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MARIN CLEAN ENERGY

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BOARD MEETING MINUTES

Thursday, November 19, 2015

7:00 P.M.

THE CHARLES F. MCGLASHAN BOARD ROOM
1125 TAMALPAIS AVENUE, SAN RAFAEL, CA 94901

Roll Call: Chairperson Kate Sears called the regular Board meeting to order at 7:08 p.m. An established quorum was met.

Present: Sloan Bailey, Town of Corte Madera
Tom Butt, City of Richmond
Barbara Coler, Town of Fairfax
Kevin Haroff, City of Larkspur
Rich Kinney (Alternate to Genoveva Calloway), City of San Pablo
Garry Lion, City of Mill Valley
Greg Lyman, City of El Cerrito
Bob McCaskill, City of Belvedere
Andrew McCullough, City of San Rafael
Emmett O'Donnell, Town of Tiburon
Alan Schwartzman, City of Benicia
Kate Sears, County of Marin
Carla Small, Town of Ross
Brad Wagenknecht, County of Napa
Ray Withy, City of Sausalito

Absent: Denise Athas, City of Novato
Ford Greene, Town of San Anselmo

Staff: Greg Brehm, Director of Power Resources
John Dalessi, Operations & Development
Kirby Dusel, Resource Planning & Renewable Energy Programs
Katie Gaier, Human Resources Manager
Brian Goldstein, Resource Planning & Implementation
LaWanda Hill, Administrative Assistant
Darlene Jackson, Board Clerk
Elizabeth Kelly, Legal Director
Michael Maher, Maher Accountancy
David McNeil, Finance and Project Manager
Beckie Menten, Director of Energy Efficiency
David Snow, Special Counsel
Shalini Swaroop, Regulatory & Legislative Counsel
Jamie Tuckey, Director of Public Affairs
Dawn Weisz, Chief Executive Officer

1. Board Announcements (Discussion)

Chairperson Sears congratulated those Board Members who won their elections on November 3, 2015.

2. Public Open Time (Discussion)

There were no public comments.

3. Report from Chief Executive Officer (Discussion)

Dawn Weisz, Executive Officer gave the following report:

- She recognized Board Member Lion, stating this was his last meeting. A resolution will be agendized at the next Board meeting recognizing his service.
- She announced that Shalini Swaroop, Regulatory & Legislative Counsel would provide an update on the PCIA information which was forwarded to the Board last week.

Ms. Swaroop referred to PG&E's original proposed 2016 PCIA increase of 72% and stated that the proposed new increase is now 95% and likely to increase again in the future. She explained that PG&E tried to "retire" an account which has approximately \$1 billion from over-payment of the PCIA, and MCE asked that some of those funds be dedicated to MCE customers. In its proposed decision, the CPUC denied MCE's request to use the \$1 billion for MCE customers, is proposing to deny PG&E's request to retire the account, and has indicated PG&E should determine a different proposal in next year's proceeding. She hopes to have some input to the CPUC from the Board's constituencies and agencies, as well as from organizational partners concerned about the increase.

Board Member Coler asked what the timing of the proceeding is, as the Fairfax City Council will be taking it up on December 2nd. Ms. Swaroop said comments on the proposed decision are due December 3rd and the Commission will vote on the item on December 17, 2015. If resolutions and letters cannot be sent in by then she asked Board Members to consider them in 2016, as the vintaging issue will be examined in 2016 and the resolution's wording is framed in a manner to address both issues.

Board Member Coler stated that agencies and organizations can also forward their resolutions and letters to the CPUC Public Adviser via email if timing is an issue. Ms. Swaroop asked that she be copied on the emails to be able to track responses.

- Ms. Weisz continued her report and said since the last Board meeting the cities of Calistoga and American Canyon have completed their membership request. The St. Helena City Council is scheduled to vote on their resolution and ordinance on November 24, 2015. She thanked Board Member Wagenknecht for his efforts to work to help the cities in Napa.
- EDF Renewable Energy has broken ground and she discussed their solar project at the Buck Institute. Cupertino Electric, an IBEW firm, has been hired and work is in its early stages of development. MCE staff will be taking more photos as development progresses.

Chairperson Sears confirmed that the solar project is located on the upper parking lot of the Buck Institute.

Board Member O'Donnell asked if this was part of MCE's Feed in Tariff program. Ms. Weisz said no; it is one of a few strategies to get local projects funded and she spoke briefly about MCE's solution to agree

to purchase power from Central Valley and require that they also develop 1 MW here. She noted the project's size will be similar to the San Rafael Airport project and it will retain the same price for that power supply as the larger, Cottonwood Solar project in the Central Valley.

