine clean-energy progress and policy in CA and in the regions we trade with. This is the concern the Legislature sought to prohibit in SB 100 (Pub. Util. Code § 454.53(a)). Appendix A below demonstrates two of the likely many more examples of how these transactions can be counterproductive.

To MCE's credit, its own workshop materials are candid about the underlying mechanics — acknowledging that supply and load are not matched hourly, that accounting is annual, and that some load is "served by energy not under contract (probably natural gas-fired power)." That candor is the right starting point for meaningful progress.

This transition is achievable — 3CE has already shown the way. Alliance leadership has direct experience supporting this shift. When Monterey Bay Community Power (now Central Coast Community Energy, 3CE) confronted these same questions, its leadership chose to move away from paper attributes and refocus on creating and executing on a vision of long-term, new "additional" clean energy. As 3CE's founding CEO Tom Habashi told his board, these index-plus purchases were "a paper product with no GHG reduction benefit" — "an accounting exercise with no environmental benefit." We commend 3CE for their leadership, and we would be glad to partner with MCE — and ultimately every California CCA — to make the same transition.

What we are asking, over three horizons.

- **Near-term:** We ask MCE to phase out purchasing non-additional carbon-free attributes; freeing resources to reinvest in new clean energy, programs, and affordability. Additionally, we ask MCE to transparently report procurement activities while adhering to Board authorized oversight procedures.
- **Mid-term:** We ask MCE to stay focused on new, high-road resource procurement and innovative programs. We invite MCE to collaborate with the Alliance in

adopting model high-road procurement standards — covering labor standards, environmental-justice protections, and transparent reporting — across long-, medium-, and short-term contracts alike. We have sample standards ready to share and would welcome working through a version tailored to MCE's portfolio.
- **Long-term:** We hope to build an enduring relationship with MCE to shape programs, investment strategies, and best practices that advance high-road clean energy, together over time.

A model for the CCA community. Our aim reaches beyond any one agency. The questions before MCE today face nearly every California CCA, and we believe MCE can help establish a stronger standard for procurement transparency and real-world emissions reductions across CA's energy sector. We would be proud to see MCE help lead that effort, alongside peers like 3CE who have already begun.

Request. We respectfully ask the Board to:

1. **Prepare a plan to pursue the "PPA-only" option identified in the Workshop presentation.** The plan should:
    a. carefully phase out non-additional environmental attribute purchases and reinvest the related cost savings;
    b. report transparently on the agency's reliance on unspecified energy; and
    c. set out an ambitious vision for new renewable energy PPAs and MCE-owned generation.
2. **Establish clear standards for procurement in partnership with the Board, community, and Alliance,** that ensure:
    a. short- and medium-term environmental products meet minimum standards for additionality and avoid resource shuffling;
    b. short- and medium-term conventional products are procured with transparency and assessed against defined preferences related to climate, environmental justice, and workforce benefits; and
    c. long-term clean energy PPA and MCE-owned projects support workers, minimize environmental impact, and provide benefits to the communities hosting MCE projects.
3. **Open a channel for the Alliance to work with the Board and staff** on developing and implementing these standards.

Thank you for your consideration. We look forward to meeting with you in the coming weeks, building a productive, lasting working relationship with MCE, and supporting stronger community choice energy agencies across California.

