MCE Notice of Proposed Credit Adjustments

Effective November 1, 2026 if Approved

MCE – the primary electric generation provider in Contra Costa, Marin, Napa, and Solano Counties – is proposing to extend a customer bill credit, set to expire 12/31/26, to 3/31/27, and increase it from $0.0062 to up to $0.03725 per kWh to provide additional rate relief, reducing total energy bills for average homes by about 9%. MCE's Board will consider the adjustment at its October 15, 2026 meeting.

As a not-for-profit public agency, MCE reinvests revenues locally in customer programs, clean energy projects, and workforce development rather than shareholder profits.

Learn more at mceCleanEnergy.org/rates

We Welcome Your Comments

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MCE provides clean energy at competitive rates for more than 1.8 million residents and businesses in 38 Bay Area communities and passes rate savings along to customers whenever possible.

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

September 14, 2026

Supplemental information on proposed rate relief credit

Summary:

MCE proposes expanding temporary customer bill relief after updated financial projections showed stronger than expected fiscal year 2027 results. The proposal aims to provide additional rate relief while preserving the ability to reassess the credit after March 31, 2027.

If approved by its Board, MCE would raise the existing temporary credit from $0.0062 per kilowatt-hour up to $0.03725 per kilowatt-hour for all customer rate plans, applying to usage from November 1, 2026 through March 31, 2027.

The extension and increase in the credit would provide an incremental average reduction of approximately $0.03105 per kilowatt-hour compared with the existing credit. For an average residential customer using 510 kilowatt-hours per month under the E-TOU-C rate, the additional reduction would be approximately $12.73 per month, while impacts would vary by rate plan and usage.

Staff estimates the temporary credit would require **$23.9 million** from the Operating Reserve Fund in addition to the **$62 million** already approved in the adopted budget.

Background and additional detail of the proposal

On February 19, 2026, the Board approved two rate reduction measures for fiscal year ending 2027. First, MCE reduced its generation rates by about $0.0205/kWh, effective April 1, 2026, to align with MCE's fiscal year 2027 budget. Second, to be responsive to rate pressures affecting MCE customers, the Board approved an additional temporary rate relief credit of $0.0062 per kilowatt-hour for all customers, effective April 1 through December 31, 2026. To support these actions, the adopted FYE 2027 budget used $62 million from the Operating Reserve Fund (ORF) to balance the budget. These measures have provided timely rate relief to MCE customers. However, even after such reductions, MCE customer bills have remained higher than comparable PG&E bundled customer bills, mainly because of the Power Charge Indifference Adjustment, or PCIA. The PCIA is a per-kilowatt-hour exit fee charged by PG&E that varies by customer rate plan and vintage year and is updated annually.

Updated projections incorporated actual April through July results, a revised load forecast, lower power supply costs, and operating budget updates. These projections show MCE finishing the year with a positive change in net position. The stronger than budgeted forecasted year-end results provides capacity for MCE to consider an increase to the rate relief credit. Based on this improved outlook, staff recommends increasing the existing temporary rate relief credit from $0.0062/kWh up to **$0.03725/kWh** beginning November 1, 2026 and extending it through March 31, 2027.

The credit would be a temporary ORF funded adjustment applied to the customer's bills, using the same existing rate relief credit mechanism previously approved by the Board. The credit would act as a form of rate relief to provide more affordable electricity bills.

The credit is intended to provide meaningful rate relief to customers at a time of increasing costs and rising affordability concerns. MCE believes the proposed rate credit is an impactful way to demonstrate MCE's commitment to placing downward pressure on electricity rates and promoting customer affordability when possible, by lowering customers' monthly energy bills.

A temporary increase in the rate credit would directly provide more affordable rates, increase rate competitiveness between MCE and PG&E, and demonstrate a timely response to current market and financial conditions. It also preserves the ability to revisit customer relief levels after March 31, 2027, when updated financial and rate information is available and MCE goes through its annual rate setting and budget approval process.

The proposed rate relief credit produces meaningful bill reductions to all customers. By increasing the credit from $0.0062/kWh up to $0.03725/kWh, the proposal provides an incremental average rate reduction of approximately $0.03105/kWh compared with the existing credit which is set to expire on December 31, 2026. This credit increase would save an average residential customer using 510 kWh in a month under the ETOUC rate approximately $12.73 per month. An average small business under the B-1 rate would see a monthly bill reduction of about $34.50. While impacts vary by customer rate plan and usage level, the credit provides relief and helps ensure that customers receive a tangible and timely reduction in electricity costs during the effective period.

Fiscal Impact:
Financially, the recommendation would require an additional **$23.9** million from the ORF, on top of the **$62** million already approved in the adopted FYE 2027 budget, reflecting the improved financial outlook on FYE 2027 and the importance of using available operating reserves to support customer affordability when conditions warrant.