- MCE is now underway with the strategic planning process. The Board of Directors will soon receive an email regarding an invitation to participate in a survey and, if interested, in a one-on-one interview.
- She reminded Board Members that she and Vice Chair Butt will be participating in the UN Climate Summit in Paris in just over a week. The convention sets out the framework for action in stabilizing CO2 levels to avoid interference with climate systems. MCE has been invited to present at 3 events which she briefly described and will be hosting an information table. They will discuss Community Choice and hope to raise their profile within the state. Vice Chair Butt added that he will also attend a Mayors' Reception with approximately 300 Mayors from around the world.
- Board Member Haroff asked about security issues at the Paris conference. Ms. Weisz said she expects very tight security at the conference and MCE staff has been advised that two demonstrations are being canceled. However, organizers are looking at a strategy to encourage cities around the globe to provide smaller demonstrations and they hope to have some success.
- Vice Chairperson Butt stated he received notice from the Office of the Mayor of Paris stating the conference will be held no matter what. Chairperson Sears spoke about a blog she read about the Climate Summit in Paris as a peace conference which she thought would serve as a great follow-up to the tragic events, and she is glad MCE will be in attendance.
- The holiday party is scheduled for Friday, December 11th at 6:30 p.m. at the Falkirk Mansion.

4. Consent Calendar (Discussion/Action)

- C.1 10.15.15 Board Meeting Minutes
- C.2 Approved Contracts Update
- C.3 Monthly Budget Report
- C.4 1st Addendum to 7th Agreement with Maher Accountancy
- C.5 1st Addendum to 4th Agreement with Ellison, Schneider & Harris, LLP
- C.6 4th Addendum to 3rd Agreement with Association for Energy Affordability
- C.7 2nd Addendum to 4th Agreement with Community Energy Services Corporation
- C.8 MCE Proclamation on Climate

ACTION: It was M/S/C (Butt/Lion) to approve Consent Calendar Items C.1 through C.8. Motion carried by unanimous roll call vote: (Abstain on Item C.1: Bailey, Coler, Lyman, Sears, Schwartzman and Withy; Absent: Athas, Greene and Wagenknecht).

5. Resolution 2015-06 of the Board of Directors of Marin Clean Energy Certifying the Final Environmental Impact Report for the MCE Richmond Solar PV Project, making environmental findings pursuant to the California Environmental Quality Act and adopting a mitigation

monitoring and reporting program, and consideration of direction to staff to proceed with project implementation (Discussion/Action)

Greg Brehm, Director of Power Resources stated that the final comments on the Draft EIR were responded to last Thursday and the FEIR for the MCE Richmond Solar PV Project is ready for certification. He then introduced Abe Leider, the EIR consultant.

Abe Leider, Rincon Consultants, said as background the three topics covered in the EIR letters received were biology, hazardous material and hydrology/water quality. All topics on the State's environmental checklist are covered in the EIR and other potential impacts were identified and outlined in the Initial Study. The three topics were considered to have potential significant impacts so they were brought forward into the body of the EIR.

Mr. Leider said the EIR was drafted, circulated for a 45-day comment period and MCE received five comment letters. Two of those letters were relevant to the analysis and conclusions; one from California Fish and Wildlife and one from an attorney representing several clients regarding the topics covered in the EIR regarding biology, hazardous materials and hydrology/water quality. Section 8.0 [of the Final EIR] is the Response to Comments section. He said the letters are marked with each comment delineated, and responses to individual comments are given which he briefly outlined.

When the pre-construction surveys are complete and the proposed Mitigation, Monitoring and Reporting program is in place, Rincon determined that the impacts and mitigations would remain less than significant as they were in the Draft EIR and no further changes were required. He reviewed certain specific comments which were evaluated and determined that the mitigation program in the EIR was sufficient. However, additional measures were added, although not required, to memorialize existing regulatory requirements and further ensure the impacts would remain less significant and to reinforce the existing mitigations identified.

Mr. Leider said a Board Member brought up a comment regarding potential impacts from PV photovoltaic arrays attracting birds and birds crashing into them causing mortality. This issue is addressed in Responses 5.26, 5.50 and 5.54 and it does occur occasionally depending on the location of the array and other factors.

Mr. Leider said there were two main comments regarding hazards and hazardous materials. He explained that one portion of the site is a capped landfill and one is a filled fertilizer pond. One concern was that the weight or distribution of the photovoltaic arrays on the landfill cap could compromise the integrity of the cap. Additional Geotechnical research was conducted on this issue to understand whether or not this could occur based on the capacity of the cap to take additional weight and differential settlement of the cap over time. He added that these sites are located within a remediation area at the refinery, and oversight and monitoring of the infrastructure is conducted by the refinery as well as by the Regional Water Quality Control Board.

