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MCE welcomes engagement and appreciates written input from the public.
All letters from the public are available on our website here.

RESPONSE TO Marin County Grand Jury Report “MCE, Marin Clean Energy:

From Tom Butt <tom.butt@intres.com>
Date Wed 6/24/2026 8:54 PM
To MCE Clerk <clerk@mcecleanenergy.org>

1 attachment (176 KB)
MCE Civil Grand Jury Rebuttal 6-24-2026.pdf;

You don't often get email from tom.butt@intres.com. Learn why this is important

Please distribute the attached to all MCE Board members and alternates and post on the MCE website.

Tom Butt, FAIA, LEED AP BD+C | Principal Architect

RESPONSE TO
Marin County Grand Jury Report "MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes"
Tom Butt, June 24, 2026

Executive Summary

This response is intended to address both the Civil Grand Jury report and the series of articles in the *Marin IJ* that preceded it and were referenced in it.

The Civil Grand Jury report asserts that MCE suffers from governance failures, transparency issues, and procurement missteps. However, the report's own evidence, when read carefully, does not substantiate these conclusions. Instead, it reveals:

- A rapidly growing public agency navigating unprecedented market volatility
- A Board that has already initiated governance reforms prior to the report
- A management team that has delivered industry-leading renewable energy outcomes, customer savings, and community benefits
- A report that selectively interprets data, omits critical context, and relies heavily on anecdotal interviews rather than objective performance metrics

The Grand Jury acknowledges MCE's "considerable success in advancing renewable energy" and its "substantial and well-documented" contributions to climate action, equity, and community programs. Yet it frames isolated procurement variances during an extreme market spike as evidence of systemic governance failure—without demonstrating causation.

A fair reading of the facts shows that MCE's performance, governance evolution, and transparency practices are consistent with, and in many cases exceed, those of peer CCAs.

Founding CEO Dawn Weisz

Following a hypercritical Marin County Civil Grand Jury report preceded by months of negative media coverage by the *Marin Independent Journal (Marin IJ),* Dawn Weisz, the founding CEO of MCE left MCE effective June 17, 2026.

The Civil Grand Jury report and the *Marin IJ* articles that apparently triggered the ousting of Weisz deserve a response, and I am probably the most knowledgeable person to deliver it. Although no longer on the Board of MCE, I was at the time of my departure, the longest serving MCE Board member, serving from 2012 when Richmond joined until January 2023 when I termed out as mayor of Richmond. I served as MCE Board vice-chair 2014-2021 and chair 2021-2023. I also chaired the executive committee. During my time on the MCE Board, I helped guide MCE through many critical changes, including a major expansion from one to four counties, and I watched the CCA movement that began with MCE spread throughout California. During that entire time, Dawn Weisz provided extraordinary leadership for an organization that was the first of its kind, as well as mentorship statewide for newly formed CCAs.

I am especially troubled by the criticism of former CEO Dawn Weisz, who, instead of being criticized, should be lauded as the pioneer who literally invented the California CCA movement from scratch. MCE was the first CCA in California, and with Weisz at the helm, MCE became the model for CCAs statewide that now serve about 35% of California's population -- 200 jurisdictions with 15 million customers. Weisz is also a founding Board member of the California Community Choice Association (CalCCA), the statewide industry advocacy group.

Vendetta and Biases

It is unfortunate that much of the negative media coverage as well as the Civil Grand Jury report was poorly researched and inaccurate, not to mention irrelevant in many respects. Despite my long-term experience with MCE, no one reached out to me from either the *Marin IJ* or the Civil Grand Jury. The *Marin IJ* articles that began last fall were extremely biased, driven apparently by a vendetta against MCE by a handful of Marin MCE Board members from tiny communities, specifically Mayor Sally Wilkinson of Belvedere and Mayor Stephanie Andre of Larkspur. Larkspur, incidentally, was an original holdout at the formation of MCE. Former Board member and Ross Councilmember Mathew Salter also worked with the *Marin IJ* on the critical articles. Ironically, the three communities represented by Wilkinson, Andre and Salter represent less than 1.0 percent of the total population served by MCE. They are also some of the wealthiest communities in California.