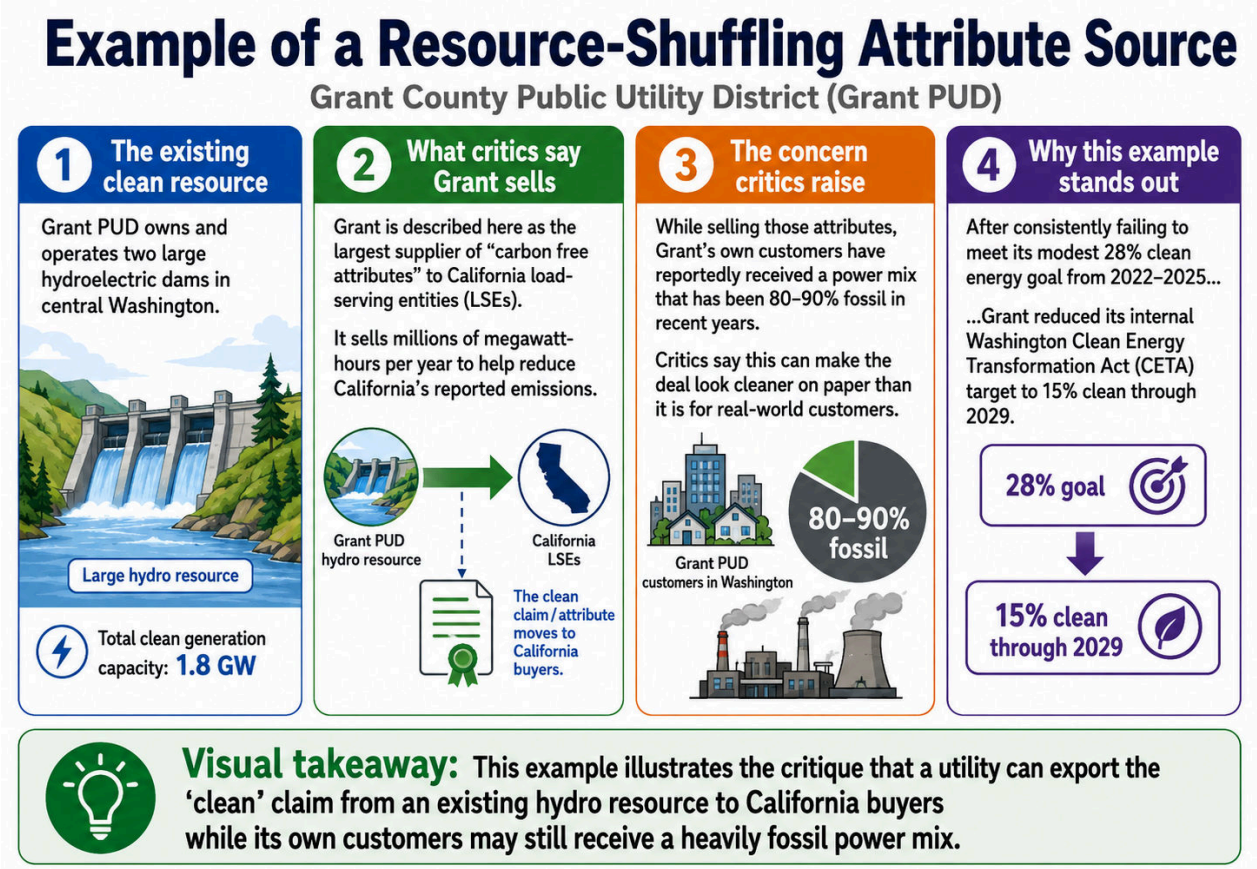
Respectfully submitted,

Eric Veium, Tim Frank, Leslie Austin
Co-Directors, CCA Workforce & EJ Alliance
strongerCCAs.org

Appendix A: Illustrative Examples of Resource Shuffling

The following examples are but two of many problematic sources of resource shuffling attributes:

1. Weakening Washington State Clean Energy Goals—Grant County Public Utility District: Grant PUD owns and operates two large hydroelectric dams in central Washington totaling 1.8 GW of clean energy production. Grant is the largest supplier of "carbon free attributes" to California load-serving entities (LSEs), selling millions of megawatt-hours per year to reduce California's emissions while providing its own customers a power mix that has been 80-90% fossil in recent years. After consistently failing to meet its modest 28% clean energy goal from 2022-2025, Grant reduced its internal Washington Clean Energy Transformation Act ("CETA") target to 15% clean through 2029.



2. Boast about Clean Energy then Sell it to Others: Merced Irrigation District: MID is a water and electric utility in the Central Valley that owns and operates several hydroelectric dams. While MID boasts of producing over 300,000 MWh of "clean, renewable electricity" from its hydroelectric dams, its own customers received 95%-99% fossil energy in recent years — with the vast majority of the energy from its hydroelectric assets being sold off to other LSEs for decarbonization claims. It is unclear whether or how MID's portfolio adheres to state environmental policy requirements.