Mr. Leider stated the other issue related to the pond site and whether pilings driven into the filled and compacted soil could potentially penetrate through the pond structure and be a conduit for any contaminants in the pond to move into native soil or groundwater below. He said they discussed this with the engineers on the project, reviewed profiles of the pilings and the profiles of the fill, and confirmed that the pilings would not extend below the liner. Therefore, it would not be a significant impact. Additional information was also added in this area to bolster those conclusions.

Board Member Coler referred to the findings of the EIR and said one page mentions that the bird nesting season is September 16th January 31st; however, the Department of Fish and Wildlife identifies the season as February 1st to August 15th. Mr. Leider explained that the period fluctuates a bit depending on the project and location and they could adjust this in the EIR.

Board Member Coler commented on her experience in cleanup of hazardous waste sites and dealing with landfills and old hazardous waste landfills which typically were poorly constructed. She asked if those contractors installing the solar installation will have 40 hours of health and safety training in the event of exposure. Mr. Brehm responded that one of the mitigations is that all workers on site must be hazardous materials-certified.

Board Member Coler asked and confirmed with Mr. Leider that the project was initially set up in three phases and the final two phases were combined into one. The 3.5 MWs are tracking arrays which are penetrating and they will not be on the landfill, with the piles driven into 9 feet of clean soils.

Board Member Lion asked Mr. Leider how often is it that a citizens group hires a lawyer and a couple of environmental law litigation specialists to go through the EIR in such detail. Mr. Leider stated this happens from time to time and it is not uncommon. Chairperson Sears and Board Member Haroff commented that this occurs frequently, and MCE should not be deterred from moving forward.

Board Member Lyman thanked the consultant for adding mitigation measures 2.D through 2.F which deal with pre-construction surveys and vehicle speeds, stating they are mitigations above and beyond impacts and address many of the comments included in correspondence.

Chairperson Sears opened the public comment period.

Rachael Koss, an attorney with Adams Broadwell Joseph & Cardozo, and representing Bay Area Citizens for Responsible Solar, said most issues identified in their comment letter on the DEIR remain unaddressed. She said CEQA does not authorize MCE to be the lead agency for this project. Therefore, MCE has no authority to certify the FEIR. CEQA has two ways to be a lead agency; if the agency carries out the project or the agency is the owner and approves the project, and MCE is not doing either of those. The City of Richmond is the applicant for the design review permit for the project and Stion Corporation is the owner of this project that will design, construct and operate it. She said MCE is merely the utility that is buying the electricity generated from Stion's project. She then submitted two hard copies of lengthy written comments to the Board Clerk. Ms. Koss was unable to provide an electronic copy.

Vice Chair Butt asked and confirmed that Ms. Koss represents Bay Area Citizens for Responsible Solar. He said the EIR has been in progress for several months and asked why the organization has waited until now to question the choice of the lead agency. Ms. Koss said they learned last Friday that MCE is not the owner of the project. They received documents last Tuesday from MCE and explained that they do not agree with the current process.

Mr. Brehm stated MCE staff had extensive consultation with the City of Richmond before taking on lead agency status and the City had no issues with it.

Chairperson Sears called for comment from Legal Counsel.

CEO Dawn Weisz asked and confirmed Ms. Koss's employer is Adams Broadwell Joseph & Cardozo of Santa Rosa, and suggested taking up the next item until counsel could review the documents submitted by Ms. Koss.

Chairperson Sears moved up Item 7 for discussion.

7. MCE Compensation Analysis (Discussion/Action)

Ms. Weisz stated as background, the item was discussed at the last Board meeting. Over the last 9 months MCE has grown. During recruitments conducted over this time staff has found there is a mismatch between the compensation ranges they were associating with various positions and has had difficulty attracting and retaining people to fill necessary positions. Staff conducted analyses on an ad-hoc basis, position-by-position instead of relying on the original benchmarks of long ago.

It was determined in the spring of last year to conduct an over-arching compensation analysis for all positions. This process was conducted over a 4-month period and reviewed by the Executive Committee. The recommendation was to make some adjustments to compensation ranges to bring them in line with where the market is for each position. They also brought in an external firm with expertise, and they identified some additional comparative agencies. Also what helped in this process was that there are other CCA programs with which to compare MCE staffing.

Ms. Weisz stated they also looked at whether they should make an adjustment to ranges to account for the cost of living and the cost of housing in San Rafael because they want to attract employees who live near or in the community. After much discussion with the Executive Committee, it was recommended that they adjust the newly identified compensation ranges by 15% on the top end of the range. This recommendation is before the Board of Directors tonight.