There have always been skeptics and critics biased against MCE for various reasons, including members of the Marin Civil Grand Jury, itself. Granted, civil grand jury membership changes every year, but perhaps members who are attracted to grand jury service are predisposed to have an enduring skepticism of government at any level. The Marin Civil Grand Jury's skepticism and criticism of MCE is not new; it goes back 17 years. The 2026 report pointed out that the previous 2009 Civil Grand Jury report, "questioned whether Board members would have, '... the professional expertise to compete in what has been a historically volatile and highly competitive business.'" In 2009, the Marin Civil Grand Jury recommended against the formation of MCE, publishing a report unambiguously entitled, "Marin Clean Energy: Pull the Plug." The report recommended that MCE abandon its efforts to compete with PG&E. Instead of abandoning its efforts, MCE exceeded expectations, sparked a movement that spread across California, prevented vast amounts of greenhouse gas emissions, and even provided net energy cost savings for ratepayers. Today, MCE has a higher bond rating than PG&E. The Civil Grand Jury continues to remain obsessed with "governance," a word that appears in the 2026 Civil Grand Jury report more than 60 times.

Although Wilkinson, Andre and Salter have been complaining about MCE for years, even when I was Board chair, the salient issue that apparently drew the interest of the *Marin IJ* and later the Marin Civil Grand Jury was a significant cost increase in energy contracts in the fall of 2024, amounting to about $200 million. Instead of focusing on the actual causes of the increase, both the *Marin IJ* and the Civil Grand Jury blamed a failure of the MCE Board to properly exercise its responsibilities and delegation of too much responsibility to the CEO and staff, who were also blamed for a lack of transparency with Board members, and by inference, making poor decisions.

History of MCE

There was no mention in the Civil Grand Jury report about why and how MCE evolved, which is instructive to put its growth and current operation into context. Back in the early 2000s, Marin

County was working on a climate action plan. As a county with a relatively low and dispersed population of predominantly bedroom communities, fossil fuels used for transportation were a significantly large source of Marin's greenhouse gas generation. Changing public policy to make Marin more energy efficient or reduce transportation fuel use was at best, a very long-term strategy, and at worst, beyond the legal authority of a county. Under the leadership of the late and visionary County Supervisor Charles McGlashen, there was a bold move to utilize an obscure California statute (AB 117 of 2002 – Public Utilities Code Section 366.2) to dramatically change the fossil fuel content of electricity that would have an almost immediate impact on reducing greenhouse gases. AB 117 was passed in the wake of the 2000-2001 energy crisis that led to the recall of Governor Gray Davis and the election of Arnold Schwarzenegger. The unregulated power industry had resulted in unscrupulous wholesalers driving up prices during peak energy demands that led to multiple blackouts. AB 117 provided a way to shift the balance of power from monopoly utilities to local municipalities, providing a path for local governments to pool electrical loads, increase competition in the market, and provide local control over power. Using AB 117 to reduce greenhouse gas emissions was, at the time, a novel and creative move. The proposal to form MCE was locally controversial (much of it generated by PG&E and its proxies), but that was dwarfed by PG&Es funding $46 million to back a ballot measure, proposition 16 of 2010, that was designed to stop the spread of CCAs, and PG&Es sponsorship and lobbying for AB 2145 that would also limit expansion of CCAs. Both were unsuccessful. What many people have forgotten is that the prime motivation for what became MCE was not to reduce energy costs but to reduce greenhouse gases. As it turned out, reducing energy costs was a bonus, and although the relationship between MCE and PG&E electricity costs has fluctuated over the years, there has been net savings for MCE generated electricity compared to PG&E.

The 2024 Procurement Variance

The 2024 spike of energy costs was the result, not so much of mismanagement and poor decisions, but instead a perfect storm of circumstances largely beyond control of either the MCE Board or staff. Extreme drought, natural gas price spikes, and CAISO market constraints drove statewide procurement costs upward. The report does not acknowledge this, nor does it fully recognize the statutory constraints of Renewable Portfolio Standard (RPS) obligations, Resource Adequacy (RA) requirements and Long-term contracting mandates (SB 350).

It acknowledged that MCE delivered 69% renewable energy in 2024—well above its 60% target. It is unfair simultaneously demand higher renewable performance and criticize the costs associated with achieving it.

