MCE Board of Directors Meeting
Special Meeting & Public Workshop
Tuesday, August 25, 2026
4:30 p.m.

1125 Tamalpais Ave
San Rafael, CA 94901

2300 Clayton Road, Suite 1500
Concord, CA 94520

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

Remote Public Meeting Participation

Video Conference:
https://us02web.zoom.us/j/89558191522?pwd=3ZDhGry61ufbKYiEKaAmZDKJaB5qrf.1
Phone: Dial (669) 900-9128, Meeting ID: 895 5819 1522, Passcode: 551526

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.

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1. Roll Call/Quorum

2. Opening Remarks (Discussion)

3. Power Resources Workshop #3: Community Feedback and the Path Forward (Discussion)
   *Receive a presentation, followed by open Q&A session for all attendees.**

4. Adjourn

The Board of Directors may discuss any or all of the items listed on the agenda irrespective of how the items are described.

*Please note that if a quorum is not achieved for this special meeting, the meeting will proceed as a public workshop to discuss the matters listed on this agenda. Any members of the MCE Board of Directors will participate in the discussion in the same fashion as the public and such Board Members may not discuss among themselves, other than as part of the scheduled agenda, any other specific business of MCE.

MCE

Power Resources Workshop 3

Community Feedback and the Path Forward

August 25, 2026

Power Resources Workshop Series

Power Resources: 5 Key Building Blocks

1. **CAISO Load**: forecasting, scheduling, settlements
2. **Power Purchase Agreements and Energy Storage Service Agreements**
   - Clean energy (unless stand-alone storage)
   - CAISO load hedging
   - Resource adequacy (RA)

Today's Focus

3. **Index+ Contracts**: clean energy
   - Includes power charge indifference adjustment (PCIA) allocations
4. **Pure Hedge Agreements**: CAISO load hedging
5. **RA-Only Contracts**: resource adequacy

Power vs. Energy: Implications for RA

Contracts for RA are contracts for **power capacity**.

When an LSE buys 10 MW of RA for one month, it is buying 10 MW of **power capacity** that must be available throughout the month. The LSE is not buying energy.

However, RA capacity must be offered into CAISO markets, where it can be awarded / dispatched to provide **energy**:

— IF the **energy** (and corresponding environmental attributes) are also under contract to an LSE, then the LSE can claim this energy on its power content label. The offtaker for the RA does not have to be the same entity as the offtaker for the energy

— IF the **energy** (and corresponding environmental attributes) are not under contract, then this energy is accounted for as system/grid power on the power content label

Workshop 1
June 24, 2026

Index+ Contracting & CAISO Load Hedging

Workshop 2
July 8, 2026

Resource Adequacy

Workshop 3
August 25, 2026

Community Feedback and the Path Forward

Today's Focus

- Summarize key themes and recommendations from workshops
- Confirm whether we accurately captured input
- Identify clarifications or additions
- Explain how feedback will inform future Board policy discussions

Mulqueeny Wind Ranch
80 MW, Altamont Pass, CA

The Feedback

Clean Energy Targets

Participants supported Board review of MCE's voluntary clean energy targets, with customer value and rate impacts as key considerations.

California's Clean Energy Targets

Year	Power Supply Target *(Annual Accounting)*	Established By	MCE Performance
2030	60% renewable	CA RPS/SB 100 (2018)	Achieved since 2017
2035	90% carbon-free	CA SB 1020 (2022)	Achieved since 2017
2040	95% carbon-free		Achieved since 2022
2045	100% carbon-free	CA SB 100 (2018)	TBD