In focusing on the recommendations, Ms. Weisz said the first is to approve the adjusted compensation ranges to align with the current market study and set the top of each range at 15% above median, keeping the bottom end of the range where it is based on the new compensation study. The second recommendation is to direct staff to adjust existing compensation ranges if needed when new or updated comparators are identified to stay current with market conditions. This would allow MCE to stay current and show that they are able to adjust in a timely manner when needed. The last recommendation is to direct staff to prepare a FY 2015 budget adjustment for a future Board meeting comprised of unanticipated revenues brought in from payments on renewable projects and to use those revenues to off-set the staffing adjustment costs, which are included in the attachment.

Chairperson Sears referred to the second recommendation; to direct staff to adjust existing compensation ranges, if needed. She asked if the proposal is for staff to adjust the compensation range without bringing it back for Board approval and asked what this would be based on.

Ms. Weisz explained that if there are 9 comparable salaries for a specific position and if a change is brought to staff's attention, they would add this into the formula of calculating what the range should be with all territories for that specific position. If there is an adjustment in any direction they would seek to change the range on an as-needed basis.

Chairperson Sears asked if there is a cap that could be set by staff without Board approval. Ms. Weisz said this is not something in the recommendation, but it could be added.

Board Member Coler noted her experience having worked in the public sector for many years with a staff of more than 30. She believes the Board is supportive of the initially proposed adjustments but suggested that any new adjustments made under the second recommendation should be reviewed by the Executive Committee and thereafter recommended to the Board.

Chairperson Sears commented that there is no limit on how many times during the year an adjustment could be made. She stated that all Board Members are involved in their respective cities in negotiating employee compensation at different times of the year. She was supportive of the recommendations of wider ranges, taking into account higher housing and living expensive which is a challenge for recruitments but suggested putting some limit on this, as the Board meets frequently. She said an alternative could be that this be done once a year and state that the adjustment cannot be more than "x" percent.

Board Member Coler said many agencies may have different fiscal years and negotiations may occur at different times. She recommended that rather than putting a cap on it, when changes are seen, staff should put together a packet that comes to the Executive Committee. The Executive Committee could vet it and make a recommendation to the Board.

Board Member Small suggested it be part of the budget process and done annually, noting that each time a change is proposed it takes up extra staff time. Additionally, she recommended any adjustments come to the Board for approval as the agency is always under scrutiny and she believes this would be the best practice.

Vice Chairperson Butt said the recommendation by the Board was to adjust all MCE compensation ranges to align with the current market study. Chairperson Sears noted that the Board is questioning the second recommendation. Ms. Weisz stated that the second recommendation was not an item the Executive Committee spent a lot of time focusing on, and she thinks the intention of the item was for administrative simplicity.

Board Member Haroff agreed the Executive Committee held significant discussion, particularly about the first and third items, and had consensus on the second item. He personally reinforced Board Member Small's comments about keeping this within the framework of the budget given that it provides the Board with the larger picture of the impact of these decisions on MCE's overall cost structure and revenue stream. He indicated that the largest cost for MCE is the procurement of energy, and the impact of this item relative to that is small. He said as an agency comprised of governmental entities, MCE must be respectful of how they operate. They are also a competitive business enterprise in a market setting and must make sure management has the flexibility and discretion to make decisions within a reasonable framework to attract and retain capable people. He stated this was their overall goal from discussions in the Executive Committee.

Board Member Schwartzman agreed with comments regarding the need for the item to be part of the budget process, stating he knows it is not the intent for staff to have carte blanche to be able to do what they want. He supported review on an annual basis to stay current with market comparisons.

Board Member Lyman said El Cerrito at its last meeting took up a similar staffing change and it is not something the City Manager has authority to approve on his own and it must come forward to the Council to understand the changes proposed. He also supported the idea of it being part of the budget process and at a minimum, a Consent Calendar item.

Board Member O'Donnell agreed with comments voiced but returned to his comment made at the Retreat which is that MCE needs a CFO, given it has a budget of \$150 to \$175 million. He said when he read through the entire agenda he saw a need for it. A CFO is needed as someone who can bring business acumen and contacts to avoid having to use Letters of Credit to purchase power.

Board Member O'Donnell said he disagreed with the adjustment discussed earlier to utilize funds off-set from an extra contract not performing, referred to the Consent Calendar item for an Accountant position, and asked that the Board seriously consider a reconfiguration and bring on board a CFO or Finance Director.

Board Member Small stated salary ranges will be brought up if the Board approves Recommendation 1. She said if the Board reviews this on an annual basis she did not think interim time period adjustments would need to be made. She also said it is important that one-time funds be deposited into a facilities or capital improvement fund and not into regular operating expense funds, and would support a CFO or Finance Director position.