As a legacy CCA, MCE pioneered energy procurement practices that fit the regulatory framework of the day and met internal MCE objectives. Over the years, with pressure from investor-owned utilities (IOUs) --PG&E in the case of MCE -- the California Public Utility Commission (CPUC) has constantly changed the regulatory environment to make operation more expensive and challenging for CCAs. Even before 2024, the CPUC added an unpredictable annual Power Charge Indifference Adjustment (PCIA) to MCE bills, supposedly to compensate PG&E for loss of customer revenue that otherwise would pay for legacy energy contracts. More recently, the CPUC changed how grid reliability was calculated, significantly cutting the Resource Adequacy (RA) value attributed to solar and wind power, in which MCE had heavily invested. Because solar, without batteries, cannot provide power on demand during hot summer nights, the CPUC ruled that MCE's existing clean

energy portfolio no longer counted fully toward its reserve mandates. MCE had to scramble to acquire sufficient backup energy contracts in a market that was at its peak.

Fortunately, MCE had, at the previous direction of the Board, built up sufficient cash reserves to ride out the inflated energy costs. The Board has always strived to keep MCE costs below those of PG&E and has been mostly successful. Over its life, MCE has saved customers over $48 million from what they would have paid PG&E. Claims of operational losses in fiscal year 2025 are misleading. MCE's net position increased by approximately $13 million in 2025, following gains of $159 million in 2024 and $41 million in 2023. These figures are independently audited and publicly available. The planned $100 million cost-of-energy increase in 2025 was not an operating loss. The increase was partially due to higher energy costs, a regulatory change, adding the city of Hercules, and some contracts delivering ahead of schedule.

State regulators utilize a Cost Allocation Mechanism (CAM) where the investor-owned utility (PG&E) procures backup power on behalf of all customers. The California Public Utilities Commission documentation shows that these state-driven allocations shift unpredictably. When CAM credits changed unexpectedly, MCE was repeatedly forced to over-procure redundant RA capacity in advance and then sell the excess back into the market at a loss. Also, because MCE had invested heavily in solar resources in its early years, it was disproportionately impacted by curtailment of solar in the market, particularly in the fall of 2024. This meant MCE had to purchase replacement power in the market to meet Board-established targets just when prices had climbed to an all-time high at the end of 2024.

To mitigate these pressures that caused the 2024 spike, the MCE Board implemented measures to bring generation costs down and protect customers. MCE approved a 14% reduction in electricity generation rates, alongside millions of dollars in supplemental bill relief and expanded income-qualified assistance to combat state-driven cost increases.

The rising cost of RA, particularly the competition for dispatchable resources, has raised concerns among CCAs with critics arguing that the current system favors IOUs with established long-term contracts, leaving newer entities like CCAs to pay significantly higher prices for RA resources. This situation exacerbates affordability challenges for these electricity providers and, by extension, their customers. Additionally, the limited supply of RA—especially resources capable of providing flexible or dispatchable capacity—continues to be a point of contention. As California's grid transitions toward greater reliance on renewable resources, particularly solar and wind, the need for clean dispatchable resources to manage variability becomes even more pressing. This shift further complicates RA procurement for CCAs, particularly as they strive to meet both the state's renewable energy targets and the growing electricity demand. The challenges of procuring RA are compounded by the ongoing competition for renewables, with CCAs under increasing pressure to meet procurement mandates while navigating a constrained capacity market. Looking ahead, ongoing reform to resource adequacy frameworks at the CPUC and CAISO, a legislative initiative for Western Regionalization (AB 825), anticipated load growth, and the implementation of new interconnection processes may change RA dynamics. Further, advocates continue pushing for a simpler pathway for distributed energy resources (DERs) to contribute to grid reliability.

Even today, CCAs continue to fight the CPUC resource adequacy policies. In a press release dated June 23, 2026, entitled, "CalCCA Urges CPUC to Fix Flawed Resource Adequacy Proposal Before it raises Costs and Risks Reliability for Millions of Californians," CalCCA wrote:

> The California Community Choice Association (CalCCA) on June 22 filed comments with the California Public Utilities Commission (CPUC) urging the Commission to revise a proposed decision (PD) on its Resource Adequacy (RA) program, warning that the current draft would increase costs for customers, undermine grid reliability, and exceed the Commission's legal authority.
>
> "This proposed decision gets the fundamentals wrong at exactly the moment California can least afford it," said CalCCA Chief Executive Officer Beth Vaughan. "Between the rise of regional power markets, the growth of battery storage, and the uncertainty of data center load growth, the RA program needs to evolve. Instead, this decision clings to outdated rules, ignores nearly $180 million in identified ratepayer savings, and intrudes on areas subject to federal jurisdiction."