MCE's Current Clean Energy Targets

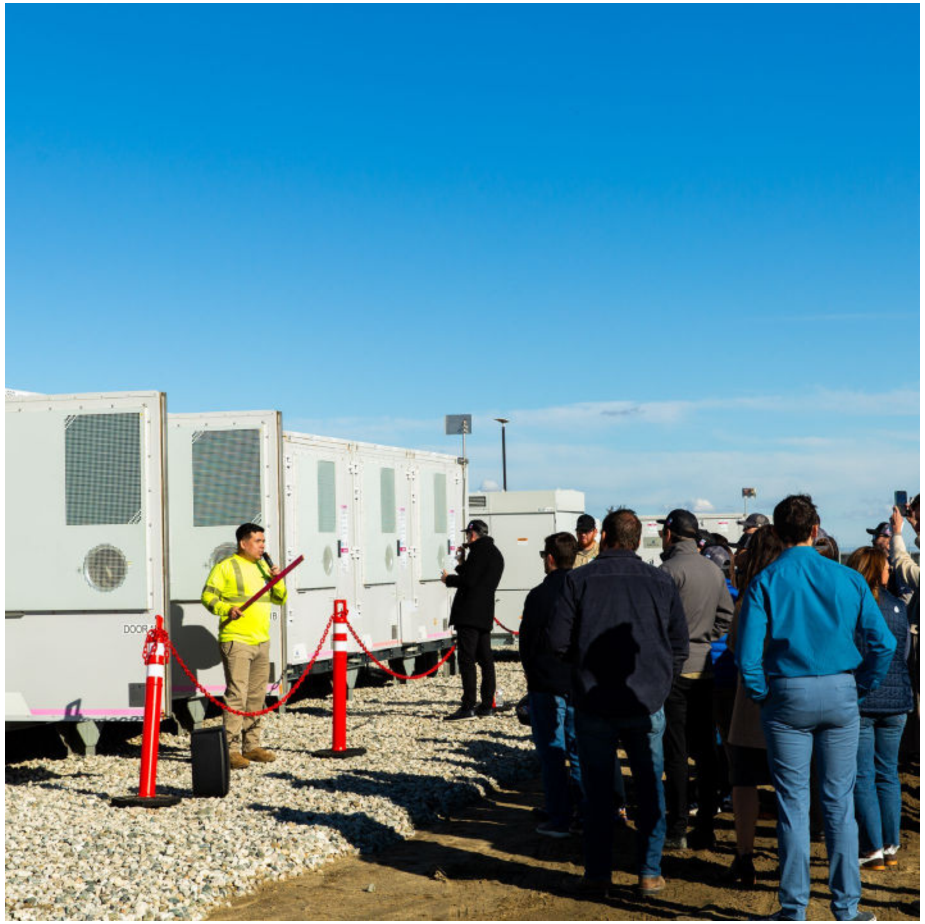
MCE Light Green Portfolio Targets *(Annual Accounting)*	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Renewable (PCC 1)	60%	65%	70%	75%	80%	85%	85%	85%	85%	85%
Carbon-Free	37%	32%	27%	22%	17%	12%	12%	12%	12%	12%
GHG-Free	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%

Index+ Contracts

- Feedback questioned whether Index+ purchases provide sufficient environmental and ratepayer value, particularly now that MCE has enough contracted PPAs to meet state RPS compliance requirements.
- Participant concerns that Index+ purchases may transfer clean energy attributes without driving new clean energy generation (additionality) or verifiable emissions reductions, including potential resource-shuffling.
- Participants preferred evaluating alternative investments including long-term PPAs, and/or simply reducing MCE's voluntary clean energy targets.

Hedging and CAISO Market Exposure

- Requested greater transparency into MCE's hedging strategy, including scale, timing, cost, and performance.
- Asked for a retrospective review of hedging outcomes and whether hedging to forecasted load remains the right balance of cost certainty, market risk, and customer value.



Clearway Solar + Storage Ribbon Cutting

Resource Adequacy (RA)

- Feedback generally supported increasing clean RA where feasible, while also considering customer rate impacts.
- Participants sought clearer explanation of how RA differs from energy, why RA does not appear on the Power Content Label unless energy is generated, and how frequently gas RA resources are dispatched.
- Feedback reflected interest in better understanding the actual emissions impact of gas RA resources, including differences between frequently operating gas plants and lower-use peaker plants.

Daggett Solar + Storage Project

General Feedback

Communicate more clearly

- Use plain language in public communications
- Clearly define the policy problem when asking the Board to advocate

More accurately explain:

- The Power Content Label
- Annual vs hourly accounting

Increase transparency around:

- How we're procuring energy
- The role of natural gas in power supply
- Greenhouse gas emissions associated with power supply

Ensure ratepayer value is a central part of Board discussions

Continue supporting regulatory and market reforms to:

- Increase procurement flexibility
- Better recognize RA value of customer-side resources

Next Steps

Policy Considerations

Should MCE:

- Adjust its clean energy targets, which currently exceed state RPS requirements?
- Adopt partial clean capacity targets for Resource Adequacy (RA)?

If targets are maintained or continue to exceed RPS

- What guardrails should govern procurement – by cost/rate impact, resource type, and contract type?
- Should the target include a range (e.g., exceed by X% if cost-effective, fall short by X% if costs are too high)?
- How much discretion should staff have to act without returning to the Board (e.g., a cost or rate-impact threshold above which a decision must come back to the Board first)?
- What role, if any, should index-plus purchases play in MCE's portfolio now that RPS is met through contracted PPAs?

If targets are reduced toward the RPS floor

- What would the new target be?
- Should the target include a range?
- How does that reduction affect customer value (rate impacts, environmental benefits)?
- Are there other ways MCE can and should invest in customers and clean energy with the difference?

Path to a Board Policy Decision

Power Content Label & Disclosure Review

Technical Committee September 4

2025 California Energy Commission Power Source Disclosure Attestation and Power Content Label

Public Discussion

Board of Directors November 19, tentatively

Present feedback from workshops. Solicit Board input. Invite community input via public comment.

Policy Options Presented

Board Committees December, tentatively

Present policy options, guardrails, and data. Committees may vote to make recommendations to the Board.

Policy Adoption

Board of Directors December, tentatively

Board may vote to adopt new and/or adjusted policies.

September and October Board meetings will focus on Governance Assessment

Thank you!

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