Ms. Weisz recognized the issue of the desire for a staff-based Finance position which had been discussed in previous meetings and suggested agendaizing this for an Executive Committee meeting, and Chairperson Sears and the Board voiced support.

Board Member Lion stated not discussed is what is being done for existing employees in terms of phasing in the new ranges. Ms. Weisz said the way to implement the change proposed will be that those staff falling below the bottom of the range will be immediately brought up to the first level starting December 1st. At the annual evaluation process staff will look at the standard performance increase ranges of 0% to 5% and if they see that the employee is much lower in the range than they should be, given their performance, she would recommend the application of an additional 5% over the next 2 years and these numbers would be incorporated into the upcoming budget years.

Vice Chairperson Butt stated that this item has been to the Executive Committee and the Board of Directors twice and the Executive Committee voted unanimously to support Recommendations 1 and 3. To move this forward, the Board could remove Recommendation 2 and discuss it in the future or reword it to state that "when new or updated comparators are identified to stay current with market conditions that these be brought to the Board annually as part of the budget process." He was prepared to make a motion for the amended language and suggested addressing the CFO item as a separate item.

Board Member Schwartzman said he would lean toward eliminating Recommendation 2 completely which would require staff to return during the budget process.

Board Member Haroff supported the amended language to Recommendation 2 and asked to modify it to add, "....subject to Board oversight as part of the annual budgetary review process" which provides the Board with the opportunity to be responsive to some of the comments voiced about the need to include it within the framework of the budget, but not limiting staff on an on-going basis to make decisions knowing they will have that oversight on a case-by-case basis depending on market conditions.

Board Member Bailey stated that at the Executive Committee there were impassioned pleas made by current employees and he recognized that there is a breaking point even with very motivated employees. He suggested approving Recommendation 1 immediately if anything were to be done.

Board Member Withy asked Ms. Weisz to explain how performance reviews and salary adjustments are conducted. He asked if these are done at the same time for all employees or are they staggered based on the employee's hire date.

Ms. Weisz explained that when an individual is hired compensation is established based on experience and job description for the position. The employee is then given a 3-month review and there are some instances where adjustments are made based on performance. There is then an annual review process which involves written feedback and a performance evaluation meeting, but also review of compensation and a range of the performance increase of between 0% and 5%. Because employees are hired at different dates, this process is staggered.

Board Member Withy said many companies go to an annual review cycle so compensation can be reviewed at one time which is linked to the budget. As a prelude to this, a comparison study is done annually before compensation adjustments are made.

Chairperson Sears asked and confirmed that the Board is in favor of Recommendation 1. She suggested adding language that it is the expectation of the Board that on an annual basis as part of the budget process staff look at comparisons to ensure MCE is staying current with market conditions. The specific analysis could be done as part of the budget process and then the Board would leave Recommendation 3 as is.

Board Member Haroff suggested language is added to Recommendation 2 to add: "...subject to the Board's oversight as part of the annual budget review process."

Chairperson Sears recognized Board Member Withy's statements and asked whether to change all compensation adjustments to be on the same schedule rather than individual reviews. She said she would prefer not making a specific directive that everybody is going to be evaluated at the same time during the year, but that they will use the budget process as an opportunity to ensure MCE is current with the market, and did not necessarily believe that Board Member Haroff's suggested language exactly accomplishes that.

Board Member McCullough said he believes there are 4 recommendations: 1) approve as is; 2) allow for the immediate adjustment of any employee not within the range effective December 1, 2015; 3) as part of the annual budget process there will be a review of comparatives to ensure MCE is current with market conditions which would return to the Board; and 4) keep Recommendation 3 as is.

Chairperson Sears and Ms. Weisz then discussed the proposed language for the motion. Board Member Haroff asked Ms. Weisz to read out loud the language for Recommendation 2. Ms. Weisz stated as part of the annual budget setting process, direct staff to review existing compensation ranges if needed when new or updated comparators are identified to stay current with market conditions.

Chairperson Sears suggested removal of Recommendation 2 and instead state that, “as part of the annual budget process, the Board will review compensation ranges of comparators to ensure that the agency is staying current with market conditions.” Board Member Haroff supported this language.

Chairperson Sears opened the public comment period. There were no speakers.

ACTION: It was M/S/C (McCullough/Coler) that as part of the annual budget process, the Board will review compensation ranges of comparators to ensure that the agency is staying current with market conditions; and approve Recommendation 1 and 3 as is. Motion carried by unanimous vote: (Absent: Athas, Greene and Wagenknecht).