The bottom line is that MCE's Board actively oversees finances, policy and performance in public meetings subject to state transparency laws. On the other hand, PG&E is a regulated monopoly accountable to shareholders. MCE is a public agency accountable to local governments and residents. That distinction matters. The largest increase in electricity costs has been caused by PG&E and its failure operate safely to prevent the ignition of wildfires that have wiped out entire communities.

MCE is Fiscally Healthy

Contrary to the tone of the Marin Civil Grand Jury Report and the media coverage, MCE is fiscally healthy by all industry metrics. It has clean financial audits and higher credit ratings than PG&E. MCE holds a stronger "A" class credit rating from both Fitch and S&P Global, while PG&E holds a "BBB" rating from Fitch and a "BBB-" rating from S&P Global. MCE's higher rating reflects exceptionally strong liquidity and no outstanding debt, whereas PG&E's rating reflects the financial burdens and risks associated with wildfire liabilities. MCE's rating also recognizes strong customer retention (86%), strong liquidity reserves equivalent to 200 days of operating expenses and a debt-free portfolio.

Dependance on Biased Sources

Throughout the document, the Civil Grand Jury quotes, former Board members recalling experiences from a decade earlier, public commenters with known advocacy positions, watchdog groups with policy agendas, and Board members expressing personal preferences about governance style. These perspectives are valuable but not evidence of systemic failure.

The report does not present comparative financial performance, benchmarking against peer CCAs, independent energy market analysis, evidence of legal or regulatory violations, evidence of customer harm, or evidence of mismanagement or fraud. In short: the conclusions exceed the evidence.

Instead of objectively investigating allegations regarding MCE, the Civil Grand Jury largely parroted press coverage by the *Marin IJ*, complaints of several disgruntled Board members and various "public interest groups," some with questionable motives. The Coalition of Sensible Taxpayers, for example, is pretty much a knee-jerk organization that opposes public spending for almost anything, even popular causes like Smart Train. The Coalition of Sensible Taxpayers was the lone organized

opposition to Measure B that extended funding for Smart Train, which was supported by the public in a landslide victory. The organization was also fined by the FPPC in 2025 for campaign violations.

Ongoing Industry Challenges

When I left MCE as Board chair at the end of 2022, I predicted industry challenges beyond the control of MCE that became the basis for much of the recent criticism (Tom Butt E-Forum, December 1, 2022)

> The last 12 months have marked continued shifts in California away from fossil-based electricity use, growth in the CCA industry, steep power supply cost increases and new challenges regarding procurement mandates and grid stability. While there is steady growth in the electric vehicle industry, supply chain issues have impacted availability of key materials for resources, and this has impacted some of MCE's procurement and development timelines. The growth in the CCA sector has been paired with increasing "scope creep" as the California Public Utilities Commission, and other regulatory bodies, contemplate and implement new requirements for load-serving entities, particularly regarding procurement of supply.
>
> Price increases have been unprecedented in the energy sector, impacting MCE's ability to accumulate planned reserves. The State's movement away from gas-fired generation resources has added to shortages in the market for resource adequacy resources, and while it is good to see the reduction in gas-fired resources, the transition has exacerbated the high cost of supply. There have been increasing mandates from the CPUC regarding what, when, and how much energy we procure, and the CPUC is contemplating further oversight over CCAs through the Integrated Resource Plan filings. Procurement mandates have been issued with a very short timeframe for purchases and this has created a "seller's market" environment, where prices have increased even beyond the already high market level.
>
> There is also some new oversight being contemplated by the California Energy Commission regarding "real-time" rates, and there is discussion underway in the legislative arena and in the Governor's office indicating a likelihood of more procurement mandates, and potentially more purchasing power being given to a "central procurement entity" in the state, removing some of MCE's control over what we procure for our portfolio. These issues heighten the need for close engagement with our legislative contacts and continued relationship-building with regulators.
>
> Another current issue involves recent regulatory changes that are pushing load serving entities in the direction of hourly accounting (instead of the current annual accounting) for renewable and carbon-free energy, and this is likely to have an impact on the composition of MCE's renewable and low/no carbon product offerings for our customers. While buying renewable volumes on an annual basis was reasonable when the rest of the state was relying on majority non-renewable sources, the strong grid reliance on solar and other intermittent resources is now driving a different need for our portfolio. These challenges create an opportunity for MCE to explore new technologies that will meet real-time state needs in an innovative and cost- effective way, while in parallel spark a need for us to dialogue with CPUC staff about how to avoid unintended consequences from any new requirements.

