

Subject: October MCE Board and Committee Recap

Dear MCE Board of Directors,

Below is a recap of MCE's October 2026 Board and Committee meetings. Please let us know if you have any questions.

- **Board of Directors** - October 15, 2026
 - Approved (24 yes - 4 no) to the proposed FYE 2027 Budget Amendment, including:
 - Increasing the authorized Operating Reserve Fund withdrawal from \$62,000,000 to \$85,906,000 to fund a temporary increased rate credit of up to \$0.03725/kWh effective November 1, 2026, through March 31, 2027.
 - Authorizing contingency as a separate category within the Operating Fund budget, to be applied to any Operating Fund expense line item other than the cost of energy.
 - Authorizing an additional \$1,000,000 for Customer Programs.
 - Deferred a discussion on the equitable distribution of customer program benefits to a future meeting.
 - Received a presentation from Leading Resources, Inc (LRI) on sample policies and the proposed policy workplan. Approved (27 yes - 2 no) LRI's proposed list of board size assessment options to include four areas of focus: status quo, delegated model, a strong committee model, and a permanently downsized board.
 - Approved (27 yes - 1 no) an amendment to the Leading Resources, Inc contract for governance services, with a not-to-exceed of \$598,085.
- **Executive Committee** - October 5, 2026
 - Recommended (8 yes - 1 no) to the MCE Board of Directors approval of the proposed FYE 2027 Budget Amendment, including:
 - Increasing the authorized Operating Reserve Fund withdrawal from \$62,000,000 to \$85,906,000 to fund a temporary increased rate credit of up to \$0.03725/kWh effective November 1, 2026, through March 31, 2027.
 - Authorizing contingency as a separate category within the Operating Fund budget, to be applied to any Operating Fund expense line item other than the cost of energy.
 - Authorizing an additional \$1,000,000 for Customer Programs.
 - Held a closed session. The topics were a conference with labor negotiator and public employee performance evaluation. The unrepresented employee was the Interim Chief Executive Officer.

- **Technical Committee** - October 2, 2026
 - Unanimously approved a Power Purchase Agreement with RPCA Solar 19th to build a new 2 MW solar generation facility in Stockton. The project is expected to supply 5,198 megawatt-hours annually and has a commercial operations date of June 2028.
 - Approved (5 yes - 1 no) Amendment 2 to the Contract for Displacement of Base Resource to continue MCE's participation in the Displacement Program through December 2028. Continued participation is expected to produce measurable savings for MCE and support the cost-effective delivery of federal hydroelectric power resources to MCE customers.
- **Public Workshop: Building Electrification and Changing Regulations** - October 22, 2026
 - Staff were joined by 5 board members and 31 community members to attend a public workshop on building electrification and changing Bay Area Air District regulations.
 - This workshop was focused on policy, regulatory, and market forces driving building electrification in California and the Bay Area. Topics included the benefits and challenges of that transition, MCE's programs and incentives supporting customers and contractors, workforce development efforts, and the implications of upcoming Bay Area Air District Zero-NOx appliance regulations.

Best,
Jesica