7. Energy Efficiency Update (Discussion)

Director of Energy Efficiency Beckie Menten provided a PowerPoint presentation of the results of savings to date on an MMBUT basis which means it is both electricity-related savings as well as the natural gas program-related savings. She has been pleased with the continued upward trajectory of savings of each of MCE’s programs as they have demonstrated the ability to ramp up effectively.

Ms. Menten stated for multi-family program updates, there tends to be a long, slow development process for projects but a huge increase when one project hits. They will see a dramatic two-fold increase or more in savings before the end of 2015. They are closing out final testing phases of two +300 unit projects in Marin and in Richmond. There are a number of smaller projects moving through the pipeline getting the direct-install process completed, boiler updates here and there, and they are on target to exceed their goals for the multi-family program.

MCE was able to receive a site visit from a CPUC staff member who serves as the liaison for CCA. This person particularly deals with the procurement related issues so it was beneficial to have a direct install scheduled so he could come on site.

Additionally, the multi-family program had an approved funding increase of \$400,000 as they had over-subscription in their program for the first time and because of this, they are exceeding their goal for this year.

She noted that MCE had not yet transitioned to full LED lighting in their direct install program, but recently transitioned fully to LED which has a much higher customer satisfaction and reduces concerns about mercury and other hazardous materials and waste.

Regarding the commercial program update, this program has a continual robust pipeline of small commercial projects and is also on target to exceed program goals. They have found it challenging to get comprehensive upgrades in small commercial settings, and lighting and refrigeration tend to be the primary two measures. Therefore, MCE is exceeding goals on the electric side but will not be exceeding goals on the therm side. This is something they are strategizing for 2016 to possibly bring on a better program implementer to do a better job with this.

For the single family program 241,000 home utility reports have been delivered to customers in their home that reminds them that MCE has energy efficiency programs and it reminds them about their consumption patterns and their monthly budget which can be a powerful tool for them.

MCE also has almost 200 action plans created on the web portal. Ms. Menten noted that some Board Members have gone online and gone through the process of auditing their home and developing action plans to save energy, and encouraged all Board Members to do this to provide feedback. Lastly, Ms. Menten reminded the Board that the program results information is posted on the website on a monthly basis, and she pointed to the results drop down from the energy efficiency bar of the MCE website where this information can be found.

Regarding 2016 application updates, Ms. Menten said staff officially filed the application with the CPUC in October. The final document includes the business plan and the program implementation plans which have strategies per sector. The actual application is 20 pages and it lays out some of the foundational arguments for why MCE wants the default administrator status and why they are looking at such an expansion of programs. She reiterated the single point of contact in the critical hub and said staff is presenting MCE's position as a local government agency which gives them a strategic advantage over other implementers in that they already have relationships with community organizations, contractors, water utilities, and other boards which the MCE Board Members serve on which help to facilitate connections to expand their programs. She said MCE's public affairs team held over 200 public events this year, which solidifies MCE's role in community activities.

Ms. Menten then referred to the GHG impacts in the business plan. She pointed out those associated with MCE's electricity purchases and said because MCE is cleaner than the default provider they are saving close to 59,000 tons of CO₂ in the years they have been operating between 2010 and 2013. In projecting GHG savings from the 2016 energy efficiency application, they find they are projected to achieve 30% of the GHG emissions of the organization in the same time and period. Just by doing energy conservation and demand reduction, significant impacts can be achieved.

Regarding next steps, Ms. Menten said now that MCE's application to the CPUC has been officially filed and accepted, protests will be due December 14th and she expects a fairly robust set of protests from the utilities. In early 2016, MCE will be hosting a workshop that parties can attend and hear more about their proposal and ask questions. MCE will hold hearings and provide further testimony as part of the proceeding schedule and then there will be a proposed decision. Staff does not anticipate a decision any sooner than April but as late as September so staff can get started on the programs.

Lastly, Ms. Menten displayed the many documents on MCE's website and pointed to the various links, noting that everything included in the full application is also posted.

Chairperson Sears said she was not at the last Board meeting because she was in Rojasthan, India where she was looking at extremely old cities and forts and palaces. She took a photo of wind energy generation turbines in the distance and said Rojasthan generates a tremendous amount of wind energy that it exports to other parts of India. This is a model of what the government is trying to get all of the different states to do to get heavily into wind power, and she forwarded a photo to Ms. Menten.

Board Member Haroff congratulated the Energy Efficiency team for their hard work this year, and for getting the application on file. He said the Board has been supportive of their efforts and he expressed his sincere appreciation of the team's accomplishments. Ms. Menten thanked him and said she will pass his comments on to her team.

Chairperson Sears returned to Item 5 and asked for input from legal counsel.