Drilling Down

- Staff compensation. One target of criticism has been MCE's staff costs; however, MCE's staff compensation costs are comparable to other California Community Choice Aggregators (CCAs). For almost all CCAs, personnel expenses make up only a tiny fraction of the total budget because the vast majority of funds must go directly toward purchasing power. Some Board members voiced concerns over management-authorized raises and promotions. Board members questioned why personnel spending increased by over 10% year-over-year even as the total employee headcount remained flat or slightly decreased. Because staff costs represent such a small slice of the overall budget, these internal salary adjustments have virtually zero mathematical impact on MCE retail electricity rates compared to broader market price shocks. As CCAs proliferated in California, the competition among CCAs, as well as legacy IOUs, for experienced employees with specialized experience in energy procurement exploded, with poaching commonplace. Attractive compensation packages has enabled MCE to mitigate poaching and retain skilled staff. Regarding poaching, the Civil Grand Jury report noted, "In June of 2024, MCE's then Chief Financial Officer (CFO) departed to take a position at another CCA (Sonoma Clean Power)." In any event, MCE undergoes periodic compensation studies to align compensation with industry trends.

  Transparency. The Civil Grand Jury criticized MCE staff for being "insufficiently transparent," to Board members and the public, which is ridiculous. The report's critique of transparency is contradicted by its own evidence. The report repeatedly cites MCE's extensive transparency practices that include (1) "hundreds of pages of meeting packets" reviewed, (2) "dozens of hours of Board... meeting videos," (3) public posting of "written public comments, " and (4) public posting of responses to media coverage. These are not the behaviors of an opaque agency. The report's transparency critique relies almost entirely on interview anecdotes, not documented failures.

  Compared to its only competitor, PG&E, MCE is the ultimate example of transparency. All Board meetings are public, with agendas, minutes and recordings publicly published.

  MCE is subject to the California Public Records Act; anyone make a request for records and documents, which by law, must be responded to within ten days. Much of the detailed Board discussion happens in committees, including the executive committee (oversees general issues such as legislation, regulatory compliance, strategic planning, contracts, human resources, finance, budgeting, debt, and rate setting), the technical committee (focuses on energy procurement, renewable energy integration, and technical aspects of MCE's operations). There are also ad hoc committees for such items as rate setting. All of these committees meet publicly, and any MCE Board member can serve on them. When I was on the MCE Board, I rarely saw members of the public attend these meetings.

  Even the Civil Grand Jury report concedes that MCE routinely posts criticism from these "watchdog" groups on its website along with detailed responses. The Civil Grand Jury confuses a disagreement on the facts with a failure to respond.

  A good example of a comprehensive and transparent response is a letter form MCE to the Sierra Club inquiry of April 15, 2026.

- Governance. The Civil Grand Jury report was most critical of the Board for not exercising what it defined as "governance," claiming, without convincing evidence, that, "the Board of

Directors ... rarely asserted its responsibility for governance, and, "has not taken a sufficiently active role in the important decisions affecting the agency — and has failed to systematically review its policies, performance, and future strategy."

The report ignores the governance actions the Board has already taken—many of which the report itself acknowledges. the Board created a standing Finance Committee in November 2025, months before the report was drafted. The report notes this explicitly: "MCE's Board voted to create a standing finance committee." The Board initiated a comprehensive governance assessment in early 2026, again before the Grand Jury concluded its investigation. The report states: "The Board... voted in early 2026 to undertake a 'governance assessment.'" These actions directly contradict the claim that the Board is passive or disengaged.