5. Resolution 2015-06 of the Board of Directors of Marin Clean Energy Certifying the Final Environmental Impact Report for the MCE Richmond Solar PV Project, making environmental findings pursuant to the California Environmental Quality Act and adopting a mitigation monitoring and reporting program, and consideration of direction to staff to proceed with project implementation (Discussion/Action)

David Snow, MCE's outside Counsel, stated that the commenter Ms. Koss asserted that MCE would not be the appropriate lead agency for this project. However, pursuant to the State CEQA guidelines there are various criteria for identifying what the proper lead agency would be. The first criterion is if a project will be carried out by a public agency, that agency shall be the lead agency even if the project would be located in the jurisdiction of another public agency.

There are other criteria, one of which is where more than one public agency equally meets the criteria set forth in the guidelines, the agency which will act first on the project in question shall be the lead agency.

With that background, in September 2014 the MCE Board of Directors authorized the exploration of this site for a potential solar project and to look at undertaking the environmental analysis of a solar project on this site and explore leasing the subject property for that project. MCE is the lessee of the subject property at this time. The lessee under that lease has an obligation to comply with CEQA and to obtain all necessary permits for the development of the project, including those from the City of Richmond. There are provisions that allow the lessee MCE to sublet, which would be to Stion Corporation. The sublease cannot be any longer than needed to allow the developer to realize the tax credit benefits, which reflects the fact that the Stion sublease is basically a financing mechanism for this project. Ultimately, Mr. Snow said it is his understanding that this project will ultimately be owned by MCE.

With respect to the mitigation measures, MCE is the implementing entity for those measures and MCE will be overseeing Stion Corporation and directing to ensure those mitigation measures are being complied with. He also noted that the City of Richmond has participated in this process as a responsible agency and acknowledged MCE's role as the lead agency.

Lastly even if the City of Richmond was an appropriate lead agency along with MCE, which he does not believe it is, the agency which acts first is the lead agency and here MCE is acting first on this project and therefore would be the appropriate lead agency. He then turned over the matter to Mr. Brehm and Mr. Leider.

Mr. Brehm stated the commenter provided additional comments regarding other PPAs that MCE executed in other jurisdictions in the Central Valley, specifically in the City of Corcoran which is the Cottonwood Solar Project. That project was one of the first projects MCE signed but it was undertaken by the developer through the City of Corcoran long before MCE came into the process. Therefore, that agency, Corcoran, started the process and this is why the City of Corcoran was the lead agency for that CEQA document and not MCE. MCE generally requires that a project submitted through its Open Season RFO must have already have completed its CEQA process and posted a Notice of Determination before MCE will consider a project.

Abe Leider, Rincon Consultants, clarified that he and MCE's Environmental Coordinator Bruce Barnett read through the late letter from Ms. Koss and the comments appear to be the same comments generally as in the original letter and the same which they already responded to in the FEIR.

Chairperson Sears asked for questions or comments from the Board.

Board Member Haroff said he appreciates the original commenter's participation in tonight's hearing and thoughts provided and also appreciates the response on the legal issue, particularly with respect to the lead agency. In reflecting on his own person experience where he has seen ample precedent under CEQA for allowing flexibility in the choice of lead agencies for the performance of environmental review for projects and he sees nothing inconsistent with both the CEQA guidelines and that precedent in the role MCE is playing as lead agency for this project. Therefore, he thinks MCE is in the best position as an entity participating in the success of this project, appreciates the City of Richmond's role in its review process and suggested moving forward.

Board Member Coler added that having worked in a public sector agency for 22 years, a State agency and subsequently a regional government agency for 5 years, she has personally been involved in many CEQA projects and she reinforced Board Member Haroff's comments, and voiced appreciation for the legal opinion.

Board Member O'Donnell said it is a sad day that CEQA has really become less and less about the environment and more and more about power. Governor Brown has tried to address this with reform to CEQA and this item follows that direction.

Noted Present:

Board Member Wagenknecht arrived and was noted present at 8:00 p.m.

ACTION: It was M/S/C (Butt/Haroff) to adopt Resolution 2015-06 of the Board of Directors of Marin Clean Energy Certifying the Final Environmental Impact Report for the MCE Richmond Solar PV Project, making environmental findings pursuant to the California Environmental Quality Act and adopting a mitigation monitoring and reporting program, and direction to staff to proceed with project implementation. Motion carried by unanimous roll call vote: (Absent: Athas and Greene).

8. Communications Update (Discussion)

Communications Director Jamie Tuckey referred to MCE's customer participation and enrollments and said she continues to report that their Light Green customer base is growing. Since September MCE has had almost 400 Light Green customers sign up and these were people who previously had opted out. She also reported MCE is conducting a small enrollment of approximately 200 customers which is scheduled in December. These customers are from communities throughout MCE's service area and staff became aware of this group earlier in the year as never having been offered service. This was a PG&E error and staff is sending out enrollment notices now.

Ms. Tuckey reported on MCE's Deep Green participation, stating there were 114 signups since September throughout MCE's service area. This is attributable to MCE's advertising campaign, advocate work promoting the program, mail-out of the power content label and the new 100% renewable brochure advertising Deep Green and Local Sol. The other reason for the spike is because MCE is allowing people for the first time to be able to sign-up for Deep Green at events without their PG&E account number.

Board Member Lyman commented that the City of El Cerrito is the only Council that is still 100% Deep Green.

Ms. Tuckey said the Board may have heard about the Deep Green Selfie Social Media Campaign running the entire month of October where people were invited to take selfies with their Deep Green stickers. The campaign was for residential customers and commercial customers were also invited to promote the campaign, put up stickers at their businesses and tell their customers about the campaign. There were 40 submissions from residents and 10 businesses directly supported the programs. She displayed a sample of the selfies taken and presented contest winners and their prizes.

Ms. Tuckey presented MCE's first quarterly newsletter which was distributed to cities, towns and organizations. The newsletter seeks to keep people informed about national, state and local issues and stories that impact member communities and customers. She welcomed Board feedback and ideas for stories via email for future newsletters.

Ms. Tuckey stated MCE held an "Understanding Your Energy Bill Workshop" in the City of Benicia. People were invited to attend and understand how to read their energy bill and staff is looking at holding future workshops in MCE's service area.

In response to a Board Member, Ms. Tuckey confirmed that the newsletters could be produced in Spanish. She added that an interpreter is also invited to attend workshops and she introduced Alexandra who is fluent in Spanish and leading their Latino outreach.

Regarding turnout of the workshop in Benicia, Ms. Tuckey reported 12 attendees.

Ms. Tuckey reported on another workshop which was held and geared for solar industries. It was hosted at MCE offices and installers from solar companies all over the Bay Area were invited to learn about MCE's net metering program and Feed-In Tariff. A total of 15 participants representing 9 different solar companies attended and 86% stated they would alter their messaging explaining better how customers can benefit from MCE if they install solar on their roof. She explained that in response to discrepancies, MCE staff wanted to get the correct information across and help people learn of MCE's offerings, as well as to build relationships with solar installers.

Board Member Withy asked for their reaction to time of day rates being proposed. Ms. Tuckey said staff discussed this and there are many questions and concerns with some uncertainty and impact on solar customers, given that rate schedules are being eliminated.

Ms. Tuckey reported on the Advocacy Training Workshop held wherein 25 individuals participated. They created a new web page on MCE's website just for the advocates who she said are continuing to do amazing work. Lastly, Ms. Weisz participated in the Policy Makers' Summit in Napa. Ms. Tuckey participated in the CSAC (California State Association of Counties) meeting-the Bay Area Regional Energy meeting in San Jose. Upcoming meetings include the United Nations Framework Convention on Climate Change Conference, held in Paris wherein Ms. Weisz will present.

Vice Chairperson Butt referred to the list of rankings for green power use and he questioned why some cities were not listed. Ms. Tuckey replied that MCE must apply for this on behalf of member communities on an annual basis and because of the timeline, some communities were not eligible, and she expected Richmond to be on the top 20 list next year.

9. Regulatory and Legislative Updates (Information Only)

Chairperson Sears referred to information contained in the Board packet on regulatory and legislative updates.

10. Board Member & Staff Matters (Discussion)

Ms. Weisz introduced Alexandra McCroskey, Community Power Organizer. As background, MCE applied for a grant to the San Francisco Community Foundation to fund a position to do community outreach, and Ms. McCroskey was recruited and hired successfully to handle that role.

Ms. Weisz then introduced David McNeil, Finance and Project Manager who attended the last Board meeting. She welcomed him to the organization.

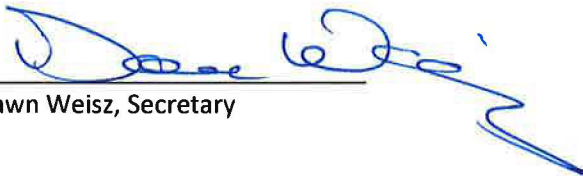
11. Adjournment

The Board of Directors adjourned the meeting at 9:00 p.m. to the next Regular Board Meeting on December 17, 2015.



Kate Sears, Chair

Attest:



Dawn Weisz, Secretary

APPROVED

DEC 17 2015

MARIN CLEAN ENERGY