The organization and operation of MCE is much like the cities and counties it serves, where elected officials hire a city manager or county administrator to manage the day-to-day technical aspects of providing services to residents and businesses. This is not a governance failure; it is simply democracy in action. Having a city council member or supervisor with pertinent technical expertise may be a bonus, but it is not a requirement. City council members and supervisors are not expected to be hands-on experts in various aspects of city and county services, nor are they expected to micromanage those services.

The report also misinterprets the Board's legal role. The Joint Powers Agreement states the Board "meets at regular intervals to provide the overall management and guidance for MCE." The Implementation Plan states the Board "establish[es] program policies, set[s] rates and provide[s] policy direction." Nothing in these documents requires the Board to micromanage procurement or operational decisions. In fact, delegating day-to-day operations to the CEO is standard practice for public agencies of MCE's size. The report's interpretation of "governance" is not aligned with California public agency norms.

- <u>Board Size.</u> The Civil Grand Jury report criticized the large size of the 34-member Board, and stated, "each community is allotted one member." It neglected to note that Napa County and four of the Napa cities consolidate their representation to a single Board seat. Granted, the Board size is large, but the desire of participating jurisdictions to have direct representation from the beginning drove that decision. The startup of MCE was controversial, not to mention the millions of dollars PG&E spent trying to stop it. Without the Board representation formula that continues to endure, it probably would have never gotten off the ground, and the scale of CCA growth statewide might not have occurred, or at least would have been delayed. Ironically, without the MCE representation formula, there would likely not be a seat for its most strident critic, Mayor Sally Wilkinson of Belvedere, a tiny town of 2,126 that constitutes one tenth of one percent of the population served by MCE. Most Board members recognize the unwieldiness of such a large Board. Like Winston Churchill said of democracy (paraphrasing), "it is the worst form of government except for all the others."
- <u>Board Composition.</u> The Civil Grand Jury argues that Board members should be selected for their technical expertise and take a more hands-on role in MCE operations, "Some members may sit on the Board because they wish to encourage renewable energy, but lack both sophisticated financial and energy expertise, and the time required to execute fiduciary duties attendant to governing such a complex and technical enterprise," and, "MCE competes in a market with sophisticated traders when it purchases electricity and

trades renewable energy certificates / credits, and therefore needs Board members who are able to provide (or who can be educated to provide) corresponding focused governance."

The Civil Grand Jury notes that Board members are all elected officials but neglects to observe that they serve in cities and counties that are actually run by technical staff – city managers and county administrators, much the same as MCE's CEO and technical staff. The MCE governance formula largely mirrors that of the jurisdictions of its Board members. That, however, is not the whole story. MCE has standing committees of a size that can more effectively drill down into the level of detail the Civil Grand Jury believes is missing. Membership in committees is open to all Board members. The Civil Grand Jury argued, "we think the Board should more actively govern and exercise oversight, consistent with the suggestions of some critics and Board members, and demand from management transparency, and compliance with required procedures." My experience was that this level of oversight was already happening within the committee structure.

The report treats this statewide structural reality of Board's consisting of elected official as a unique MCE flaw. Moreover, the Board has already taken steps to strengthen expertise, including creation of a Finance Committee, initiation of a governance assessment, engagement with public watchdog groups, and increased financial reporting and discussion in 2025–2026 meetings. The report's critique is outdated relative to the Board's ongoing reforms.

- <u>MCE General Counsel.</u> The Civil Grand Jury report also seems obsessed with the selection and designation of the general counsel, without clarifying how that relates to the high cost of energy contracts, even devoting a separate appendix to it. Whether or not the general counsel should be selected and/or approved by the Board or by the CEO, and whether or not the current designation conformed to adopted procedures is an important topic, but it has little impact on the energy contracts issue. There are many models for providing in-house counsel in the jurisdictions MCE serves. Some are appointed by city councils and some by city managers; some may even be elected. Many smaller cities use contracted city attorneys provided by law firms. Unfortunately, a disproportionate amount time has been required by the general council over the years to fight off efforts by PG&E and the CPUC to handicap CCAs, leaving less time to attend to internal issues.
- <u>Greenwashing.</u> MCE has been criticized for buying contracts for natural gas generation and using unbundled attributes to boost its green energy content. MCE, like all utilities, is required to secure Resource Adequacy (RA) to help ensure there is enough energy available statewide during times of high demand. The RA value of solar has dropped since MCE's launch, and most available RA supply comes from existing natural gas facilities. This doesn't count as part of MCE's energy supply. The Power Content Label (PCL) only tracks the actual energy contracted for MCE customers. While MCE does buy some backup energy (RA) from natural gas sources, it does not appear on the PCL because it is not part of the energy MCE provides for customers. MCE does not buy unbundled renewable energy certificates, sometimes referred to as "attributes". We use bundled contracts, which means MCE purchases both the renewable energy and the renewable energy certificate together, ensuring the energy is truly renewable. MCE is purchasing real renewable energy that gets delivered into the grid, not just buying credits. This policy has been in place for many years to ensure its purchases come from bundled renewable energy. In the 2024 power accounting year, MCE did receive a small allocation of unbundled RECs from PG&E

(about 2%). These were allocated as part of a state regulatory effort to lower costs for customers.

The Marin Grand Jury report has 14 Findings and 13 Recommendations, many focused on organizational issues that have little or nothing to do with the spike in energy costs that motivated the *Marin IJ* articles, and ultimately, the report itself. The Civil Grand Jury report also indicates a failure by the civil grand jury, itself, to comprehend that MCE is not just a "company," but is a unique organization founded and governed by democratically elected officials. Finding 14 incudes, "MCE has grown from a small company to its significant size today". MCE is not a "company;" it is a government agency, a joint powers authority governed by elected officials. By corporate standards, MCE may be imperfect, but it has consistently delivered what its founders envisioned – providing cleaner energy than PG&E.

The organization and operation of MCE is much like the cities and counties it serves, where elected officials hire a city manager or county administrator to manage the day-to-day technical aspects of providing services to residents and businesses. City council members and supervisors are not expected to be hands-on experts in various aspects of city and county services, nor are they expected to micromanage those services.

To be fair, many of the Finding and Recommendations point out issues that both the Board and management should at least consider. In fact, many have already been considered, and may continue to be considered by the MCE Board. The Civil Grand Jury is not the first to identify many of these items, including the role of technical consultants, the Board's size, allocation of responsibility between the Board and management, responsibility for selecting key staff, compensation and the composition of power contracts.

No Criticism of PG&E or the CPUC

Finally, a glaring omission of the Civil Grand Jury report is any substantive description of the challenges posed by PG&E, its proxies, and the CPUC, all of which have engaged in a vendetta against CCAs for years, PG&E to protect its profits and the CPUC to protect its legacy power, which consistently has favored IOUs over CCAs. The result has been higher operating costs for CCAs and higher electric bills for consumers.

Conclusion

The Civil Grand Jury report raises questions worth discussing, particularly around Board education and long-term governance structure. But its conclusions are overstated, its evidence incomplete, and its analysis inconsistent with the realities of CCA operations. MCE remains:

- A financially stable, mission-driven public agency
- A statewide leader in renewable energy procurement
- A major contributor to greenhouse gas reduction
- A transparent organization that posts extensive public materials
- A Board-governed entity already implementing governance improvements

The report's criticisms should be understood as part of an ongoing dialogue—not as definitive findings of mismanagement.

Tom Butt is a licensed architect and general building contractor who founded an architecture-engineering firm in Richmond 53 years ago after serving as an Army combat engineer officer in Vietnam . He has a Bachelor of Architecture degree from the University of Arkansas and a Master of Architecture and Urban Design degree from UCLA. In the 1970s, he was designing sun-powered water and space heating systems for buildings and erected the first wind turbine in California to cogenerate with the grid. In 1995, he was elected to the Richmond City Council and served 28 years, the last eight as elected mayor, before terming out in 2023. He played a pivotal role in Richmond joining MCE in 2012, the first expansion outside Marin County, and represented Richmond on the MCE Board for the next ten years, serving as MCE vice-chair 2012-2014 and chair 2021-2023, also serving as chair of the executive committee. He served on and chaired the Contra Costa Transportation Commission, Contra Costa LAFCO, Contra Costa Mayors Conference, the Local Government Commission (now CivicWell), and served on BCDC and ABAG.

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